

SARA ELGI ARTERIORS LIMITED

12th ANNUAL REPORT

2015-16

SARA ELGI ARTERIORS LIMITED

Board of Directors

Mr. Sumanth Ramamurthi

Ms. Hemalatha Ramamurthi

Mr. A S Thirumoorthy

Auditors

M/s. S Murali Dharan & Co.,
1 Dhuruva Tara Apartments
241, Dr Rajendra Prasad Road
Tatabad, Coimbatore - 641 012

Registered Office

"Elgi Towers", 737-D
Pulaikulam Road
Coimbatore - 641 045

Phone

0422 - 2311711

Fax

0422 - 2311611

SARA ELGI ARTERIORS LIMITED

CIN: U28111TZ2003PLC010797

Regd. Off.: Elgi Towers", 737-D Puliakulam Road
Coimbatore – 641045

Phone No.: 0422 – 2311711 Fax No.: 0422 – 2311611

E-mail: investors@ssh.saraelgi.com Website: www.saraelgi.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWELVETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MONDAY, 25th JULY 2016 AT 10.00 A.M AT "ELGI TOWERS", 737-D, PULIAKULAM ROAD, COIMBATORE – 641 045, THE REGISTERED OFFICE OF THE COMPANY, TO TRANSACT THE FOLLOWING BUSINESS

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri. Sumanth Ramamurthi (DIN 00002773), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to the provisions of Section 139(1) & 142 of the Companies Act, 2013, the appointment of M/s.Murali Dharan & Co. (Firm Registration No.: 0096175), Chartered Accountants, Coimbatore as the Statutory Auditors of company for the financial year 2016-17 be and is hereby ratified on such remuneration as may be decided by the Board of Directors of the Company.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Members are requested to note that the venue of the 12th Annual General Meeting is at the Registered Office of the Company at "Elgi Towers", 737-D, Puliakulam Road, Coimbatore - 641 045 and the route map containing the complete particulars of the venue is attached to this Notice.

Place: Coimbatore

Date: 20th May 2016

By Order of the Board
For Sara Elgi Arteriors Limited



Sumanth Ramamurthi

Director

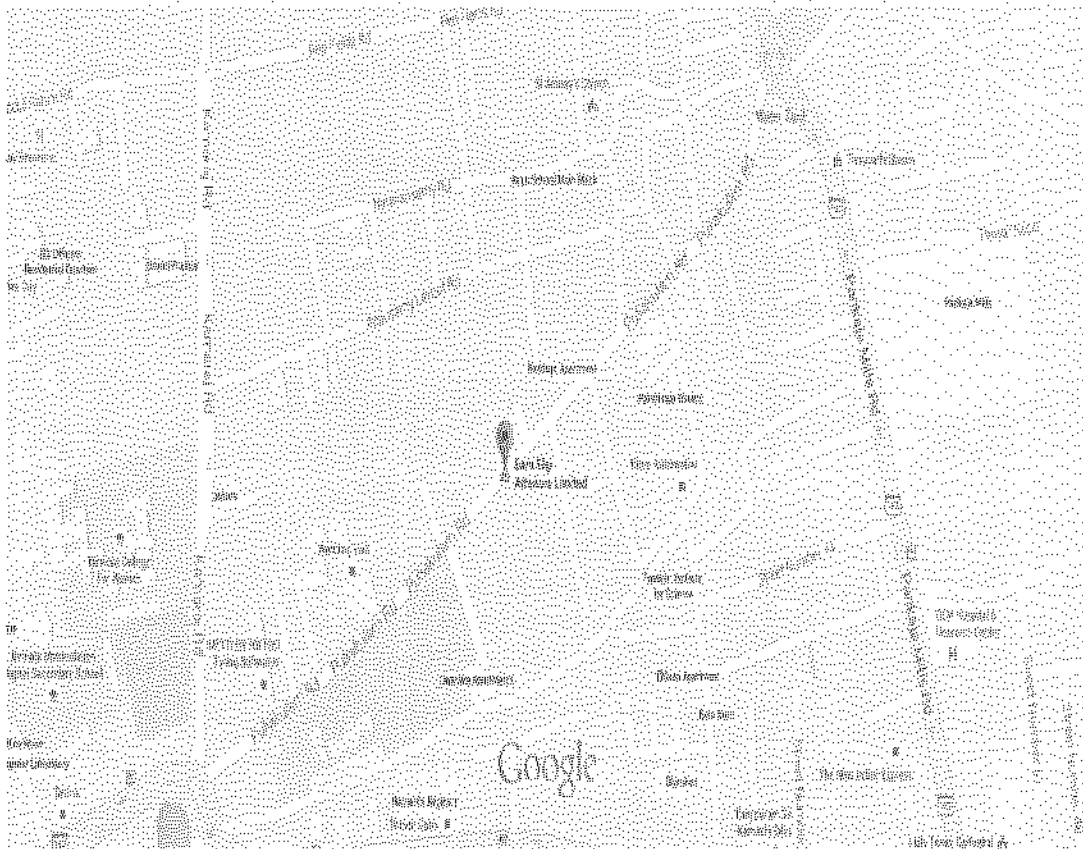
DIN: 00002773

Additional information of Directors seeking re-appointment as required under Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India

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

Name	Sumanth Ramamurthi
DIN	00002773
Date of Birth	12-08-1959
Date of first appointment on the Board	30-08-2008
Qualification	B.S (Electrical Engineering)
Expertise in area	More than three decades of experience in the field of Textiles and Engineering Industry
Terms and Conditions of appointment / re-appointment	Retires by rotation
Remuneration last drawn	NIL
Remuneration proposed to be paid	NIL
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is related to Ms. Hemalatha Ramamurthi, Director of the Company.
Number of meetings of the Board attended during the year	4 (Four)
Directorships of other Boards	Super Spinning Mills Ltd Precot Meridian Ltd Elgi Electric And Industries Ltd Elgi Ultra Industries Ltd Sara Elgi Industries Ltd Super Farm Products Private Ltd Elgi Building Products Ltd Super Sara Textiles Ltd
Membership/ Chairmanship of Committees of other Boards	Stakeholders Relationship Committee Precot Meridian Ltd - Chairman Super Spinning Mills Ltd - Member

Route Map



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 12th Annual Report of the Company along with audited financial statements for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS:

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

Particulars	(Rs. In Lakhs)	
	31.03.2016	31.03.2015
Sales	178.40	435.76
Total Income	178.40	435.76
Earnings before Interest, Depreciation & Tax	1.52	22.72
Less: Finance Cost	0.94	7.82
Earnings before Depreciation & Tax	0.58	14.90
Less: Depreciation	4.84	5.61
Net Profit / (Loss) before Tax	(4.26)	9.29
Less : Exceptional Items	1.18	--
Less: Provision for Taxation	--	3.49
Less: Deferred Tax	(0.71)	0.26
Profit / (Loss) after Tax	(4.73)	5.53
Net profit / (Loss) for the period	(4.73)	5.53

Review of business performance

Your Company has earned a total income of Rs.178.40 lakhs and incurred a loss of Rs.4.73 Lakhs, as compared to the total income of Rs.435.76 lakhs and earned a profit of Rs.5.53 Lakhs during the preceding year.

Change in the nature of business

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

Dividend

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

Transfer to reserves

The Company has not transferred any amount to its reserves during the year under review. However, the net loss of Rs.4.73 lakhs has been carried forward to the surplus in the statement of profit & loss account of the Company.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed Dividend, the provisions of Section 205A & 205C of the Companies Act, 1956 relating to transfer of Unclaimed dividend to Investor Education and Protection fund does not arise.

Share Capital

The Issued, subscribed and paid-up share capital of the Company as at 31.03.2016 stood at Rs.2,50,00,000/- divided into 25,00,000 equity shares of Rs.10/- each. During the year under review the Company has not made any fresh issue of shares.

Extract of Annual Return

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

Board meetings conducted during the period under review

The Company had conducted Four (4) Board meetings on 18.05.2015, 31.07.2015, 29.10.2015 and 23.01.2016 during the period under review.

Name of the Director	Board Meeting	
	Meeting held	Meeting attended
Mr. Sumanth Ramamurthi	4	4
Ms. Hemalatha Ramamurthi	4	4
Mr. A S Thirumoorthy	4	4

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those standards;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government

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

Declaration of Independent Directors

The provisions of Section 149 of the Companies Act, 2013 pertaining to the appointment of Independent Directors do not apply to our Company.

Company's policy relating to Directors appointment, payment of remuneration and other matters provided under section 178(3) of the Companies Act, 2013

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

Auditors' report

There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

The Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the year under review. However, the details in respect of investments made by the Company in earlier years have been disclosed in the notes to the Financial Statements.

Particulars of contracts or arrangements with related parties

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2015-16 were in the ordinary course of business and on an arm's length basis. The particulars of the contracts or arrangements entered in to with the related parties have been disclosed in Form AOC-2 and are attached herewith as Annexure 2 to this report .

Material changes and commitments affecting the financial position of the company

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

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as Annexure 3 to this report.

Statement concerning development and implementation of risk management policy of the company

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is minimal.

Disclosure of composition of Audit Committee and Vigil mechanism

The Company was not required to constitute an Audit Committee of the Board as the provisions of Section 177 read with Rule 6 of Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to the Company. The Company is not required to establish a vigil mechanism since it does not satisfy the conditions prescribed under Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence, disclosure regarding the details of such mechanism in this report is not applicable.

Details of policy developed and implemented by the company on its corporate social responsibility initiatives

The Company has not initiated any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

Annual evaluation of the Board on its own performance and of the individual Directors

The Board has not undertaken an annual evaluation of its own performance and of the Individual Directors as the said provisions are not applicable to the company.

Directors & Key Managerial Personnel

Mr. Sumanth Ramamurthi (DIN: 00002773), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Your Directors recommend his re-appointment.

Subsidiaries, Joint Ventures and associate companies

The Company has one Subsidiary namely Elgi Building Products Limited. However, the Company does not have Joint venture or Associate Companies.

Further, the Company is a subsidiary of Super Spinning Mills Limited.

A report containing the salient features of the subsidiary 'Elgi Building Products Limited' as required under Section 129(3) of the Companies Act, 2013 has been annexed herewith in Form AOC-1 and is attached as Annexure 4 to this report.

Fixed Deposits

The Company has not accepted any fixed deposits and hence there are no unclaimed deposits as on 31st March 2016.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Internal financial control systems and their adequacy

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems. The Board reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the company, recommendations made for corrective action and the internal audit reports.

Auditors

Statutory Auditors

M/s.S.Murali Dharan & Co, Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the company for a period of five years at the Annual General Meeting held on 8th August 2014. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the ratification of their appointment is to be done at the ensuing Annual General Meeting. The Company has obtained written confirmation from the Auditors to the effect that the ratification of their appointment if made would be in conformity with the provisions of Companies Act, 2013. Members are requested to ratify their appointment.

Particulars of employees

Since the Company is an Unlisted Company, provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, does not apply to the Company.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- if employed throughout the year or Rs.5,00,000/- per month if employed for part of the year.

Disclosure under the Sexual Harassment of Workmen at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not employed any women employees on any part of the financial year under review. Hence the Company has not formulated and implemented the Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgments

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.

By order of the Board
For SARA ELGI ARTERIORS LIMITED



Place : Coimbatore
Date : 20th May 2016

Sumanth Ramamurthi
Director
DIN : 00002773



A S Thirumoorthy
Director
DIN : 03604474

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U28111TZ2003PLC010797
ii)	Registration Date	16.10.2003
iii)	Name of the Company	SARA ELGI ARTERIORS LIMITED
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Elgi Towers, 737 D Puliakulam Road, Coimbatore – 641045 Tel. No: 0422-2311711 Fax No: 0422-2311611 Email ID: investors@ssh.saraelgi.com Website: www.saraelgi.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

AI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	UPVC Windows	39252000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Super Spinning Mills Limited 'ELGI Towers', P.B. No.:7113, Green Fields, Puliakulam Road, Coimbatore – 641045	L17111TZ1962PLC001200	Holding company	100.00	2(46)

2	Elgi Building Products Limited 'Elgi Towers', 737D, Pappanaickenpalayam Road, Pulikulam, Coimbatore – 641045	U45201TZ1996PLC007037	Subsidiary Company	58.32	2(87)
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	2	2	0	-	2	2	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2499994	2499994	100	-	2499994	2499994	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	-	2499996	2499996	100	-	2499996	2499996	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)	-	2499996	2499996	100	-	2499996	2499996	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	4	4	0	-	4	4	0	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	4	4	0	-	4	4	0	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	4	4	0	-	4	4	0	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2500000	2500000	100	-	2500000	2500000	100	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Super Spinning Mills Limited	2499994	100	-	2499994	100	-	-
2	Sumanth Ramamurthi	1	0.00	-	1	0.00	-	-
3	Hemalatha Ramamurthi	1	0.00	-	1	0.00	-	-
TOTAL		2499996	100	-	2499996	100	-	-

iii) Change in Promoters' Shareholding

S. NO	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There has been no change in the shareholding of the promoters during the year.			
	Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	NAME OF SHAREHOLDER	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	K. R. SEETHAPATHY				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	V.SOUNDARARAJAN				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
3	S.MALLIKA				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
4	K.BHASKARAN				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	NAME OF DIRECTOR AND KEY MANAGERIAL PERSONNEL	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUMANTH RAMAMURTHI				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	A S THIRUMOORTHY				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	HEMALATHA RAMAMURTHI				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18.15	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18.15	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	18.15	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

S. No.	Particulars of Remuneration	MD/WTD/MANAGER		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify			
	Total (A)			
	Ceiling as per the Act			

NOT APPLICABLE

B. Remuneration to Other Directors

S. No	Particulars of Remuneration	Name of Directors			Total Amount
		Sumanth Ramamurthi	A.S. Thirumoorthy	Hemalatha Ramamurthi	
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Not exceeding Rs.1 lakh per Board Meeting	Not exceeding Rs.1 lakh per Board Meeting	Not exceeding Rs.1 lakh per Board Meeting	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total				


NOT APPLICABLE


VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board
For SARA ELGI ARTERIORS LIMITED

Place : Coimbatore
Date : 20th May 2016


Sumanth Ramamurthi
Director
DIN : 00002773


A S Thirumoorthy
Director
DIN : 03604474

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No	Name of the related party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any;	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	M/s.Elgi Building Products Limited	Mr.Sumanth Ramamurthi and Mr.A.S.Thirumoorthy interested as Directors.	Purchase and Sale of Goods	01.01.2016 to 31.12.2020	Transaction value not exceeding Rs.25 Crores per annum.	18.05.2015	

By Order of the Board
For SARA ELGI ARTERIORS LIMITED

Place : Coimbatore

Date : 20th May 2016

Sumanth Ramamurthi

Director

DIN : 00002773

A S Thirumoorthy

Director

DIN : 03604474

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo
 [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies
 (Accounts) Rules, 2014]

A. Conservation of Energy

(i) Steps taken for conservation of energy:

Though the operations of the Company are not power intensive, the Company is making continuous efforts to conserve and optimise energy consumption by economising on fuel and power.

(ii) Steps taken by the Company for utilising alternate sources of energy

The Company has not undertaken any steps for utilising alternate sources of energy.

(iii) Capital investment on energy conservation equipment

The Company has not undertaken any capital investment on energy conservation equipment during the year.

B. Technology Absorption:

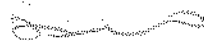
- i) the efforts made towards technology absorption - Nil
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Nil
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a) the details of technology imported - Nil
 - b) the year of import - Nil
 - c) whether the technology been fully absorbed - Nil
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Nil and
- iv) the expenditure incurred on Research & Development - Nil

C. Foreign Exchange Earnings and outgo

(In Rs.)

Particulars	2015-16	2014-15
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-
CIF Value of Imports of Raw Materials	16.07	44.69

**By Order of the Board
For SARA ELGI ARTERIORS LIMITED**



Place : Coimbatore

Sumanth Ramamurthi

A S Thirumoorthy

Date : 20th May 2016

Director

Director

DIN : 00002773

DIN : 03604474

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiary

(Rs. in lakhs)

S. No.	Particulars	Details
1.	Name of the subsidiary	Elgi Building Products Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	1469.60
5.	Reserves & surplus	(795.87)
6.	Total assets	676.17
7.	Total Liabilities	676.17
8.	Investments	-
9.	Turnover	135.21
10.	Profit before taxation	48.08
11.	Provision for taxation	10.51
12.	Profit after taxation	37.57
13.	Proposed Dividend	-
14.	% of shareholding	58.32%

Notes:

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

The Company does not have any associate or joint ventures.

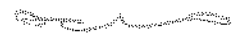
By Order of the Board
For SARA ELGI ARTERIORS LIMITED



Sumanth Ramamurthi

Director

DIN : 00002773



A S Thirumoorthy

Director

DIN : 00002773

Place : Coimbatore

Date : 20th May 2016

S. MURALI DHARAN & CO

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARA ELGI ARTERIORS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sara Elgi Arteriors Limited, which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

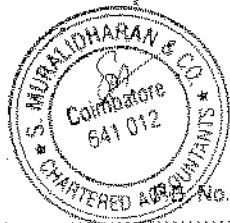
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



No. : 2974 # 1 DHARUVATARA 241 Dr. RAJENDRA PRASAD ROAD TATABAD COIMBATORE 641 012
PHONE : 0422-2493755, 6475589 TELEFAX : 2494479 E-mail : smdservices1963@gmail.com / dharan2001@eth.net
Website : www.smdconsultancy.com

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B" and
 - g) With respect to the other matters to be included in the Auditor's Report and to the best of our information and according to the explanations given to us:
 - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
 - iii. there were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Coimbatore
Date : 20.05.2016

For S.Murali Dharan & Co
Chartered Accountants
(Firm Regn. No. 009617S)

S. Murali Dharan
Partner
(M. No. 026554)



ANNEXURE - 'A' TO THE AUDITORS' REPORT

(As required by Companies (Auditor's Report) Order, 2016 & referred to in our report of even date)

- 1) (a) As per the information provided by the management, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 (c) The title deeds of all the immovable properties of the company shown under the Fixed Assets Schedule are held in the name of the company.
- 2) As per the information & explanations given to us, physical verification of inventory has been conducted by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and the discrepancies noticed on verification were not material.
- 3) According to the information and explanations provided to us, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- 4) In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Act have been complied with.
- 5) The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly Paragraph 3(5) of order is not applicable to the company.
- 6) According to the information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the company.
- 7) a) According to the information and explanations given and on the basis of our examination of the records of the company, we report that wherever applicable, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the particulars of statutory dues as at March 31, 2016, which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of the Disputed Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where disputes are pending
i) Sales Tax	Rate Difference	149.42	2004-2008	Chennai High Court
ii) Income Tax	Disallowance u/s 14A	5.83	2011-2012	CIT (Appeals), Coimbatore.
iii) Income Tax	Disallowance u/s 14A	2.24	2012-2013	CIT (Appeals), Coimbatore.
iv) Sales Tax	CST Rate Difference	0.78	2010-2011	Appellate Deputy Commissioner of Commercial Taxes, Coimbatore.
	CST Rate Difference	0.46	2011-2012	

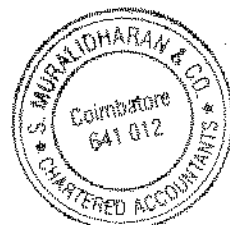


- 8) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holders as at the Balance Sheet date.
- 9) The company has not raised any moneys by way of Initial Public Offer / Further Public Offer and term loans during the year. Accordingly Paragraph 3(9) of the order is not applicable to the company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no fraud on the company by its officers / employees has been noticed / reported during the course of our audit.
- 11) According to information and records provided to us, the company has not paid or provided Managerial Remuneration during the year. Accordingly Paragraph 3(11) of the order is not applicable to the company.
- 12) In our opinion and according to the information and explanations provided to us, the company is not a Nidhi Company. Accordingly Paragraph 3(12) of the order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as stipulated u/s 192 of the Act. Accordingly Paragraph 3(15) of the order is not applicable.
- 16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Coimbatore
Date : 20.05.2016

For S.Murali Dharan & Co.
Chartered Accountants
(Firm Reg. No.009617S)

S. Murali Dharan
Partner
(M. No.026554)



ANNEXURE - 'B' TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Sara Elgi Arteriors Limited as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore
Date : 20.05.2016

For S.Murali Dharan & Co.
Chartered Accountants
(Firm Reg. No.009617S)

S. Murali Dharan
Partner
(M. No.026554)



SARA ELGI ARTERIORS LIMITED
Balance Sheet as on 31st March 2016

Rs.in lacs

Sl.No	Particulars	Note No.	As on 31.03.2016	As on 31.03.2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	250.00	250.00
	(b) Reserves and surplus	4	345.50	350.23
2	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	5	3.41	4.12
3	Current liabilities			
	(a) Short-term borrowings	6	-	18.15
	(b) Trade payables	7	74.52	63.86
	(c) Other current liabilities	8	27.25	42.33
	(d) Short-term provisions	9	3.75	4.47
	TOTAL		704.44	733.16
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets			
	Tangible assets	10	236.35	241.19
	(b) Non-current investments	11	293.75	293.75
2	Current assets			
	(a) Inventories	12	116.03	129.13
	(b) Trade receivables	13	41.07	64.43
	(c) Cash and cash equivalents	14	11.82	0.22
	(d) Short-term loans and advances	15	5.41	4.44
	TOTAL		704.44	733.16

See accompanying notes forming part of the financial statements

For and on behalf of the Board

As per our report of even date attached

For S.Murali Dharan & Co

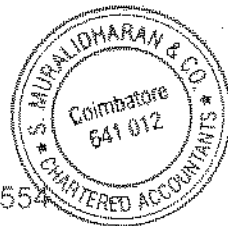
Chartered Accountants

Registration No.009617S

S Murali Dharan

Partner, Membership No.026554

Coimbatore, 20 th May'2016

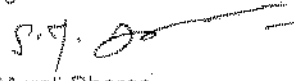
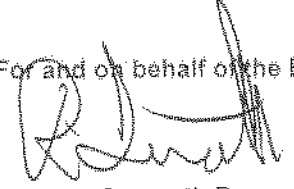




Sumanth Ramamurthi

Director

A S Thirumoorthy

Director

SARA ELGI ARTERIORS LIMITED				
Statement of Profit and Loss for the year ended 31st March 2016				
(Rs in Lakhs)				
Sl.No	Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I.	Revenue from operations	16	178.40	435.76
III.	Total Revenue (I + II)		178.40	435.76
IV.	Expenses:			
	Cost of materials consumed	17	96.71	273.05
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	2.50	4.46
	Employee benefits expense	19	40.23	65.20
	Finance costs	20	0.94	7.82
	Depreciation and amortization expense	10	4.84	5.61
	Other expenses	21	37.44	70.33
	Total expenses		182.65	426.47
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(4.25)	9.28
VI.	Exceptional items : Prior Yr Exp		1.18	0.00
VII.	Profit before extraordinary items and tax (V - VI)		(5.43)	9.28
VIII.	Extraordinary Items		0.00	0.00
IX.	Profit before tax (VII- VIII)		(5.43)	9.28
X.	Tax expense:			
	(1) Current tax			3.49
	(2) Deferred tax		(0.71)	0.26
XI.	Profit (Loss) for the year (IX - X)		(4.73)	5.53
XII.	Tax expense of earlier years		0.00	0.00
XIII.	Profit/(loss) for the year after tax (XI-XII)		(4.73)	5.53
XIV.	Profit (Loss) for the year (XI + XIII)		(4.73)	5.53
XV.	Earnings per equity share:in Rs			
	(1) Basic		(0.19)	0.22
	(2) Diluted		(0.19)	0.22
See accompanying notes forming part of the financial statements				
As per our report of even date attached For S.Murali Dharan & Co Chartered Accountants Registration No.009617S			For and on behalf of the Board	
S.7. 				
S Murali Dharan Partner, Membership No.026554			Sumanth Ramamurthi Director	
Coimbatore, 20 th May,2016				
			A S Thirumoorthy Director	

SARA ELGI ARTERIORS LIMITED

Notes forming part of the financial statements

1 Corporate Information

Sara Elgi Arteriors Limited is a closely held company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture and selling of UPVC Windows and Doors. The Company have manufacturing unit in Coimbatore, Tamil Nadu.

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 Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

2.2 Fixed Assets

- 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.
- a.
- 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

- Depreciation on Fixed assets is charged on straight line method based on the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013, on a pro-rata basis corresponding to the date of installation / commissioning.
- a.
- 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.

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 purchases, 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

- The Company follows the mercantile system of accounting and recognised income and expenditure on accrual basis except those with significant uncertainties.
- a.
 - b. Sale of good is accounted when the risk and reward of ownership are passed on to the customers.
 - c. Domestic sales are 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

- 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.
- a.
 - b. Provident Fund contribution is as per the rates prescribed by the Employees' Provident Fund 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.

2.9 Exchange Fluctuation

- 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 rate of exchange prevailing on the date of the Balance sheet. Resultant gain or loss is charged to the statement of Profit and Loss.
- a.
 - b. All other income or expenditure in foreign currency is recorded at the rates of exchange prevailing on the date when the transactions took place.

2.10 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.

2.11 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 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 assets 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 is 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 weighted average number of equity shares outstanding during the year.

3 Share Capital

Particulars		As on 31-03-2016	As on 31-03-2015
Authorised			
25,00,000 Equity Shares of Re 10/- each		250.00	250.00
Issued, Subscribed & Fully Paid			
25,00,000 Equity Shares of Re 10/- each		250.00	250.00
Total		250.00	250.00
Shareholders holding more than 5% of paid up capital			
Name of the Shareholder	No. of Shares & % of shares		
	2015-2016	2014-2015	
Equity Shares			
Super Spinning Mills Limited	24,99,994 100.00%	24,99,994 100.00%	

4 Reserves and Surplus

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
a.	Securities Premium Reserves	100.00	100.00
b.	General Reserve		
	Opening Balance	13.03	13.03
	Add: Amount Transferred		
	Closing Balance	13.03	13.03
c.	Surplus in Statement of Profit and Loss account		
	Opening Balance	237.20	232.65
	Add: Depreciation adj. as per new act 2013		(0.98)
	Add: Amount Transferred	(4.73)	5.53
	Closing Balance	232.47	237.20
	Total Reserves and Surplus	345.50	350.23

5 Deferred Tax Assets / (Liabilities)

Sr. No	Particulars	Balance as of 31.03.2015	Charge / Credit	Closing Balance as of 31.03.2016
	Depreciation	4.14	0.65	3.49
	Others	(0.02)		(0.02)
	Total (Assets) / Liabilities	4.12	0.65	3.47

6 Short Term Borrowings

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Loans repayable on demand			
	From Banks (Secured)			
	-Working Capital facilities			18.15
	-Short Term Loan			
	-From Corporates (Unsecured)			
	Total			18.15

6.1 Working Capital loans are secured by hypothecation of Company's Inventories, Book Debts and Other Current Assets and Corporate Guarantee of Parent Company.

7 Trade Payables

As on 31.03.2016

As on 31.03.2015

Sundry Creditors for the year

74.52

53.85

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 31.03.2013

8 Other Current Liabilities

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Statutory liabilities		8.67	14.04
	Liabilities for Employees cost		2.39	2.82
	Liabilities for Expenses		2.18	5.70
	Advance against sales		14.02	19.76
	TOTAL		27.25	42.33

9 Short Term Provisions

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	For Bonus		0.40	1.00
	For Gratuity		(0.34)	(0.21)
	Provision for Taxation		3.69	3.69
			3.75	4.47

11 Non Current Investments

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Investments in Subsidiaries			
	Eigi Building Products Ltd			
	41,96,405 equity shares of Rs.10 each fully paid		293.75	293.75
	Total		293.75	293.75

12 Inventories

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Valued at Cost or Net Realisable value whichever is lower			
	Raw Materials		98.15	108.75
	Work in Process		16.64	19.11
	Trading Goods		1.24	1.27
	Total		116.03	129.13

13 Trade Receivables

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	(Unsecured, considered good)			
	Outstanding for a period exceeding 6 months		41.07	64.43
	Others			
	Total		41.07	64.43

14 Cash and Cash Equivalents

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Balance with Banks		11.29	0.18
	Cash on Hand		0.53	0.04
	Balance with Deposits accounts			
	Total		11.82	0.22

15 Short Term Loans and Advances

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Unsecured, considered good			
	Loans and Advances		0.18	0.57
	Advance payment of taxes		4.36	3.46
	Deposits with Excise and Customs Authorities		0.87	0.38
	Other Deposits		-	0.02
	Total		5.41	4.44

16 Revenue from Operations

Sr. No	Particulars		For the year ended 31-03-2016	For the year ended 31-03-2015
	Sale of products		181.51	445.45
	Other operating revenues		16.85	37.64
	Less: Excise duty		19.96	47.33
	Total		178.40	435.76

17 Cost of Materials Consumed

Sr. No	Particulars		For the year ended 31-03-2016	For the year ended 31-03-2015
	Opening Stock		108.75	75.62
	Add: Purchases		86.11	306.18
	Less: Closing Stock		98.16	108.75
	Total		96.71	273.05

18 Changes in Inventories

Sr. No	Particulars		For the year ended 31-03-2016	For the year ended 31-03-2015
	Change in Inventories of Finished goods, WIP and Stock in Trade Inventories at the end of the year			
	Finished goods			
	Stock in process		16.64	19.11
	Stock in Trade		1.24	1.27
	Total		17.88	20.38
	Inventories at the beginning of the year			
	Finished goods			
	Stock in process		19.11	23.15
	Stock in Trade		1.27	1.68
	Total		20.38	24.84
	Net (Increase) / Decrease		2.50	4.46

19 Employee Expenses Benefits

Sr. No	Particulars		For the year ended 31-03-2016	For the year ended 31-03-2015
	Salaries		36.96	61.98
	Contributions to			
	- Provident Funds		0.94	1.63
	- Super Annuation Funds		-	(0.84)
	Gratuity Fund Contributions		0.00	2.44
	Welfare Expenses		2.33	65.20
	Total		40.23	

20 Finance Cost

Sr. No	Particulars		For the year ended 31-03-2016	For the year ended 31-03-2015
	Interest		0.12	6.52
	Other Borrowing cost		0.81	1.31
	Total		0.94	7.82

21 Other Expenses

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Power and Fuel		4.47	5.54
	Repairs and Maintenance		1.19	2.13
	Processing Charges		0.71	4.20
	Selling Expenses		13.17	35.76
	Rent		3.80	4.40
	Insurance Charges		0.53	0.74
	Postage, Telephone and Printing		1.42	1.57
	Travelling and Transport charges		6.31	8.65
	Bank charges and commission		0.00	0.00
	Taxes and Licenses		0.20	0.42
	Professional Charges		0.99	1.31
	Audit Fees		0.80	0.80
	Others		3.85	4.81
	Total		37.44	70.33

21.1 Auditors' Remuneration:

	Particulars		As on 31-03-2016	As on 31-03-2015
	As Auditor		0.55	0.55
	For other services		0.25	0.25
			0.80	0.80

22 Additional Information to the Financial Statements

22.1	Contingent Liabilities:	As on 31-03-2016	As on 31-03-2015
	Bank Guarantees		
	Disputed Sales tax liability	150.25	161.97

22.2	Expenditure in Foreign Exchange:	As on 31-03-2016	As on 31-03-2015
	CIF value of imports of Raw Materials	16.07	44.69
	Logo Designing Charges	16.07	44.69

22.3	Earnings per Share: The following reflects the income and share data used in the computation of Basic Earnings per Share	As on 31-03-2016	As on 31-03-2015
	Amount used as Numerator		
	Net Profit attributable to the ordinary shareholders for Basic and Diluted Earnings per Share	(4.73)	5.53
	No. of ordinary shares used as denominator applicable.		
	Balance at the beginning of the year	25.00	25
	Issue of shares		
	Nominal value per share(Rs.)	10.00	10
	No. of Equity Shares(Weighted Average)	25.00	25
	Basic Earnings per Share(Rs.)	(0.19)	0.22

22.4 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	31.03.2016	31.03.2015
Present value of the Obligation as on 1st April	223200	286773
Current Service Cost	28774	58561
Interest Cost	17856	22942
Actuarial (Gains) and Losses	-28783	-145076
Benefits Paid	0	0
Present value of the Obligation as on 31st March	241047	223200

The liability of the Company as of 31st of March 2015 has been funded to the extent of Rs 2.75 lakhs.

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

Particulars	31.03.2016	31.03.2015
Fair value of the Plan Assets as on 1st April	244386	225562
Expected Return on Plan Assets	22170	20886
Contributions by the Employer	8319	-2062
Benefits paid	0	0
Fair value of the Plan Assets as on 31st March	274874	244386

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

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

Particulars	31.03.2016	31.03.2015
Current Service Cost	28774	58561
Interest Cost	17856	22942
Expected Return on Plan Assets	-22170	-20886
Post Service tax		
Actuarial (Gains) and Losses	-28783	-145076
Amount recognised in the Profit and Loss Account	-4323	-84459

The expenses has been included under the head "Contribution to Gratuity" under the "Employee cost" in the Statement of Profit and Loss.

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

- f Principal Actuarial Assumptions used at the Balance Sheet date is as follows.

Particulars	31.03.2016	31.03.2015
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Rate of escalation in salary(per annum)	6.00%	6.00%

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	31.03.2016	31.03.2015
Present value of the Defined Benefit Obligation	241047	223200
Fair value of Plan Assets	274874	244386
Deficit in Plan Assets	33827	21185
Experience Adjustments arising on Plan Liabilities as an amount	33827	21185
Experience Adjustments arising on Plan Assets as an amount	0	0

SARA ELGI ARTERIORS LIMITED

2015-16 STATEMENT OF DEPRECIATION FOR THE YEAR ENDED 31ST MARCH 2016

10 Fixed Assets		Rs									
Sl No	Particulars	Gross Block				Depreciation			Net Block		
		As at 01.04.15	Additions	Disposals	As at 31.03.16	As at 01.04.15	For the year	Due to Chng in Mchd	As at 31.03.16	As at 31.03.16	As at 31.03.15
a	Tangible Assets										
1	Land	206.41	0.00	0.00	206.41	0.00	0.00	0.00	0.00	206.41	206.41
2	Plant & Machinery	67.63	0.00	0.00	67.63	35.88	4.28	0.00	40.16	27.47	31.75
3	Electrical Fittings	3.67	0.00	0.00	3.67	2.77	0.16	0.00	2.93	0.73	0.89
4	Computers	15.47	0.00	0.00	15.47	14.70	0.00	0.00	14.70	0.77	0.77
5	Furniture & Fittings	9.65	0.00	0.00	9.65	8.74	0.25	0.00	9.00	0.65	0.90
3	Office furniture & fittings	4.47	0.00	0.00	4.47	4.00	0.14	0.00	4.14	0.33	0.46
	Total	307.28	0	0	307.28	66.09	4.84	0.00	70.93	236.35	241.19
	Previous Year	306.89	0.39	0.00	307.28	59.50	5.61	0.98	66.09	241.19	247.39

SARA ELGI ARTERIORS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR FINANCIAL YEAR 2015-16			
		2015-16	2014-15
A.	Cash Flow from operating activities :		
	Net Profit before tax and extraordinary items	(5.43)	9.28
	Adjustment for :		
	Depreciation	4.84	5.61
	Miscellaneous Income (Interest Income)		
	Interest Payments	0.12	6.52
	Operating Profit before working capital changes	(0.47)	21.41
	Adjustments for :		
	Trade receivables	23.36	98.13
	Other receivables	(0.97)	115.33
	Inventories	13.10	(28.67)
	Trade and other payables	(5.13)	(149.48)
	Cash generated from operations	29.88	56.72
	Direct taxes paid		
	Net Cash Flow from operating activities	29.88	56.72
B	Cash Flow from Investing activities :		
	Purchase of fixed assets		(0.39)
	Sale of fixed assets		
	Purchase of investments		
	Miscellaneous Income	-	-
	Interest received	0.00	-
	Net cash used for investing activities	0	(0.39)
C	Cash Flow from financing activities :		
	Short term borrowings	(18.15)	(61.42)
	Long term borrowings		
	Interest paid	(0.12)	(6.52)
	Share Capital		
	Unsecured loans & deposits		
	Dividends and Tax on Dividend paid		
	Net cash flow from financing activities	(18.28)	(67.93)
	Net Increase / (Decrease) in cash and cash equivalent	11.60	(11.61)
	Cash and cash equivalents - Opening	0.22	11.83
	Cash and cash equivalents - Closing	11.82	0.22
<p>As per our report of even date attached For S.Murali Dharan & Co Chartered Accountants Registration No.009617S.</p> <p><i>S.M. Dharan</i> S Murali Dharan Partner, Membership No.026554 Coimbatore, 20 th May'2016</p>		<p>For and on behalf of the Board</p> <p><i>Sumanth Ramamurthi</i> Sumanth Ramamurthi Director</p> <p><i>A S Thirumoorthy</i> A S Thirumoorthy Director</p>	

22.5 Related Party Disclosure(as certified by the Management)

(i) Names of Related parties and description of Relationship:

a) Key Management Personnel

Sumanth Ramamurthi, Director

A S Thirumoorthy, Director

b) Holding Company

Super Spinning Mills Ltd

c) Subsidiary

Elgi Building Products Ltd

d) Others

Elgi Electric and Industries Ltd

Sara Elgi Industries Ltd

Sara Elgi Envirotech Ltd

Precot Meridian limited

(ii) Related Party Transactions:

(Rs. in Lakhs)

Nature of Transaction	Subsidiary Company		Holding Company		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase of goods	33.79	113.68					33.79	113.68
Sales of goods	2.49	3.94	0.62	1.10			3.11	5.04
Purchase of Fixed Assets								
Rent paid			3.42	3.37			3.42	3.37
Interest Paid				6.29				6.29
Loan Received					10.00		10.00	
Loan Repaid					10.00		10.00	
Other Payments					0.60	4.80	0.60	4.80
Other Receipts			0.17	0.16	0.74	0.89	0.91	1.05
Amount outstanding at year end - Dr				0.82				0.82
Amount outstanding at year end - Cr	68.28	39.84				0.48	68.28	40.32

22.6 The Company operates in one primary segment, viz Builder's ware of Plastics - PVC Frames.

22.7 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classifications / disclosure.

As per our report of even date attached

For S.Murali Dharan & Co

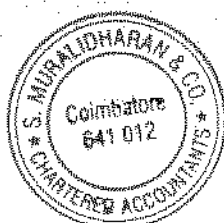
Chartered Accountants

Registration No.009617S

S Murali Dharan

Partner, Membership No.026554

Coimbatore, 20 th May 2016



For and on behalf of the Board

Sumanth Ramamurthi
Director

A S Thirumoorthy
Director

ELGI BUILDING PRODUCTS LIMITED

20th ANNUAL REPORT

2015-16

ELGI BUILDING PRODUCTS LIMITED

Board of Directors

Mr. Sumanth Ramamurthi (Up to 21.05.2016)

Mr. Vidyasagar Ramdass

Mr. R Ragupathy

Mr. A S Thirumoorthy

Mr. N Ravichandran

Manager

Mr. P Nagarajan

Auditor

M/s S Murali Dharan & Co.,

1, Dhuruva Tara Apartments

241, Dr Rajendra Prasad Road

Tatabad, Coimbatore - 641 012

Bankers

Corporation Bank

Industrial Finance Branch

Coimbatore

Registered Office

"Elgi Towers", 737 - D

Pappanaickenpalayam Road

Puliakulam

Coimbatore - 641 045

Tamil Nadu

Phone

0422 - 2311711

Fax

0422 - 2314411

ELGI BUILDING PRODUCTS LIMITED

CIN: U45201TZ1996PLC007037

Regd. Off.: "Elgi Towers", 737-D Pappanaickenpalayam Road
Puliakulam, Coimbatore – 641045

Phone No.: 0422 – 2311711 Fax No.: 0422 – 2311611

E-mail: investors@ssh.saraelgi.com Website: www.saraelgi.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MONDAY, THE 25th JULY 2016 AT 9.30 A.M AT ELGI TOWERS", 737-D, PAPPANAICKENPALAYAM ROAD, PULIAKULAM, COIMBATORE – 641 045, THE REGISTERED OFFICE OF THE COMPANY, TO TRANSACT THE FOLLOWING BUSINESS

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements including Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. N Ravichandran (DIN 06903916), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s.Murali Dharan & Co. (Firm Registration No.: 0096175), Chartered Accountants, Coimbatore be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors.

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Members are requested to note that the venue of the 20th Annual General Meeting is at the Registered Office of the Company at "Elgi Towers", 737-D, Pappanaickenpalayam Road, Puliakulam, Coimbatore - 641 045 and the route map containing the complete particulars of the venue is attached to this Notice.

By Order of the Board

For Elgi Building Products Limited

Place: Coimbatore

Date: 20th May 2016


Sumanth Ramamurthi

Director

DIN: 00002773

Additional information of Directors seeking re-appointment as required under Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India

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

Name	N Ravichandran
DIN	06903916
Date of Birth	21-02-1960
Date of first appointment on the Board	20-08-2014
Qualification	B.E (Mechanical Engineering)
Expertise in area	More than three decades of experience in the field of Engineering Industry
Terms and Conditions of appointment / re-appointment	Retires by rotation
Remuneration last drawn	Rs.10,000/- paid as sitting fees
Remuneration proposed to be paid	Sitting Fees Only
Shareholding in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Director's of the Company.
Number of meetings of the Board attended during the year	5 (Five)
Directorships of other Boards	Sara Elgi Industries Ltd Elgi Electric And Industries Ltd
Membership/ Chairmanship of Committees of other Boards	NIL

Route Map



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 20th Annual Report of the Company along with audited financial statements for the year ended 31st March, 2016.

Financial Highlights:

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

Particulars	(Rs. In Lakhs)	
	31.03.2016	31.03.2015
Sales	42.51	213.76
Total Income	135.21	221.12
Earnings before Interest, Depreciation & Tax	74.55	30.97
Less: Finance Cost	0.11	1.55
Earnings before Depreciation & Tax	74.44	29.42
Less: Depreciation	17.45	34.53
Profit / (Loss) before Tax	56.99	(5.11)
Less: Deferred Tax	10.51	(1.50)
Profit after Tax	46.48	(3.62)
Less: Exceptional Items	8.91	—
Net profit / (Loss)	37.57	(3.62)

Review of business performance

Your Company has earned a total income of Rs.135.21 Lakhs and earned a profit of Rs.37.57 Lakhs as compared to the total income of Rs.221.12 Lakhs and a loss of Rs.3.62 Lakhs during the preceding year.

Change in the nature of business

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

Dividend

In order to conserve reserves the Directors do not recommend any dividend for the year ended 31st March 2016.

Transfer to Reserves

The company has not transferred any amount to its reserves. However, the current profit after tax of Rs.37.57 lakhs has been carried forward to the surplus in the statement of profit & loss account of the Company.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed Dividend, the provisions of Section 205A & 205C of the Companies Act, 1956 relating to transfer of Unclaimed dividend to Investor Education and Protection fund does not arise.

Share Capital

The issued, subscribed and paid-up share capital of the Company as at 31.03.2016 stood at Rs.14,69,60,000/- divided into 71,96,000 equity shares of Rs.10/- each, 70,00,000 10% 8 years Non-cumulative Preference Shares of Rs.10/- each and 5,00,000 10% 8 years cumulative preference shares of Rs.10/- each. During the year under review the Company has not made any fresh issue of shares nor redeemed any of the issued preference shares.

The Board at its meeting held on 2nd March 2016 has extended the period of conversion of 10% Non-cumulative redeemable preference share of Rs.10/- each for a further period of eight years upto 28.03.2024. The members accorded its approval of the said extension in the Extra Ordinary General Meeting of the Company held on 24th March 2016.

Extract of Annual Return

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

Board meetings conducted during the period under review

The Company had conducted Five (5) Board meetings, 2 (Two) Audit Committee Meetings and 1 (One) Nomination and Remuneration Committee meeting during the period under review.

			Audit Committee Meeting		Nomination & Remuneration Committee Meeting	
	Meeting held	Meeting attended	Meeting held	Meeting attended	Meeting held	Meeting attended
Mr. Sumanth Ramamurthi	5	5	--	--	--	--
Mr. A S Thirumoorthy	5	5	--	--	--	--
Mr. N Ravichandran	5	5	2	2	1	1
Mr. Vidyasagar Ramdass Independent Director Chairman-Audit & Nomination & Remuneration Committee	5	4	2	2	1	1
Mr. R Ragupathy Independent Director	5	4	2	2	1	1

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those standards;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government

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

Declaration of Independent Directors

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

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

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure 2 and is attached to this report.

Auditors' report

There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

The Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the year under review.

Particulars of contracts or arrangements with related parties

All transactions entered into with related parties as defined under the Companies Act, 2013, during the financial year 2015-16 were in the ordinary course of business and on an arm's length basis. The particulars of the contracts or arrangements entered in to with the related parties have been disclosed in Form AOC-2 and are attached herewith as Annexure 3 to this report.

Material changes and commitments affecting the financial position of the company

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

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(8)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as Annexure 4 to this report.

Statement concerning development and implementation of risk management policy of the company

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is minimal.

Details of policy developed and implemented by the Company on its Corporate Social Responsibility Initiatives

The Company has not initiated any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

Annual evaluation of the Board on its own performance and of the individual directors

The Board has undertaken an annual evaluation of its own performance and of the Individual Directors as per the said provisions. However, a separate meeting of the Independent Directors of the Company was held during the year pursuant to Schedule IV of the Companies Act, 2013 to transact such businesses mentioned therein.

Directors & Key Managerial Personnel

Mr. Sumanth Ramamurthi has resigned from the Directorship of the Company w.e.f 21st May 2016 and the Board places on record its warm appreciation for the contributions rendered by him during the tenure as Director of the Company.

Mr. N Ravichandran, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Your Directors recommend his re-appointment.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

However, the Company is a subsidiary of Sara Elgi Arteriors Limited and Super Spinning Mills Limited.

Fixed Deposits

Since the Company has not accepted any fixed deposits covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March 2016 and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Internal financial control systems and their adequacy

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems. The Audit committee of the Board reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the company, recommendations made for corrective action and the internal audit reports.

The committee reviews with the statutory auditors and the management, key issues, significant processes and accounting policies.

Disclosure of composition of Audit Committee and Vigil Mechanism

The Audit Committee consists of the following members

1. Mr. Vidyasagar Ramdass (Chairman) – Independent Director
2. Mr. R.Ragupathy – Independent Director
3. Mr. N Ravichandran - Non Executive Non-Independent Director

The Company is not required to establish a vigil mechanism since it does not satisfy the conditions prescribed under Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence, disclosure regarding the details of such mechanism in this report does not arise.

Auditors

Statutory Auditors

M/s. S.Murali Dharan & Co, Chartered Accountants, Coimbatore retire at the ensuing Annual General Meeting and is eligible for re-appointment. The Audit Committee & the Board of Directors recommend the re-appointment of M/s. S.Murali Dharan & Co, Chartered Accountants as the Statutory Auditors of the Company. Further, company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Particulars of employees

Since the Company is an Unlisted Company, provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, does not apply to the Company.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- if employed throughout the year or Rs.5,00,000/- per month if employed for part of the year.

Disclosure under the Sexual Harassment of Workmen at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has not employed any women employees on any part of the financial year under review. Hence the Company has not formulated and implemented the Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

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

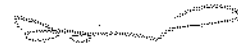
Your Directors wish to place on record their appreciation of the confidence reposed by the shareholders in the Company at all times.

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

By order of the Board
For ELGI BUILDING PRODUCTS LIMITED



Sumanth Ramamurthi
Director
DIN : 00002773



A S Thirumoorthy
Director
DIN : 03604474

Place : Coimbatore
Date : 20th May 2016

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U45201TZ1996PLC007037
ii)	Registration Date	15.03.1996
iii)	Name of the Company	ELGI BUILDING PRODUCTS LIMITED
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	ELGI Tower, 737- D, Pappanaickenpalayam Road, Pulliakulam, Coimbatore - 641045 Tel. No: 0422-2311711 Fax No: 0422-2311611 Email ID: investors@ssh.saraelgi.com
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

AI. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Profiles	39252000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Sara Elgi Arteriors Limited Elgi Towers, 737 D Pulliakulam Road, Coimbatore - 641045	U28111TZ2003PLC010797	Holding Company	58.32	2(46)

2	Super Spinning Mills Limited 'ELGI Towers', P.B. No.:7113, Green Fields, Puliakulam Road, Coimbatore - 641045	L17111TZ1962PLC001200	*Holding Company	41.68	2(46)
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*M/s. Super Spinning Mills Limited is the Ultimate Holding Company of Elgi Building Products Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	2	2	0	-	2	2	0	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	7195995	7195995	100	-	7195995	7195995	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	-	7195997	7195997	100	-	7195997	7195997	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1)+(A)(2)	-	7195997	7195997	100	-	7195997	7195997	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-

b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh		3	3	0	-	3	3	0	-
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	3	3	0	-	3	3	0	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	3	3	0	-	3	3	0	-
C. Shares held by Custodian for GDRs & ADRs	-				-	-	-	-	-
Grand Total (A+B+C)	-	7196000	7196000	100	-	7196000	7196000	100	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Super Spinning Mills Limited	2999592	41.68	-	2999592	41.68	-	-
2	Sara Elgi Arteriors Limited	4196403	58.32	-	4196403	58.32	-	-
3	Sumanth Ramamurthi	1	0.00	-	1	0.00	-	-
4	Hemalatha Ramamurthi	1	0.00	-	1	0.00	-	-
TOTAL		7195997	100	-	7195997	100	-	-

iii) Change in Promoters' Shareholding

S. NO	Promoters' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There has been no change in the shareholding of promoters during the year.			
	Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	NAME OF SHAREHOLDER	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V SOUNDARARAJAN				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	K BHASKARAN				
	At the beginning of the year	1	0	1	0
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	NAME OF DIRECTOR AND KEY MANAGERIAL PERSONNEL	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUMANTH RAMAMURTHI				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
2	A S THIRUMOORTHY				
	At the beginning of the year	1	0	1	0
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1	0	1	0
3	N RAVICHANDRAN				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	R RAGUPATHY				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	VIDYASAGAR RAMDASS				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	P NAGARAJAN				
	At the beginning of the year	-	-	-	-
	Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managerial Director, Whole- Time Directors and/ or Manager :

S. No.	Particulars of Remuneration	Manager	Total Amount
		P Nagarajan #	
1	Gross salary	Not Applicable	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others		
5	Others		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to Other Directors

S. No	Particulars of Remuneration	Name of Directors					Total Amount
		Sumanth Ramamurthi	Vidyasagar Ramdass	R. Ragupathy	A S Thirumoorthy	N Ravichandran	
1	Independent Directors						
	Fee for attending board committee meetings		8,000	8,000	-	-	16,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	10,000	-	-	10,000	10,000	30,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	10,000	8,000	8,000	10,000	10,000	46,000
	Overall Ceiling as per the Act	Rs.1,00,000/- per meeting					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total				


NOT APPLICABLE


VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By order of the Board
For ELGI BUILDING PRODUCTS LIMITED

Place : Coimbatore
Date : 20th May 2016


Sumanth Ramamurthi
Director
DIN : 00002773


A S Thirumoorthy
Director
DIN : 03604474

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee in Compliance with Sec.178 of the Companies Act, 2013 and the rules made thereunder and approved by the Board of Directors.

Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” (KMP) means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors.

Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

- iii. Identify persons who are qualified to become Director(s) and persons who may be appointed in Key Managerial positions and Senior Management positions in accordance with the criteria laid down in this policy.

General Appointment Criteria:

- a. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- b. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder.
- c. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Remuneration:

Remuneration to Managing Director / Whole-time Directors:

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under and the approvals obtained from the Members of the Company.

Remuneration to Non- Executive / Independent Directors:

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

By order of the Board
For ELGI BUILDING PRODUCTS LIMITED

Place : Coimbatore

Date : 20th May 2016

Sumanth Ramamurthi

Director

DIN : 00002773

A S Thirumoorthy

Director

DIN : 03604474

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

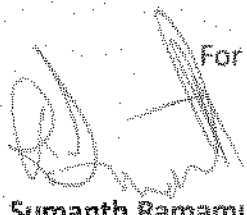
Not Applicable

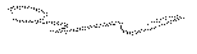
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No	Name of the related party	Nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any;	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	M/s.Sara Elgi Arteriors Limited	Mr.Sumanth Ramamurthi and Mr.A.S.Thirumoorthy interested as Directors.	Purchase and Sale of Goods	01.01.2016 to 31.12.2020	Transaction value not exceeding Rs.25 Crores per annum.	18.05.15	

By Order of the Board
For ELGI BUILDING PRODUCTS LIMITED

Place : Coimbatore
Date : 20.05.2016


Sumanth Ramamurthi
Director
DIN : 00002773


A S Thirumoorthy
Director
DIN : 03604474

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. Conservation of Energy**i) Steps taken for conservation of energy:**

Though the operations of the Company are not power intensive, the Company is making continuous efforts to conserve and optimise energy consumption by economizing on fuel and power.

ii) Steps taken by the Company for utilising alternate sources of energy

The Company has not undertaken any steps for utilising alternate sources of energy.

iii) Capital investment on energy conservation equipment

The Company has not undertaken any capital investment on energy conservation equipment during the year.

B. Technology Absorption:

- i) the efforts made towards technology absorption - Nil
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Nil
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a) the details of technology imported - Nil
 - b) the year of import - Nil
 - c) whether the technology been fully absorbed - Nil
 - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Nil and
- iv) the expenditure incurred on Research & Development - Nil


C. Foreign Exchange Earnings and outgo

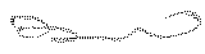
-Nil

By Order of the Board

For EDI BUILDING PRODUCTS LIMITED

Place : Coimbatore
Date : 20th May 2016


Sumanth Ramamurthi
Director
DIN : 00002773


A S Thirumoorthy
Director
DIN : 03604474

S. MURALI DHARAN & CO

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELGI BUILDING PRODUCTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Elgi Building Products Limited, which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

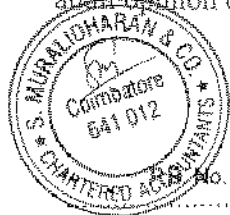
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



No. : 2974 # 1 DHARUVATARA 241 Dr. RAJENDRA PRASAD ROAD TATABAD COIMBATORE 641 012
PHONE : 0422-2493786, 6475599 TELEFAX : 2494479 E-mail : smdservices1963@gmail.com / dharan2001@eth.net
Website : www.smdconsultancy.com

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

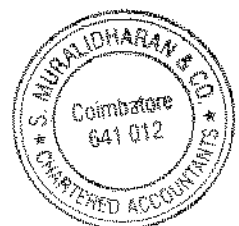
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B" and
 - g) With respect to the other matters to be included in the Auditor's Report and to the best of our information and according to the explanations given to us:
 - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
 - iii. there were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.Murali Dharan & Co
Chartered Accountants
(Firm Regn. No. 009617S)

Place : Coimbatore
Date : 20.05.2016

S.M. Dharan
S.Murali Dharan
Partner
(M. No. 026554)



ANNEXURE - 'A' TO THE AUDITORS' REPORT

(As required by Companies (Auditor's Report) Order, 2016 & referred to in our report of even date)

- 1) (a) As per the information provided by the management, the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties of the company shown under the Fixed Assets Schedule are held in the name of the company.
- 2) As per the information & explanations given to us, physical verification of inventory has been conducted by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and the discrepancies noticed on verification were not material.
- 3) According to the information and explanations provided to us, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- 4) According to the information and explanations provided to us, the company has not given any loans / investments / guarantees to which the provisions of Section 185 and 186 of the Act apply.
- 5) The company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly Paragraph 3(5) of order is not applicable to the company.
- 6) According to the information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the company.
- 7) a) According to the information and explanations given and on the basis of our examination of the records of the company, we report that wherever applicable, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.

b) On the basis of information and explanations given to us, there are no dues of Sales Tax / Income Tax / Cess / Excise Duty / Customs Duty that have not been deposited on account of any dispute.
- 8) According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank, Government or debenture holders as at the Balance Sheet date.
- 9) The company has not raised any moneys by way of Initial Public Offer / Further Public Offer and term loans during the year. Accordingly Paragraph 3(9) of the order is not applicable to the company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no fraud on the company by its officers / employees has been noticed / reported during the course of our audit.

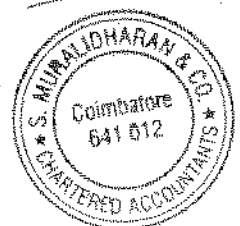


- 11) According to information and records provided to us, the company has not paid or provided Managerial Remuneration during the year. Accordingly Paragraph 3(11) of the order is not applicable to the company.
- 12) In our opinion and according to the information and explanations provided to us, the company is not a Nidhi Company. Accordingly Paragraph 3(12) of the order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as stipulated u/s 192 of the Act. Accordingly Paragraph 3(15) of the order is not applicable.
- 16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Coimbatore
Date : 20.05.2016

For S.Murali Dharan & Co.
Chartered Accountants
(Firm Reg. No.0096178)

S.M. Dharan
S. Murali Dharan
Partner
(M. No.026554)



ANNEXURE - 'B' TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Elgi Building Products Limited** as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

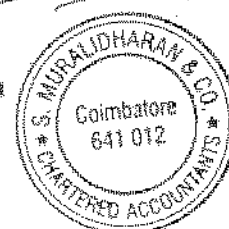
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Coimbatore
Date : 20.05.2016

For S.Murali Dharan & Co.
Chartered Accountants
(Firm Reg. No.009617S)

S. Murali Dharan
Partner
(M. No.026554)



ELGI BUILDING PRODUCTS LIMITED
Balance Sheet as on 31st March 2016

Sl.No	Particulars	Note No.	As on 31.03.2016	As on 31.03.2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share capital	3	1469.60	1469.60
(b)	Reserves and surplus	4	(795.87)	(833.43)
2	Non-current liabilities	5	0.00	0.00
3	Current liabilities			
(a)	Short-term borrowings	6	0.00	0.00
(b)	Trade payables	7	0.01	0.73
(c)	Other current liabilities	8	2.42	153.75
(d)	Short-term provisions	9	0.00	0.20
	TOTAL		676.17	790.85
II.	ASSETS			
	Non-current assets			
1 (a)	Fixed assets			
	Tangible assets	10	70.62	217.64
(b)	Deferred tax assets (net)	11	247.36	257.86
(c)	Other Non-Current assets	12	2.46	4.92
2	Current assets			
(a)	Inventories	13	29.81	39.23
(b)	Trade receivables	14	172.44	184.79
(c)	Cash and cash equivalents	15	7.39	16.61
(d)	Short-term loans and advances	16	146.10	69.80
	TOTAL		676.17	790.85

See accompanying notes forming part of the financial statements

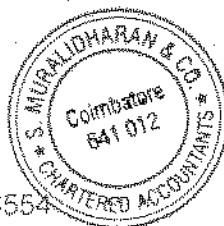
As per our report of even date attached

For and on behalf of the Board

For S.Murali Dharan & Co
Chartered Accountants
Registration No.009617S

S Murali Dharan
Partner, Membership No.026554

Coimbatore, 20 th May'2016



[Signature]
Sumanth Ramamurthi

Director

[Signature]
P. Nagarajan

Manager

[Signature]
A S Thirumoorthy

Director

ELGI BUILDING PRODUCTS LIMITED
Statement of Profit and Loss for the year ended 31st March 2016

Sl.No.	Particulars	Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I.	Revenue from operations	17	42.51	213.76
II.	Other income	18	92.71	7.35
III.	Total Revenue (I + II)		135.21	221.12
IV.	Expenses:			
	Cost of materials consumed	19.a	18.42	120.41
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19.b	6.94	13.74
	Employee benefits expense	20	4.94	8.56
	Finance costs	21	0.11	1.55
	Depreciation and amortization expense	10	17.45	34.53
	Other expenses	22	30.35	47.45
	Total expenses		78.23	226.23
V.	Profit before exceptional and extraordinary items and tax (III-IV)		56.99	(5.11)
VI.	Exceptional items		8.91	
VII.	Profit before extraordinary items and tax (V - VI)		48.08	(5.11)
VIII.	Extraordinary Items		0.00	0.00
IX.	Profit before tax (VII- VIII)		48.08	(5.11)
X.	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		10.51	1.50
XI.	Profit (Loss) for the period (IX - X)		37.57	(3.62)
XII.	Tax expense of earlier years		0.00	0.00
XIII.	Profit/(loss) after tax (XI-XII)		37.57	(3.62)
XIV.	Profit (Loss) for the period (XI + XIII)		37.57	(3.62)
XV.	Earnings per equity share:			
	(1) Basic		0.52	(0.05)
	(2) Diluted		0.52	(0.05)

See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For S.Murali Dharan & Co

Chartered Accountants

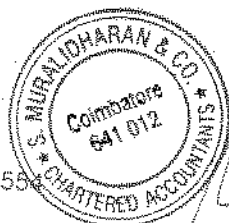
Registration No.009617S

S.M. Dharan

S Murali Dharan

Partner, Membership No.02658

Coimbatore, 20th May, 2016



P. Nagarajan
Manager

S. Senthil Ramamurthi
Director

A S Thirumoorthy
Director

ELGI BUILDING PRODUCTS LIMITED
Notes forming part of the financial statements

1 Corporate Information

Elgi Building Products Limited is a closely held company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacture and selling of UPVC Profiles, Windows and Doors. The Company have manufacturing unit in 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 Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

2.2 Fixed Assets

- 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.
- a.
- 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.
- b.

2.3 Depreciation

- Depreciation on Fixed assets is charged on straight line method based on the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013, on a pro-rata basis corresponding to the date of installation / commissioning.
- a.
- Fixed Assets, other than intangible assets are depreciated to the extent of 95% of its gross value over the useful life of the asset.
- b.

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 purchases, 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 recognised income and expenditure on accrual basis except those with significant uncertainties.
- b. Sale of good is accounted when the risk and reward of ownership are passed on to the customers.
- c. Domestic sales are reported in the statement of profit and loss are inclusive of excise duty, wherever applicable and exclusive of other taxes, if of other tax, 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

- 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.
- a. 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.
 - b. Provident Fund contribution is as per the rates prescribed by the Employees' Provident Fund 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.

2.9 Exchange Fluctuation

- a. 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 rate of exchange prevailing on the date of the Balance sheet. Resultant gain or loss is charged to the statement of profit and loss.
- b. All other income or expenditure in foreign currency is recorded at the rates of exchange prevailing on the date when the transactions took place.

2.10 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.

2.11 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 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. As asset is impaired when the carrying amount of the assets 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 is 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 weighted average number of equity shares outstanding during the year.

3 Share Capital

Particulars		As on 31-03-2016	As on 31-03-2015
Authorised			
75,00,000(75,00,000) Equity Shares of Re 10/- each		750.00	750.00
70,00,000(70,00,000) 10% 8 years Non Cumulative Preference shares of Rs.10 each		700.00	700.00
5,00,000(5,00,000) 10% 8 years Cumulative Preference shares of Rs.10 each		50.00	50.00
Issued, Subscribed & Fully Paid			
71,96,000(71,96,000) Equity Shares of Re 10/- each		719.60	719.60
70,00,000(70,00,000) 10% 8 years Non Cumulative Preference shares of Rs.10 each		700.00	700.00
5,00,000(5,00,000) 10% 8 years Cumulative Preference shares of Rs.10 each		50.00	50.00
Total		1,469.60	1,469.60
Shareholders holding more than 5% of paid up capital			
Name of the Shareholder		No. of Shares & % of shares	
		2015-2016	2014-2015
Equity Shares			
Sara Elgi Arteriors Limited		41,96,408 58.32%	41,96,408 58.32%
Super Spinning Mills Limited		29,99,592 41.68%	29,99,592 41.68%
Preference Shares -10% 8 Years Non -Cumulative			
Super Spinning Mills Limited		70,00,000 100.00%	70,00,000 100.00%
Preference Shares -10% 8 Years -Cumulative			
Super Spinning Mills Limited		50,00,000 100.00%	50,00,000 100.00%

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

4 Reserves and Surplus

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
a.	Capital Reserves		
	Balance as per previous financial statement	2.83	2.83
b.	Surplus in Profit and Loss Account		
	Opening Balance	(836.26)	(722.23)
	Add: Depreciation for earlier years		(159.79)
	Add: Deferred Tax earlier years		49.38
	Add: Amount Transferred	37.57	(3.62)
	Closing Balance	(798.70)	(836)
	Total Reserves and Surplus	(795.87)	(833.43)

5 Non Current Liabilities

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Sundry Creditors (Outstanding more than 1 Year)			
	Advance from Customers			
			-	-

6 Short Term Borrowings

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Secured Loans repayable on demand			
	From Banks			
	-Working Capital facilities			
	Total			

6.1 Working Capital Loans are secured by hypothecation of Company's Inventories, Book Debts and Other Current Assets

7 Trade Payables

0.01

0.73

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 31.03.2016

8 Other Current Liabilities

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	Advance from Customers		0.12	0.43
	Expenses Payable		2.20	1.64
	Other Liabilities		0.10	0.92
	Advance from Group Coy for land sale		-	150.80
	Advance from Parent Company		-	-
	TOTAL		2.42	153.75

9 Short Term Provisions

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	For Bonus		-	0.20
			-	0.20

11 Deferred Tax Assets / (Liabilities)

Sr. No	Particulars	Balance as of 31.03.2015	Charge / Credit	Closing Balance as of 31.03.2016
	Depreciation	(37.57)	28.49	(8.07)
	Loss	295.42	(39.93)	255.49
	Others	0.01	(0.07)	(0.06)
	Add: Adjusted in opening Balance	-	-	-
	Total Assets / (Liabilities)	257.86	(10.51)	247.36

12 Non Current Assets

Sr. No	Particulars		As on 31-03-2016	As on 31-03-2015
	R&D Expenses		2.46	4.92
			2.46	4.92

13 Inventories

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
	Valued at Cost or Net Realisable value whichever is lower		
	Raw Materials	14.31	16.80
	Work in Process	5.00	4.95
	Finished Goods	9.49	16.48
	Trading Goods	1.00	1.00
	Total	29.81	39.23

14 Trade Receivables

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	172.44	178.93
	Others	0.00	5.86
	Total	172.44	184.79

15 Cash and Cash Equivalents

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
	Balance with Banks	7.35	16.38
	Cash on Hand	0.05	0.23
	Total	7.39	16.61

16 Short Term Loans and Advances

Sr. No	Particulars	As on 31-03-2016	As on 31-03-2015
	Unsecured, considered good		
	Advance for purchases	6.63	8.08
	Deposit with Excise and Customs Authorities	0.63	0.15
	Advance payment of taxes	18.95	19.99
	Other Deposits	119.89	41.59
	Total	146.10	69.80

17 Revenue from Operations

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Sale of products	47.70	239.49
	Other operating revenues	0.10	0.45
	Less: Excise duty	(5.29)	(26.17)
	Total	42.51	213.76

18 Other Income

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Interest Income(Refer Note 18.1 below)	2.27	0.10
	Other Non-operating Income(Refer Note 18.2 below)	90.43	7.26
	Total	92.71	7.35

18.1 Interest Income

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Interest on Fixed Deposits	2.19	-
	Interest on Income tax Refunds	0.09	0.10
	Total	2.27	0.10

15.2 Other Non Operating Income

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
	Rent Receipts	-	6.94
	Misc. Receipts	-	0.32
	Profit/Loss on Sale of Assets	90.43	-
		90.43	7.26

19.a Cost of Materials Consumed

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
	Opening Stock	16.80	21.13
	Add: Purchases	15.94	116.07
	Less: Closing Stock	(14.31)	(16.80)
	Total	18.42	120.41

19.b Changes in Inventories

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
	Change in Inventories of Finished goods, Work-in Process & Stock in Trade Inventories at the end of the year		
	Finished goods	9.49	16.48
	Work-in Progress	5.00	4.95
	Stock in Trade	1.00	1.00
	Total	15	22
	Inventories at the beginning of the year		
	Finished goods	16.48	32.63
	Work-in Progress	4.95	2.54
	Stock in Trade	1.00	1.00
	Total	22.44	36.18
	Net (Increase) / Decrease	6.94	13.74

20 Employee Expenses Benefits

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
	Salaries	5.54	7.89
	Contributions to		
	- Provident Funds	0.28	0.29
	- Super Annuation Funds	-	-
	Gratuity Fund Contributions	(1.01)	0.02
	Welfare Expenses	0.13	0.36
	Total	4.94	8.56

21 Finance Cost

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31-03-2015
	Interest Expense	0.00	0.01
	Other Borrowing cost	0.11	1.54
	Total	0.11	1.55

22 Other Expenses

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Power and Fuel	13.75	21.04
	Stores	-	0.12
	Repairs and Maintenance	1.54	2.07
	Selling Expenses	0.29	0.36
	Rent	5.27	4.80
	Insurance Charges	0.48	0.74
	Postage, Telephone and Printing	0.21	0.24
	Travelling and Transport charges	1.04	0.52
	Taxes and Licenses	0.31	2.07
	Professional Charges	0.98	1.19
	Audit Fees	0.55	0.83
	Director sitting fees	0.44	0.38
	R & D Expenses WRITTEN OFF	2.46	2.46
	Others	3.03	10.62
	Total	30.35	47.45

22.1 Auditors' Remuneration:

Sr. No	Particulars	For the year ended 31-03-2016	For the year ended 31- 03-2015
	As Auditor	0.55	0.58
	For other services	-	0.25
		-	83,090

23 Additional Information to the Financial Statements

23.1	Contingent Liabilities:	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Disputed Sales tax liability	18.77	18.77

23.2	Earnings per Share: The following reflects the income and share data used in the computation of	For the year ended 31-03-2016	For the year ended 31- 03-2015
	Basic Earnings per Share.		
	Amount used as Numerator		
	Net Profit attributable to the ordinary shareholders for Basic and Diluted Earnings per Share	37.57	(3.62)
	No. of ordinary shares used as denominator applicable:		
	Balance at the beginning of the year	71.96	71.96
	Issue of shares	71.96	71.96
	Nominal value per share(Rs.)	10.00	10.00
	No. of Equity Shares(Weighted Average)	72	72
	Basic Earnings per Share(Rs.)	0.52	(0.05)

23.3 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 comm for all the employees of the company.

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

Particulars	31.03.2016	31.03.2015
Present value of the Obligation as on 1st April	41250	28957
Current Service Cost	10257	9569
Interest Cost	3300	2317
Actuarial Gains and Losses	-20653	407
Benefits Paid	0	-
Present value of the Obligation as on 31st March	34154	41250

The liability of the company as of 31st of March 2016 has been funded to the extent of Rs. 1.35 lakhs.

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

Particulars	31.03.2016	31.03.2015
Fair value of the Plan Assets as on 1st April	124411	114474
Expected Rate of Return	10518	10558
Contributions by the Employer	0	-621
Benefits paid	0	0
Fair value of the Plan Assets as on 31st March	134929	124411

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

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

Particulars	31.03.2016	31.03.2015
Current Service Cost	10257	9569
Interest Cost	3300	2317
Expected Return on Plan Assets	-10518	-10557
Post Service tax	0	0
Actuarial Gains and Losses	-20653	407
Amount recognised in the Profit and Loss Account	-17614	1736

The expenses has been included under the head "Contribution to Gratuity" under the "Employee cost" in the Statem 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	31.03.2016	31.03.2015
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Rate of escalation in salary(per annum)	8.00%	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	31.03.2016	31.03.2015
Present value of the Defined Benefit Obligation	34154	41250
Fair value of Plan Assets	134929	124411
Deficit in Plan Assets	100775	83161
Experience Adjustments arising on Plan Liabilities as an amount	(100,775)	(83,161)
Experience Adjustments arising on Plan Assets as an amount	-	-

23.4 Related Party Disclosure(as certified by the Management)

(i) Names of Related parties and description of Relationship:

a) Key Management Personnel

Sumanth Ramamurthi, Director

A S Thirumoorthy, Director

b) Holding Company

SARA ELGI ARTERIORS LIMITED

d) Others

Elgi Electric and Industries Ltd

Sara Elgi Industries Ltd

Sara Elgi Envirotech LLP

Super Spinning Mills Limited

(ii) Related Party Transactions

Nature of Transaction	Holding Company		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase of goods	2.49	3.94			2.49	3.94
Sales of goods	33.79	113.68		77.56	33.79	191.24
Purchase of Fixed Assets						
Rent paid			5.87	5.39	5.87	5.39
Rent receipts				7.79		7.79
Sale of Fixed Assets			220.00		220.00	
Other Expenses			0.60	1.74	0.60	1.74
Other Receipts			70.29	150.00	70.29	150.00
Amount outstanding at year end - Dr	68.28	39.83			68.28	39.83
Amount outstanding at year end - Cr				145.40		145.40

23.5 The company operates in one primary segment, viz Builder's ware of Plastics - PVC Frames.**23.6** Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

As per our report of even date attached

For S.Murali Dharan & Co

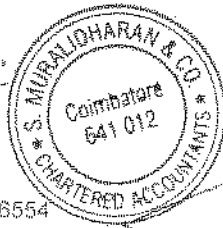
Chartered Accountants

Registration No.009617S

S Murali Dharan

Partner, Membership No.026554

Coimbatore, 20th May,2016

P. Nagarajan
Manager

For and on behalf of the Board

Sumanth Ramamurthi

Director

A S Thirumoorthy

Director

ELGI BUILDING PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2015-16

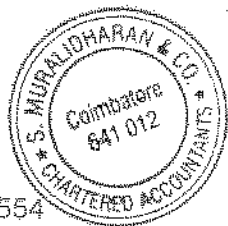
Particulars	Rs.	
	2015-16	2014-15
A. Cash Flow from operating activities :		
Net Profit before tax and extraordinary items	48.08	(5.11)
Adjustment for :		
Depreciation	17.45	34.53
PROFIT ON SALE OF ASSETS	(90.43)	0.00
(Interest Income)	0.00	0.00
Interest Payments	0.00	0.01
Operating Profit before working capital changes	(24.90)	29.42
Adjustments for :		
Trade receivables	12.36	31.34
Other receivables	(73.84)	26.46
Inventories	9.43	18.08
Trade and other payables	(152.05)	66.06
Cash generated from operations	(229.02)	13.68
Direct taxes paid		
Net Cash Flow from operating activities	(229.02)	13.68
B. Cash Flow from Investing activities :		
Purchase of fixed assets		
Sale of fixed assets	220.00	
Purchase of investments		
Miscellaneous Income		
Insurance Claim		
Interest received		
Net cash used for investing activities	220.00	
C. Cash Flow from financing activities :		
Long term borrowings		
Short term borrowings	(0.20)	(0.12)
Interest paid	(0.00)	(0.01)
Share Capital		
Unsecured loans & deposits		
Net cash flow from financing activities	(0.20)	(0.12)
Net Increase / (Decrease) in cash and cash equivalent	(9.22)	(13.80)
Cash and cash equivalents - Opening	16.61	30.41
Cash and cash equivalents - Closing	7.39	16.61

See accompanying notes forming part of the financial statements
As per our report of even date attached

For S.Murali Dharan & Co
Chartered Accountants
Registration No.009617S

S Murali Dharan
Partner, Membership No.026554

Coimbatore, 20 th May 2016



For and on behalf of the Board

Sumanth Ramamurthi
Director

P. Nagarajan
Manager

A S Thirumoorthy
Director

ELGI BUILDING PRODUCTS LIMITED

DEPRECIATION FOR THE YEAR 2015-16

S.NO.	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.2015	ADDITIONS	DELETIONS	AS ON 01.04.2016	AS ON 01.04.2015	FOR THE PERIOD	Disposal	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
1	LAND	8.82	0	8.82	0.00	0.00	0.00	0.00	0.00	0.00	8.82
2	BUILDING- Combatores	263.15	0	263.15	0.00	141.24	1.16	142.40	0.00	0.00	121.92
3	PLANT & MACHINERY	995.67	0	0.00	995.67	911.86	16.29	0.00	928.15	67.52	83.81
4	OFFICE EQUIPMENTS	34.11	0	0.00	34.11	32.40	0.00	0.00	32.40	1.71	1.71
5	FUR. & FIXTURES	19.54	0	0.00	19.54	18.56	0.00	0.00	18.56	0.98	0.98
6	VEHICLES	8.33	0	0.00	8.33	7.91	0.00	0.00	7.91	0.42	0.42
	TOTAL	1329.61	0	271.97	1057.64	1111.98	17.45	142.40	987.03	70.62	217.64
	Previous Year	1329.61	0	0	1329.61	917.66	34.53	0.00	1111.98	217.64	411.95

SARA ELGI

SUPER



Super Spinning Mills Limited

**54th Annual Report
2015-16**

SUPER

Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

Corporate Information

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

Mr. Sumanth Ramamurthi

Mr. A S Thirumoorthy

Mr. D Sarath Chandran

Mr. Vijay Venkataswamy

Mr. C S K Prabhu

Mr. B Vijayakumar

Mr. Sudarsan Varadaraj

Mr. C G Kumar

Mrs. Suguna Ravichandran

Mr. N Hemanand

Ms. Ramaa Krishnakumar

M/s. Reddy, Goud & Janardhan

M D Selvaraj, MDS & Associates

Union Bank of India

State Bank of India

IDBI Bank

Andhra Bank

State Bank of Hyderabad

Link Intime India Pvt. Ltd

"SURYA", 35, Mayflower Avenue

Behind Senthil Nagar

Sowripalayam Road

Coimbatore – 641 028

Tel : (0422) 2314792

Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

"ELGI TOWERS", PB 7113

Green Fields, 737-D

Puliakulam Road

Coimbatore – 641 045

Tamil Nadu

Tel : (0422) 2311711

Fax : (0422) 2311611

E-mail : investors@ssh.saraelgi.com

Internet : www.superspining.com

Mills Location

A Unit : Kirikera, Andhra Pradesh

B Unit : Kotnur, Andhra Pradesh

Super Sara : Beerapalli, Andhra Pradesh

Contents	Page No.
----------	----------

Notice to members	2
-------------------	---

Directors' Report	8
-------------------	---

Management Discussion and Analysis Report	35
---	----

Report on Corporate Governance	36
--------------------------------	----

Auditors' Report	47
------------------	----

Balance Sheet	52
---------------	----

Statement of Profit and Loss	53
------------------------------	----

Cash Flow Statement	54
---------------------	----

Notes Forming Part of Financial Statements	55
--	----

Consolidated Accounts	71
-----------------------	----



Notice to the Members

Notice is hereby given that the **54th Annual General Meeting** of the Company will be held on **Thursday, the 8th September 2016 at 3.30 P.M** at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore - 641 018, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements including Balance Sheet as on 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Consolidated Financial Statements and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. A S Thirumorthy (DIN 03604474), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the Auditors and to fix their remuneration and in this regard to pass the following resolution as an **Ordinary Resolution**:

Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Reddy, Goud & Janardhan (Firm Registration No. 003254S) Chartered Accountants, Bangalore be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors.

Special Business

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

Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s.S.Mahadevan & Co., (having Firm Registration No.000007), Cost Accountants, appointed as Cost Auditors by the Board of Directors of the Company, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, on a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable service tax and re-imbursement

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

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

5. To reappoint Mr. Vijay Venkataswamy as an Independent Director of the Company and in this regard to pass the following resolution as a **Special Resolution**:

Resolved that pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vijay Venkataswamy (DIN 00002906), whose tenure of office as an Independent Director of the Company expires on 31st May 2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company for a period of one year with effect from 1st June 2016 to 31st May 2017, not liable to retire by rotation.

Coimbatore
30th May, 2016

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

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

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s.S.Mahadevan & Co., (having Firm Registration No.000007) as Cost auditor to conduct the audit of cost records of the Company for the Financial Year 2016-17. In accordance with the provision of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

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



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

Item No. 5

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

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

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

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

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

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

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

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

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

Coimbatore
 30th May, 2016

Notes:

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

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

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

2. Pursuant to Section 102 of the Companies Act, 2013 the Statement setting out material facts and reasons for the proposed special business set out in item nos. 4 and 5 above, is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies attending the meeting are requested to bring the attendance slips duly filled and signed for attending the meeting.



5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the company will remain closed from Friday, 2nd September 2016 to Thursday, 8th September 2016 (both days inclusive).
 6. Details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at the Annual General Meeting are furnished and forms integral part of the Notice. The Director has furnished the requisite consents/declarations for their re-appointment.
 7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
 8. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
 9. The Company has transferred the amount of unclaimed dividends paid from 1995-96 to 2007-08 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
 10. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
 11. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the company M/s.Link Intime India Pvt Ltd.
 12. Copies of the Annual Report 2015-16, the Notice of the 54th Annual General Meeting of the Company and instructions for e-voting along with the Attendance Slip and Proxy Form are being sent only through electronic mode to all the members whose e-mail addresses are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent through permitted mode.
 13. Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report 2015-16 will be available on the Company's website www.superpinning.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working days.
 14. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
 15. The SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s Link Intime India Pvt Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
 16. Members are requested to note that the venue of the 54th Annual General Meeting at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore – 641018 and the route map containing the complete particulars of the venue is attached to this Notice.
- 17. Voting through electronic means:**
1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 54th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 2. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.
 3. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again



The instructions for members voting electronically are as under:-

- i) The voting period begins on **Monday, 5th September 2016 at 9.00 A.M.** and ends on **Wednesday, 7th September 2016 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1st September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com
- iii) Click on Shareholders
- iv) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip or Proxy form indicated in the PAN field

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iv)

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



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



Additional Information of Directors seeking re-appointment as required under Regulation 36(3) of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

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

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



Directors' Report

Dear Shareholders,

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

Financial Highlights:

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

(₹ lakhs)

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

Review of business operations

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

Change in the nature of business

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

Dividend

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

Transfer to Reserves

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

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

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

Share Capital

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

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

Extract of Annual Return

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

Board Committees

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

Directors' Responsibility Statement

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

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

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

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Declaration of Independent Directors

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

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

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

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

Auditors' Report

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

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

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

Particulars of Contract or Transactions with related parties

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

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

Material changes and commitments affecting the financial position of the Company

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



Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure 4** to this report.

Risk Management Policy of the company

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making.

Whistle Blower Policy (Vigil Mechanism)

The details of the composition of the Audit Committee have been enumerated in the Corporate Governance Report which forms a part of the Board's report. The Company has formulated a Whistle Blower policy in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The policy also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower policy has been uploaded on the company's website and may be accessed through the link at <http://www.superspinning.com/wp-content/uploads/2015/01/Whistleblower-Policy.pdf>.

Corporate Social Responsibility initiatives

The Board has constituted a Corporate Social Responsibility Committee comprising of the following directors as its members;

- | | |
|---------------------------|------------|
| 1. Mr. C S K Prabhu | - Chairman |
| 2. Mr. Sumanth Ramamurthi | - Member |
| 3. Mr. A.S.Thirumoorthy | - Member |

The company has adopted a Corporate Social Responsibility Policy defining therein the CSR activities to be undertaken by the Company in line with the provisions of Schedule VII of the Companies Act, 2013.

The Corporate Social Responsibility Committee of the Board is responsible for the implementation and effective monitoring of the CSR activities of the Company.

The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as **Annexure 5** to this report.

Annual evaluation of the Board on its own performance and of the Individual Directors

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of non-independent directors and the Board as a whole based on various criteria. The performance of each Independent Director was evaluated by the entire board of directors on various parameters like engagement, leadership, analysis, decision making, communication, governance etc.

The performances of all the Committees were evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc.

Directors & Key Managerial Personnel

The tenure of office of Mr. Vijay Venkataswamy as an Independent Director of the Company expires on 31st May 2016. The Board of Directors at their meeting held on 30th May 2016 recommended the reappointment of Mr. Vijay Venkataswamy, as an Independent Director for a second tenure for one year with effect from 1st June 2016 to 31st May 2017.

Mr. A S Thirumoorthy, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Your Directors recommend his re-appointment.



Mr. R Srikanth, Company Secretary tendered his resignation during the year under review and he has been relieved of his duties from the closing hours of the business on 20th October 2015. Ms. Ramaa Krishnakumar, has been appointed as Company Secretary and Compliance Officer of the Company with effect from 7th November 2015.

Key Managerial Personnel of the Company as required under Section 2(51) and 203 of the Companies Act, 2013 are Mr. Sumanth Ramamurthi, Executive Chairman, Mr. A. S. Thirumorthy, Managing Director, Mr. N. Hemanand, Chief Financial Officer and Ms. Ramaa Krishnakumar, Company Secretary.

Subsidiaries, Joint Ventures and Associate 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.

A report containing the salient features of the subsidiaries as required under Section 129(3) of the Companies Act, 2013 has been annexed herewith in Form AOC-1 and is attached as **Annexure 6** to this report.

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company in the immediately preceding financial year or has generated 20% of the consolidated income of the Company during the previous financial year. The policy on determination of material subsidiaries of the company as approved by the Board of Directors has been uploaded on the website of the Company and can be accessed at the link <http://www.superspinning.com/wp-content/uploads/2015/01/Policy-on-Subsidiaries.pdf>.

The consolidated financial statements of the company and its subsidiaries prepared in accordance with the applicable accounting standards have been annexed to the Annual Report.

The annual accounts of the subsidiary companies are posted on the website of the Company viz. www.superspinning.com and will also be kept open for inspection to any shareholder at the Registered Office of the Company. The Company shall also provide the copy of the annual accounts of subsidiary companies to the shareholders upon their request.

Fixed Deposits

Since the Company has not accepted any fixed deposits covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31st March 2016 and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

Details of significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operation in future

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to improve efficiency at all the levels. The Audit committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The committee reviews the statutory auditors' report, key issues, significant processes and accounting policies.

The Directors confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

Auditors

Statutory Auditors

M/s. Reddy, Goud & Janardhan, Chartered Accountants, Bangalore retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee & the Board of Directors recommend the re-appointment of M/s. Reddy, Goud & Janardhan,



Chartered Accountants as the Statutory Auditors of the Company. Further, company has received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Necessary resolution for the appointment of Auditors has been included in the Notice of the Annual General Meeting for the approval of the Members.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M.D.Selvaraj, MDS & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial report is annexed herewith as **Annexure 7** to this report.

Cost Auditors

The Board of Directors on the recommendation of the Audit Committee, have reappointed M/s. S.Mahadevan & Co., Cost Accountants, as the Cost Auditors of the company for the financial year 2016-17.

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors is subject to the ratification of the members in a general meeting. The Board recommends the ratification of their remuneration.

Particulars of Employees

The disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure 8** and is attached to this report.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate exceeding ₹ 60,00,000/-

if employed throughout the year or ₹ 5,00,000/- per month if employed for part of the year.

Corporate Governance

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance together with the Auditors Certificate regarding compliance of the conditions of Corporate Governance, Management Discussion and Analysis statement forms part of the Annual Report.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on Sexual Harassment of Women at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an internal complaints committee to address the complaints regarding sexual harassment. All employees are covered under this policy. The company has received few complaints and all the complaints are properly settled after conducting inquiry.

Personnel Relations

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

Acknowledgements

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.

By Order of the Board

Sumanth Ramamurthi

Executive Chairman

DIN: 00002773

Coimbatore
30th May 2016

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016.

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L17111TZ1962PLC001200
ii) Registration Date	06.06.1962
iii) Name of the Company	Super Spinning Mills Limited
iv) Category / Sub-category of the Company	Public Limited Company / Limited by Shares
v) Address of the Registered Office and Contact Details	'Elgi Towers', PB 7113, Green Fields Puliakulam Road, Coimbatore – 641 045 Tel : 0422-2311711 Fax : 0422-2311611 E-mail : investors@ssh.saraelgi.com Website : www.superspinning.com
vi) Whether Listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agents, if any	Link Intime India Private Limited Coimbatore Branch "Surya", 35, Mayflower Avenue Senthil Nagar, Sowripalayam Road Coimbatore - 641028. Email: coimbatore@linkintime.co.in Phone: 0422-2314792 Fax : 0422-2314792

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No	Name and Description of main products/ services	NIC Code of the Product/service	% to Total turnover of the company
1	Cotton Yarn	13111	95%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of The Company	CIN/GLN	Holding /Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Sara Elgi Arteriors Ltd 'Elgi Towers', P.B 7113, Green Fields, 737-D, Puliakulam Road, Coimbatore – 641 045	U28111TZ2003PLC010797	Subsidiary	100%	2(87)
2	Elgi Building Products Ltd 'Elgi Towers', P.B 7113, Pappanaickenpalayam Road, Puliakulam, Coimbatore – 641 045	U45201TZ1996PLC007037	Subsidiary*	41.68%	2(87)

Note:* M/s.Elgi Building Products Limited is the step down subsidiary of the company.


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1-April-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	18379730	–	18379730	33.42	18379730	–	18379730	33.42	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	3585000	–	3585000	6.52	3595755	–	3595755	6.54	0.02
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other-Trust	1362910	–	1362910	2.47	1362910	–	1362910	2.47	–
Sub- Total (A)(1)	23327640	–	23327640	42.41	23338395	–	23338395	42.43	0.02
(2) Foreign									
a) NRIs- Individuals	–	–	–	–	–	–	–	–	–
b) Others- Individual	–	–	–	–	–	–	–	–	–
c) Bodies corporate	–	–	–	–	–	–	–	–	–
d) Banks/ FI	–	–	–	–	–	–	–	–	–
e) Any other...	–	–	–	–	–	–	–	–	–
Sub- Total (A)(2)	–	–	–	–	–	–	–	–	–
Total shareholding of promoter (A) = (A) (1)+(A)(2)	23327640	–	23327640	42.41	23338395	–	23338395	42.43	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1470	–	1470	–	1470	–	1470	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	1000	1000	–	–	1000	1000	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	1470	1000	2470	–	1470	1000	2470	–	–



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3634456	18000	3652456	6.64	3367192	18000	3385192	6.15	(0.49)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	19368567	1475810	20844377	37.90	19078385	1431160	20509545	37.29	0.61
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5007636	380820	5388456	9.80	3660275	380820	4041095	7.35	(2.45)
c) Others									
i) Clearing Member	127054	-	127054	0.23	204700	-	204700	0.37	0.14
ii) NRI	252461	-	252461	0.46	269057	-	269057	0.49	0.03
iii) HUF	390944	-	390944	0.71	2226804	-	2226804	4.05	3.34
iv) Market Maker	5502	-	5502	0.01	16742	-	16742	0.03	0.02
v) Any other	1008640	-	1008640	1.83	1006000	-	1006000	1.83	-
Sub-total (B)(2):-	29795260	1874630	31669890	57.58	29829155	1829980	31659135	57.56	(0.02)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	29796730	1875630	31672360	57.59	29830625	1830980	31661605	57.57	(0.02)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	53124370	1875630	55000000	100	53169020	1830980	55000000	100	-


ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sumanth .R	8773860	15.95	–	8773860	15.95	–	–
2	Sumanth R (Huf)	650000	1.18	–	650000	1.18	–	–
3	Hemalatha R	208000	0.38	–	208000	0.38	–	–
4	Nikil Govind Ramamurthi	4000000	7.27	–	4000000	7.27	–	–
5	Sanjay Krishna Ramamurthi	4000000	7.27	–	4000000	7.27	–	–
6	Ranganayaki N	314670	0.57	–	314670	0.57	–	–
7	Ajeey Vel Narayanaswamy	2500	–	–	2500	–	–	–
8	N Krishna Samraj	8000	0.01	–	8000	0.01	–	–
9	Nithya Vidyaprakash	92560	0.17	–	92560	0.17	–	–
10	Chitra Vidyaprakash	157670	0.29	–	157670	0.29	–	–
11	Arjun Prakash V	22280	0.04	–	22280	0.04	–	–
12	Indiralakshmi Vidyaprakash	46190	0.08	–	46190	0.08	–	–
13	D Vidyaprakash	76330	0.14	–	76330	0.14	–	–
14	Nivedita Lakshmi Narayanaswamy	27670	0.05	–	27670	0.05	–	–
15	Nikil Govind Ramamurthi Family Trust	681800	1.24	–	681800	1.24	–	–
16	Sanjay Krishna Ramamurthi Family Trust	681110	1.24	–	681110	1.24	–	–
17	Super Farm Products P. Ltd	2820000	5.13	–	2830755	5.15	–	0.02
18	Elgi Electric and Industries Ltd	765000	1.39	–	765000	1.39	–	–
	Total	23327640	42.41	-	23338395	42.43	–	0.02

iii) Change in Promoters' Shareholding

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SUPER FARM PRODUCTS LTD				
	At the beginning of the year	2820000	5.13	2820000	5.13
	Transfer of shares as on 10.04.2015	10755	0.02	2830755	5.15
	At the end of the year	2830755	5.15	2830755	5.15

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares held	% of total shares of the company	No. of shares held	% of total shares of the company
1	GAGANDEEP CREDIT CAPITAL PVT LTD				
	At the beginning of the year	1400000	2.55	1400000	2.55
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1400000	2.55	1400000	2.55
2	NEMISH S SHAH				
	At the beginning of the year	760500	1.38	760500	1.38
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year(or on the date of separation, if separated during the year)	760500	1.38	760500	1.38
3	VINODCHANDRA MANSUKHLAL PAREKH				
	At the beginning of the year	702692	1.28	702692	1.28
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	702692	1.28	702692	1.28
4	GAYATHRI BALAJI				
	At the beginning of the year	693393	1.26	693393	1.26
	Transfer of shares as on 08.01.2016	(5484)	(0.01)	687909	1.25
	Transfer of shares as on 15.01.2016	(6000)	(0.01)	681909	1.24
	At the end of the year	681909	1.24	681909	1.24

5	MENTOR CAPITAL LIMITED				
	At the beginning of the year	340000	0.62	340000	0.62
	Transfer of shares as on 29.05.2015	(17253)	(0.03)	322747	0.59
	Transfer of shares as on 05.06.2015	(5000)	(0.01)	317747	0.58
	At the end of the year	317747	0.58	317747	0.58
6	S.SUNDARAVATHANEN				
	At the beginning of the year	299530	0.55	299530	0.55
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	299530	0.55	299530	0.55
7	SANJEEV VINODCHANDRA PAREKH				
	At the beginning of the year	221769	0.40	221769	0.40
	Transfer of shares as on 23.10.2015	16624	0.03	238393	0.43
	At the end of the year	238393	0.43	238393	0.43
8	DR.JAIRAM VARADARAJ				
	At the beginning of the year	230870	0.42	230870	0.42
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	230870	0.42	230870	0.42
9	SHRUTI MAYANK SHAH ##				
	At the beginning of the year	215710	0.39	215710	0.39
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	215710	0.39	215710	0.39
10	Devi D#				
	At the beginning of the year	170470	0.31	170470	0.31
	Increase /Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	170470	0.31	170470	0.31
11	URJITA J MASTER *				
	At the beginning of the year	223000	0.41	223000	0.41
	Transfer of shares as on 14.04.2015	(8750)	(0.02)	214250	0.39
	Transfer of shares as on 24.04.2015	(17990)	(0.03)	196260	0.36
	Transfer of shares as on 01.05.2015	(2500)	(0.01)	193760	0.35
	Transfer of shares as on 08.05.2015	(5000)	(0.01)	188760	0.34
	Transfer of shares as on 22.05.2015	(2500)	(0.00)	186260	0.34
	Transfer of shares as on 05.06.2015	(2500)	(0.00)	183760	0.34

	Transfer of shares as on 19.06.2015	(3760)	(0.01)	180000	0.33
	Transfer of shares as on 26.06.2015	(2500)	(0.00)	177500	0.33
	Transfer of shares as on 10.07.2015	(500)	(0.00)	177000	0.33
	Transfer of shares as on 17.07.2015	(31)	(0.00)	176969	0.33
	Transfer of shares as on 24.07.2015	(6969)	(0.01)	170000	0.32
	Transfer of shares as on 31.07.2015	(7500)	(0.01)	162500	0.31
	Transfer of shares as on 07.08.2015	(15000)	(0.03)	147500	0.28
	Transfer of shares as on 14.08.2015	(5000)	(0.01)	142500	0.27
	Transfer of shares as on 21.08.2015	(20000)	(0.04)	122500	0.23
	Transfer of shares as on 04.09.2015	(22500)	(0.04)	100000	0.19
	Transfer of shares as on 18.09.2015	(2500)	(0.01)	97500	0.18
	Transfer of shares as on 16.10.2015	(7500)	(0.01)	90000	0.17
	Transfer of shares as on 06.11.2015	(2500)	(0.01)	87500	0.16
	Transfer of shares as on 13.11.2015	(17500)	(0.03)	70000	0.13
	Transfer of shares as on 20.11.2015	(17521)	(0.03)	52479	0.10
	Transfer of shares as on 27.11.2015	(22479)	(0.05)	30000	0.05
	Transfer of shares as on 04.12.2015	(30000)	(0.05)	--	--

* Not in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the share holder is one of the Top 10 share holders as on 31.03.2016

* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 share holder as on 31.03.2015.

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUMANTH RAMAMURTHI*				
	At the beginning of the year	9423860	17.13	9423860	17.13
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	9423860	17.13	9423860	17.13
2	A S THIRUMOORTHY				
	At the beginning of the year	5000	0.01	5000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	5000	0.01	5000	0.01



3	SARATH CHANDRAN D **				
	At the beginning of the year	11710	0.02	11710	0.02
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	11710	0.02	11710	0.02
4	B VIJAY VENKATASWAMY				
	At the beginning of the year	5000	0.01	5000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	5000	0.01	5000	0.01
5	C S K PRABHU				
	At the beginning of the year	5000	0.01	5000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	5000	0.01	5000	0.01
6	B VIJAYAKUMAR				
	At the beginning of the year	6670	0.01	6670	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	6670	0.01	6670	0.01
7	SUDARSAN VARADARAJ				
	At the beginning of the year	72810	0.13	72810	0.13
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	72810	0.13	72810	0.13
8	SUGUNA RAVICHANDRAN	Nil			
9	C G KUMAR				
10	RAMAA KRISHNAKUMAR				
11	SRIKANTH R***				
12	N HEMANAND				

*including 650000 shares held in HUF ** including 6500 shares held in HUF

*** Resigned w.e.f 20th October 2015

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12484.96	28.45	-	12513.41
ii) Interest due but not paid	72.31	-	-	72.31
iii) Interest accrued but not due	3.48	-	-	3.48
TOTAL	12560.75	28.45	-	12589.20

Change in indebtedness during the financial year				
Additions	-	-	-	-
Reductions	1335.13	0.45	-	1335.58
Net Change	(1335.13)	(0.45)	-	(1335.58)
Indebtedness at the end of the financial year				
i) Principal Amount	11149.83	28.00	-	11177.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.63	-	-	28.63
Total (i+ii+iii)	11178.46	28.00	-	11206.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of MD/WTM/Managers		Total Amount
		Sumanth Ramamurthi	A S Thirumoorthy	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.97	55.96	97.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	-
2	Stock Option	---	---	---
3	Sweat Equity	---	---	---
4	Commission - as % of profit - others, specify...	---	---	---
5	Others	---	---	---
	Total (A)	41.97	55.96	97.93
	Ceiling as per the Act	84.00	84.00	168.00

B. Remuneration to other directors

(₹ in lakhs)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Vijay Venkataswamy	CSK Prabhu	B.Vijaya kumar	Sudarsan Varadaraj	C G Kumar	Suguna Ravichandran	D.Sarath Chandran	
1	Independent Directors								
	Fee for attending board committee meetings	0.81	0.83	0.71	0.30	0.30	0.40	-	3.35
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	0.81	0.83	0.71	0.30	0.30	0.40	-	3.35



(₹ in lakhs)

2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	-	-	-	-	-	0.42	0.42
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	0.42	0.42
	Total (B)=(1+2)	0.81	0.83	0.71	0.30	0.30	0.40	0.42	3.77
	Total Managerial Remuneration	0.81	0.83	0.71	0.30	0.30	0.40	0.42	3.77
	Overall Ceiling as per the Act	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	Not Exceeding one lakh per meeting	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakhs)

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CS		CFO	Total
		R. Srikanth*	Ms. Ramaa Krishnakumar [#]	N. Hemanand	
	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.42	1.51	11.94	18.87
1	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as a % of Profit	-	-	-	-
	- Others	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	5.42	1.51	11.94	18.87

* Upto 20th October 2015 # W.e.f. 7th November 2015.


VII. Penalties / Punishment/ Compounding of offences:

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A.COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Coimbatore
30th May 2016

By Order of the Board
Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the textile industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 28th May, 2014

Effective Date:

This policy shall be effective from 1st April, 2014

Definitions

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) means-
 - (i) Executive Chairman and / or Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional head. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.



Constitution of the Nomination and Remuneration Committee:

The Remuneration Committee was constituted on 31st July 2008 consisting of four Independent Directors. The Board has changed the nomenclature of Remuneration Committee constituted by renaming it as Nomination and Remuneration Committee on 28th May, 2014.

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Role of Committee

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board the appointment and removal of Senior Management
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan;

Membership

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
-



- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board.
- Considering any other matters as may be requested by the Board

REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee
- to consider any other matters as may be requested by the Board;
- Professional indemnity and liability insurance for Directors and senior management.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be recorded by way of minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Annexure 3

Criteria for selection of Non-Executive Directors:

The Non Executive Director shall:-

- have adequate skills, background, experience and knowledge
- possess industry bias, i.e., should be reasonably conversant with textile industry
- be a person of intellect and integrity
- not be discriminated on the basis of age, gender and race
- believe in and be committed to practice the Sara Elgi values
- be capable of working in harmony with other board members and contribute effectively in Board and Shareholder meetings
- be in alignment with the Company's objectives and goals

By Order of the Board

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

Coimbatore
30th May 2016

Annexure 4

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of
The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

- i) the steps taken or impact on conservation of energy;
Conservation of Energy continues to receive increased emphasis at all the units of the Company. Department wise power consumption being measured, monitored and compared and corrective actions are being taken on regular basis.
- ii) the steps taken by the company for utilizing alternate sources of energy;
Necessary steps were taken by the Company for the Solar energy usage
- iii) the capital investment on energy conservation equipments;
The Company has incurred ₹11.70 Lakhs towards energy conservation equipments.

B. Technology Absorption

- i) the efforts made towards technology absorption - NIL
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution - NIL
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a) the details of technology imported - NIL
 - b) the year of import - NIL
 - c) whether the technology been fully absorbed - NIL
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - NIL and
- iv) the expenditure incurred on Research and Development - NIL

C. Foreign Exchange Earnings and outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

(₹ in lakhs)

Particulars	2015-16	2014-15
Total foreign exchange earnings	7,322	13,333
Total foreign exchange outflow	1,092	2,603

Coimbatore
30th May 2016

By Order of the Board
Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has framed a Corporate Social Responsibility Policy with intent on improving the welfare of the people by providing education and basic sanitation facilities to the impoverished classes of people. Besides improving welfare, the policy framed in accordance with Schedule VII of the Companies Act, 2013 also focuses on environmental sustainability and preservation of national heritage, art and culture. The company also intends to promote sports among the rural masses through its various initiatives. The detailed policy on the Corporate Social Responsibility has been posted on the website of the Company and can be accessed at the link <http://www.superspinning.com/wpcontent/uploads/2015/05/CorporateSocialRespPolicy.pdf>.

2. Composition of CSR Committee

The CSR Committee of the Board of Directors has been constituted with the following directors as its members:

- Mr. C S K Prabhu - Chairman
- Mr. Sumanth Ramamurthi - Member
- Mr. A.S. Thirumoorthy - Member

3. Average Net Profit of the Company for last three Financial Years:

There was net loss for the immediately preceding three financial years.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the immediately preceding three financial years of the Company was in the negative.

5. Details of CSR spent during the Financial Year 2015-16

a) Total amount to be spent for the financial year

The Company was not required to spend any amount on CSR activities.

b) Amount unspent, if any;

Nil

c) Manner in which the amount spent during the financial year is detailed below:

As the company was not required to spend any amount on CSR expenses the disclosure with regard to the manner in which the amount was spent during the financial year does not arise.

6. Reasons for not spending an amount equal 2% of the Average Net Profits of the last three financial years:

The Company was not required to spend on the Corporate Social Responsibility activities as the average net profits of the preceding three financial years of the Company was in the negative

7. Responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and governance of CSR Programmes have been elaborated in the Company's CSR policy.

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiary

(₹ in lakhs)

S. No.	Particulars	Details	
1.	Name of the subsidiary	Sara Elgi Arteriors Limited	Elgi Building Products Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of the subsidiary is same as that of the holding company	The reporting period of the subsidiary is same as that of the holding company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	250.00	1469.60
5.	Reserves & Surplus	345.50	(795.87)
6.	Total assets	704.44	676.17
7.	Total Liabilities	704.44	676.17
8.	Investments	293.75	-
9.	Turnover	178.40	135.21
10.	Profit before taxation	(5.43)	48.08
11.	Provision for taxation	(0.71)	10.51
12.	Profit / Loss after tax	(4.73)	37.57
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	41.68%

Notes:

There are no subsidiaries which are yet to commence operations or have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any associate companies or joint ventures and hence the disclosure pursuant to Section 129(3) of the Companies Act, 2013 with regard to Associate Companies and Joint Ventures does not arise.

By Order of the Board

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

Coimbatore
30th May 2016

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
Super Spinning Mills Limited
(CIN: L17111TZ1962PLC001200)
'ELGI Towers', P.B No: 7113 Green Fields,
Puliakulam Road,
Coimbatore – 641045.

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Super Spinning Mills Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Super Spinning Mills Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Act, 1956 (the Act) and the rules made thereunder (to the extent applicable);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Enforced from 1st December 2015)
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (till 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Enforced from 15th May 2015)
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- vi. Laws specifically applicable to the industry to which the Company belongs, as identified by the management;
 - a. Hank Yarn Packing Notification 2003 issued under Textile (Development and Regulation) Order, 2001 pursuant to Section 3 of the Essential Commodities Act, 1955;

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and made applicable with effect from 1st July, 2015 and it was noted that the Company has generally complied with the same, however the stricter applicability of the Secretarial Standards is to be observed by the company
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc., mentioned above.

I further report that, during the year under review, there were no actions / events in pursuance of the following Rules / Regulations requiring compliance thereof by the Company:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

- vii. I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.
- viii. I further report that we have not undertaken an audit of the textile manufacturing unit viz. 'Super – C' situated at D-Gudalur, Karur, Dindigul District, TamilNadu as the same was sold/transferred by the management during the year and hence I am unable to express my opinion on the compliance with various statutory laws applicable to the said unit.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.



I further report that during the audit period, there were no instances of:

- Public / Rights / Preferential issue of shares / debentures / sweat equity
- Redemption / buy-back of securities
- Merger / amalgamation / reconstruction etc
- Foreign technical collaborations

I further report that during the audit period, the company has sold and transferred its textile yarn manufacturing unit viz. 'Super – C' situated at D-Gudalur, Karur, Dindigul District, TamilNadu on a slump sale basis pursuant to the approval granted by the members through postal ballot on 22nd September 2015 under Section 180(1)(a) of the Companies Act, 2013.

Place : Coimbatore
Date : 30.05.2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

'Annexure A'

To
The Members,
Super Spinning Mills Limited
(CIN: L17111TZ1962PLC001200)
'ELGI Towers', P.B No: 7113 Green Fields,
Puliakulam Road, Coimbatore – 641045.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore
Date : 30.05.2016

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

Annexure 8

Particulars pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) **The ratio of the remuneration of each director to the median employee's remuneration for the financial year is given below:**

Directors Name	Ratio to median employee remuneration
Mr. Sumanth Ramamurthi, Executive Chairman	14:1
Mr. A S Thirumoorthy, Managing Director	18:1
Mr. C S K Prabhu	0.2:1
Mr. Vijay Venkataswamy	0.2:1
Mr. D Sarath Chandran	0.1:1
Mr. B Vijayakumar	0.2:1
Mr. Sudarsan Varadaraj	0.1:1
Mr. C G Kumar	0.1:1
Mrs. Suguna Ravichandran	0.1:1

- ii) **The percentage increase in the median remuneration of employees in the financial year : 3%**

- iii) **The number of permanent employees on the rolls of company : 731**

- iv) **The explanation on the relationship between average increase in remuneration and company performance:**

The Company's overall turnover stood at ₹ 348 Crores in the financial year 2015-16 as compared to turnover ₹ 440 Crores during the financial year 2014-15, with a decrease of 21% as against which the remuneration has been increased by an average of 5% during the financial year 2015-16 and this is basically due to the attrition factor in the industry and in line with the HR policy of the Company

- v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

The variable component of Executive Directors remuneration and the remuneration of other KMP is in line with the performance of the Company.

Name	Designation	CTC (₹ in lakhs)
Mr. Sumanth Ramamurthi	Executive Chairman	41.97
Mr. A S Thirumoorthy	Managing Director	55.96
Mr. N Hemanand	Chief Financial Officer	11.94
Mr. R Srikanth (upto 20.10.2015)	Company Secretary	5.41
Ms. Ramaa Krishnakumar (from 07.11.2015)	Company Secretary	1.51



- vi) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer :

Particulars	Issued Capital (Shares)	Market Price (In. ₹)	Market Capitalisation (₹ in Crores)	Price Earning Ratio (in ₹)	Net Worth (₹ in Crores)
31.03.2015	55000000	5.78	31.79	(2.71)	60.70
31.03.2016	55000000	6.50	35.75	(6.13)	51.71
Increase/(Decrease)		0.72	3.96	(3.42)	(8.99)

- vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is 5% for Employees and 8% for Managerial Personnel (including KMP). The percentile increase in managerial person was due to change in key managerial personnel and the remuneration was governed by Companies Act, 2013.

- viii) The key parameters for any variable component of remuneration availed by the directors:

The company does not pay any remuneration to the non-executive directors, as they are paid only sitting fee for attending the meetings. With respect to Executive Directors, variable component is paid in the form of commission, which is directly linked to the performance of the company.

- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : Nil
- x) Your directors affirm that the remuneration is as per the remuneration policy of the Company

By Order of the Board

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

Coimbatore
30th May 2016



Management Discussion and Analysis

Industry Conditions and Review Of Operations

Our Company has been striving hard to face the major challenges during the year. In spite of various concerns like volatility and uncertainty in cotton prices and sudden glut in the yarn market, the Company managed to reach a turnover of ₹ 348 Crores and expect the situation improves during the current financial year. Sale of Yarn and price realization in both domestic and export markets have been lower this year on account of poor demand for yarn. Measures are being taken to save costs and rationalize operations, which are likely to yield positive results.

During the year under review, the Company sold one of its undertaking Super – C, located at Karur with the consent of the shareholders' by way of postal ballot.

Opportunities

The demand for the textile products are likely to improve with the anticipated decrease in inflation rates and improvement in the consumer confidence for the products. Various measures are already on the stand to maximize the capacity utilization and efficiency rate and also to minimize the expenditures on various spheres to maximise the profits. The yarn prices are also likely to improve depending on the policy of the government to improve with the industry along with domestic demand for the products. With a normal monsoon forecast, the prospects of a good cotton crop in India in the ensuing season are bright.

Threats

Non-availability of skilled manpower is one of the major threat faced by our industry today which affects the industry and the operations. Higher inflation,

and substantial increase in the interest rates along with increasing costs of inputs would reduce the profitability of the operations. Above all, the uncertainty in the economic growth has an adverse impact on the growth of the industry. Even though the forecast for Indian economic growth is positive, the performance of the company largely depends on the improvement in domestic consumption and monetary policy of the country. Appreciation of Indian rupee over major currencies could have an impact on exports.

Risks and Concerns

The Company has been adopting a risk management policy to identify the nature and magnitude of risk associated with the company in general and various measures are initiated to avoid such risks. These are also reviewed periodically and placed before the Board.

Health, Safety and Security Environment

The Company has always been adopting all possible safety measures considering the health and safety of the workers and staff at all levels. This has resulted in improvement in the working environment and motivation among workers and staff.

Human Resources/Industrial Relations

Employer- employee relations continued to remain cordial during the year at all the units of the Company. Various measures are being adopted towards improving the life, work culture, productivity, efficiency and effectiveness of the workers and staff at all levels. Fundamental HR process of recruiting, training and deployment of trained labour, at added costs continues in view of shortage of manpower persisting in this industry in Andhra Pradesh.



Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

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 of which six are Independent Directors including one Women Director as per requirements of Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The details of composition of the Board of Directors and number of directorship held in other companies / board committees by each member of the Board of Directors of the Company as on 31st March 2016 is as under:

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 14.09.15
Mr. Sumanth Ramamurthi (DIN : 00002773)	Executive Chairman Promoter and Executive	7	NIL/NIL	4	Yes
Mr. A S Thirumoorthy (DIN : 03604474)	Managing Director Executive	3	NIL/NIL	4	Yes
Mr. D Sarath Chandran (DIN : 00001885)	Non-Independent and Non-Executive	6	2/NIL	4	No
Mr. C S K Prabhu (DIN : 00002913)	Independent and Non-Executive	2	1/2	4	Yes
Mr. Sudarsan Varadaraj (DIN : 00133533)	Independent and Non-Executive	7	1/1	2	No
Mr. B Vijayakumar (DIN : 00015583)	Independent and Non-Executive	5	3/NIL	3	No
Mr. Vijay Venkataswamy (DIN : 00002906)	Independent and Non-Executive	4	1/1	4	No
Mr. C G Kumar (DIN : 02823567)	Independent and Non-Executive	—	NIL/NIL	3	No
Mrs. Suguna Ravichandran (DIN : 00170190)	Independent and Non-Executive	1	NIL/NIL	4	Yes

Excluding Directorships in Private and Foreign Companies

* Only Audit Committee and Stakeholders 'Relationship Committee has been considered.

None of the Directors on the Board are related to each other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 Committees nor the Chairman / Chairperson of more than 5 Committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the year 2015-16, four Board Meetings were held at the registered Office on 27th May 2015, 10th August 2015, 7th November 2015 and 10th February 2016.



Statement showing number of shares held by the Non-Executive Directors as on 31st March 2016:-

Name of the Non-Executive Director	No. of Shares held
Mr. C S K Prabhu	5000
Mr. Vijay Venkataswamy	5000
Mr. D Sarath Chandran	11710*
Mr. Sudarsan Varadaraj	72810
Mr. B Vijayakumar	6670
Mr. C G Kumar	—
Ms. Suguna Ravichandran	—

* Includes 6500 shares held in HUF

Independent Directors Meeting

The Independent Directors Meeting was held on 10th February 2016 without the attendance of Non-Independent Directors and members of Management and they inter alia, reviewed the performance of the Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman and accessed the quality, quantity and timeliness of flow of information between the Company and the Board..

Familiarization program for Independent Directors

At every Board Meeting the Senior Management representative of the Company present to the Directors, unit-wise operational and financial aspects of the Company and its subsidiaries. The Directors are also appraised about the new products and technology related aspects.

The details of familiarization program for the independent directors are placed on the Company's website viz. www.superspinning.com/wp-content/uploads/2016/03/IndDirectorsFamProg.pdf

Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

Audit Committee

Brief Description of terms of reference:

The role, powers and functions of the committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this committee are as required by SEBI-under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information from within the company, the committee can obtain external professional advice whenever required.

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 Audit Committee meetings were held at the Registered Office of the Company and during the year the committee met four times on 20th May 2015, 3rd August 2015, 2nd November 2015 and 29th January 2016. 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 Attended
Mr. C S K Prabhu, Chairman	Non-Executive - Independent	4
Mr. Sudarsan Varadaraj	Non-Executive – Independent	1
Mr. B Vijayakumar	Non-Executive – Independent	4
Mr. Vijay Venkataswamy	Non-Executive - Independent	4

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. The Audit Committee considered and reviewed the accounts for the year 2015-16, before it was placed in the Board.

Nomination and Remuneration Committee

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the year under review, the Nomination and Remuneration Committee of the Board met once on 7th November 2015 at the registered office of the Company.

The composition of Nomination and Remuneration Committee by the members are as under

Name	Category	No. of meetings held during the year	No. of Meetings attended
Mr. C S K Prabhu, Chairman	Non-Executive Independent	1	1
Mr. Sudarsan Varadaraj	Non-Executive Independent	1	NIL
Mr. B Vijayakumar	Non-Executive Independent	1	1
Mr. Vijay Venkataswamy	Non-Executive Independent	1	1

Remuneration of Directors

Remuneration of the whole-time Directors are decided by the Board based on the recommendations and approval of the Nomination and 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 2016 is as follows

Name of the Director	Salary, Allowances and Perquisites (₹ lakhs)	Service Contract
Mr. Sumanth Ramamurthi Executive Chairman	41.97	01.04.2014 to 31.03.2017
Mr. A.S.Thirumoorthy Managing Director	55.96	01.04.2014 to 31.03.2017

Remuneration includes Salary, Company's contribution to Provident Fund.

The Non-Executive Directors are paid sitting fees for attending each Board and Committee Meetings as per details furnished below:

Name of the Non-Executive Director	Sitting Fees (₹)
Mr. C S K Prabhu	83,000
Mr. Vijay Venkataswamy	81,000
Mr. D Sarath Chandran	42,000
Mr. Sudarsan Varadaraj	30,000
Mr. B Vijayakumar	71,000
Mr. C G Kumar	30,000
Ms. Suguna Ravichandran	40,000

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board / Committee Meeting(s).

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-executive Independent Directors during the year.

The Company currently does not have any Stock Option Scheme.

Policy for appointment and remuneration of directors, KMP and senior management

The nomination and remuneration committee (N&R Committee) and the board of directors, have adopted a nomination and remuneration policy, which, inter alia, deals with the criteria for appointment of the directors, KMP and senior management personnel and their remuneration. The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's website at the link <http://www.superspinning.com/wp-content/uploads/2015/07/Nomination-and-Remuneration-Policy.pdf>

Criteria for appointment of directors

While recommending the appointment of the directors to the board, the Nomination and Remuneration Committee shall consider criteria/ attributes like qualification, expertise, experience of the directors in their respective fields, professional or business standing and diversity of the board. The Nomination and Remuneration Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted in compliance with provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Stakeholders Relationship Committee and particulars of meetings attended by the members is as follows:

Name of the Member	No. of Meetings Attended
Mr. C S K Prabhu, Chairman	2
Mr. D Sarath Chandran	2
Mr. Sumanth Ramamurthi	2
Mr. A S Thirumoorthy	2
Company Secretary & Compliance Officer	1

During the year 2015-16 two meetings of the Stakeholders Relationship Committee were held on 30th October 2015 and 29th March 2016.

Mr. R. Srikanth was the Company Secretary and Compliance Officer of the Company up to October 20, 2015 and Mrs. Ramaa Krishnakumar is the Company Secretary and Compliance Officer of the Company with effect from November 7, 2015

During the year the Company has not received any complaints from the shareholders. There were no complaints pending unresolved during the year ended 31st March 2016.

Pursuant to clause 47(c) of the Listing Agreement/Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Unclaimed Suspense Account

Pursuant to Regulations 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had transferred on 05.07.2014, its unclaimed shares to Super Spinning Mills Limited unclaimed Securities Suspense Account, opened with M/s. Coimbatore Capital Limited. The details of the claimed shares from the Unclaimed Securities Suspense Account is given below:

Unclaimed Shares as on 01.04.2015		Shares Claimed during the period		Unclaimed shares as on 31.03.2016	
No. of share holders	No. of Shares	No. of share holders	No. of Shares	No. of share holders	No. of Shares
505	1008640	3	2640	502	1006000

The voting rights of the shares lying in the Unclaimed Securities Suspense Account will remain frozen till the rightful owner claims the shares.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms part of the Annual Report.

Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The Committee comprises Mr C S K Prabhu, Mr Sumanth Ramamurthi and Mr A S Thirumoorthy as members.

The Company has however not required to incur any expenditure on the CSR initiatives during the year under review as the average net profits of the preceding three financial years of the Company was in negative.

General Body Meetings

Details of Annual General Meetings held in last three years

Year	Location	Date	Time	Special Resolutions passed in the AGM
2013	Ardra Convention Centre, Kaanchan No.9, North Huzur Road Coimbatore-641 018	06.09.2013	3.30 PM	Nil
2014	Ardra Convention Centre, Kaanchan No.9, North Huzur Road Coimbatore-641 018	10.09.2014	3.30 PM	Appointment of Executive Chairman and to fix his remuneration Appointment of Managing Director and to fix his remuneration Appointment of Mr. B Vijayakumar, Mr. Sudarsan Varadaraj, Mr. Vijay Venkataswamy, Mr. C.S.K Prabhu, Mr. C G Kumar and Ms. Suguna Ravichandran as Independent Directors of the Company. Alteration of Articles of Association of the Company Amending the Borrowing powers of Board of Directors under Section 180(1)(c) of the Companies Act, 2013 Amending the Board power to create and mortgage the Companies properties under Section 180(1)(a) of the Companies Act, 2013

2015	Ardra Convention Centre, Kaanchan No.9, North Huzur Road Coimbatore-641 018	14.09.2015	3.30 PM	Nil
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All resolutions moved at the last Annual General Meeting were passed by the requisite majority of shareholders.

EGM and Postal Ballot

During the year no EGM was held.

Postal ballots:

During the year, the members of the Company passed an Ordinary Resolution through Postal ballot and remote e-voting. The details of which are furnished below:

Subject	Number of votes in favour of the resolution	Number of votes against the resolution
Authorising the Board of Directors to sell / transfer / lease / slump sale or otherwise dispose off the whole of the undertakings of its textile yarn manufacturing Unit Super C Situated at D-Gudalur, Karur, Dindigul District, Tamil Nadu	2,38,45,535	1,160

Mr. M.D.Selvaraj, Practicing Company Secretary conducted the postal ballot exercise.

No special resolution requiring postal ballot is being proposed.

Means of Communication

The quarterly and annual financial results are published in the newspapers viz., Business Standard (all editions) and Maalai Murasu (Vernacular paper) and displayed on website of the company www.superspining.com. The Company regularly intimates quarterly and annual financial results to the Stock Exchanges immediately after the same was taken on record by the Board. The results are not separately circulated to the shareholders.

There were no specific presentations made to Institutional Investors or to the analysts during the year.

General Shareholder Information

Annual General Meeting :

Day, Date & Time : Thursday, 8th September 2016 at 3.30 P.M

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

Financial Year :

Period of reporting	Proposed Board meeting dates
Financial year	1st April 2016 to 31st March 2017
Quarter ending 30th June 2016	Last week of July 2016
Quarter ending 30th September 2016	First week of November 2016
Quarter ending 31st December 2016	First week of February 2017
Year ending 31st March 2017	Last week of May 2017

Date of Book Closure : 2nd September 2016 to 8th September 2016 (both days inclusive)

Dividend Payment Date : Not Applicable

Listing of shares on Stock Exchanges

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai – 400 001



National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor, Plot No. C/1

'G' Block, Bandra-Kurla Complex

Bandra (East), Mumbai – 400 051

Annual listing fees for the year 2016-17 were paid to BSE Limited & National Stock Exchange of India Limited.

STOCK MARKET DATA

Type of Security: Equity

The Equity Shares of the company are listed on The BSE Limited and National Stock Exchange of India Limited. The company confirms that it has paid annual listing fees to "The BSE Limited and National Stock Exchange of India Limited" for the year 2016-17.

Stock Code

Name of the stock Exchange	Scrip Code
Bombay Stock Exchange Ltd	521180
National Stock Exchange of India Ltd	SUPERSPIN
ISIN with NSDL & CDSL	INE662A01027

Market price data for the year 2015- 16

Month	BSE				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April'15	11.00	5.56	29,095	26,898	11.00	5.05	8,845	8,145
May'15	10.75	7.30	28,071	26,424	10.95	7.00	8,490	7,997
June'15	9.70	6.65	27,969	26,307	9.30	6.50	8,467	7,940
July'15	11.24	7.50	28,578	27,416	11.25	8.10	8,655	8,315
August'15	13.74	7.62	28,418	25,298	13.80	7.60	8,622	7,667
September'15	8.34	6.70	26,472	24,834	8.40	6.70	8,055	7,540
October'15	9.27	7.10	27,618	26,169	8.80	7.10	8,336	7,931
November'15	8.50	6.50	26,824	25,451	8.35	6.40	8,116	7,714
December'15	11.50	6.93	26,256	24,868	11.45	6.80	7,979	7,551
January'16	12.10	7.25	26,197	23,840	12.20	7.40	7,973	7,242
February'16	9.90	6.80	25,002	22,495	9.95	6.60	7,600	6,826
March'16	7.90	6.25	25,480	23,133	7.65	6.30	7,778	7,035

Note: The Face Value is ₹1/-

Registrar and Share Transfer Agent

Link Intime India Pvt Limited

(Formerly Intime Spectrum Registry Ltd)

"SURYA", 35, Mayflower Avenue

Behind Senthil Nagar, Sowripalayam,

Coimbatore - 641 028. Tamil Nadu

Share Transfer System

The company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, Link Intime India Private Limited and approved by the Stakeholders Relationship Committee of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Link Intime India Private Limited, if the documents are complete in all respects. All requests for dematerialization of shares are



processed and confirmed to the depositories, NSDL and CDSL, within 15 days. All the applications received either for transfer or dematerialization will be processed only after getting the approval from the members of the Stakeholders Relationship Committee.

Distribution of Shareholding:

Pattern of Shareholding as on 31st March 2016

Category	No. of Share Holders	No. of Shares held	% of share holding
Promoters and promoters group	18	23338395	42.43
Financial Institutions, Banks	1	1470	0.00
Foreign Institutional Investors/NRI/ OCB	1	1000	0.00
Bodies Corporate	259	3606634	6.56
Public	8957	28052501	51.01
Total	9236	55000000	100.00

Distribution of shareholdings as on 31st March 2016

Share	No of Shareholders	% of holding	No of Shares	% of holding
1 - 500	4637	50.18	11,01,309	2.00
501 - 1000	1587	17.18	14,26,274	2.59
1001 - 2000	1051	11.37	17,25,235	3.14
2001 - 3000	518	5.61	13,62,050	2.48
3001 - 4000	224	2.42	8,24,984	1.50
4001 - 5000	276	2.99	13,32,225	2.42
5001 - 10000	430	4.65	32,85,864	5.97
10001 & Above	517	5.60	4,39,42,059	79.90
Total	9240	100.00	5,50,00,000	100.00

Demat and Physical Shares as on 31st March 2016

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	4,46,51,804	81.18
Central Depository Services (India) Limited	85,17,216	15.49
Physical	18,30,980	3.33
Total	5,50,00,000	100.00

The custodial fee to the depositories (NSDL & CDSL) was paid for the year 2016-17.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

Plant Locations

A Unit Kirikera, Hindupur, Ananthapur Dist, Andhra Pradesh.	B Unit Kotnur, Hindupur, Ananthapur Dist, Andhra Pradesh.
Super Sara Beerepalli, Hindupur, Ananthapur Dist, Andhra Pradesh.	
Address for Correspondence and Registered Office Ms. Ramaa Krishnakumar 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 : 91- 422 - 2311611 E Mail : investors@ssh.saraelgi.com Web : www.superspinning.com	Address for Correspondence with Registrar and Share Transfer Agent Coimbatore Branch Office Link Intime India Pvt Limited "SURYA", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam, Coimbatore – 641 028. Tamil Nadu Phone : 91 - 422 - 2314792 Fax : 91 - 422 – 2314792, 2315792 E Mail : coimbatore@linkintime.co.in

Disclosure

Related Party Transactions

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

No Penalties, strictures was imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

c) Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.

The company has adopted a Whistle Blower policy and has established necessary mechanism for employees to report concerns about unethical behavior. Any employee if he / she so desires, would have free access to meet the Audit committee / Senior level management and report any matter of concern.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the non-mandatory requirement relating to Reporting of internal Auditors to Audit Committee as recommended in terms of Regulation 27(1) read with part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

e) Web link where policy for determining "material" subsidiaries is disclosed.

The Company has framed a Material Subsidiaries Policy and the same is placed on the Company's website and the web link for the same is <http://www.superspinning.com/wp-content/uploads/2015/01/Policy-on-Subsidiaries.pdf>

f) Web link where policy on dealing with related party transactions.

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is <http://www.superspinning.com/wp-content/uploads/2015/01/Policy-on-Related-Party-Transactions.pdf>

g) Disclosure of commodity price risks and commodity hedging activities.

During the financial year ended 31st March 2016, the Company did not engage in commodity hedging activities



h) Disclosure on accounting treatment.

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

i) Disclosure on risk management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Audit Committee.

There has been no instance of non-compliance of any requirement of corporate governance report as stated above.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate from CEO / CFO.

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of directors, in its meeting held on 30th May 2016 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review.

Code For Prevention of Insider Trading

The Company has framed a code of conduct for monitoring the trading done by Insiders based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers /designated employees.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Declaration for code of conduct

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49(II)(D) of the Listing Agreement and I hereby affirm compliance with the said code of conduct for the financial year 2015-2016.

Coimbatore
30th May, 2016

A S Thirumoorthy
Managing Director & CEO
DIN : 03604474



AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The members of Super Spinning Mills Limited,

We have examined the compliance of conditions of Corporate Governance by Super Spinning Mills Limited ('the company'), for the year ended 31st March, 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliances of conditions of Corporate Governance are the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

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
30th May, 2016

Certification by Chief Executive Officer and Chief Financial Officer

To the Board of Directors of Super Spinning Mills Limited,

We, A S Thirumoorthy, Managing Director & CEO and N Hemanand, Chief Financial Officer 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 2016 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 2016 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 the year ended 31st March 2016.
 - ii. There have not been any significant changes in accounting policies during the year ended 31st March 2016.
 - iii. There have been no instances during the year ended 31st March 2016 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
30th May, 2016

A S Thirumoorthy
Managing Director & CEO DIN : 03604474

N Hemanand
Chief Financial Officer



Independent Auditors' Report

To
The Members of Super Spinning Mills Limited,

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SUPER SPINNING MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Managements Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its losses and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with



by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and:
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements included in Note No. 29.2 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Coimbatore
30th May, 2016

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of SUPER SPINNING MILLS LIMITED for the year ended March 31, 2016)

We report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.
- ii. (a) In our opinion and according to the information and explanations given to us, the management has conducted the physical verification of inventories at reasonable intervals during the year under review.
- (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 nature of its business.
- (c) According to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventories and no material discrepancies were noticed on their physical verification.
- iii) The Company had not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Hence, comments on the provisions of clause (iii) (a) to (c) of the said Order do not arise.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, guarantees and investments made.
- v) In our opinion and according to the information and explanations given to us, during the year, the Company



has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and rules framed there under.

- vi) We have broadly reviewed the books of account maintained by the company, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 and are of the opinion that prima-facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of accounts in respect of undisputed

statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, excise duty, Value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with appropriate authorities. There are no undisputed statutory dues as referred to above as at 31st March 2016 outstanding for a period of more than six months from the date they become payable.

- b) According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before the appropriate authority are as under:

Name of Statute	Nature of Dues	Issues in the Appeal	Unpaid Amount (₹ in lakhs)	Period to which the amount relates	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	Disallowance of replacement of machinery	489.16	1993-94, 1994-95, 1996-97, 1998-99 to 2000-01, 2002-03 to 2008-09	CIT(Appeals), Coimbatore
APGST Act, 1957	Sales Tax	Disallowance of Stock Transfer to branch & Tax due on other pending declaration forms	162.96	2010-11	ADC, Kurnool & STAT, Visakhapatnam
TNGST Act, 1959	Sales Tax	Levy of Penalty for Issue of C Forms	83.93	1998-99	High Court, Chennai
Central Excise Act, 1944	Excise Duty	Capital goods moved without payment of duty and Dispute on input duty assessed	75.98	2003-04	Commissioner of Appeals, Coimbatore

- viii) The company has not defaulted in repayment of loans and borrowing to financial institution, bank, government or dues to debenture holders
- ix) The company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Balakrishna S Bhat
Partner

Coimbatore
30th May, 2016

Membership No.202976

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SUPER SPINNING MILLS LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that

were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Reddy, Goud & Janardhan

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner

Membership No.202976

Coimbatore
30th May, 2016

5 Year Highlights

₹ lakhs

Operating Results	2012	2013	2014	2015	2016
Sales and Other Income	39526	44217	52623	44635	35027
Operating Profit	(1264)	4842	4412	1813	686
Finance Cost	3023	2311	2380	2304	2143
Gross Profit	(4287)	2531	2033	(491)	(1457)
Depreciation	1900	1697	1511	1037	995
Taxes	(1895)	84	150	(541)	(299)
Net Profit	(4292)	751	332	(1174)	(582)
Performance Parameters					
Net Fixed Assets	11719	10107	9603	9294	7119
Share Capital	550	550	550	550	550
Reserves	5701	6452	6784	5521	4938
Net Worth	6251	7002	7334	6071	5488
Return on Net Worth(%)	(68.66)	10.72	4.53	(19.34)	(10.61)
Bank Borrowings	14198	13206	13892	12485	11150
Debt : Equity	2.27 : 1	1.89 : 1	1.89 : 1	2.06 : 1	2.03 : 1
Earnings per share (in ₹)	(7.80)	1.36	0.60	(2.13)	(1.06)



Balance Sheet as at 31st March 2016

		₹ lakhs	
Particulars	Note No.	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	550.00	550.00
(b) Reserves and surplus	4	4,938.28	5,520.50
2 Non-current liabilities			
(a) Long-term borrowings	5	3,067.41	3,967.56
(b) Long-term provisions	6	434.62	437.71
3 Current liabilities			
(a) Short-term borrowings	7	6,642.03	7,675.85
(b) Trade payables	8	4,787.88	5,062.92
(c) Other current liabilities	9	2,242.44	2,249.29
(d) Short-term provisions	10	326.62	286.07
TOTAL		22,989.28	25,749.90
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	11.a	7,116.43	9,292.16
Intangible assets	11.b	1.32	1.97
Capital Work in Progress	11.c	0.82	—
(b) Non-current investments	12	2,715.59	2,730.79
(c) Deferred tax assets (Net)	13	1,624.93	1,325.96
(d) Long-term loans and advances	14	714.84	575.48
(e) Other Non Current assets	15	848.86	758.64
2 Current assets			
(a) Inventories	16	3,839.82	3,978.85
(b) Trade receivables	17	2,667.87	3,770.05
(c) Cash and Bank Balances	18	66.79	131.28
(d) Short-term loans and advances	19	2,512.49	2,589.19
(e) Other current assets	20	879.52	595.53
TOTAL		22,989.28	25,749.90

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

For and on behalf of the Board

Sumanth Ramamurthi

Executive Chairman

DIN : 00002773

A S Thirumoorthy

Managing Director

DIN : 03604474

Ramaa Krishnakumar

Company Secretary

N Hemanand
Chief Financial Officer

Coimbatore, 30th May, 2016



Statement of Profit and Loss for the year ended 31st March 2016

		₹ lakhs	
Particulars	Note No.	31.03.2016	31.03.2015
I. Revenue from operations	21	34,829.02	44,049.81
II. Other income	22	198.12	585.31
III. Total Revenue		35,027.14	44,635.12
IV. Expenses:			
Cost of materials consumed	23.a	19,282.02	26,430.42
Purchase of Stock-in-Trade	23.b	267.51	205.00
Changes in inventories of Finished goods, Work-in Progress and Stock in Trade	23.c	110.23	(235.36)
Power and Fuel		5,867.70	5,790.02
Employee benefits expense	24	4,798.12	5,331.11
Finance costs	25	2,143.23	2,304.18
Depreciation and amortization expense	11.d	995.30	1,036.66
Other expenses	26	4,015.22	5,301.19
Total Expenses		37,479.33	46,163.22
V. Profit before exceptional and extraordinary items and tax (III-IV)		(2,452.19)	(1,528.10)
VI. Exceptional items	27	23.90	186.96
VII. Profit before extraordinary items and tax (V - VI)		(2,476.09)	(1,715.06)
VIII. Extraordinary Items	28	1,594.89	-
IX. Profit / (Loss) Before Tax (VII - VIII)		(881.20)	(1,715.06)
X. Tax expense:			
Current tax		-	-
Deferred tax		(298.98)	(540.83)
XI. Profit / (Loss) After Tax (IX-X)		(582.22)	(1,174.23)
XII. Earnings per share:			
Basic and Diluted		(1.06)	(2.13)

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

For and on behalf of the Board

Sumanth Ramamurthi

Executive Chairman

DIN : 00002773

A S Thirumoorthy

Managing Director

DIN : 03604474

Ramaa Krishnakumar

Company Secretary



Cash Flow Statement for the year ended 31st March 2016

		₹ lakhs
	2015-16	2014-15
A. Cash Flow from operating activities :		
Net Profit before tax and extraordinary items	(2476.09)	(1715.06)
Adjustment for :		
Depreciation and amortisation Expenses	995.30	1036.66
(Profit)/Loss on sale of assets	(93.82)	(370.72)
Interest Income	(62.56)	(63.64)
Interest Payments	2088.24	2248.71
Unrealised exchange (gain) / Loss	(8.06)	(4.02)
Operating Profit before working capital changes	443.01	1131.93
Adjustments for :		
Trade receivables	619.83	106.75
Other receivables	45.50	528.80
Inventories	139.03	2,222.10
Other Bank balances	10.17	(1.91)
Trade and other payables	(834.78)	219.81
Cash generated from operations	422.76	4207.48
Direct taxes paid	—	210.00
Net Cash Flow from operating activities (A)	422.76	3997.48
B Cash Flow from Investing activities :		
Purchase of fixed assets [Including CWIP]	385.73	(1002.93)
Sale of fixed assets	2483.24	514.01
Purchase of investments	15.20	—
Interest received	62.56	63.64
Net cash used for investing activities (B)	2946.73	(425.28)
C Cash Flow from financing activities :		
Long term borrowings	(301.75)	919.40
Interest paid	(2088.24)	(2248.71)
Working capital borrowings	(1033.37)	(2326.56)
Unsecured loans & deposits	(0.45)	(6.55)
Net cash flow from financing activities (C)	(3423.81)	(3662.42)
Net Increase / (Decrease) in cash and cash equivalent	(54.32)	(90.21)
Cash and cash equivalents - Opening	121.11	211.33
Cash and cash equivalents - Closing	66.79	121.11
1. Cash and Cash Equivalents		
a Cash on Hand	4.24	5.76
b Cheque in transit	0.84	0.80
c Balance with banks: On current accounts	61.71	114.55
	66.79	121.11
2. Other Bank balances		
a Earmarked balance with banks on unpaid dividend accounts	—	1.68
b Margin Money Deposit	—	8.49
	—	10.17
Cash and Bank balances as per Balance Sheet (Note No.18) (I + II)	66.79	131.28

See accompanying notes forming part of the financial statements

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

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN : 00002773
A S Thirumoorthy
Managing Director
DIN : 03604474
Ramaa Krishnakumar
Company Secretary



Notes forming part of the financial statements

1 Corporate Information

Super Spinning Mills Limited is a public limited company 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 BSE Limited and the National Stock Exchange of India Limited. The company has manufacturing units in Tamil Nadu and Andhra Pradesh.

2 Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 2013.

2.2 Fixed Assets

- a. Fixed assets are stated at historical cost of acquisition (Net of Cenvat credits) less accumulated depreciation / amortisation and cumulative impairment, if any. Cost of acquisition includes freight, duties, taxes, installation, direct attributable costs, finance cost 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 is provided on straight line method based on the useful life of the assets in the manner prescribed in Schedule II of the Companies Act 2013, except in respect of those assets referred in para (b) below where the useful life estimated different from Schedule II of the said Act.
- b. The company is considering the useful life of the following assets different from Schedule II of the Companies Act 2013, with supporting of Technical opinion:
 - i. Plant & Machinery Single Shift – 20 Years
 - ii. Plant & Machinery Triple Shift – 10 Years
 - iii. Roads, Fences, Walls – 15 Years
- c. ERP software & other software are 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 or 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 the 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 recognised 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 financial statements

- e. Interest is recognised using the time-proportion method, based on rates implicit in the transaction.
- f. Dividend income is recognised when the Company's right to receive dividend is established.

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.
- 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 Government Grants

- a. Government Grants are recognized when there is a reasonable assurance that the company would comply with the conditions attached for such grant and further the grant would be received
- b. Revenue grants are recognized in the Statement of Profit and Loss.
- c. Interest reimbursement under Technology Up gradation Fund Scheme (TUFS) is directly credited to respective term loan interest accounts, being reimbursement of expenditure incurred.

2.10 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. All other borrowing costs are charged to revenue

2.11 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. 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.

2.12 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.

2.13 Taxes on Income

Tax expense comprises of current 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 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.



Notes forming part of the financial statements

2.14 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 period is reversed in current accounting periods if there has been a change in the estimate of the recoverable amount.

2.15 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.

3 Share Capital

Authorised

10,00,00,000 (10,00,00,000) Equity shares of ₹ 1/- each

Issued, Subscribed & Fully Paid Up

5,50,00,000 (5,50,00,000) Equity shares of ₹ 1/- each

Total

	₹ lakhs	
	31.03.2016	31.03.2015
Authorised		
10,00,00,000 (10,00,00,000) Equity shares of ₹ 1/- each	1000.00	1000.00
Issued, Subscribed & Fully Paid Up		
5,50,00,000 (5,50,00,000) Equity shares of ₹ 1/- each	550.00	550.00
Total	550.00	550.00

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2016		As at 31.03.2015	
	₹ lakhs	No. of shares	₹ lakhs	No. of shares
No. of Equity shares outstanding at the beginning of the year	550.00	55,000,000	550.00	55,000,000
Add: Additional shares / Bonus shares issued	-	-	-	-
Less: Shares forfeited / Bought back	-	-	-	-
No. of Equity shares outstanding at the end of the year	550.00	55,000,000	550.00	55,000,000

3.2 Shares held by holding / ultimate holding company / or their subsidiaries / associates

- -

3.3 Shareholders holding more than 5% of shares

Name of the Shareholder	31.03.2016		31.03.2015	
	No of Shares	% of Holding	No of Shares	% of Holding
Sumanth Ramamurthi	8,773,860	15.95	8,773,860	15.95
Nikhil Govind Ramamurthi	4,000,000	7.27	4,000,000	7.27
Sanjay Krishna Ramamurthi	4,000,000	7.27	4,000,000	7.27

3.4 The company has only one class of issued shares referred to as equity shares having a par value of ₹1/- each.

Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividends in indian rupees. However during the year the company has not declared any dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes forming part of the financial statements

	31.03.2016	₹ lakhs 31.03.2015
3.5 Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date	—	—
3.6 Shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment, including the terms and amounts	—	—
4 Reserves and Surplus		
a. Surplus in Statement of Profit and Loss		
Opening Balance	(4,543.12)	(3,368.89)
Add: Amount Transferred from statement of profit and loss	(582.22)	(1,174.23)
Less: Utilised / Transferred	—	—
Closing Balance	<u>(5,125.34)</u>	<u>(4,543.12)</u>
b. Capital Reserve		
Opening Balance	48.19	48.19
Add: Additions	—	—
Less: Utilised / Transferred	—	—
Closing Balance	<u>48.19</u>	<u>48.19</u>
c. Securities Premium Reserve		
Opening Balance	1,487.50	1,487.50
Add: Additions	—	—
Less: Utilised / Transferred	—	—
Closing Balance	<u>1,487.50</u>	<u>1,487.50</u>
d. General Reserve		
Opening Balance	8,527.93	8,617.27
Add: Additions	—	—
Less: Carrying amount of Fixed Assets debited to retained earnings where remaining useful life of the asset is NIL as on 01.04.2014 (Net of deferred tax)	—	89.34
Closing Balance	<u>8,527.93</u>	<u>8,527.93</u>
Total	<u>4,938.28</u>	<u>5,520.50</u>
5 Long-term Borrowings		
Term Loans(Secured)		
From Banks	3,067.41	3,967.56
Total	<u>3,067.41</u>	<u>3,967.56</u>

Notes forming part of the financial statements

5.1 Repayment Schedule

Long Term Borrowings	Monthly Instalments	Rate of Interest (%)	Final Instalment
State Bank of India - TL -1	24	14.40	Mar 18
Andhra Bank	42	13.75	Sep 19
State Bank of India - TL-2	57	14.45	Dec 20
SBI - Term Loan (TUFS)	56	14.45	Nov 20
State Bank of Hyderabad	48	14.25	Mar 20

5.2 Details of security for Long-term Borrowings

The Tuf loan from SBI bank is secured by:

- First charge on fixed asset financed by SBI and Second charge on entire current asset and other fixed assets of the company on paripassu basis
- Personal Guarantee from promoter

The term loan from SBI bank is secured by:

- First Pari-passu charge on entire fixed asset of the company and first charge on entire current asset of the company
- Personal Guarantee from promoter

The term loans from Andhra Bank is secured by:

- First Pari-passu charge on entire fixed asset of the company
- Second charge on current assets of the Company.

	31.03.2016	31.03.2015
6 Long-term Provisions		
Gratuity	403.08	437.71
Leave Encashment	31.54	—
Total	434.62	437.71

7 Short-term Borrowings

Loans repayable on demand		
From Banks	6,614.03	7,647.40
From Directors	28.00	28.45
Total	6,642.03	7,675.85

7.1 Working Capital loans from banks are secured by:

For SBI:

- First charge on entire current assets of the company
- Second paripassu charge on entire fixed assets of the company

For Other Banks:

- First pari passu charge on entire current assets of the company
- Second paripassu charge on entire fixed assets of the company

Working Capital loans are payable on demand and carries interest rate for Cash Credit -- [14.22% to 15%] & for Packing Credit [10.45% to 11.25%]

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"



Notes forming part of the financial statements

₹ lakhs

9 Other Current Liabilities	31.03.2016	31.03.2015
Current Maturities of Long Term Borrowings	1,468.40	870.00
Interest Accrued but not due	117.08	75.79
Unpaid Dividends	–	1.68
Statutory Remittances	30.78	49.25
Liabilities for expenses	346.70	536.73
Employee Benefits Payable	131.60	201.74
Advance from Customers	54.49	423.80
Others	93.39	90.30
Total	2,242.44	2,249.29
10 Short-term Provisions		
For Bonus	237.01	268.46
For Gratuity	89.61	17.61
Total	326.62	286.07

11 Fixed Assets

Sl No	Particulars	Gross Block					Depreciation / Amortisation					Net Block		
		As at 01.04.15	Additions	Disposals	Reclassification*	As at 31.03.16	As at 01.04.15	For the year	Disposals	Retained Earnings	Reclassification*	As at 31.03.16	As at 31.03.16	As at 01.04.15
11.a	Tangible Assets													
	Land	624.08	17.09	12.84	268.74	359.59	–	–	–	–	–	–	359.59	624.08
	Buildings	5,525.80	4.28	609.58	136.78	4,783.72	1,927.56	177.13	331.73	–	42.99	1,729.97	3,053.75	3,598.24
	Plant and Equipment	32,929.29	33.18	5,290.20	1,096.07	26,576.20	28,018.37	778.46	4,798.74	–	1,015.62	22,982.47	3,593.73	4,910.92
	Data Processing Machinery	679.41	1.88	35.05	–	646.24	582.05	29.06	32.24	–	–	578.87	67.37	97.36
	Furniture and Fixtures	243.00	–	13.51	–	229.49	202.13	7.66	11.57	–	–	198.22	31.27	40.87
	Vehicles	235.08	–	42.00	–	193.08	214.39	2.34	34.37	–	–	182.36	10.72	20.69
	Total	40,236.66	56.43	6,003.18	1,501.59	32,788.32	30,944.50	994.65	5,208.65	–	1,058.61	25,671.89	7,116.43	9,292.16
11.b	Intangible Assets													
	Computer software	313.77	–	–	–	313.77	311.80	0.65	–	–	–	312.45	1.32	1.97
	Total	313.77	–	–	–	313.77	311.80	0.65	–	–	–	312.45	1.32	1.97
Sl No	Particulars	Gross Block					Depreciation / Amortisation					Net Block		
		As at 01.04.14	Additions	Disposals	Reclassification	As at 31.03.15	As at 01.04.14	For the year	Disposals	Retained Earnings	Reclassification	As at 31.03.15	As at 31.03.15	As at 31.03.14
11.c	Capital work in progress													
	Furniture and Fixtures	–	0.82	–	–	0.82	–	–	–	–	–	–	0.82	–
	Total	–	0.82	–	–	0.82	–	–	–	–	–	–	0.82	–
	Grand Total	40,550.43	57.25	6,003.18	1,501.59	33,102.91	31,256.30	995.30	5,208.65	–	1,058.61	25,984.34	7,118.57	9,294.13
	Previous Year	40,608.66	1,086.88	1,145.11	–	40,550.43	31,005.26	1,036.66	917.88	132.26	–	31,256.30	9,294.13	9,603.40

* Reclassification represents assets classified under current assets. (Refer No. 20.1)



Notes forming part of the financial statements

		₹ lakhs
11.d Depreciation and Amortisation for the year on	31.03.2016	30.03.2015
Tangible Assets as per Note 12.a	994.65	1,031.56
Intangible Assets as per Note 12.b	0.65	5.10
Total	995.30	1,036.66
12 Non-current Investments		
Investments in Equity Shares		
Non-Trade Unquoted (At Cost) - Subsidiaries		
Elgi Building Products Ltd		
29,99,592 (29,99,592) shares of ₹ 10 each fully paid	299.96	299.96
Sara Elgi Arteriors Ltd		
25,00,000 (25,00,000) shares of ₹ 10 each fully paid	350.00	350.00
Investments in Equity Shares - Others		
Trade Unquoted (At Cost)		
Andhra Pradesh Gas Power Corporation Ltd		
9,38,000 (9,38,000) shares of ₹ 10 each fully paid	1293.02	1293.02
MMS Steel and Power Ltd		
2,03,938 (2,03,938) shares of ₹ 10 each fully paid	20.39	20.39
Suryadev Alloys Steels		
900 (900) shares of ₹ 10 each fully paid	1.22	1.22
Cotton Sourcing Company Ltd		
10,000 (10,000) shares of ₹ 10 each fully paid	1.00	1.00
Investments in Preference Shares		
Non-Trade Unquoted (At Cost) - Subsidiaries		
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 Bonds		
Mercantile Ventures Limited		
Zero % unsecured, convertible bonds	—	15.20
Aggregate value of unquoted investments (At Cost)	2,715.59	2,730.79
Fair value - ₹ 2715.59 lakhs (Previous year - ₹ 2730.79 lakhs)		

13 Deferred Tax Liabilities / (Assets)

Particulars	Balance as of 31.03.2015	Charge / Credit	Closing as of 31.03.2016
Depreciation	1090.36	280.84	1371.20
Loss	(2118.74)	(591.75)	(2710.49)
Others	(297.58)	11.94	(285.64)
Total - Liability / (Asset)	(1325.96)	(298.97)	(1624.93)



Notes forming part of the financial statements

		₹ lakhs
14 Long-term loans and advances	31.03.2016	31.03.2015
Capital Advance	3.00	—
Security Deposit	711.84	575.48
Total	714.84	575.48
15 Non Current Assets		
Trade Receivable (Refer Note 15.1)	482.35	461.98
Advance to Suppliers	69.85	—
MAT Credit	296.66	296.66
Total	848.86	758.64
15.1.1 Trade receivables due from certain customers are under litigation at various forums. However, management is confident of recovering these dues and hence no provision for doubtful debts is required to be provided		
15.1.2 Item shown in Non current assets in current year were grouped under Current Assets in the previous year.		
16 Inventories		
Valued at Cost or Net Realisable value whichever is lower		
Raw Materials	1,547.25	1,541.36
Work in Process	719.05	1,125.23
Finished Goods	1,328.95	999.29
Stores and Spares	216.92	251.61
Waste	27.65	61.36
Total	3,839.82	3,978.85
17 Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	12.55	74.99
Others	2,655.32	3,695.06
Total	2,667.87	3,770.05
18 Cash and Bank Balances		
1. Cash and Cash Equivalents		
a. Cash on Hand	4.24	5.76
b. Cheque in transit	0.84	0.80
c. Balance with banks: On current accounts	61.71	114.55
2. Other Bank balances		
a. Earmarked balance with banks on unpaid dividend accounts	—	1.68
b. Margin Money Deposit	—	8.49
Total	66.79	131.28

Margin money deposit with carrying amount of ₹ NIL (P.Y. - ₹ NIL 8,49,000) are held to secure the company's non fund based limits availed from Bank.

Notes forming part of the financial statements

		₹ lakhs
19 Short-term Loans and Advances	31.03.2016	31.03.2015
Unsecured, considered good		
Advance for Suppliers	68.39	—
Prepaid Expenses	108.27	145.38
Employee Related Advances	56.40	56.96
Balance with Government Authorities	2,162.24	2,229.33
Other Deposits & Advances	117.19	157.52
Total	<u>2,512.49</u>	<u>2,589.19</u>
20 Other Current Assets		
Interest Accrued	65.87	59.60
Income Accrued	370.67	535.93
Fixed Assets Held for Sale (Refer Note 20.1)	442.98	—
Total	<u>879.52</u>	<u>595.53</u>
20.1 Fixed Assets held for sale approved by the Board of Directors is reclassified as a current item. However the same was grouped under Fixed Asset in the previous year.		
21 Revenue from Operations		
Sale of products :		
Domestic	27107.27	
Export	7338.01	
	34,445.28	43,347.16
Other operating revenues	383.74	702.65
Total	<u>34,829.02</u>	<u>44,049.81</u>
21.1 Other operating revenues Includes		
Job Work Charges	0.38	56.05
Export Incentive	201.35	470.28
Others	182.01	176.32
Total	<u>383.74</u>	<u>702.65</u>
22 Other Income		
Interest Income (Refer Note 22.1 below)	62.56	63.64
Other Non-operating Income (Refer Note 22.2 below)	135.56	521.67
Total	<u>198.12</u>	<u>585.31</u>
22.1 Interest Income		
Interest on Electricity Deposits	53.45	50.64
Other Interest Receipts	9.11	13.00
Total	<u>62.56</u>	<u>63.64</u>



Notes forming part of the financial statements

		₹ lakhs
22.2 Other Non-operating Income	31.03.2016	31.03.2015
Insurance Claim Receipts	–	0.58
Agri Income	3.08	3.73
Rent Receipts	20.43	19.45
Profit/(Loss) on sale of assets	93.82	370.72
Exchange Gain/ (Loss) (Net)	18.23	127.19
Total	135.56	521.67
23.a Cost of Materials Consumed		
Opening Stock of Cotton	1,541.36	3,914.81
Add: Purchase of Cotton	19,287.91	24,056.97
Less: Closing Stock of Cotton	1,547.25	1,541.36
Total	19,282.02	26,430.42
23.b Purchase of Traded goods		
Cotton Yarn	–	205.00
Cotton	228.46	–
Stores	39.05	–
Total	267.51	205.00
23.c Change in Inventories of Finished goods, Work-in Process & Stock in Trade		
Inventories at the end of the year		
Finished goods	1,328.95	999.29
Work-in Progress	719.05	1,125.23
Waste	27.65	61.36
Total	2,075.65	2,185.88
Inventories at the beginning of the year		
Finished goods	999.29	708.11
Work-in Progress	1,125.23	1,178.22
Waste	61.36	64.19
Total	2,185.88	1,950.52
Net (Increase) / Decrease	110.23	(235.36)
24 Employee Benefit Expenses		
Salaries	3,944.88	4,416.91
Contributions to		
- Provident Funds	189.13	207.59
- Super Annuation Funds	4.49	6.86
Gratuity Fund Provision	92.01	117.05
Welfare Expenses	567.61	582.70
Total	4,798.12	5,331.11
25 Finance Cost		
Interest on Borrowings	2,088.24	2,248.71
Other Borrowing Cost	54.99	55.47
Total	2,143.23	2,304.18



Notes forming part of the financial statements

		₹ lakhs
26 Other Expenses	31.03.2016	31.03.2015
Stores	1,772.37	2,277.96
Repairs and Maintenance		
Buildings	43.19	102.87
Machinery	363.92	532.79
Others	45.32	58.73
Processing Charges	75.54	198.88
Selling Expenses	1,067.90	1,393.35
Insurance	56.78	67.58
Postage, Telephone and Printing	37.36	44.66
Travelling and Transport charges	148.63	189.59
Bank charges	130.54	88.49
Taxes and Licence	96.61	113.94
Professional charges	30.20	37.61
Auditors' Remuneration(Refer Note 26.1 below)	10.10	10.64
Directors' Sitting fees	3.77	3.69
Agricultural Expenses	20.44	20.13
Others	112.55	160.28
Total	4,015.22	5,301.19
26.1 Auditors' Remuneration:		
As Auditor	5.00	5.00
Tax Audit Fee	1.48	1.30
Others	3.62	4.34
Total	10.10	10.64
27	The exceptional item represents Voluntary Retirement compensation to the employees of the company.	
28.	Extrordinary items represent profit on sale of D Gudalur unit, Karur, for which share holders approval obtained already vide postal ballot resolution dated on 22nd September 2015.	
29. Additional Information to the Financial Statements		
29.1	Estimated amount of contracts remaining to be executed on capital & Spares account and not provided for	
	65.60	150.51
29.2 Contingent Liabilities:		
Bank Guarantees	75.00	176.20
Bills discounted with company's bankers	575.70	423.82
Disputed demands from Income tax authorities	489.16	439.92
Disputed Excise duty liability	75.98	75.98
Disputed Sales tax liability	246.88	246.88
Corporate Guarantee to bank on behalf of subsidiary	140.00	140.00
29.3 Earnings in Foreign Exchange:		
Export of Goods(FOB value)	7,321.91	13,332.78



Notes forming part of the financial statements

		₹ lakhs
29.4 Expenditure in Foreign Exchange:	31.03.2016	31.03.2015
Foreign Travel	7.35	14.52
Commission	117.95	195.59
Others	84.09	18.91
CIF value of imports		
- Raw Materials	689.28	1,705.34
- Components and Spares	192.97	166.77
- Capital Goods	—	501.47
Total	1,091.64	2,602.60

29.5 Details of receivables covered and outstanding as at year end:

Particulars	FCY		Value	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Forward Cover				
- Export (USD)	152,377	1,572,011	103	1,000
- Import (USD)	211,448	—	144	—

29.6 Details of Foreign currency exposures that are not covered as at year-end.

Particulars	FCY		Value	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Trade Receivables				
USD	339,636	189,061	230	116
Trade Payables				
USD	251,469	470,403	165	292
EURO	32,251	18,389	23	12
CHF	26,429	36,938	18	24

29.7 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 **(582.22)** (1,174.23)

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

Nominal value per share (₹) **1.00** 1.00

Basic and Diluted Earnings per share - Face value of ₹.1 per share (₹) **(1.06)** (2.13)

29.8 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.

Notes forming part of the financial statements

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

Particulars	31.03.2016	31.03.2015
Present value of the Obligation as on 1st April	936.27	991.77
Current Service Cost	38.36	40.35
Interest Cost	69.61	80.54
Actuarial Gains and Losses	26.53	36.97
Benefits Paid from fund and payment towards transfer-out obligations	(87.68)	(213.36)
Present value of the Obligation as on 31st March	983.09	936.27

The liability of the company as of 31st March 2016 has been funded to the extent of ₹ 490.43 lakhs.

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

Particulars	31.03.2016	31.03.2015
Fair value of the Plan Assets as on 1st April	480.96	564.51
Expected Rate of Return	40.64	46.72
Actuarial Gains and (Losses)	1.86	(5.91)
Contribution to meet payment towards transfer-out obligations	26.66	—
Contributions by the Employer	27.99	89.00
Benefits paid	(61.02)	(213.36)
Payment towards transfer-out obligations	(26.66)	—
Fair value of the Plan Assets as on 31st March	490.43	480.96

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

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

Particulars	31.03.2016	31.03.2015
Current Service Cost	38.36	40.35
Interest Cost	69.61	80.54
Expected Return on Plan Assets	(40.64)	(46.72)
Actuarial Gains and Losses	24.68	42.88
Amount recognised in the Statement of Profit and Loss	92.01	117.05

The expenses has been included under the head “Gratuity Fund Contributions” under the “Employees 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	31.03.2016	31.03.2015
Discount Rate	7.60%	7.80%
Expected Rate of Return on Plan Assets	9.30%	8.75%
Attrition Rate	1.00%	1.00%
Rate of escalation in salary (per annum)	3.50%	4.00%

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:

₹ lakhs

Particulars	31.03.2016	31.03.2015
Present value of the Defined Benefit Obligation	983.09	936.27
Fair value of Plan Assets	490.43	480.96
Deficit in Plan Assets	492.66	455.31
Experience Adjustments arising on Plan Liabilities as an amount	(46.17)	(20.34)
Experience Adjustments arising on Plan Assets as an amount	1.86	(5.91)

29.9 Related Party Disclosure (as certified by the Management)

(I) Names of Related parties and description of relationship

a) Key Management Personnel	Sumanth Ramamurthi, Executive Chairman A.S.Thirumoorthy, Managing Director
b) Subsidiaries	Sara Elgi Arteriors Ltd Elgi Building Products Ltd
c) Others	Elgi Electric and Industries Ltd Sara Elgi Industries Ltd Kakatiya Textiles Ltd Super Sara Textiles Ltd Super Farm Products Pvt Ltd Sara Elgi Envirotech LLP

(ii) Related Party Transactions

₹ lakhs

Nature of Transaction	Subsidiary		Others		Key Management Personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase of goods	0.62	0.75	10.34	321.28	-	-	10.96	322.03
Sale of Goods	-	-	-	132.03	-	-	-	132.03
Sale of fixed assets	-	-	0.72	-	-	-	0.72	-
Sale of Investments	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	0.37	-	-	-	-	-	0.37
Managerial Remuneration	-	-	-	-	97.94	89.04	97.94	89.04
Service charges paid	0.17	0.14	0.75	1.26	-	-	0.92	1.40
Rent received	9.29	8.76	11.76	11.17	-	-	21.04	19.93
Rent expended	-	-	-	2.43	-	-	-	2.43
Interest Received	-	6.29	-	-	-	-	-	6.29
Other Expenses	2.49	0.14	-	0.34	-	-	2.49	0.48
Other Receipts	-	-	9.48	12.27	-	-	9.48	12.27
Interest expended	-	-	-	-	3.37	3.24	3.37	3.24
Loan Received	-	-	-	-	-	-	-	-
Loan Repaid	-	-	-	-	-	7.00	-	7.00
Short term loans and advances received back	-	265.00	-	-	-	-	-	265.00



Nature of Transaction	Subsidiaries		Others		Key Management Personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Short Term Loan & Advances paid	-	-	-	-	-	-	-	-
Royalty Income	-	-	-	4.50	-	-	-	4.50
Other Income	-	-	-	-	-	-	-	-
Amount outstanding at year end - Dr	-	-	7.29	549.24	-	-	7.29	549.24
Amount outstanding at year end - Cr	-	0.82	-	3.09	28.00	28.45	28.00	32.36

29.10 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 31.03.2016 – Nil

As at 31.03.2015 – Nil

Maximum balance during the year – Nil

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

29.11 The company operates in one primary segment. viz., Textiles.

29.12 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For and on behalf of the Board

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

Ramaa Krishnakumar
Company Secretary



Statement Pursuant to Section 129(3) of the Companies Act, 2013

1	Name of the Subsidiary Company	Sara Elgi Arteriors Ltd	Elgi Building Products Ltd
2	Financial year ending	31st March 2016	31st March 2016
3	No. of Equity shares (fully paid up) held by the holding company on the above dates	25,00,000	29,99,592
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 2016	₹ (4.73) lakhs	₹ 37.57 lakhs
	ii) for the previous financial year	₹ 5.53 lakhs	₹ (3.62) lakhs
	b) dealt with in the accounts of the company		
	i) for the year ended 31st March 2016	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	1,469.60
b.	Reserves	345.50	(795.87)
c.	Total Assets	704.44	676.17
d.	Total Liabilities	704.44	676.17
e.	Details of Investments	293.75	—
f.	Total Income	178.40	135.21
g.	Profit / (Loss) before Tax	(5.43)	48.08
h.	Provision for Taxation	(0.71)	10.51
i.	Profit / (Loss) after Tax	(4.73)	37.57
j.	Proposed Dividend	—	—

For and on behalf of the Board

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy

Managing Director

DIN : 03604474

N Hemanand
Chief Financial Officer

Ramaa Krishnakumar
Company Secretary

Coimbatore, 30th May, 2016



Independent Auditors Report on Consolidated Financial Statements

To

The Members of Super Spinning Mills Limited,

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of SUPER SPINNING MILLS LIMITED ("the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprises the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements specified under Section 133 of the Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the



aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2016, and their consolidated losses and their consolidated cash flows for the year ended on that date.

Other Matters

The accompanying consolidated financial statements include total assets of Rs. 1,380.60 lakhs as at March 31, 2016, and total revenues of Rs.220.91 lakhs for the year ended on that date, in respect of subsidiaries, which have been audited by other auditor, whose financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and 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 accounts as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt

with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements has disclosed the impact of pending litigations on its consolidated financial position of the Group included in Note No. 29.2 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Coimbatore
30th May, 2016



ANNEXURE TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of SUPER SPINNING MILLS LIMITED ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of



controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and

such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Reddy, Goud & Janardhan

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner

Membership No.202976

Coimbatore

30th May, 2016

Consolidated Balance Sheet as at 31st March 2016

Particulars	Note No.	31.03.2016	₹ lakhs 31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	550.00	550.00
(b) Reserves and surplus	4	4,508.65	5,056.92
2 Non-current liabilities			
(a) Long-term borrowings	5	3,067.41	3,967.56
(b) Long-term provisions	6	434.62	437.71
3 Current liabilities			
(a) Short-term borrowings	7	6,642.03	7,694.01
(b) Trade payables	8	4,794.14	5,087.62
(c) Other current liabilities	9	2,272.10	2,445.39
(d) Short-term provisions	10	330.37	290.75
TOTAL		22,599.32	25,529.96
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	11.a	7,423.43	9,751.02
Intangible assets	11.b	1.32	1.97
Capital Work in Progress	11.c	0.82	—
(b) Non-current investments	12	1,315.63	1,330.83
(c) Deferred tax assets (Net)	13	1,868.87	1,579.70
(d) Long-term loans and advances	14	714.84	575.48
(e) Other Non Current assets	15	851.32	763.56
2 Current assets			
(a) Inventories	16	3,980.49	4,140.91
(b) Trade receivables	17	2,881.37	4,019.27
(c) Cash and Bank Balances	18	86.00	148.11
(d) Short-term loans and advances	19	2,595.72	2,623.58
(e) Other current assets	20	879.51	595.53
TOTAL		22,599.32	25,529.96

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

For and on behalf of the Board

Sumanth Ramamurthi

Executive Chairman

DIN : 00002773

A S Thirumoorthy

Managing Director

DIN : 03604474

Ramaa Krishnakumar

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

		₹ lakhs	
Particulars	Note No.	31.03.2016	31.03.2015
I. Revenue from operations	21	35,014.79	44,576.90
II. Other income	22	281.54	577.87
III. Total Revenue		<u>35,296.33</u>	<u>45,154.77</u>
IV. Expenses:			
Cost of materials consumed	23.a	19,360.88	26,706.26
Purchases of Stock-in-Trade	23.b	267.51	205.00
Changes in inventories of Finished goods, Work-in Progress and Stock in Trade	23.c	119.67	(217.16)
Power and Fuel		5,885.92	5,816.60
Employee benefits expense	24	4,843.31	5,404.88
Finance costs	25	2,144.28	2,307.24
Depreciation and amortization expense	11.d	1,017.59	1,227.02
Other expenses	26	4,055.50	5,383.62
Total Expenses		<u>37,694.66</u>	<u>46,833.46</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(2,398.33)	(1,678.69)
VI. Exceptional items	27	34.00	186.96
VII. Profit before extraordinary items and tax (V - VI)		(2,432.33)	(1,865.65)
VIII. Extraordinary Items		1,594.89	—
IX. Profit / (Loss) Before Tax (VII - VIII)		(837.44)	(1,865.65)
X. Tax expense:			
Current tax		—	3.49
Deferred tax		(289.17)	(542.07)
XI. Profit / (Loss) After Tax (IX-X)		<u>(548.27)</u>	<u>(1,327.07)</u>
XII. Earnings per share:			
Basic and Diluted		(1.00)	(2.41)

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S
Balakrishna S Bhat
Partner, Membership No.202976

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

For and on behalf of the Board

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

Ramaa Krishnakumar
Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2016

		₹ lakhs
	2015-16	2014-15
A. Cash Flow from operating activities :		
Net Profit before tax and extraordinary items	(2432.33)	(1865.65)
Adjustment for :		
Depreciation and amortisation Expenses	1017.59	1227.02
(Profit)/Loss on sale of assets	(184.25)	(371.05)
Interest Income	(64.84)	(57.45)
Interest Payments	2,088.37	2,248.92
Unrealised exchange (gain) / Loss	(8.06)	(4.02)
Operating Profit before working capital changes	416.48	1177.77
Adjustments for :		
Trade receivables	655.55	236.21
Other receivables	(0.89)	383.55
Inventories	160.42	2216.06
Other Bank balances	10.17	(1.91)
Trade and other payables	(1020.57)	158.69
Cash generated from operations	221.16	4170.37
Direct taxes paid	—	210.00
Net Cash Flow from operating activities (A)	221.16	3960.37
B Cash Flow from Investing activities :		
Purchase of fixed assets [Including CWIP]	385.72	(1,003.32)
Sale of fixed assets	2703.24	514.33
Purchase of investments	15.20	—
Interest received	64.84	57.45
Net cash used for investing activities (B)	3169.00	(431.54)
C Cash Flow from financing activities :		
Long term borrowings	(301.75)	919.40
Interest paid	(2088.37)	(2248.92)
Working capital borrowings	(1051.53)	(2308.40)
Unsecured loans & deposits	(0.45)	(6.55)
Net cash flow from financing activities (C)	(3442.10)	(3644.47)
Net Increase / (Decrease) in cash and cash equivalent	(51.94)	(115.64)
Cash and cash equivalents - Opening	137.94	253.58
Cash and cash equivalents - Closing	86.00	137.94
1. Cash and Cash Equivalents		
a Cash on Hand	4.81	6.03
b Cheque in transit	0.84	0.80
c Balance with banks: On current accounts	80.35	131.11
	86.00	137.94
2. Other Bank balances		
a Earmarked balance with banks on unpaid dividend accounts	—	1.68
b Margin Money Deposit	—	8.49
	—	10.17
Cash and Bank balances as per Balance Sheet (Note No.18) (I + II)	86.00	148.11

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 30th May, 2016

N Hemanand
Chief Financial Officer

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

Ramaa Krishnakumar
Company Secretary



Notes forming part of the Consolidated financial statements

1 Corporate Information

Super Spinning Mills Limited is a public limited company 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 BSE Limited and the National Stock Exchange of India Limited. The company has manufacturing units in Tamil Nadu and Andhra Pradesh.

2 Significant Accounting Policies

2.1 Accounting Convention

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act 2013.

2.2 Fixed Assets

- a. Fixed assets are stated at historical cost of acquisition (Net of Cenvat credits) less accumulated depreciation / amortisation and cumulative impairment, if any. Cost of acquisition includes freight, duties, taxes, installation, direct attributable costs, finance cost 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 is provided on straight line method based on the useful life of the assets in the manner prescribed in Schedule II of the Companies Act 2013, except in respect of those assets referred in para (b) below where the useful life estimated different from Schedule II of the said Act.
- b. The company is considering the useful life of the following assets different from Schedule II of the Companies Act 2013, with supporting of Technical opinion:
 - i. Plant & Machinery Single Shift – 20 Years
 - ii. Plant & Machinery Triple Shift – 10 Years
 - iii. Roads, Fences, Walls – 15 Years

- c. ERP software & other 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 costs 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 or 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 the 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 recognised 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.



Notes forming part of the Consolidated financial statements

- 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.
- e. Interest is recognised using the time-proportion method, based on rates implicit in the transaction.
- f. Dividend income is recognised when the Company's right to receive dividend is established.

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.
- 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 Government Grants

- a. Government Grants are recognized when there is a reasonable assurance that the company would comply with the conditions attached for such grant and further the grant would be received.
- b. Revenue grants are recognized in the Statement of Profit and Loss.
- c. Interest reimbursement under Technology Up gradation Fund Scheme (TUFS) is directly credited to respective term loan interest accounts, being reimbursement of expenditure incurred.

2.10 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. All other borrowing costs are charged to revenue.

2.11 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. 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.

2.12 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.

2.13 Taxes on Income

Tax expense comprises of current 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 rates.



Notes forming part of the Consolidated financial statements

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.

2.14 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 period is reversed in current accounting periods if there has been a change in the estimate of the recoverable amount.

2.15 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.

	31.03.2016	31.03.2015
3 Share Capital		
Authorised		
10,00,00,000 (10,00,00,000) Equity shares of ₹ 1/- each	1000.00	1000.00
Issued, Subscribed & Fully Paid Up		
5,50,00,000 (5,50,00,000) Equity shares of ₹ 1/- each	550.00	550.00
Total	550.00	550.00

3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31.03.2016		As at 31.03.2015	
	₹ lakhs	No. of shares	₹ lakhs	No. of shares
No. of Equity shares outstanding at the beginning of the year	550.00	55,000,000	550.00	55,000,000
Add: Additional shares / Bonus shares issued	-	-	-	-
Less: Shares forfeited / Bought back	-	-	-	-
No. of Equity shares outstanding at the end of the year	550.00	55,000,000	550.00	55,000,000

3.2 Shares held by holding / ultimate holding company / or their subsidiaries / associates

- -

3.3 Shareholders holding more than 5% of shares

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No of Shares	% of Holding	No of Shares	% of Holding
Sumanth Ramamurthi	8,773,860	15.95	8,773,860	15.95
Nikhil Govind Ramamurthi	4,000,000	7.27	4,000,000	7.27
Sanjay Krishna Ramamurthi	4,000,000	7.27	4,000,000	7.27

3.4 The company has only one class of issued shares referred to as equity shares having a par value of ₹ 1/- each. Each holder of equity shares is entitled to one vote per share held.

The Company declares and pays dividends in indian rupees. However during the year the company has not declared any dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes forming part of the Consolidated financial statements

		₹ lakhs
	31.03.2016	31.03.2015
3.5 Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date	—	—
3.6 Shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment, including the terms and amounts	—	—
4 Reserves and Surplus		
a. Surplus in Statement of Profit and Loss		
Opening Balance	(4,911.16)	(3,584.09)
Add: Amount Transferred from statement of profit and loss	(548.27)	(1,327.07)
Less: Utilised / Transferred	—	—
Closing Balance	(5,459.43)	(4,911.16)
b. Capital Reserve		
Opening Balance	51.02	51.02
Add: Additions	—	—
Less: Utilised / Transferred	—	—
Closing Balance	51.02	51.02
c. Securities Premium Reserve		
Opening Balance	1,487.50	1,487.50
Add: Additions	—	—
Less: Utilised / Transferred	—	—
Closing Balance	1,487.50	1,487.50
d. General Reserve		
Opening Balance	8,429.56	8,630.30
Add: Additions	—	—
Less: Carrying amount of Fixed Assets debited to retained earnings where remaining useful life of the asset is NIL as on 01.04.2014 (Net of deferred tax)	—	200.74
Closing Balance	8,429.56	8,429.56
Total	4,508.65	5,056.92
5. Long-term Borrowings		
Term Loans(Secured)		
From Banks	3,067.41	3,967.56
Total	3,067.41	3,967.56

Notes forming part of the Consolidated financial statements

5.1 Repayment Schedule

Long Term Borrowings	Quarterly / Monthly Instalments	Rate of Interest (%)	Final Instalment
State Bank of India - TL -1	24	14.40	Mar 18
Andhra Bank	42	13.75	Sep 19
State Bank of India - TL-2	57	14.45	Dec 20
SBI - Term Loan (TUFS)	56	14.45	Nov 20

5.2 Details of security for Long-term Borrowings

The Tuf loan from SBI bank is secured by:

- First charge on fixed asset financed by SBI , and Second charge on entire current asset and other fixed assets of the company on paripassu basis
- Personal Guarantee from promoter

The term loan from SBI bank is secured by:

- First Pari-passu charge on entire fixed asset of the company, and First charge on entire current asset of the company
- Personal Guarantee from promoter

The term loans from Andhra Bank is secured by:

- First Pari-passu charge on entire fixed asset of the company
- Second charge on current assets of the Company.

	31.03.2016	31.03.2015
6 Long-term Provisions		
Gratuity	403.08	437.71
Statutory Liabilities	31.54	—
Total	434.62	437.71

₹ lakhs

7 Short-term Borrowings

Loans repayable on demand

From Banks	6,614.03	7,665.56
From Directors	28.00	28.45
Total	6,642.03	7,694.01

7.1 Working Capital loans from banks are secured by:

For SBI:

- First charge on entire current assets of the company
- Second paripassu charge on entire fixed assets of the company

For Other Banks:

- First pari passu charge on entire current assets of the company
- Second paripassu charge on entire fixed assets of the company

Working Capital loans are payable on demand and carries interest rate for Cash Credit -- [14.22% to 15%]
& for Packing Credit [10.45% to 11.25%]

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"



Notes forming part of the Consolidated financial statements

₹ lakhs

9 Other Current Liabilities	31.03.2016	31.03.2015
Current Maturities of Long Term Borrowings	1,468.40	870.00
Interest Accrued but not due	117.08	75.79
Unpaid Dividends	–	1.68
Advance received from related party	–	150.80
Statutory Remittances	39.45	63.30
Liabilities for expenses	352.82	544.04
Employee Benefits Payable	133.99	204.56
Advance from Customers	66.88	443.99
Others	93.48	91.23
Total	2,272.10	2,445.39
10. Short-term Provisions		
For Bonus	237.41	269.66
Provision for Taxation	3.69	3.69
For Gratuity	89.27	17.40
Total	330.37	290.75

11. Fixed Assets

Sl No	Particulars	Gross Block					Depreciation / Amortisation					Net Block		
		As at 01.04.15	Additions	Disposals	Reclassification*	As at 31.03.16	As at 01.04.15	For the year	Disposals	Retained Earnings	Reclassification*	As at 31.03.16	As at 31.03.16	As at 01.04.15
11.a	Tangible Assets													
	Land	839.31	17.09	21.65	268.74	566.01	–	–	–	–	–	–	566.01	839.31
	Buildings	5,788.96	4.28	872.74	136.78	4,783.72	2,068.79	178.29	474.13	–	42.99	1,729.96	3,053.76	3,720.17
	Plant and Equipment	33,996.25	33.18	5,290.20	1,096.07	27,643.16	28,968.88	799.20	4,798.74	–	1,015.62	23,953.72	3,689.44	5,027.37
	Data Processing Machinery	728.98	1.88	35.05	–	695.81	629.14	29.06	32.24	–	–	625.96	69.85	99.84
	Furniture and Fixtures	276.65	–	13.51	–	263.14	233.44	8.05	11.57	–	–	229.92	33.22	43.21
	Vehicles	243.41	–	42.00	–	201.41	222.29	2.34	34.37	–	–	190.26	11.15	21.12
	Total	41,873.56	56.43	6,275.15	1,501.59	34,153.25	32,122.54	1,016.94	5,351.05	–	1,058.61	26,729.82	7,423.43	9,751.02
11.b	Intangible Assets													
	Computer software	313.77	–	–	–	313.77	311.80	0.65	–	–	–	312.45	1.32	1.97
	Goodwill on Consolidation	601.64	–	–	–	601.64	601.64	–	–	–	–	601.64	–	–
	Total	915.41	–	–	–	915.41	913.44	0.65	–	–	–	914.09	1.32	1.97



Notes forming part of the Consolidated financial statements

SI No	Particulars	Gross Block					Depreciation / Amortisation						Net Block	
		As at 01.04.15	Additions	Disposals	Reclassification*	As at 31.03.16	As at 01.04.15	For the year	Disposals	Retained Earnings	Reclassification*	As at 31.03.16	As at 31.03.16	As at 31.03.15
11.c	Capital work in progress													
	Electrical Installation	-	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	-	0.82	-	-	0.82	-	-	-	-	-	-	0.82	-
	Total	-	0.82	-	-	0.82	-	-	-	-	-	-	0.82	-
	Grand Total	42,788.97	57.25	6,275.15	1,501.59	35,069.48	33,035.98	1,017.59	5,351.05	-	1,058.61	27,643.91	7,425.57	9,752.99
	Previous Year	42,846.81	1,087.27	1,145.11	-	42,788.97	32,433.81	1,227.02	917.88	293.03	-	33,035.98	9,752.99	10,413.00

* Reclassification represents assets classified under current assets. (Refer No. 20.1)

			₹ lakhs
11.d	Depreciation and Amortisation for the year on	31.03.2016	31.03.2015
	Tangible Assets as per Note 11.a	1,016.94	1,071.69
	Intangible Assets as per Note 11.b	0.65	155.33
	Total	1,017.59	1,227.02

12 Non-current Investments

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
MMS Steel and Power Ltd		
2,03,938 (2,03,938) shares of ₹ 10 each fully paid	20.39	20.39
Suryadev Alloys Steels		
900 (0) shares of ₹ 10 each fully paid	1.22	1.22
Cotton Sourcing Company Ltd		
10,000 shares of ₹ 10 each fully paid	1.00	1.00

Investments in Bonds

Mercantile Ventures Limited		
Zero% Unsecured, convertible bonds	-	15.20

Aggregate value of unquoted investments (At Cost)

Fair value - ₹ 1315.63 lakhs (Previous year - ₹ 1330.83 lakhs)

1,315.63	1,330.83
-----------------	-----------------

13 Deferred Tax Liabilities / (Assets)

Particulars	Balance as of 31.03.2015	Charge / Credit	Closing as of 31.03.2016
Depreciation	1132.06	250.81	1382.87
Loss	(2414.16)	(551.82)	(2965.98)
Others	(297.60)	11.84	(285.76)
Total - Liability / (Asset)	(1579.70)	(289.17)	(1868.87)



Notes forming part of the Consolidated financial statements

		₹ lakhs
14 Long-term loans and advances	31.03.2016	31.03.2015
Capital Advance	3.00	—
Security Deposit	711.84	575.48
Total	714.84	575.48
15 Non Current Assets		
Trade Receivable (Refer Note 15.1)	482.35	461.98
Advance to Suppliers	69.85	—
MAT Credit	296.66	296.66
R&D Expenses	2.46	4.92
Total	851.32	763.56
15.1.1 Trade receivables due from certain customers are under litigation at various forums. However, management is confident of recovering these dues and hence no provision for doubtful debts is required to be provided.		
15.1.2 Item shown in Non current Assets in current year were grouped under current assets in the previous year.		
16 Inventories		
Valued at Cost or Net Realisable value whichever is lower		
Raw Materials	1,654.54	1,660.60
Work in Process	740.70	1,149.30
Finished Goods	1,338.44	1,015.77
Stores and Spares	216.92	251.61
Waste	27.65	61.36
Traded Goods	2.24	2.27
Total	3,980.49	4,140.91
17 Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	232.54	139.42
Others	2,648.83	3,879.85
Total	2,881.37	4,019.27
18 Cash and Bank Balances		
1. Cash and Cash equivalents		
a. Cash on Hand	4.81	6.03
b. Cheque in transit	0.84	0.80
c. Balance with banks: On current accounts	80.35	131.11
2. Other Bank balances		
a. Earmarked balance with banks on unpaid dividend accounts	—	1.68
b. Margin Money Deposit	—	8.49
Total	86.00	148.11
18.1 Margin money deposit with carrying amount of ₹ NIL (P.Y.- ₹ 8,49,000) are held to secure the company's non fund based limits availed from Bank.		



Notes forming part of the Consolidated financial statements

		₹ lakhs
	31.03.2016	31.03.2015
19 Short-term Loans and Advances		
Unsecured, considered good		
Advance for Suppliers	75.20	8.65
Prepaid Expenses	108.27	145.38
Employee Related Advances	56.40	56.96
Balance with Government Authorities	2,187.05	2,253.31
Other Deposits & Advances	168.80	159.28
Total	2,595.72	2,623.58
20 Other Current Assets		
Interest Accrued	65.87	59.60
Income Accrued	370.67	535.93
Fixed Assets Held for Sale (Refer Note 20.1)	442.97	-
Total	879.51	595.53
20.1 Fixed Assets held for sale approved by the Board of Directors is reclassified as a current item. However the same was grouped under Fixed Asset in the previous year.		
21 Revenue from Operations		
Sale of products :		
Domestic	27303.83	
Export	7338.01	
	34,641.84	43,913.87
Other operating revenues	398.20	736.54
Less: Excise duty	25.25	73.51
Total	35,014.79	44,576.90
21.1 Other operating revenues Includes		
Job Work Charges	0.38	56.05
Export Incentive	201.35	470.28
Others	196.47	210.21
	398.20	736.54
22 Other Income		
Interest Income (Refer Note 22.1 below)	64.84	57.45
Other Non-operating Income (Refer Note 22.2 below)	216.70	520.42
Total	281.54	577.87
22.1 Interest Income		
Interest on Electricity Deposits	55.64	50.73
Interest on IT refunds	0.09	-
Other Interest Receipts	9.11	6.72
Total	64.84	57.45



Notes forming part of the Consolidated financial statements

		₹ lakhs
22.2 Other Non-operating Income	31.03.2016	31.03.2015
Insurance Claim Receipts	–	0.58
Agri Income	3.08	3.73
Rent Receipts	11.14	17.62
Profit/(Loss) on sale of assets	184.25	371.05
Exchange Gain / (Loss) (Net)	18.23	127.44
Total	216.70	520.42
23.a Cost of Materials Consumed		
Opening Stock	1,660.60	4,009.81
Add: Purchase	19,354.82	24,357.05
Less: Closing Stock	1,654.54	1,660.60
Total	19,360.88	26,706.26
Material consumed comprises:		
Cotton	19,282.02	26,430.42
Resin and Additives	18.42	120.41
Steel Reinforcement	14.03	58.86
Profiles and Other accessories for doors and windows	46.41	96.57
Total	19,360.88	26,706.26
23.b Purchase of Traded goods		
Cotton Yarn	–	205.00
Cotton	228.46	–
Stores	39.05	–
Total	267.51	205.00
23.c Change in Inventories of Finished goods, Work-in Process & Stock in Trade		
Inventories at the end of the year		
Finished goods	1,338.44	1,015.77
Work-in Progress	740.70	1,149.30
Stock in Trade	2.24	2.27
Waste	27.65	61.36
Total	2,109.03	2,228.70
Inventories at the beginning of the year		
Finished goods	1,015.77	740.75
Work-in Progress	1,149.30	1,203.91
Stock in Trade	2.27	2.69
Waste	61.36	64.19
Total	2,228.70	2,011.54
Net (Increase) / Decrease	119.67	(217.16)



Notes forming part of the Consolidated financial statements

		₹ lakhs
24 Employee Benefit Expenses	31.03.2016	31.03.2015
Salaries	3,987.39	4,486.78
Contributions to		
- Provident Funds	190.35	209.51
- Super Annuation Funds	4.49	6.86
Gratuity Fund Contributions	91.01	116.23
Welfare Expenses	570.07	585.50
Total	4,843.31	5,404.88
25 Finance Cost		
Interest on Borrowings	2,088.37	2,248.92
Other Borrowing Cost	55.91	58.32
Total	2,144.28	2,307.24
26 Other Expenses		
Stores	1,772.37	2,278.08
Repairs and Maintenance		
Buildings	45.92	107.07
Machinery	363.92	532.79
Others	45.32	58.73
Processing Charges	76.26	203.08
Selling Expenses	1,081.36	1,429.46
Rent	0.92	1.40
Insurance	57.78	69.06
Postage, Telephone and Printing	38.99	46.47
Travelling and Transport charges	155.98	198.77
Bank charges	130.54	88.49
Taxes and Licence	95.98	115.46
Professional charges	32.17	40.12
Auditors' Remuneration(Refer Note 26.1 below)	11.45	12.27
Directors' Sitting fees	4.21	4.07
R & D Expenses WRITTEN OFF	2.46	2.46
Agricultural Expenses	20.44	20.13
Others	119.43	175.71
Total	4,055.50	5,383.62
26.1 Auditors' Remuneration:		
As Auditor	6.10	6.13
Tax Audit Fee	1.73	1.80
Others	3.62	4.34
Total	11.45	12.27

27 The exceptional item represents Voluntary Retirement compensation to the employees of the company.



Notes forming part of the Consolidated financial statements

28. Extradinary items represent profit on sale of D Gudalur unit, Karur, for which share holders approval obtained already vide postal ballot resolution dated on 22nd September 2015.

		₹ lakhs
29 Additional Information to the Financial Statements	31.03.2016	31.03.2015
29.1 Estimated amount of contracts remaining to be executed on capital & Spares account and not provided for	65.60	150.51
29.2 Contingent Liabilities:		
Bank Guarantees	75.00	176.20
Bills discounted with company's bankers	575.70	423.82
Disputed demands from Income tax authorities	489.16	450.40
Disputed Excise duty liability	75.98	75.98
Disputed Sales tax liability	415.90	398.37

29.3 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	(548.27)	(1,327.07)
No. of ordinary shares used as denominator	550.00	550.00
Nominal value per share (₹)	1.00	1.00
Basic and Diluted Earnings per share - Face value of ₹ 1 per share (₹)	(1.00)	(2.41)

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

- 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.
- Reconciliation in respect of the changes in the present value of the obligation:

Particulars	31.03.2016	31.03.2015
Present value of the Obligation as on 1st April	938.99	995.00
Current Service Cost	38.75	41.03
Interest Cost	69.82	80.80
Actuarial Gains and Losses	26.05	35.52
Benefits Paid	(87.68)	(213.36)
Present value of the Obligation as on 31st March	985.93	938.99

The liability of the company as of 31st March 2015 has been funded to the extent of ₹ 494.51 lakhs.

Notes forming part of the Consolidated financial statements

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

Particulars	31.03.2016	31.03.2015
Fair value of the Plan Assets as on 1st April	484.63	567.90
Expected Rate of Return	40.97	47.03
Actuarial Gains and (Losses)	1.86	(5.91)
Contribution to meet payment towards transfer-out obligations	26.66	
Contributions by the Employer	28.07	88.97
Benefits paid	(61.02)	(213.36)
	(26.66)	
Fair value of the Plan Assets as on 31st March	494.51	484.63

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

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

Particulars	31.03.2016	31.03.2015
Current Service Cost	38.75	41.03
Interest Cost	69.82	80.80
Expected Return on Plan Assets	(40.97)	(47.03)
Actuarial Gains and Losses	24.18	41.43
Amount recognised in the Statement of Profit and Loss	91.78	116.23

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	31.03.2016	31.03.2015
Discount Rate	7.60 - 8.00%	7.80 - 8.00%
Expected Rate of Return on Plan Assets	8.00 - 9.30%	8.00 - 8.75%
Attrition Rate	1.00%	1.00%
Rate of escalation in salary(per annum)	3.50 - 8.00%	4.00 - 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: ₹ lakhs

Particulars	31.03.2016	31.03.2015
Present value of the Defined Benefit Obligation	985.93	938.99
Fair value of Plan Assets	494.51	484.63
Deficit in Plan Assets	491.42	454.36
Experience Adjustments arising on Plan Liabilities as an amount	(47.52)	(21.38)
Experience Adjustments arising on Plan Assets as an amount	1.86	(5.91)



Notes forming part of the Consolidated financial statements

29.5 Segment Information:

A. Primary Segment - Business Segment

₹ lakhs

Particulars	Textile Products		UPVC Windows/ Profiles / Power Duct		Consolidated Details	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
a) Revenue	34829	44050	186	527	35015	44577
Total Income	34829	44050	186	527	35015	44577
b) Result						
Operating Profit(PBIT)	(396)	525	43	9	(353)	534
Unallocable Corporate expenses	—	—	—	—	—	150
Interest expense	2143	2304	1	3	2144	2307
Interest income	63	64	2	(6)	65	57
Profit before tax & Extraordinary item	(2476)	(1715)	44	(1)	(2432)	(1866)
Provision for current tax	—	—	—	3	—	3
Provision for deferred tax	(299)	(541)	10	(1)	(289)	(542)
Tax adjustment for earlier years	—	—	—	—	—	—
Net Profit	(2177)	(1174)	34	(3)	(2143)	(1327)
c) Segment assets	22989	25750	1377	1520	22599	25530
Unallocable Corporate assets	—	—	—	—	—	—
Total assets	22989	25750	1377	1520	22599	25530
d) Segment liabilities	22989	25750	1377	1520	22599	25530
Unallocable Corporate Liabilities	—	—	—	—	—	—
Total liabilities	22989	25750	1377	1520	22599	25530
e) Cost incurred during the period to acquire segment fixed assets	(386)	1003	—	—	(386)	1003
f) Depreciation / Amortisation	995	1037	(128)	40	1018	1227
g) Non cash expenses other than depreciation / amortisation	(8)	(4)	—	—	(8)	(4)

B. Secondary Segments- Geographical Segments:

₹ lakhs

Particulars	31.03.2016	31.03.2015
Segment Revenue		
- within India	27693	31244
- outside India	7322	13333
Total	35015	44577

29.6 Related Party Disclosure (as certified by the Management)

(i) Names of Related parties and description of Relationship

a) Key Management Personnel	Sumanth Ramamurthi, Executive Chairman A.S.Thirumoorthy, Managing Director
b) Subsidiaries	Sara Elgi Arteriors Ltd Elgi Building Products Ltd
c) Others	Super Sara Textiles Ltd Super Farm Products Pvt Ltd Sara Elgi Envirotech LLP
Elgi Electric and Industries Ltd	
Sara Elgi Industries Ltd	
Kakatiya Textiles Ltd	

(ii) Related Party Transactions

₹ lakhs

Nature of Transaction	Others		Key Management Personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase of goods	10.34	434.96	-	-	10.34	434.96
Sale of Goods	-	213.53	-	-	-	213.53
Sale of fixed assets	220.72	-	-	-	220.72	-
Sale of Investments	-	-	-	-	-	-
Managerial Remuneration	-	-	97.94	89.04	97.94	89.04
Service charges paid	0.75	1.26	-	-	0.75	1.26
Rent received	11.76	18.97	-	-	11.76	18.97
Rent expended	-	2.43	-	-	-	2.43
Other Expenses	1.20	6.76	-	-	1.20	6.76
Other Receipts	78.03	13.16	-	-	78.03	13.16
Interest expended	-	-	3.37	3.24	3.37	3.24
Loan Received	10.00	-	-	-	10.00	-
Loan Repaid	10.00	-	-	7.00	10.00	7.00
Advance Received	-	150.00	-	-	-	150.00
Royalty Income	-	450.00	-	-	-	450.00
Other Income	-	-	-	-	-	-
Amount outstanding at year end - Dr	7.29	549.24	-	-	7.29	549.24
Amount outstanding at year end - Cr	-	148.97	28.00	28.45	28.00	177.42

29.7 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 31.03.2016
Sara Elgi Arteriors Ltd	100%
Elgi Building Products Ltd	100% including subsidiary's holding

29.8 Previous year figures have been regrouped and reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For and on behalf of the Board

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

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773
A S Thirumoorthy
Managing Director
DIN : 03604474

N Hemanand
Chief Financial Officer
Coimbatore, 30th May, 2016

Ramaa Krishnakumar
Company Secretary



SUPER SPINNING MILLS LIMITED

CIN: L17111TZ1962PLC001200

Regd. Office: Elgi Towers, P B No 7113

Green Fields, Puliakulam Road, Coimbatore-641045

Ph: 0422-2311711, Fax: 0422-2311611

E-mail: investors@ssh.saraelgi.com Website: www.superspinning.com

Form No. MGT - 11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No. / Demat ID

Name of the member(s)

Registered address

I/We, being the member(s) holding shares of the above named company, hereby appoint:

1) Name :

Address:

Email ID : Signature or failing him/her

2) Name :

Address:

Email ID : Signature or failing him/her

3) Name :

Address:

Email ID : Signature

P.T.O.

✂ -Cut here-

Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

EVS (Electronic Voting Sequence Number)	* Default PAN / Sequence No
160726006	

* Those who have not registered their PAN may use Default PAN

✂ -Cut here-



SUPER SPINNING MILLS LIMITED

CIN: L17111TZ1962PLC001200

Regd. Office: Elgi Towers, P B No 7113

Green Fields, Puliakulam Road, Coimbatore-641045

Ph: 0422-2311711, Fax: 0422-2311611

E-mail: investors@ssh.saraelgi.com Website: www.superspinning.com

Attendance Slip

Folio No. / Demat ID :

No. of shares held :

Name of the Member :

Name of the Proxy :

I hereby record my presence at the **54th Annual General Meeting** of the Company being held on **Thursday, the 8th September 2016** at **3.30 P.M** at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore – 641 018.

* Strike out whichever is not applicable

Signature of Member / Proxy*

as my / our Proxy to attend and vote (on a Poll) for me / us on my / our behalf at the 54th Annual General Meeting of the Company to be held on **Thursday**, the **8th September 2016** at **3.30 P.M** at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore – 641 018 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

Resolution Number	Resolution
	Ordinary Business
1	Adoption of audited financial statements including Balance Sheet as at 31 st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the report of the Directors and Auditors thereon
2	Appointment of a Director in the place of Mr. A.S. Thirumoorthy (DIN 03604474), who retires by rotation and being eligible offers himself for re-appointment
3	Re-appointment of Auditors and to fix their remuneration
	Special Business
4	Ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17
5	Re-appointment of Mr. Vijay Venkataswamy (DIN 00002906), as an Independent Director of the Company

Signed this day of 2016

Signature of shareholder :

Signature of proxy holder (s) :

Note :

- 1) This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix ₹ 1/-
Revenue
Stamp