SUPER

Super Spinning Mills Limited

Regd. & Central Office : "Elgi Towers" P.B. 7113, Green Fields, 737-D, Puliakulam Road, Coimbatore - 641 045.
CIN : L17111TZ1962PLC001200

September 03, 2018

To

Bombay Stock Exchange Ltd 25th Floor, P J Towers Dalal Street, Fort, Mumbai - 400 001 **Scrip Code: 521180**	**National Stock Exchange of India Limited** "Exchange Plaza", C-1, Block G Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 **Scrip Code: SUPERSPIN**

Dear Sir,

Sub: Submission of Annual Report 2017-18 - Req.

As per Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the 56th Annual Report of the Company for the financial year ending March 31, 2018 which was approved by the shareholders at the Annual General Meeting of the Company held on Wednesday, the 29th August 2018.

This is for your kind information and records.

Thanking you
Yours truly

For Super Spinning Mills Ltd

Ramaa Krishnakumar
Company Secretary

RECOGNISED EXPORT - TRADING HOUSE

Phone : +91-422 - 2311711, Fax : 91 - 422 - 2311611, E-mail : super@ssh.saraelgi.com Web : www.superspinning.com

SARA ELGI

SUPER

Super Spinning Mills Limited

56th Annual Report
2017-18

Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

Corporate Information

Executive Chairman	Mr. Sumanth Ramamurthi
Managing Director	Mr. A S Thirumoorthy
Board of Directors	Mr. C S K Prabhu
	Mr. B Vijayakumar
	Mr. Sudarsan Varadaraj
	Mr. C G Kumar
	Mrs. Suguna Ravichandran
	Mr. B Lakshmi Narayana
	Mr. A R Balasundharam
Chief Financial Officer	Mr. C Shankar
Company Secretary	Ms. Ramaa Krishnakumar
Auditors	M/s. Sethia, Prabhad Hegde & Co.,
Secretarial Auditor	Mr. M D Selvaraj, MDS & Associates
Bankers	Union Bank of India State Bank of India IDBI Bank Andhra Bank
Registrar and Share Transfer Agents	Link Intime India Pvt Ltd (Coimbatore Branch) "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 Phone : 0422-2314792, 2315792 Fax : 0422 - 2314792. E-mail : coimbatore@linkintime.co.in
Registered Office	"ELGI TOWERS", PB 7113 Green Fields, 737-D Puliakulam Road Coimbatore – 641045 Tamil Nadu Tel : (0422) 2311711 Fax : (0422) 2311611 E-mail : investors@ssh.saraelgi.com Website : www.superspinning.com

Mills	**Location**
A Unit	Kirikera, Andhra Pradesh
B Unit	Kotnur, Andhra Pradesh
Super Sara	Beerapalli, Andhra Pradesh

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Notice to the Members

Notice is hereby given that the **56th Annual General Meeting** of the Company will be held on **Wednesday, the 29th August 2018** at **3.30 P.M** at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore - 641 018, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements including Statement of Profit and Loss (including other comprehensive income) the Statement of Cash Flows and the Statement of changes in equity for the financial year ended March 31, 2018, the Balance Sheet as at that date, the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in the place of Mr. Sumanth Ramamurthi (DIN 00002773), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

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

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

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

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

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

Remuneration: -

I. Salary: ₹ 2,42,000/- per month

II. Commission: 1% of Net Profit of the Company in each year computed in accordance with section 198 of the Companies Act, 2013 subject to a maximum amount not exceeding the salary of respective years.

III. Allowances & Perquisites

In addition to salary and commission the following allowances and perquisites shall be allowed as detailed below:

1. Housing: Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.

2. Perquisites: The following perquisites shall be allowed subject to a maximum of 40% of the salary
   - i. Medical: Reimbursement of expenses actually incurred for self and his family.
   - ii. Leave Travel Concession: Leave Travel Concession for self and his family.
   - iii. Insurance: Life, Health and personal accident insurance cover for self.

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

3. Mr. A S Thirumoorthy shall also be eligible for the following benefits, which shall not be included in the computation of the ceiling on the remuneration.

   PF: Contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, 1961.

   Gratuity: Gratuity payable at the rate not exceeding 15 days salary of each year of completed service or as may be notified by the Government from time to time.

   RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr. A S Thirumoorthy, Managing Director, of the Company shall not exceed the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such limits as may be notified by the Government from time to time.

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

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

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

   II. Commission: 1.5% of Net Profit of the Company in each year computed in accordance with Section 198 of the Companies Act, 2013.

   III. Allowances & Perquisites

   In addition to salary and commission the following allowances and perquisites shall be allowed as detailed below:

   1. Housing: Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
   2. Perquisites: The following perquisites shall be allowed subject to a maximum of 40% of the salary.
      - i. Medical: Reimbursement of expenses actually incurred for self and his family.
      - ii. Leave Travel Concession: Leave Travel Concession for self and his family.
      - iii. Insurance: Life, Health and personal accident insurance cover for self.

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

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

4. Mr. Sumanth Ramamurthi shall also be eligible for the following benefits, which shall not be included in the computation of the ceiling on the remuneration.

   PF: Contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, 1961.

   Gratuity: Gratuity payable at the rate not exceeding 15 days salary of each year of completed service or as may be notified by the Government from time to time.

   RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr. Sumanth Ramamurthi, Executive Chairman, of the Company shall not exceed the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such limits as may be notified by the Government from time to time.

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

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

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

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

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

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

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

Item No. 3

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

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost accountants, as Cost Auditors of the Company on the recommendations of the Audit Committee, which shall also recommend the remuneration for such Cost Auditor and such remuneration shall be approved by the Board of Directors and ratified subsequently by the shareholders at General Meeting.

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

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

Item No. 4

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

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

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

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

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

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

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

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

Item No.5

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

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

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

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

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

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

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

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

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

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

Item No.6

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

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

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

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

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

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

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

Item No.7

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

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

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

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

By order of the Board
For Super Spinning Mills Limited

Coimbatore
19th May, 2018

Ramaa Krishnakumar
Company Secretary

Notes:

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

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

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

2. At the 55th Annual General Meeting of the Company held on December 01, 2017, the members approved the appointment of M/s. Sethia, Prabhad Hegde & Co., (Firm Registration No. 013367S) Chartered

Accountants, as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 60th Annual General Meeting, subject to rattification of their appointment by members at every Annual General Meeting, if so required by the Companies Act 2013. Vide notification dated May 7, 2018 the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 56th Annual General Meeting.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Members / Proxies attending the meeting are requested to bring the attendance slips duly filled and signed for attending the meeting.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the company will remain closed from Thursday, 23rd August 2018 to Wednesday, 29th August 2018 (both days inclusive).

6. Details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Director seeking appointment / re-appointment at the Annual General Meeting are furnished and forms integral part of the Notice. The Directors have furnished the requisite consents/declarations for their re-appointment.

7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.

8. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

10. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the company M/s.Link Intime India Pvt Ltd.

11. To support the "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with the Registrar and Share Transfer Agent / Depositories.

12. Copies of the Annual Report 2017-18, the Notice of the 56th 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 2017-18 are being sent through permitted mode.

13. Members may also note that the Notice of the 56th Annual General Meeting and the Annual Report 2017-18 will be available on the Company's website www.superspinning.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 day.

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. Pursuant to Section 72 of the Act, Members holding shares in physical form are advised to file Nomination Form in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in electronic/demat form, the members may please contact their respective Depository Participant.

17. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

18. Members are requested to note that the venue of the 56th Annual General Meeting at Ardra Convention Centre, "Kaanchan", No. 9, North Huzur Road, Coimbatore - 641 018 and the route map containing the complete particulars of the venue is attached to this Notice.

19. 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 Requirement) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 56th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LIIPL)

       Any person, who acquires shares of the Company and becomes member of the company after dispatch of AGM Notice and holding shares as of the cut-off date i.e., 22nd August 2018, may refer to this Notice of the AGM of the Company, posted on Company's website www.superspinning.com for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the company as on the cut-off date and is in receipt of this Notice shall treat this notice for information purpose only.

    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 for voting electronically are as under:-

The voting period begins on Sunday, 26th August 2018 at 9.00 A.M. and ends on Tuesday 28th August 2018 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 22nd August 2018 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.

Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

i. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

ii. Click on "Login" tab, available under 'Shareholders' section.

iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

iv. Your User ID details are given below

   a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

   b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

   c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

v. Your Password details are given below:

   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). ● Members who have not updated their PAN with Depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. ● Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

· Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body' login** for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us **:-** Tel : 022 - 49186000.

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 22nd August 2018.
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 LIIPL and communicated to the Stock Exchanges where the company's shares are listed.

Statement of Information relevant to Mr.A.S.Thirumoorthy, Managing Director & Mr.Sumanth Ramamurthi, Executive Chairman as per Schedule V of the Companies Act, 2013

I. General Information

1. Nature of Industry:

Textiles

2. Date or expected date of commencement of commercial production:

The Company was incorporated on 06.06.1962 and commenced commercial production subsequently.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

4. Financial performance based on given indicators

Particulars	**2017-18**	**2016-17**
Sales and other income	26,361.75	30,691.06
Profit / (Loss) before tax and depreciation	(1604.22)	(256.62)
Profit / (Loss) after tax	(2,159.04)	(1,053.20)
Paid up Equity Capital	550.00	550.00
Other Equity	13,915.00	16,074.04
Basic Earnings per share	(3.93)	(2.36)

5. Foreign investments and collaborations, if any: Nil

II. Information about the Appointees / Benefeciaries:

Particulars	Mr. A.S.Thirumoorthy	Mr.Sumanth Ramamurthi
Back ground details	Mr.A.S.Thirumoorthy aged 59 years is Chartered Accountant, having more than three decades of experience in the field of finance and textile industry and is a Director on the Board of one other Public Limited Company.	Mr.Sumanth Ramamurthi aged 59 years is an industrialist, having more than three decades of experience in the fields of textile and engineering industries and is a Director on the Board of six other companies. He has a B.S Degree in Electrical Engineering from the University of Missouri, USA.
Past remuneration Recognition or awards Job profile and his suitability	Rs.61.56 Lakhs	Rs. 46.30 Lakhs
Remuneration Proposed	Nil	Nil
Job profile and his suitability	More than three decades of experience in the field of Finance and Textile industry.	More than three decades of experience in the field of Engineering and Textile industry.
Remuneration Proposed	As per Item No. 4 of the resolution annexed to the Notice	As per Item No. 5 of the resolution annexed to the Notice
Comparative remuneration profile with respect to industry, size of the company profile of the position and person	Salary to be given is at par with the industry standards	Salary to be given is at par with the industry standards
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Nil	Nil

III. Other Information

1. Reasons of loss or inadequate profits:

   The high cost of raw material, lower value realization for yarn and fluctuation in the value of the Indian rupee have affected the Company's operating performance resulting in losses

2. Steps taken or proposed to be taken for improvement:

   The Company has made efforts to increase yarn realization through productivity and cost control measures.

3. Expected increase in productivity and profits in measurable terms:

   The Company expects to see a growth in turnover ranging from 5% to 10% and proportionate increase in productivity resulting in reasonable profits as a result of these measures.

IV Disclosures

1) The following disclosures have been mentioned in the Board of Directors report under the heading "Corporate Governance" attached to the annual report:

   a) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors

   b) Details of fixed component and performance linked incentives along with the performance criteria

   c) Service contracts, notice period, severance fees

   d) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:

Additional information of Directors seeking appointment / 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

Name	**Mr.A.S.Thirumoorthy**	**Mr.Sumanth Ramamurthi**	**Mr.A.R.Balasundharam**
DIN	03604474	00002773	07802383
Age	59 Years	59 Years	55 Years
Qualification	ACA	B.S-Electrical Engineering	B.Tech - Textiles
Expertise	More than three decades of experience in the field of Finance and Textile Industry	More than three decades of experience in the fields of textile and engineering industry	More than three decades of experience as a textile professional
Terms and Conditions of re-appointment	As specified in Item No. 4 of the AGM Notice.	As specified in Item No. 5 of the AGM Notice.	As specified in Item No.6 & 7 of the AGM Notice.
Remuneration last drawn	Gross remuneration drawn as on 31.03.2018: ₹ 61.56 Lakhs	Gross remuneration drawn as on 31.03.2018: ₹ 46.30 Lakhs	NIL(except sitting fees of ₹ 40,000)
Remuneration proposed to be paid	As per Item No. 4 of the resolution annexed to the Notice	As per Item No. 5 of the resolution annexed to the Notice	As per Item No. 7 of the resolution annexed to the Notice
Date of first appointment on the Board	01.04.2014	22.02.1992	01.06.2017
Position held	Managing Director	Executive Chairman	Director
Shareholding in the Company	5,000 Equity Shares	94,40,530 Equity Shares	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Directors of the Company.	He is not related to any of the Directors of the Company.	He is not related to any of the Directors of the Company.
Number of meetings of the Board attended during the year	6	6	3
Directorships of other Boards	Super Sara Textiles Ltd	Precot Meridian Ltd Elgi Electric and Industries Ltd Elgi Ultra Industries Ltd Super Farm Products Private Ltd Super Sara Textiles Ltd Sara Elgi Industries Ltd	NIL
Membership/ Chairmanship of Committees of other Boards	NIL	**Stakeholders Relationship Committee** Precot Meridian Ltd -Chairman **Corporate Social Responsibility Committee** Elgi Electric and Industries Ltd – Chairman	NIL

By Order of the Board
For Super Spinning Mills Limited

Coimbatore
19th May, 2018

Ramaa Krishnakumar
Company Secretary

Director's Report

Dear Shareholders,

Your Directors are pleased to present the 56th Annual Report of the Company along with audited financial statements for the year ended 31st March, 2018.

Financial Highlights :

The summary of the financial performance of the Company for the year ended 31st March 2018 is as follows.

(₹ in Lakhs)

Particulars	31.03.2018	31.03.2017
Revenue from operation	**26,087.92**	29,417.96
Other Income	**273.83**	1,273.10
Total Revenue	**26,361.75**	30,691.06
Earnings before Finance Cost, Depreciation & Tax	**(222.49)**	1,454.61
Less: Finance Cost	**1,381.73**	1,711.23
Earnings before Depreciation & Tax	**(1604.22)**	(256.62)
Less: Depreciation and amortization	**554.82**	796.58
Profit/(Loss) before Tax	**(2,159.04)**	(1,053.20)
Less: Current and deferred Tax	**-**	(243.93)
Profit/(Loss) after Tax	**(2,159.04)**	(1,297.13)

Review of business operations

During the year under review your Company has achieved a total turnover of Rs.26,087.92 Lakhs and incurred loss of Rs. 2,159.04 Lakhs as against the previous year turnover of Rs.29,417.96 Lakhs and the loss of Rs.1,297.13 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 principal business of the Company during the financial year ended 31st March 2018.

Transfer to Reserves

During the year under review, no amount has been transferred to general reserves. However, the current year loss of Rs. 2,159.04 Lakhs has been adjusted against the retained earnings under the head other equity.

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 2018.

Share Capital

The issued, subscribed and paid-up share capital of the Company as on 31st March 2018 stood at Rs.5,50,00,000/- divided into 5,50,00,000 equity shares of Re.1/- each. During the year under review the Company has not made any fresh issue of shares.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Since the Company has not declared any dividend since 2008-09, there was no amount to be transferred during the year to the Investor Education and Protection Fund established by the Central Government.

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 and Committee meetings

During the year under review, 6 meetings of the Board of Directors, 6 meetings of Audit Committee, 3 meetings of Nomination and Remuneration Committee and 5 meetings of Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

Statement on compliance with Secretarial Standards

The directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

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 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 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 Company has received declarations from all the Independent Directors of the Company for the financial year 2017-18, confirming that they meet the criteria of independence as prescribed both under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

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 Nomination and 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.

Comments on Auditors' Report

There were no qualifications, reservations, adverse remarks or disclaimers made by M/s. Sethia, Prabhad & Hegde, 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 contracts or transactions with related parties

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2017-18 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/2016/08/PolicyOnRelatedPartyTransactions.pdf.

Material changes and commitments affecting the financial position of the company

There were no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March 2018 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.

Risk Management Policy of the company

The Company has a structured risk management policy. The Company does not face any risk other than those prevalent in the industry. The Company has taken all possible steps to overcome such risks. 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.

Audit Committee

The Company has constituted Audit Committee in accordance with Section 177 of the Companies Act, 2013. Kindly refer the Report on Corporate Governance for matters relating to the composition, meetings and functions of the committee.

The Board has accepted the Audit Committee's recommendations during the year wherever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013, with respect to rejection of any recommendations of Audit Committee by the Board.

Whistle Blower Policy (Vigil Mechanism)

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/2016/08/WhistleBlowerPolicy.pdf.

Corporate Social Responsibility initiatives

The Corporate Social Responsibility Committee comprises of Mr. C S K Prabhu, Mr. Sumanth Ramamurthi and Mr. A R Balasundharam.

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 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.

The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as **Annexure 4** 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, Committees, Independent Directors, Non-Independent Directors, Chairman and Managing Director. Based on that performance evaluation has been undertaken. A separate meeting of Independent Directors of the Company was held for this purpose.

Board of Directors

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sumanth Ramamurthi, Executive Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. A.S.Thirumoorthy resigned from the services as Managing Director and Director with effect from 31st May 2018. The Board of Directors wish to place on record their sincere appreciation for the valuable contributions made by Mr. A.S.Thirumoorthy during his decade of association with the Company.

Mr.A.R.Balasundharam was appointed as an Independent Director of the Company with effect from 1st June 2017. In his tenure as an Independent Director, Mr.A.R.Balasundharam has provided insights into the textile industry which have proved to be invaluable to the Company. Mr.A.R.Balasundharam has given a declaration dated 2nd May 2018 to the effect that he does not meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 upon receipt of the consultancy fees.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 19th May 2018 have appointed Mr. A.R.Balasundharam as an Additional Director of the Company in the capacity of Non-Independent, Non-Executive director with effect from 20th May 2018 and he shall hold office upto the date of this Annual General Meeting. Accordingly, necessary resolution proposing the appointment of Mr. A R Balasundharam as a Non-Independent & Non-Executive Director of the Company has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

The Board of Directors at their meeting held on 19th May 2018 on the recommendation of the Nomination and Remuneration Committee has re-designated Mr. Sumanth Ramamurthi as Chairman and Managing Director with effect from 1st June 2018.

Key Managerial Personnel

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 Thirumoorthy, Managing Director, Mr.C Shankar, Chief Financial Officer and Ms. Ramaa Krishnakumar, Company Secretary.

Mr.A S Thirumoorthy, Managing Director and Mr.C Shankar, Chief Financial Officer of the Company had resigned from the services of the Company from May 31, 2018 and June 2, 2018 respectively.

Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any subsidiaries, Joint Ventures or Associate Companies.

Fixed Deposits

The Company has not accepted or renewed any fixed deposits during the year under review and hence there were no unpaid deposits as on 31st March 2018.

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 are 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 implemented adequate internal control systems to monitor internal business process, 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 process and accounting policies.

The Directors and the Management confirms that the Internal Financial Controls (IFC) is 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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding rules framed thereunder, 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 Audit in Form No. MR-3 for the financial year 2017-18 is annexed herewith as **Annexure 5** to this report.

Statutory Auditors

M/s Sethia, Prabhad Hegde & Co, Chartered Accountants, Bangalore has been appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting of the Company.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with.

Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 56th Annual General Meeting.

Cost Auditors

On the recommendation of the Audit Committee, the Board of Directors has appointed Mr.R.Krishnan, Cost Accountant, (Membership No. 7799) as the Cost Auditor of the Company for the financial year 2018-19.

Pursuant to Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) 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 details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure 6** to this report.

Corporate Governance

A report on Corporate Governance is annexed to and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 redress 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 enquiry.

Personnel Relations

The Company continues to enjoy the cordial relationship with its employees at all levels.

Acknowledgements

Th Directors thank the Company's Bankers, Financial Institutions, Customers, Vendors, Investors, Suppliers and Business Associates for their unstinted support.

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 place on record their appreciation for the contributions made by the employees towards the growth of the Company.

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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	Company Limited by Shares / Non Govt. Company
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 Agent, if any	Link Intime India Private Limited, "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 Phone : 0422-2314792, 2315792, Fax : 0422 - 2314792. E-mail : coimbatore@linkintime.co.in

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	99.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary or associate companies.

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 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
[1] Indian									
(a) Individuals / HUF	18379740	-	18379740	33.42	18396410	-	18396410	33.45	0.03
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3610914	-	3610914	6.57	3611910	-	3611910	6.57	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(d) Any Other - Trust	1362910	-	1362910	2.47	1362910	-	1362910	2.47	-
Sub Total (A)(1)	**23353564**	**-**	**23353564**	**42.46**	**23371230**	**-**	**23371230**	**42.49**	**0.03**
[2] Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Others - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group									
(A)=(A)(1)+(A)(2)	**23353564**	**-**	**23353564**	**42.46**	**23371230**	**-**	**23371230**	**42.49**	**0.03**
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds	1470	-	1470	-	1470	-	1470	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Government	-	-	-	-	-	-	-	-	-
(d) State Government(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**	**-**	**-**

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 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Non-Institutions									
A) Bodies Corporate									
I) Indian	3286549	18000	3304549	6.01	3222377	18000	3240377	5.89	(0.12)
Ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	19582731	1277690	20860421	37.93	20049530	1232590	21282120	38.70	0.77
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2507135	380820	2887955	5.25	2639244	380820	3020064	5.49	0.24
(c) Others	-	-	-	-	-	-	-	-	-
(i) Clearing Member	475939	-	475939	0.87	221795	-	221795	0.40	(0.47)
(ii) NRI	377217	-	377217	0.69	446809	-	446809	0.81	0.12
(iii) HUF	2679226	-	2679226	4.87	2429228	-	2429228	4.42	(0.45)
(iv) Market Maker	69179	-	69179	0.12	8217	-	8217	0.01	(0.11)
(v) Any Other	989480	-	989480	1.80	977690	-	977690	1.78	(0.01)
Sub Total (B)(2)	**29967456**	**1676510**	**31643966**	**57.54**	**29994890**	**1631410**	**31626300**	**57.51**	**(0.03)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**29968926**	**1677510**	**31646436**	**57.54**	**29996360**	**1632410**	**31628770**	**57.51**	**(0.03)**
(C) Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	**53322490**	**1677510**	**55000000**	**100.00**	**53367590**	**1632410**	**55000000**	**100.00**	**-**

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 01.04.2017)			No. of Shares held at the end of the year (as on 31.03.2018)			% Change during the year
		No.of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares Held	% of total Shares of he company	% of Shares Pledged/ encumbered to total shares	
1	Sumanth.R.	8773860	15.95	-	8790530	15.98	-	0.03
2	Nikhil Govind Ramamurthi	4000000	7.27	-	4000000	7.27	-	-
3	Sanjay Krishna Ramamurthi	4000000	7.27	-	4000000	7.27	-	-
4	Super Farm Products (P) Ltd	2845914	5.17	-	2845914	5.17	-	-
5	Elgi Electric And Industries Ltd	765000	1.39	-	765996	1.39	-	-
6	Nikhil Govind Ramamurthi Family Trust	681800	1.24	-	681800	1.24	-	-
7	Sanjay Krishna Ramamurthi Family Trust	681110	1.24	-	681110	1.24	-	-
8	Sumanth R (HUF)	650000	1.18	-	650000	1.18	-	-
9	Ranganayaki N	314670	0.57	-	314670	0.57	-	-
10	Hemalatha R	208000	0.38	-	208000	0.38	-	-
11	Chitra Vidyaprakash	250240	0.45	-	157680	0.28	-	(0.17)
12	Nithya Vidyaprakash	-	-	-	92560	0.17		0.17
13	D Vidyaprakash	76330	0.14	-	76330	0.14	-	-
14	Indira Lakshmi Vidyaprakash	46190	0.08	-	46190	0.08	-	-
15	Nivedita Lakshmi Narayanaswamy	27670	0.05	-	27670	0.05	-	-
16	Arjun Prakash V	22280	0.04	-	22280	0.04	-	-
17	N Krishnasamraj	8000	0.01	-	8000	0.01	-	-
18	Ajeya Vel Narayanaswamy	2500	-	-	2500	-	-	-
	TOTAL	**23353564**	**42.46**	**-**	**23371230**	**42.49**	**-**	**0.03**

iii) Change in Promoters' Shareholding

S. No.	Name of the Sharholders	Shareholding at the beginning of the year 2017		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	Sumanth.R				
	At the beginning of the year	8773860	15.95	8773860	15.95
	Transfer of shares as on 21.07.2017	16670	0.03	8790530	15.98
	At the end of the year	8790530	15.98	8790530	15.98
2	Elgi Electric and Industries Ltd				
	At the beginning of the year	765000	1.39	765000	1.39
	Transfer of shares as on 15.12.2017	996	0.00	765996	1.39
	At the end of the year	765996	1.39	765996	1.39
3	Chitra Vidyaprakash				
	At the beginning of the year	250240	0.46	250240	0.46
	Transfer of shares as on 23.06.2017	(92560)	(0.17)	157680	0.28
	At the end of the year	157680	0.28	157680	0.28
4	Nithya Vidyaprakash				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Transfer of shares as on 23.06.2017	92560	0.17	92560	0.17
	At the end of the year	92560	0.17	92560	0.17

There are no other changes in the shareholding of promoters during the year.

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

S. No.	Name of the Shareholders	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	760500	1.38	760500	1.38

iv) **Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and Holders of GDRs and ADRs);

S. No.	Name of the Shareholders	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
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	Mentor Capital Ltd				
	At the beginning of the year	317747	0.58	317747	0.58
	Transfer of shares as on 29.12.2017	(17747)	(0.03)	300000	0.03
	At the end of the year	300000	0.55	300000	0.55
5	S Sundravathanen				
	At the beginning of the year	299530	0.54	299530	0.54
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	299530	0.54	299530	0.54
6	Sanjeev Vinodchandra Parekh				
	At the beginning of the year	238393	0.43	238393	0.43
	Increase / Decrease in shareholding during the year	-	-	-	
	At the end of the year	238393	0.43	238393	0.43
7	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
8	Sangita Hitesh Patel**				
	At the beginning of the year	-	-	-	-
	Transfer of shares as on 16.02.2018	25000	0.05	25000	0.05
	Transfer of shares as on 23.02.2018	179000	0.32	204000	0.37
	Transfer of shares as on 02.03.2018	7000	0.01	211000	0.38
	At the end of the year	211000	0.38	211000	0.38

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

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares Held	% of total Shares	No.of Shares Held	% of total Shares
9	Prithvi Finlease India Limited **				
	At the beginning of the year	-	-	-	-
	Transfer of shares as on 01.09.2017	102000	0.19	102000	0.19
	Transfer of shares as on 10.11.2017	2000	0.00	104000	0.19
	Transfer of shares as on 17.11.2017	76696	0.14	180696	0.33
	Transfer of shares as on 24.11.2017	(1297)	(0.00)	179399	0.33
	Transfer of shares as on 01.12.2017	(16000)	(0.03)	163399	0.30
	Transfer of shares as on 08.12.2017	(3912)	(0.00)	159487	0.29
	Transfer of shares as on 15.12.2017	6800	0.01	166287	0.30
	Transfer of shares as on 22.12.2017	(3988)	(0.01)	162299	0.29
	Transfer of shares as on 29.12.2017	2000	0.00	164299	0.30
	Transfer of shares as on 05.01.2018	(3974)	(0.00)	160325	0.29
	Transfer of shares as on 12.01.2018	6474	0.01	166799	0.30
	Transfer of shares as on 19.01.2018	751	0.00	167550	0.30
	Transfer of shares as on 26.01.2018	2870	0.01	170420	0.31
	Transfer of shares as on 02.02.2018	2200	0.00	172620	0.31
	Transfer of shares as on 09.02.2018	2000	0.00	174620	0.32
	Transfer of shares as on 23.02.2018	4000	0.01	178620	0.32
	Transfer of shares as on 02.03.2018	161	0.00	178781	0.33
	Transfer of shares as on 09.03.2018	5000	0.01	183781	0.33
	Transfer of shares as on 16.03.2018	2000	0.00	185781	0.34
	At the end of the year	185781	0.34	185781	0.34
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	Kamalam K#				
	At the beginning of the year	160710	0.29	160710	0.29
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	160710	0.29	160710	0.29
12	V N Ramasamy#				
	At the beginning of the year	154900	0.28	154900	0.28
	Increase / Decrease in shareholding during the year	-	-	-	-
	At the end of the year	154900	0.28	154900	0.28

** Not in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above, since the shareholder is one of the Top 10 shareholder as on 31.03.2018.

Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same is reflected above, since the shareholder is one of the Top 10 shareholder as on 31.03.2017.

v) **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name of Directors and Key Managerial Personnel	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	**Sumanth Ramamurthi***				
	At the beginning of the year	9423860	17.13	9423860	17.13
	Transfer of shares as on 17.07.2017	16670	0.03	9440530	17.16
	At the end of the year	9440530	17.16	9440530	17.16
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	**C S K Prabhu**				
	At the beginning of the year	5000	0.01	5000	0.01
	Transfer of shares as on 17.07.2017	(5000)	0.01	-	-
	At the end of the year	-	-	-	-
4	**B Vijayakumar**				
	At the beginning of the year	6670	0.01	6670	0.01
	Transfer of shares as on 17.07.2017	(6670)	0.01	-	-
	At the end of the year	-	-	-	-
5	**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
6	**B Vijay Venkataswamy #**				
	At the beginning of the year	5000	0.01	5000	0.01
	Transfer of shares as on 17.07.2017	(5000)	0.01	-	-
	At the end of the year	-	-	-	-
7	**Sarath Chandran #**				
	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
8	**C G Kumar**	NIL			
9	**Suguna Ravichandran**				
10	**A R Balasundharam****				
11	**B Lakhsmi Narayana****				
10	**Ramaa Krishnakumar**				
11	**C Shankar**				

* Including 6,50,000 shares held in HUF, # Retired on 31.05.2017, ** Appointed w.e.f.01.06.2017

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

Name & Type of Transaction	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8752.97	28.00	-	8780.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	76.45	-	-	76.45
Total (i+ii+iii)	**8829.42**	**28.00**	**-**	**8857.42**
Change in Indebtedness during the financial year				
Additions	-	425.00	-	425.00
Reductions	1946.97	-	-	1946.97
Net Change	**(1946.97)**	**425.00**	**-**	**(1521.97)**
Indebtedness at the end of the financial year				
i) Principal Amount	6871.39	453.00	-	7324.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.06	-	-	11.06
Total (i+ii+iii)	**6882.45**	**453.00**	**-**	**7335.45**

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/WTD/ Manager		Total Amount
		Sumanth Ramamurthi Executive Chairman	A S Thirumoorthy Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	46.30	61.56	107.86
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit - others	–	–	–
5	Others			
	Total (A)	**46.30**	**61.56**	**107.86**
	Ceiling as per the Act	As per Schedule V		

B. Remuneration to Other Directors

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Vijay Venkata swamy	CSK Prabhu	B.Vijaya kumar	Sudarsan Varadaraj	C G Kumar	Suguna Ravichandran	D. Sarath Chandran	B. Lakshmi Narayana	A.R. Bala Sundharam	
1	Independent Directors										
	Fee for attending board committee meetings	0.22	1.24	0.56	0.26	1.00	0.30	-	1	0.40	**4.98**
	Commission	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-
	Total (1)	0.22	1.24	0.56	0.26	1.00	0.30	-	1	0.40	**4.98**
2	Other Non-Executive Directors										
	Fee for attending board committee meetings	-	-	-	-	-		0.10			0.10
	Commission	-	-	-	-	-	-	-	-		
	Others, please specify	-	-	-	-	-	-	-	-		
	Total (2)	-	-	-	-	-		0.10			0.10
	Total (B)=(1+2)	0.22	1.24	0.56	0.26	1.00	0.30	0.10	1.00	0.40	5.08
	Total Managerial Remuneration	**0.22**	**1.24**	**0.56**	**0.26**	**1.00**	**0.30**	**0.10**	**1.00**	**0.40**	**5.08**
	Overall Ceiling as per the Act	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		Total
		CS	CFO	
		Ramaa Krishnakumar	C Shankar	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	6.46	12.08	18.54
2	Stock Option	–	–	
3	Sweat Equity	–	–	
4	Commission - as % of profit - others	–	–	
5	Others			
	Total	**6.46**	**12.08**	**18.54**

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			NIL		
Compounding					
		B. DIRECTORS			
Penalty					
Punishment			NIL		
Compounding					
		C. OTHER OFFICERS IN DEFAULT			
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Annexure 2

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.

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Annexure 3

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;

1) TFO M/c pot conversion.

Pot size of TFO M/c reduced from 150mm to 120 mm to save energy in one m/c for trail. Around 30% energy saving is observed. No difference in quality.

2) Humidification plant fans replaced with Energy efficient fans in two plants

In Two Humidification plants old axial flow fans -4 nos replaced with Airmmaster Make energy efficient fans to save energy.

(ii) the steps taken by the company for utilizing alternate sources of energy;

Solar energy is being sourced

(iii) the capital investment on energy conservation equipments;

The Company has incurred ₹ 10 Lakhs during the year under review 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; N.A.

c) whether the technology been fully absorbed; N.A.

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A.

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	**2017-18**	2016-17
Total Foreign Exchange earnings	**3,767.64**	4,628.33
Total Foreign Exchange outflow	**491.95**	1,754.08

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Annexure 4

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs 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 (Upto 31st May, 2018)
   - Mr. A R Balasundharam - Member (w.e.f. 1st June, 2018)

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

   As the Company has suffered net loss in the immediately preceeding three financial years the question of calculation of average net profit does not arise.

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 preceeding three financial years of the Company was in the negative.

5. **Details of CSR spent during the Financial Year 2016-17**

   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 preceeding 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 Programs have been elaborated in the Company's CSR policy.

	A S Thirumoorthy	**C S K Prabhu**
Coimbatore	Managing Director	Chairman of CSR Committee
19th May, 2018	DIN: 03604474	DIN : 00002913

Annexure 5

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
[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, 2018** 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, 2018 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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, 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;

v) The following Law, as identified by the management, is specifically applicable to the industry to which the Company belongs,

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);

b) Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

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

a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 (Buy back 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.

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 have been subject to review by statutory financial auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 Committees 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 applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the National Company Law Tribunal (NCLT), Chennai Bench vide order dated 4th September 2017 and 19th September 2017 has sanctioned the Scheme of Amalgamation of M/s.Sara Elgi Arteriors Limited (Wholly-owned Subsidiary) and M/s.Elgi Building Products Limited (Step-down wholly-owned Subsidiary) with the Company pursuant to Section 230 to 232 of the Companies Act, 2013 Corresponding to Section 391 to 394 of the Companies Act, 1956) with effect from the appointed date i.e., 1st April 2016.

- further report that during the period, there were no instances of:
- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Foreign technical collaborations.

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411

Place : Coimbatore
Date : 19th May, 2018

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 - 641 045.

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 standards, laws, rules and regulation is the responsibility of 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.

M D SELVARAJ
MDS & Associates
Company Secretaries
FCS No.: 960; C P No.: 411

Place : Coimbatore
Date : 19^{th} May, 2018

Annexure 6

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

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

Name	Ratio
Mr.Sumanth Ramamurthi, Executive Chairman	17:1
Mr. A S Thirumoorthy, Managing Director	23:1
Mr. C S K Prabhu	0.5:1
Mr. Vijay Venkataswamy (Only for part of the year)	0.08:1
Mr. Sarath Chandran	0.03:1
Mr. B Vijayakumar	0.2:1
Mr. Sudarsan Varadaraj	0.1:1
Mr. C G Kumar	0.3:1
Mrs. Suguna Ravichandran	0.1:1
Mr. B.Laskhmi Narayana	0.3:1
Mr. A.R.Balasundharam	0.2:1

Sitting Fees paid to Non-Executive Directors has been considered as their remuneration.

(b) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the financial year

S No	Name of the Director / CFO / CEO / CS / Manager	Designation	Percentage increase in Remuneration
1	Mr.Sumanth Ramamurthi	Executive Chairman	-
2	Mr. A S Thirumoorthy	Managing Director	-
3	Mr. C Shankar	Chief Financial Officer	27%
4	Mrs. Ramaa Krishnakumar	Company Secretary	7%

ii) The percentage increase in the median remuneration of employees in the financial year: 5%

iii) The number of permanent employees on the rolls of Company: 595

iv) 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 Managerial Personnel.

v) Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Statement pursuant to section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I) Names of the top ten employees in terms of remuneration drawn and the name of every employee who was in receipt of remuneration not less than Rupees One Crore and two lakhs per annum or Rupees Eight Lakhs Fifty Thousand per month

Name	Date of Joining	Designation	Qualification & Experience	Age	% of share holding	Remuneration (₹ in Lakhs) (p.a.)	Last Employed
A.S.Thirumoorthy	31.10.2008	Managing Director	FCA, B.Sc., Mathematics 33 Years	59	0.01	61.56	KSB Pumps Limited
Sumanth Ramamurthi	04.01.1992	Executive Chairman	B.S. (Electrical)USA. 26 Years	59	17.16	46.30	——
N.Sreedhar	11.02.2016	VP-Operations	DTT, MBA - 29 Years.	49	0.00%	20.30	National Textile Corporation Limited
V.Balasundaram	13.11.2015	GM-Productions	DTT, MLM- 30 Years	53	0.00%	17.72	Madura Coats Private Limited
S.Dakshina moorthy	03.06.1991	Senior Manager-Marketing	B.Tech, MBA 27 Years	48	0.01%	12.74	——
Manohar V	12.12.2016	DGM-Production	DTT, BBA 30 Years	50	0.00%	12.18	Rasi Textiles (i) Private Limited
C.Shankar	15.06.2016	Chief Financial Officer	ACA, ACS & ACMA 25 Years	47	0.00%	12.08	Elgi Rubber Company Limited
Rangaraj C *	05.06.2017	Senior Manager - HR	MSW, PGDPMIR, PGDVA, DLLAL	47	0.00%	12.00	BFG International Limited
A.S.Balaji	01.01.1990	Manager- Cotton	B.Com – 29 Years	54	0.00%	8.13	RP & GT Processing Limited
Ramaa Krishnakumar	07.11.2015	Company Secretary	FCS - 22 Years	48	0.00%	6.45	Jagannath Textiles Limited

*part of Financial year 2017-18

Note:
1. All the executives are in the permanent rolls of the Company.
2. None of the employees are related to any of the Directors of the Company.
3. Remuneration includes Salary, Allowances, contribution to Provident Fund and other taxable perquisites.

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
19th May, 2018

Management Discussion and Analysis

Industry Conditions and Review of Operations

During the year under review, the Cotton Textile industry had been facing major challenges.

The Company managed to reach a turnover of Rs.260.87 Crores even under the conditions of uncertain cotton prices and heavy competition. The major factors contributing to heavy losses are the sale of yarn and price realization. Both the factors have dropped down drastically resulting in reduced margins of the Company. Necessary measures are being initiated to improve the situation by rationalizing operations and cutting down the cost during the current financial year.

Opportunities

It appears bright for the Indian textile industry, in particular Cotton textiles, both in domestic and export consumption. Potential for yarn produced from man-made fibers are expected to improve in consumer markets, which will result in improving the performance of the Company.

New type of MMF are being planned for Exports. Furthermore, various measures are also being initiated to maximize the capacity utilization and efficiency rate and also to minimize the expenditure involved to improve the profit margins of the Company.

Threats

Excess spinning capacity availability nationwide and incentive schemes offered by the other state governments along with competition from peer groups with modern facilities results in better quality with reduced costs and higher productivity which results in heavy losses to our Company.

Besides this, lack of skilled manpower & increasing costs of Power & Raw materials are also other major threats faced by our industry which have a significant impact on the Productivity and performance of the Company.

Baring the uncertainty in economic growth, the performance of the company can be improved to reach the defined targets depending on the monetary policy of the Country. Lack of Export orders due to government's policy also are expected to have an impact on the export markets which will have an effect on the profitability of the Company.

Risks and concerns

The nature and the magnitude of the risks associated with the Company are reviewed and placed before the Board periodically. Various measures for modernization have been introduced to reduce the dependency of labour, which also ensures optimum capacity utilization & quality outputs.

Health, safety and Security Environment

Our Company has always been adopting all possible safety measures concerning the health and safety of the Workers and staffs at all levels. This has improved the morale among the workers and staffs and also the working environment at large.

Human Resources/Industrial Relations

Employer-Employee relations continued to remain cordial during the year at all the units of the Company. Necessary measures are being adopted to improve the life, work culture, productivity, efficiency and effectiveness of the workers and staff at all levels. Even under the situation of Non availability of skilled manpower, the costs of recruiting, training and deploying trained labour still remains a major constraint to the Company. The Company has 595 permanent employees on roll as on 31st March 2018.

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, 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 seven are Independent Directors including one Woman Director as per requirements of 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 March 31, 2018 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 01.12.2017
Mr. Sumanth Ramamurthi (DIN : 00002773)	Executive Chairman Promoter and Executive	5	1/1	6	Yes
Mr. A S Thirumoorthy (DIN : 03604474)	Managing Director Executive	1	1/NIL	6	Yes
Mr. C S K Prabhu (DIN : 00002913)	Independent and Non-Executive	2	1/4	5	Yes
Mr. Sudarsan Varadaraj (DIN : 00133533)	Independent and Non-Executive	5	1/1	2	No
Mr. B Vijayakumar (DIN : 00015583)	Independent and Non-Executive	5	2/Nil	5	No
Mr. C G Kumar (DIN : 02823567)	Independent and Non-Executive	-	1/NIL	5	No
Mrs. Suguna Ravichandran (DIN : 00170190)	Independent and Non-Executive	1	1/NIL	3	Yes
Mr. B Lakshmi Narayana $ (DIN : 00504396)	Independent and Non-Executive	1	1/NIL	5	No
Mr. A R Balasundharam ## (DIN : 07802383)	Independent and Non-Executive	-	2/NIL	3	No
Mr. Sarath Chandran** (DIN : 00001885)	Non-Independent and Non-Executive	-	1/Nil	4	N.A
Mr. Vijay Venkataswamy ** (DIN : 00002906)	Independent and Non-Executive	4	NIL/NIL	5	N.A

Excluding Directorships in Private and Foreign Companies
* Only Audit Committee and Stakeholders' Relationship Committee has been considered.
** Retired from the Directorship of the Company w.e.f 31st May 2017
Resigned as Independent Director and subsequently appointed as an Aditional Director (Non-Executive Non-Independent Director) of the Company w.e.f 20th May 2018
$ Appointed as an Independent Non-Executive Director of the Company w.e.f June 1, 2017

During the year 2017-18, Six Board Meetings were held at the Registered Office on May 30, 2017, September 11, 2017, October 23, 2017, December 8, 2017, February 7, 2018 and March 28, 2018.

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.

Shareholding of Non-Executive Directors

Mr. Sudarsan Varadaraj is holding 72,810 equity shares in the Company as on 31st March 2018. None of the other Non-Executive Directors are holding any shares in the Company.

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. 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/FamiliarizationProgramme.pdf.

Independent Directors Meeting

The Independent Directors meeting was held on 7th February 2018 without the attendance of Non-Independent Directors and members of Management and they inter-alia, reviewed the performance of the Chairman, Non-Independent Directors and accessed the quality, quantity and timeliness of flow of information between the Company and the Board. The terms and conditions for appointment of Independent Directors are placed on Company's website www.superspinning.com.

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 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 met six times during the year on May 25, 2017, September 11, 2017, October 23, 2017, December 8, 2017, February 7, 2018 and March 28, 2018. 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	6
Mr. C G Kumar	Non-Executive - Independent	5
Mr. B Lakshmi Narayana*	Non-Executive - Independent	5
Mr. A R Balasundharam**	Non-Executive- Non-Independent	1
Mr. Vijay Venkataswamy#	Non-Executive - Independent	1

*Appointed as Audit Committee member w.e.f June 1, 2017

** Appointed as Audit Committee Member w.e.f February 7, 2018

Retired w.e.f May 31, 2017

The Chairman of the Audit Committee had attended the Annual General Meeting.

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 2017-18, 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 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 three times on May 30, 2017, January 27, 2018 and March 28, 2018.

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

Name	Category	No. of Meetings Attended
Mr. C S K Prabhu, Chairman	Non-Executive Independent	2
Mr. Sudarsan Varadaraj	Non-Executive Independent	3
Mr. B Vijayakumar	Non-Executive Independent	3
Mr. Vijay Venkataswamy#	Non-Executive Independent	1

Retired with effect from May 31, 2017

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting.

Performance Evaluation of Non-Executive and Independent Directors / Performance evaluation criteria

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.

Remuneration of Directors

Remuneration of the Executive 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 and within the overall ceiling limits prescribed under the Companies Act, 2013.

The remuneration paid to the Executive Directors of the Company for the year ended March 31, 2018 is as follows.

Name of the Director	Remuneration (₹ in Lakhs)	Service Contract
Mr. Sumanth Ramamurthi, Executive Chairman	46.30	01.04.2017 to 31.03.2020
Mr. A S Thirumoorthy, Managing Director	61.56	01.04.2017 to 31.05.2018

Note : Remuneration includes Salary, Allowances, Perquisites and Company's contribution to Provident Fund.

No performance linked incentives were paid.

No sitting fees were paid to Executive Chairman and Managing Director.

Managing Director & Executive Chairman are not entitled to severance fees

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 (In ₹)
Mr. C S K Prabhu	1,24,000
Mr. Vijay Venkataswamy	22,000
Mr. Sarath Chandran	10,000
Mr. Sudarsan Varadaraj	26,000
Mr. B Vijayakumar	56,000
Mr. C G Kumar	1,00,000
Ms.Suguna Ravichandran	30,000
Mr. B Lakshmi Narayana	1,00,000
Mr. AR Balasundharam	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.

This committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares and 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.

During the year 2017-18, five meetings of the Stakeholders Relationship Committee were held on July 17, 2017, October 13, 2017, December 8, 2017, January 5, 2018 and March 12, 2018.

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	5
Mr. Sumanth Ramamurthi	4
Mr. A S Thirumoorthy	5
Mr. Sarath Chandran#	NA

Upto 31.05.2017

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting.

Mrs. Ramaa Krishnakumar acts as the Company Secretary and Compliance Officer of the Committee.

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 2018.

Pursuant to 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 Regulation 39(4) read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had transferred on 05.07.2014, its unclaimed shares to Super Spinning Mills Limited unclaimed suspense account opened with Coimbatore Capital Limited. The details of the Unclaimed Securities Suspense Account is given below:

Particulars	Number of Shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	499	9,89,480
Number of shareholders who approached the Company for transfer of shares from suspense account during of the year	7	11,790
Number of shareholders to whom shares were transferred from suspense account during of the year	7	11,790
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2017	492	9,77,690

The voting rights on the outstanding unclaimed shares as on 31st March, 2018 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent.

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.

However, the Company was 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.

Management Discussion and Analysis Report:

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

General Body Meetings

Details of Annual General Meetings held in last three years

Year	Location	Date	Time	Special Resolutions passed in the AGM's
2015	Ardra Convention Centre, Kaanchan No.9, North Huzur Road, Coimbatore - 641 018	14.09.2015	3.30 PM	NIL
2016	Ardra Convention Centre, Kaanchan No.9, North Huzur Road, Coimbatore - 641 018	08.09.2016	3.30 PM	Appointment of Mr. Vijay Venkataswamy as an Independent Director of the Company.
2017	Ardra Convention Centre, Kaanchan No.9, North Huzur Road, Coimbatore - 641 018	01.12.2017	3.30 PM	NIL

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. During the year, the Company has conducted a Postal Ballot vide Notice dated 28th April 2017 for approval of the Scheme of Amalgamation of Sara Elgi Arteriors Limited (wholly-owned subsidiary) & Elgi Building Products Limited (Step down subsidiary) with the company and for the adoption of new set of Articles of Association.

The details of resolution passed through Postal Ballot last year and the voting pattern for the said resolutions are disclosed as under:

Resolution Particulars	Type of Resolution	No. of votes polled	Votes cast in favour		Votes cast against		Invalid Votes Cast
			No. of votes	%	No. of votes	%	
1. Ordinary Resolution for approval of Scheme of Amalgamation of Sara Elgi Arteriors Limited (Transferor Company-1) and Elgi Building Products Limited (Transferor Company-2)with Super Spinning Mills Limited (Transferee Company) pursuant to Section 230 to 232 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015	Ordinary	12,71,105	12,59,105	99.06	12,000	0.94	1,350
2. Special Resolution under Section 14 of the Companies Act, 2013 for alteration of the Articles of Association of the company by substitution of the existing Articles with a new set of Articles in line with the provisions of Companies Act, 2013	Special	2,38,76,709	2,38,62,709	99.94	14,000	0.06	1,350

Sri. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner.

Postal Ballot proposed to be conducted:

No postal ballot is proposed to be conducted in the current financial year.

Procedure for postal ballot:

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice of the Postal Ballot dated 28th April 2017 (as specified above) were transacted through Postal Ballot / e-voting during the last year. The Company had engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting facility to the members.

The members were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commencing from Wednesday, 10th May, 2017 to Thursday, 8th June, 2017. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Executive Chairman. The results of the voting were declared on Saturday, 10th June 2017 on the website of the Stock Exchanges, Company and CDSL.

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.superspinning.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:

Financial Year	:	1st April 2018 to 31st March 2019
Day, Date and Time	:	Wednesday, 29th August 2018 at 3.30 P.M
Venue	:	Ardra Convention Centre, Kaanchan, No.9, North Huzur Road, Coimbatore - 641018
Date of Book closure	:	23rd August 2018 to 29th August 2018 (both days inclusive)
Dividend Payment Date	:	Not Applicable

Listing of shares on Stock Exchanges

BSE Limited
25th Floor, PJ 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

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 2018-19.

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 2017 - 18

Month	BSE Limited				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April'17	17.53	12.00	30,184	29,241	19.00	12.10	9,367	9,075
May'17	20.80	14.65	31,255	29,804	21.20	14.50	9,649	9,269
June'17	18.50	15.65	31,522	30,680	18.40	15.60	9,709	9,448
July'17	22.10	16.00	32,672	31,017	22.15	16.00	10,114	9,543
August'17	19.05	14.05	32,686	31,128	19.20	14.00	10,137	9,685
September'17	17.65	14.85	32,524	31,081	17.60	14.85	10,178	9,687
October'17	16.95	14.75	33,340	31,440	17.35	14.90	10,384	9,831
November'17	24.00	14.90	33,865	32,683	23.90	15.00	10,490	10,094
December'17	24.45	18.80	34,137	32,565	24.60	18.65	10,552	10,033
January'18	22.00	16.90	36,443	33,703	22.30	16.60	11,171	10,404
February'18	17.60	14.10	36,256	33,482	17.70	14.05	11,117	10,276
March'18	14.45	10.75	34,278	32,483	14.65	10.70	10,525	9,951

Note: The Face Value is ₹ 1/-

Reconciliation of Share Capital Audit

A qualified Company Secretary in Practice carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

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 2018

Category	No. of Share Holders	No. of shares held	% of share Holding
Promoters and promoters group	18	2,33,71,230	42.49
Mutual Funds	1	1,470	0.00
Foreign Institutional Investors/ NRI/ OCB	92	4,47,809	0.82
Bodies Corporate	261	34,70,389	6.31
Public	9,930	2,77,09,102	50.38
Total	**10,302**	**5,50,00,000**	**100.00**

Distribution of shareholdings as on 31st March 2018

Shares	No of Shareholders	% of share holding	No of Shares	% of share holding
1 - 500	5368	51.02	12,64,729	2.30
501 - 1000	1950	18.54	1757,576	3.20
1001 - 2000	1142	10.85	18,69,358	3.40
2001 - 3000	548	5.21	14,48,777	2.63
3001 - 4000	224	2.13	8,21,963	1.49
4001 - 5000	320	3.04	15,48,347	2.82
5001 - 10000	462	4.39	35,79,046	6.51
10001 Above	507	4.82	4,27,10,204	77.65
Total	**10521**	**100.00**	**5,50,00,000**	**100.00**

Demat and Physical Shares as on 31st March, 2018

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	4,20,45,882	76.45
Central Depository Services (India) Limited	1,13,21,708	20.58
Physical	16,32,410	2.97
Total	**5,50,00,000**	**100.00**

The custodial fee to the depositories (NSDL & CDSL) was paid for the year 2018-19.

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 & Registered Office	**Address for Correspondence with Registrar and Share Transfer Agents**
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	Link Intime India Pvt Limited Coimbatore Branch Office "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) Disclosure 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, or any matter relating to capital markets, during the last three years

The company has complied with all the requirements of the Listing Agreement of the stock exchange as well as regulations and guidelines of SEBI including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by

SEBI, stock exchange or any other statutory authority on matters relating to capital markets during the last three years.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee

The company has adopted a whistle blower policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the chairman of the audit committee. It is affirmed that no personnel of the company has been denied access to the audit committee.

Your company hereby affirms that no complaints were received during the year under review.

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 of reporting of internal auditors to Audit Committee as recommended under Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted any other non- mandatory requirements.

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/2016/08/PolicyOnRelatedPartyTransaction.pdf.

g) Disclosure of commodity price risks and commodity hedging activities

During the financial year ended 31st March 2018, 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 instances of non-compliance of any requirement of corporate governance report as stated above.

The Company has complied with all the mandatory requirements specified in Regulation 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 19.05.2018 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 give a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2017-2018.

For and on behalf of the Board
Sumanth Ramamurthi
Executive Chairman
DIN: 00002773

Coimbatore
May 19, 2018

Auditors` Certificate on 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, 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance 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 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 Sethia, Prabhad Hegde & Co
Chartered Accountants
Registration No. 013367S

(Timmayya Hegde)
Partner
Membership No.226267

Coimbatore
May 19, 2018

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 C Shankar, 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 2018 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 2018 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 2018.
   ii. There have not been any significant changes in accounting polices during the year ended 31st March 2018.
   iii. There have been no instances during the year ended 31st March 2018 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	**A S Thirumoorthy**	**C Shankar**
19th May 2018	Managing Director & CEO	Chief Financial Officer
	DIN : 03604474	

INDEPENDENT AUDITOR'S REPORT

To the members of SUPER SPINNING MILLS LIMITED

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **SUPER SPINNING MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Rules specified in the Companies (Indian Accounting Standards) Rules, 2017 as amended from time to time. 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 Ind AS 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 Ind AS financial statements based on our audit. In conducting 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. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, its losses, Other Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

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 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rules specified in the Companies (Indian Accounting Standards) Rules, 2017 as amended from time to time;

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company`s internal financial controls over financial reporting; 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 as amended, 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 Ind AS financial statements included in Note No. 40 forming part of the Ind AS financial statements;

ii. The Company 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 Company.

2. 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 B” statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

For **M/s Sethia, Prabhad Hegde & Co**
Chartered Accountants
Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Coimbatore
May 19, 2018

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 31st March 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, to the best of our information and according to the explanations given to us, 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 2018, 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 **M/s Sethia, Prabhad Hegde & Co**
Chartered Accountants
Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Coimbatore
May 19, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S 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 31st March, 2018)

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) (a) 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 read with Companies (Cost Records and Audit) Rules, 2014 as amended 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, goods and service 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 2018 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	523.74	1993-1999 2000-2004 2004-2005 2005-2009 2011-12	CIT(Appeals), Coimbatore CIT(Appeals), Coimbatore ITAT, Chennai CIT(Appeals), Coimbatore 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	STAT, Visakhapatnam
APGST Act, 1957	Sales Tax	Disallowance of Stock Transfer to branch & Tax due on other pending declaration forms	432.00	2011-12	STAT, Visakhapatnam
TNGST Act, 1959	Sales Tax	Levy of Penalty for Issue of C Forms	83.93	1998-99	Madras High Court, Chennai
TNGST Act, 1959	Sales Tax	Rate Difference	149.42	2004-2008	Madras High Court, Chennai
TNGST Act, 1959	Sales Tax	CST Rate Difference	0.31	2010-11	Appellate Deputy Commissioner of Commercial Taxes, Coimbatore
Central Excise Act, 1944	Excise Duty	Capital goods moved without payment of duty	49.61	2007-08	CESTAT, Chennei

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 give 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 Ind AS financial statements as required by the applicable Indian accounting standards (Ind AS).

xiv) According to the information and explanations give 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 **M/s Sethia, Prabhad Hegde & Co**
Chartered Accountants
Registration No. 013367S

Timmayya Hegde
Partner
Membership No. 226267

Coimbatore
May 19, 2018

5 Year Highlights

₹ lakhs

Operating Results	2014	2015	2016	2017	2018
Sales and Other Income	52623	44635	35027	30678	26362
Operating Profit	4412	1813	686	1321	(222)
Finance Cost	2380	2304	2143	1700	1382
Gross Profit	2033	(491)	(1457)	(379)	(1604)
Depreciation	1511	1037	995	956	555
Taxes	150	(541)	(299)	(263)	-
Net Profit	332	(1174)	(582)	(1072)	(2159)
Performance Parameters					
Net Fixed Assets	9603	9294	7119	6999	21382
Share Capital	550	550	550	550	550
Reserves	6784	5521	4938	4236	13915
Net Worth	7334	6071	5488	4786	14465
Return on Net Worth (%)	4.53	(19.34)	(10.61)	(22.39)	(15)
Bank Borrowings	13892	12485	11150	8753	6871
Debt : Equity	1.89 : 1	2.06 : 1	2.03 : 1	1.83 : 1	0.48:1
Earnings per Share (in ₹)	0.60	(2.13)	(1.06)	(1.95)	(3.93)

Balance Sheet as at 31st March 2018

₹ lakhs

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	4	**20,582.79**	21,023.08	21,780.84
(b) Intangible assets	4	**798.92**	799.47	1.32
(c) Capital work in progress	5	–	1.01	0.82
(d) Investment property	6	**93.56**	93.56	93.56
(e) Financial assets				
i. Investments	7	**1,327.05**	1,327.05	2,747.49
ii. Other financial assets	8	**600.70**	657.14	736.63
(f) Other non-current assets	9	**15.32**	56.91	72.85
Total non-current assets		**23,418.34**	23,958.22	25,433.51
Current assets				
(a) Inventories	10	**1,782.41**	3,298.88	3,839.82
(b) Financial assets				
i. Trade receivables	11	**1,195.04**	1,200.45	2,667.87
ii. Cash and cash equivalents	12	**158.22**	147.14	66.79
iii. Other financial assets	13	**2,497.87**	2,660.96	2,660.82
(c) Non-Current Assets Held for Sale	14	**–**	–	442.98
(d) Other current assets	15	**226.66**	329.13	193.85
Total current assets		**5,860.20**	7,636.56	9,872.13
Total Assets		**29,278.54**	31,594.78	35,305.64
II. EQUITY AND LIABILITIES				
1. Equity				
Equity share capital	16	**550.00**	550.00	550.00
Other equity	17	**13,915.00**	16,074.04	17,074.87
Total equity		**14,465.00**	16,624.04	17,624.87
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	**855.76**	1,660.76	3,067.41
Provisions	19	**545.00**	563.44	434.62
Deferred Tax Liabilities (net)	20	**–**	–	–
Total non-current liabilities		**1,400.76**	2,224.20	3,502.03

Particulars	Note No.	**As at March 31, 2018**	As at March 31, 2017	₹ lakhs As at April 1, 2016
Current liabilities				
Financial liabilities				
Borrowings	21	5,650.63	5,713.81	6,642.03
Trade payables	22	5,300.98	4,856.47	5,134.58
Other current liabilities	23	2,324.45	2,101.60	2,312.52
Short Term Provisions	24	136.72	74.66	89.61
Total current liabilities		**13,412.78**	**12,746.54**	**14,178.74**
Total liabilities		**14,813.54**	**14,970.74**	**17,680.77**
Total Equity and Liabilities		**29,278.54**	**31,594.78**	**35,305.64**

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s **Sethia, Prabhad Hegde & Co**
Chartered Accountants
FRN 013367S

Timmayya Hegde
Partner, Membership No.226267

Coimbatore, 19th May, 2018

For and on behalf of the Board

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

C Shankar
Chief Financial Officer

Ramaa Krishnakumar
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2018

₹ lakhs

Particulars	Note No.	**Year ended March 31, 2018**	Year ended March 31, 2017
CONTINUING OPERATIONS			
A Income			
Revenue from operations	25	**26,087.92**	29,417.96
Other income	26	**273.83**	1,273.10
Total income		**26,361.75**	30,691.06
B Expenses			
Cost of materials consumed	27	**15,723.59**	17,584.51
Changes in inventories of finished goods	28	**948.31**	(44.79)
Excise Duty Expenses		**–**	11.07
Power and Fuel	29	**3,895.38**	4,539.27
Employee Benefits Expense	30	**3,532.68**	3,994.11
Finance costs	31	**1,381.73**	1,711.23
Depreciation and amortisation expense	32	**554.82**	796.58
Other expenses	33	**2,484.28**	3,152.28
Total expenses		**28,520.79**	31,744.26
C Profit before exceptional items and tax		**(2,159.04)**	(1,053.20)
Exceptional items		–	–
D Profit before tax from continuing operations		**(2,159.04)**	(1,053.20)
Income tax expense	34		
Current tax		**–**	–
Deferred tax charge/ (credit) relating to earlier years		**–**	243.93
Profit for the year		**(2,159.04)**	(1,297.13)
E Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**–**	(72.75)
Income tax relating to these items			
Other comprehensive income for the year, net of tax		–	(72.75)
Total comprehensive income for the year		**(2,159.04)**	(1,369.88)
Earnings per share	35		
Basic earnings per share		**(3.93)**	(2.36)
Diluted earnings per share		**(3.93)**	(2.36)

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s **Sethia, Prabhad Hegde & Co**
Chartered Accountants
FRN 013367S

Timmayya Hegde
Partner, Membership No.226267

Coimbatore, 19th May, 2018

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Chief Financial Officer

Ramaa Krishnakumar
Company Secretary

Statement of Cash Flows for the year ended 31st March 2018

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
			₹ lakhs
A.	**Cash Flow from operating activities :**		
	Profit before income tax	**(2,159.04)**	(1,053.20)
	Adjustments for		
	Depreciation and amortisation expense	**554.82**	796.58
	(Profit)/ Loss on sale of assets	**(129.41)**	(1,200.50)
	(Profit)/ Loss on sale of investments	**(66.95)**	(1.28)
	Interest received	**(33.86)**	(50.11)
	Finance costs	**1,381.73**	1,711.23
		(392.22)	202.72
	Change in operating assets and liabilities		
	(Increase)/ decrease in Other financial assets	**219.53**	79.35
	(Increase)/ decrease in inventories	**1,516.47**	681.60
	(Increase)/ decrease in trade receivables	**5.41**	1,763.91
	(Increase)/ decrease in Other assets	**168.49**	34.13
	Increase/ (decrease) in provisions and other liabilities	**879.90**	(175.12)
	Increase/ (decrease) in trade payables	**444.51**	(278.11)
B.	Cash generated from operations	**2,781.60**	2,308.48
	Less : Income taxes paid (net of refunds)	**(3.69)**	–
	Net cash from operating activities (A)	**2,777.91**	2,308.48
	Cash Flows From Investing Activities		
	Purchase of PPE (including changes in CWIP)	**(206.43)**	(80.38)
	Sale proceeds of PPE	**222.87**	1,549.40
	(Purchase)/ disposal proceeds of Investments	**66.95**	21.76
	Interest income	**9.43**	50.61
	Net cash used in investing activities (B)	**92.82**	1,541.39
C	**Cash Flows From Financing Activities**		
	Proceeds from/ (repayment of) long term borrowings	**(1,393.40)**	(1,468.65)
	Proceeds from/ (repayment of) short term borrowings	**(63.18)**	(928.22)
	Unsecured loans and deposits	**–**	360.00
	Finance costs	**(1,403.07)**	(1,751.86)
	Net cash from/ (used in) financing activities (C)	**(2,859.65)**	(3,788.73)

Particulars	Year ended **March 31, 2018**	₹ lakhs Year ended March 31, 2017
Net decrease in cash and cash equivalents (A+B+C)	**11.08**	61.14
Cash and cash equivalents at the beginning of the financial year	**147.14**	66.79
Cash and cash equivalents on merger	**–**	19.21
Cash and cash equivalents at end of the year	**158.22**	147.14

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	**54.30**	79.94
- in deposit accounts	**99.41**	61.24
Cheque in Transit	**–**	0.47
Cash on hand	**4.51**	5.49
	158.22	147.14

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s **Sethia, Prabhad Hegde & Co**
Chartered Accountants
FRN 013367S

Timmayya Hegde
Partner, Membership No.226267

Coimbatore, 19th May, 2018

For and on behalf of the Board

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DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

C Shankar
Chief Financial Officer

Ramaa Krishnakumar
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

(A) Equity Share Capital ₹ lakhs

Balance at the beginning of April 1, 2016	550.00
Changes in equity share capital during the year	–
Balance at the end of March 31, 2017	550.00
Changes in equity share capital during the year	–
Balance at the end of March 31, 2018	550.00

(B) Other Equity

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Other comprehensive income	Retained Earnings	Total
Balance as at April 1, 2016	8,527.93	1,487.50	48.19	-	7,011.25	17,074.87
Tranfer on account of merger	138.92	-	2.83	-	227.30	369.05
Total Comprehensive Income for the year	-	-	-	(72.75)	(1,297.13)	(1,369.88)
Balance as at March 31,2017	8,666.85	1,487.50	51.02	(72.75)	5,941.42	16,074.04
Additions/ (deductions) during the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(2,159.04)	(2,159.04)
Ind AS adjustments					-	-
Balance as at March 31, 2018	8,666.85	1,487.50	51.02	(72.75)	3,782.38	13,915.00

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s **Sethia, Prabhad Hegde & Co**
Chartered Accountants
FRN 013367S

Timmayya Hegde
Partner, Membership No.226267

Coimbatore, 19th May, 2018

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Ramaa Krishnakumar
Company Secretary

Notes to financial statements for the year ended March 31, 2018

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 UPVC windows and doors and its shares are listed on the BSE Limited and National Stock Exchange of India Limited. The company has manufacturing units in Andhra Pradesh. Further to the scheme of arrangement effective from April 1, 2016, the subsidiaries Elgi Building Products Ltd and Sara Elgi Arteriors Limited were merged with the Company.

2 Basis of preparation of financial statements

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to note 50 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Functional and presentation currency

"These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).

The financial statements are approved for issue by the Company's Board of Directors on 19th May 2018.

2A Critical accounting estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current tax

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Assets (including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Impairment of Trade Receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

2B Recent accounting pronouncements

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs
a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)
b. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.“

3 Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

b) Fair value measurement

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability;

ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

c) Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the inco-terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including excise duty and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption."

Sale of services

Income from sale of services is recognised when the services are rendered as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Rental income

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

Dividend income

Dividend income is recognized when the company's right to receive dividend is established by the reporting date, which is generally when shareholders approve the dividend.

d) Property, plant and equipment and capital work in progress

Deemed cost option for first time adopter of Ind AS

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to fair value its land as the deemed cost as at the date of transition, viz.,1 April 2016 and applied Ind AS 16 retrospectively for all other classes of Property, Plant and Equipment.

Presentation

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Component Cost

All material/ significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/ insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

Derecognition

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation on property, plant and equipment

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value.

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Assets Category	Estimated useful life (in years)
Plant and Machinery Single Shift	20
Plant and Machinery Triple Shift	10
Roads, fences, walls	15

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000 each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

f) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. The cost of a separately acquired intangible asset comprises (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (b) any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets internally generated

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally - generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the intangible asset first meets the recognition criteria referred in Ind AS 38 "Intangible Assets". Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Useful life and amortisation of intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Estimated useful lives of the intangible assets are as follow:

Assets Category	Estimated useful life (in years)
ERP software and other software	5

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful life

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent cost and measurement

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipment's requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using the cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

h) Non Current Assets Held for Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

i) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average basis as follows :

i) Raw materials, packing materials and Store and Spare Parts : At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

ii) Work in progress: At material cost, conversion costs and appropriate share of production overheads

iii) Finished goods and waste : At material cost, conversion costs, appropriate share of production overheads and Excise Duty. Post implementation of GST from July 1, 2017 no excise duty is included in the closing stock of finished goods as at March 31, 2018.

j) Financial Instruments

Financial assets

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments other than equity instruments at amortised cost

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial instruments other than equity instruments at FVTOCI

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instruments other than equity instruments at FVTPL

The Company classifies all other financial instruments, which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees and related parties, deposits, interest receivable, unbilled revenue and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiaries and Associates as an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument)

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss, net of lien available on securities held against the receivables. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Derivatives fair valued through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k) Foreign currency transactions and translations

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company enters into forward exchange contract to hedge its risk associated with Foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. In case of monetary items which are covered by forward exchange contract, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference. Any profit or loss arising on cancellation of a forward exchange contract is recognized as income or expense for that year.

l) Borrowing Costs

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

m) Government grants

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

n) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Retirement and other employee benefits

Short-term employee benefits

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Other long term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

p) Business Combinations

During the year ended 2017, the subsidiaries M/s. Sara Elgi Arteriors Ltd and M/s. Elgi Building Products Ltd had been merged with the Company, as approved by the members through Postal Ballot dated June 8, 2017 and as per the orders of National Company Law Tribunal dated September 4, 2017 and September 19, 2017. The merger was effective from April 1, 2016.

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

q) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

r) Provisions, contingent liabilities and contingent asset

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

Contingent assets

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

s) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

t) Cash Flow Statement

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

u) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

Notes to financial statements for the year ended March 31, 2018

4 Property, plant and equipment

Particulars	Tangible Assets									
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fittings	Data Processing Equipment	Vehicle	Total	Intangible Assets - Software	Goodwill on merger	Total
Deemed Cost as at April 1, 2016	**15,024.00**	**3,053.75**	**3,593.73**	**31.27**	**67.37**	**10.72**	**21,780.84**	**1.32**	**-**	**1.32**
Additions on account of merger	206.41	-	1,066.96	33.65	49.57	8.33	1,364.92	-	798.70	798.70
Additions	-	13.71	44.80	18.43	3.25	-	80.19	-	-	-
Disposals	(202.64)	(49.93)	(1,522.19)	(0.03)	-	(9.29)	(1,784.08)	-	-	-
Cost as at March 31, 2017	**15,027.77**	**3,017.53**	**3,183.30**	**83.32**	**120.19**	**9.76**	**21,441.87**	**1.32**	**798.70**	**800.02**
Additions	-	3.44	199.85	0.74	3.41	-	207.44	-	-	-
Disposals	-	-	(1,446.25)	-	-	-	(1,446.25)	-	-	-
Cost as at March 31, 2018	**15,027.77**	**3,020.97**	**1,936.90**	**84.06**	**123.60**	**9.76**	**20,203.06**	**1.32**	**798.70**	**800.02**
Depreciation/Amortisation										
Additions on account of merger	-	-	971.25	31.70	47.09	7.90	1,057.94	-	-	-
Charge for the year	-	163.13	600.03	5.06	27.05	0.76	796.03	0.55	-	0.55
On disposals	-	(32.13)	(1,394.19)	(0.03)	-	(8.83)	(1,435.18)	-	-	-
As at March 31, 2017	**-**	**131.00**	**177.09**	**36.73**	**74.14**	**(0.17)**	**418.79**	**0.55**	**-**	**0.55**
Charge for the year	-	157.66	382.64	5.78	8.10	0.09	554.27	0.55	-	0.55
On disposals	-	-	(1,352.79)	-	-	-	(1,352.79)	-	-	-
As at March 31, 2018	**-**	**288.66**	**(793.06)**	**42.51**	**82.24**	**(0.08)**	**(379.73)**	**1.10**	**-**	**1.10**
Net Block										
As at April 1, 2016	15,024.00	3,053.75	3,593.73	31.27	67.37	10.72	21,780.84	1.32	-	1.32
As at March 31, 2017	15,027.77	2,886.53	3,006.21	46.59	46.05	9.93	21,023.08	0.77	798.70	799.47
As at March 31, 2018	15,027.77	2,732.31	2,729.96	41.55	41.36	9.84	20,582.79	0.22	798.70	798.92

Notes to financial statements for the year ended March 31, 2018

		As at March 31, 2018	As at March 31,2017	As at April1, 2016
				₹ lakhs
5	**Capital Work-in-progress**			
	Furniture and Fixtures	–	–	0.82
	Buildings	–	1.01	–
		–	1.01	0.82
6	**Investment Property**			
	Land	**93.56**	93.56	93.56
		93.56	93.56	93.56
7	**Non-current investments**			
	Investment in Subsidiaries			
	Trade Unquoted at Cost			
	Nil (Previous year 29,99,592) Equity Shares of ₹10/- each fully paid in Elgi Buildings Products Limited	–	–	299.96
	Nil (Previous year 25,00,000) Equity Shares of ₹10/- each fully paid in Sara Elgi Arteriors Limited	–	–	350.00
	Investments in Equity shares in Others FVTPL			
	Trade Unquoted			
	9,38,000 (Previous year 9,38,000) Equity Shares of ₹10/- each fully paid in Andhra Pradesh Gas Power Corporation Limited *	**1,326.05**	1,326.05	1,326.05
	Nil (Previous year 2,03,938) Equity Shares of ₹10/- each fully paid in MMS Steel Power Ltd *	–	–	20.39
	Nil (Previous year 900) Equity Shares of ₹10/- each fully paid in Suryadev Alloys Steel *	–	–	0.09
	10,000 (Previous year 10,000) Equity Shares of ₹10/- each fully paid in Cotton Sourcing Company Ltd	**1.00**	1.00	1.00
	Investments in Preference Shares of Subsidiaries			
	Non trade Unquoted at Cost			
	Nil (Previous year 70,00,000) 10% 8 years Non-cumulative redeemable shares of ₹ 10/- each fully paid in Elgi Building Products Limited	–	–	700.00
	Nil (Previous year 5,00,000) 10% 8 years Cumulative redeemable shares of ₹ 10 each fully paid in Elgi Building Products Limited	–	–	50.00
		1,327.05	1,327.05	2,747.49
	Total non-current investments			
	Aggregate amount of quoted investments	–	–	–
	Aggregate market value of quoted investments	–	–	–
	Aggregate cost of unquoted investments	**1,327.05**	1,327.05	2,747.49
	Aggregate amount of impairment in value of investments	–	–	–

* In respect investments made purusuant to power purchase agreements, the exit price is equivalent to the initial investment. Accordingly, the fair value of those investments have been considered at the original investment value as per Ind AS 113

Notes to financial statements for the year ended March 31, 2018

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	**Other non- current financial assets** (Unsecured, considered good)			
	Security deposits	**594.39**	643.56	711.84
	Trade Receivable under litigation	**–**	–	–
	Unamortised interest expense	**6.31**	13.58	24.79
		600.70	657.14	736.63
9	**Other non-current assets** (Unsecured, considered good)			
	Capital Advances	**–**	–	3.00
	Advance to suppliers	**10.32**	56.91	69.85
	Advance for investments	**5.00**	–	–
		15.32	56.91	72.85
10	**Inventories**			
	Raw Materials	**460.39**	1,022.20	1,547.25
	Work-in-progress	**624.94**	879.57	719.05
	Finished products (Other than acquired for trading)	**523.94**	1,178.36	1,328.95
	Stores and spares	**116.52**	122.87	216.92
	Waste	**55.62**	94.88	27.65
	Traded Goods	**1.00**	1.00	–
		1,782.41	3,298.88	3,839.82
	Inventory comprise of Raw Materials			
	Raw cotton	**300.68**	876.29	1,513.02
	Viscose fibre	**56.71**	28.86	34.89
	Profile	**103.00**	117.05	–
		460.39	1,022.20	1,547.25
	Work in progress	**624.94**	879.57	719.05
	Finished Goods			
	Cotton yarn	**518.40**	1,172.82	1,328.95
	Building products	**5.54**	5.54	–
		523.94	1,178.36	1,328.95
	Traded goods	**1.00**	1.00	1.00
11	**Trade receivables** (Unsecured, considered good)			
	Outstanding for a period exceeding 6 months from due date of payment	**690.33**	731.68	494.90
	Others	**987.06**	951.12	2,655.32
		1,677.39	1,682.80	3,150.22
	Less: Allowance for expected credit losses	**482.35**	482.35	482.35
		1,195.04	1,200.45	2,667.87

Notes to financial statements for the year ended March 31, 2018

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
12	**Cash and cash equivalents**			
	Cash on hand	**4.51**	5.49	4.24
	Cheque in transit	**–**	0.47	0.84
	Balances with banks			
	In current accounts	**54.30**	79.94	61.71
	In deposit accounts (with original maturity of less than 3 months)	**99.41**	61.24	–
		158.22	147.14	66.79
13	**Other current financial assets** (Unsecured, considered good)			
	Income and claims receivable	**434.14**	437.25	370.67
	Interest accrued on deposits	**40.94**	65.37	65.87
	Balance with govt authorities:	**1,972.27**	2,102.36	2,162.24
	Loans and advances to employees	**50.52**	49.39	56.40
	Forward contract receivable	**–**	6.59	5.64
		2,497.87	2,660.96	2,660.82
14	**Non-current assets held for sale**			
	Non-current assets held for sale	**–**	–	442.98
		–	–	442.98
15	**Other current assets** (Unsecured, considered good)			
	Prepaid expenses	**87.74**	117.58	108.27
	Advance to suppliers	**47.11**	91.41	68.39
	Other advances	**91.81**	120.14	17.19
		226.66	329.13	193.85
16	**Capital**			
	Authorised Share Capital			
	27,50,00,000 (10,00,00,000) Equity shares of ₹ 1 each	**2,750.00**	2,750.00	1,000.00
		2,750.00	2,750.00	1,000.00
	Issued Share Capital			
	5,50,00,000 (5,50,00,000) Equity shares of ₹ 1 each	**550.00**	550.00	550.00
		550.00	550.00	550.00
	Subscribed and fully paid up share capital			
	5,50,00,000 (5,50,00,000) Equity shares of ₹ 1 each	**550.00**	550.00	550.00
		550.00	550.00	550.00
	Notes:			
	(a) Reconciliation of number of equity shares subscribed			
	Balance as at the beginning of the year	**55,000,000**	55,000,000	55,000,000
	Add: Issued during the year	-	-	-
	Balance at the end of the year	**55,000,000**	55,000,000	55,000,000

Notes to financial statements for the year ended March 31, 2018

(b) There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

(c) The Company has no Holding or Subsidiary Companies.

(d) Shareholders holding more than 5% of the total share capital

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	% of Holding	No of shares	% of Holding	No of shares	% of Holding
Sumanth Ramamurthi	8790530	16%	8873860	16%	8873860	16%
Nikhil Govind Ramamurthi	4000000	7%	4000000	7%	4000000	7%
Sanjay Krishna Ramamurthi	4000000	7%	4000000	7%	4000000	7%
Super Farm Products (P) Limited	2845914	5%	2845914	5%	2845914	5%

(e) Rights, preferences and restrictions in respect of equity shares issued by the Company

The company has only one class of equity shares having a par value of ₹ 1 each. The equity shares of the company having par value of Rs.1/- rank pari-passu in all respects including voting rights and entitlement to dividend.

₹ lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
17	**Other Equity**			
	General reserve	**8,666.85**	8,666.85	8,527.93
	Securities Premium Reserve	**1,487.50**	1,487.50	1,487.50
	Capital Reserve	**51.02**	51.02	48.19
	Other comprehensive income	**(72.75)**	(72.75)	-
	Retained earnings	**3,782.38**	5,941.42	7,011.25
		13,915.00	16,074.04	17,074.87
	a) General reserve			
	Balance at the beginning of the year	**8,666.85**	8,527.93	8,527.93
	Additions during the year	-	-	-
	Transfer of General Reserve on account of merger	**-**	138.92	-
	Balance at the end of the year	**8,666.85**	8,666.85	8,527.93
	b) Securities Premium Reserve			
	Balance at the beginning and end of the year	**1,487.50**	1,487.50	1,487.50
	c) Capital Reserve			
	Balance at the beginning of the year	**51.02**	48.19	48.19
	Add: Transfer of capital reserve on account of merger	**–**	2.83	–
	Balance at the end of the year	**51.02**	51.02	48.19
	d) Other comprehensive income			
	Balance at the beginning of the year	**(72.75)**	-	-
	Additions during the year	**-**	(72.75)	-
	Balance at the end of the year	**(72.75)**	(72.75)	-

Notes to financial statements for the year ended March 31, 2018

₹ lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
e) Retained earnings			
Balance at the beginning of the year	**5,941.42**	7,011.25	(5,125.34)
Net profit for the period	**(2,159.04)**	(1,297.13)	-
Transfer of surplus on account of merger	-	227.30	-
Transfers to General Reserve	**-**	-	-
Ind AS adjustments	**-**	-	12,136.59
Balance at the end of the year	**3,782.38**	5,941.42	7,011.25
18 Long Term Borrowings			
From Banks *	**1,673.76**	3,067.16	4,535.81
Less : Current maturities due within 1 year (refer note 23 below)	**818.00**	1,406.40	1,468.40
	855.76	1,660.76	3,067.41
*Also refer note 46 for terms and conditions and security details			
19 Provisions (Non -current)			
Provision for Employee Benefits			
Compensated absences	**5.51**	27.73	31.54
Gratuity	**539.49**	535.71	403.08
	545.00	563.44	434.62
20 Deferred Tax Liability - Net *			
Net deferred tax liability	**-**	-	-
21 Current liabilities - Financial Liabilities: Borrowings *			
Secured			
Loans repayable on demand			
From Banks**	**5,197.63**	5,685.81	6,614.03
Unsecured			
Loan from Directors	**453.00**	28.00	28.00
	5,650.63	5,713.81	6,642.03

* Also refer note 47 for terms and conditions and security details

** With respect to short term borrowing facility availed from Union Bank of India aggregating to Rs.3090.62 lakhs as on the date of balance sheet, it was due for renewal during February 2018. The Company has sought for renewal of the said facility and pending for approval from the Bank as on the date of the approval of accounts.

22 Trade payables			
Trade payables *	**5,300.98**	4,856.47	5,134.58
* refer note No.48 for related party balances			
	5,300.98	4,856.47	5,134.58

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 41.

Notes to financial statements for the year ended March 31, 2018

₹ lakhs

	As at March 31, 2018	As at March 31, 2017	As at April1, 2016
23 Other current liabilities			
Current maturities of long term debt			
From Banks	**818.00**	1,406.40	1,468.40
Advance from customers	**33.49**	113.01	54.49
Employee payables	**494.97**	207.75	368.61
Voluntary retirement scheme payable	**–**	121.27	179.77
Statutory dues payable	**8.58**	66.45	30.78
Interest accrued but not due on borrowings	**55.11**	76.45	117.08
Advance towards sale of properties*	**773.80**	–	–
Others	**140.50**	110.27	93.39
* refer note No.48 for related party balances			
	2,324.45	2,101.60	2,312.52
24 Provisions (Current)			
Provision for tax	**–**	3.69	–
Provision for gratuity	**136.72**	70.97	89.61
	136.72	74.66	89.61

₹ lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
25 Revenue from operations		
Sale of Products		
Domestic	**22166.96**	24345.30
Export	**3788.93**	4679.80
Sale of services - Design job work	**2.62**	6.90
Other Operating Revenue [refer note 25 (a) below]	**129.41**	385.96
	26087.92	29417.96
25 (a) Other Operating Revenue		
Export Incentives	**57.08**	125.42
Others	**72.33**	260.54
	129.41	385.96
26 Other income		
Interest Income [refer note 26 (a) below}	**33.86**	50.11
Other non-operating Income [refer note 26 (b) below}	**239.97**	1222.99
	273.83	1273.10
26 (a) Interest Income		
Interest on Electricity Deposits	**31.19**	49.27
Interest on IT refunds	**0.18**	0.10
Other interest receipts	**2.49**	0.74
	33.86	50.11

Notes to financial statements for the year ended March 31, 2018

		Year ended March 31, 2018	₹ lakhs Year ended March 31, 2017
26 (b)	**Other non-operating Income**		
	Rent Receipts	**16.15**	12.12
	Profit on sale of assets	**129.41**	1,200.50
	Profit on sale of investments	**66.95**	1.28
	MTM gain on Forward contracts	**–**	0.95
	Exchange Gain (Net)	**24.88**	5.88
	Other income	**2.58**	2.26
		239.97	1,222.99
27	**Cost of Materials consumed**		
	Opening inventory of raw materials	**1,022.20**	1,547.25
	Stock of raw materials transferred on account of merger	**–**	107.29
	Add : Purchases	**15,161.78**	16,952.17
	Less : Closing inventory of raw materials	**460.39**	1,022.20
		15,723.59	17,584.51
	Cost of material consumed comprises of		
	Cotton	**15,696.51**	17,559.84
	Resin and additives	**0.03**	3.49
	Steel Reinforcement	**3.55**	3.44
	Profiles and other accessories for doors and windows	**23.50**	17.74
		15,723.59	17,584.51
28	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Work-in-progress	**879.57**	719.05
	Add: Opening stock transferred on account of merger	**-**	21.64
	Finished goods	**1,178.36**	1,328.95
	Add: Opening stock transferred on account of merger	**-**	9.49
	Stock in trade	**1.00**	–
	Add: Opening stock transferred on account of merger	**-**	2.24
	Waste	**94.88**	27.65
		2,153.81	2,109.02
	Closing Balance		
	Work-in-progress	**624.94**	879.57
	Finished goods	**523.94**	1,178.36
	Stock in trade	**1.00**	1.00
	Waste	**55.62**	94.88
		1,205.50	2,153.81
	Changes in inventories	**(948.31)**	44.79
29	**Power and Fuel**		
	Power and Fuel	**3,895.38**	4,539.27
		3,895.38	4,539.27

Notes to financial statements for the year ended March 31, 2018

		₹ lakhs
	Year ended March 31, 2018	Year ended March 31, 2017
30 Employee benefits expense		
Salaries, wages and bonus	**2,875.52**	3,318.94
Contribution to		
Provident Fund	**179.25**	173.48
Super Annuation Fund	**2.59**	3.27
Gratuity Fund	**71.77**	43.74
Staff welfare expenses	**403.55**	454.68
	3,532.68	3,994.11
31 Finance Cost		
Interest on borrowings	**1,350.89**	1,694.40
Interest to others	**30.84**	16.83
	1,381.73	1,711.23
32 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**554.27**	796.03
Amortization of Intangible assets	**0.55**	0.55
	554.82	796.58
33 Other expenses		
Stores and spares consumed	**1,005.57**	1,394.14
Repairs and Maintenance		
Building	**19.76**	41.21
Machinery	**165.11**	215.73
Others	**37.28**	38.75
Processing charges	**55.36**	68.20
Selling Expenses	**663.07**	841.43
Insurance	**43.49**	48.86
Postage, telegram and printing charges	**24.76**	27.47
Travelling expenses	**85.80**	89.55
Bank Charges	**117.41**	104.57
Rates and Taxes	**54.13**	86.42
Professional and Consultancy Charges	**42.70**	36.31
Auditors' Remuneration	**10.49**	12.73
Director's Sitting Fees	**5.16**	4.78
R&D Expenses written off	**-**	2.46
Others	**154.19**	139.67
	2,484.28	3,152.28
Auditors' Remuneration		
Audit Fees	**5.00**	6.95
Tax Audit Fee	**2.00**	1.73
Others	**3.49**	4.05
	10.49	12.73

Notes to financial statements for the year ended March 31, 2018

₹ lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
34 Income tax expense		
(a) Income tax expense		
Current tax		
"Current tax on profits for the year"	–	–
Total current tax expense	–	–
Deferred tax		
Reversal of deferred tax assets of earlier years	–	(243.93)
Total deferred tax expense/(benefit)	–	(243.93)
Income tax expense	–	(243.93)
b) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**(2,159.04)**	(1,053.20)
Income tax expense calculated at 30.9% (2016-17: 30.9%)	–	–
Effect of carried forward losses not recognised as expenses that are not deductible in determining taxable profit	–	–
Income tax expense	–	–
c) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	–	–
Total income tax recognised in other comprehensive income	–	–

d) Movement of deferred tax expense during the year ended March 31, 2018

Deferred tax (liabilities)/ assets in relation to	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(1,317.00)	1,317.00	-	-
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Other temporary differences	1,317.00	(1,317.00)	-	-
	-	-	-	-
MAT Credit entitlement	-	-	-	-
	-	-	-	-

e) Movement of deferred tax expense during the year ended March 31, 2017

Property, plant, and equipment and Intangible Assets	(1,371.20)	54.20	–	(1,317.00)
Expenses allowable on payment basis under the Income Tax Act	285.64	(285.64)	–	–
Other temporary differences	1,085.56	231.44	–	1,317.00
	–	–	–	–
MAT Credit entitlement	–	–	–	–
	–	–	–	–

Notes to financial statements for the year ended March 31, 2018

f) Unused tax credits

The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act, 1961. The Company has scaled down the recognition of deferred tax asset to the extent that it matches with the aggregate deferred tax liabilities. At the end of each reporting period, the Company reassesses unrecognised deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

₹ lakhs

		Year ended March 31, 2018	Year ended March 31, 2017
35	**Earnings per share**		
	Profit for the year attributable to owners of the Company	**(2,159.04)**	(1,297.13)
	Weighted average number of ordinary shares outstanding	**55,000,000**	55,000,000
	Basic earnings per share (Rs)	**(3.93)**	(2.36)
	Diluted earnings per share (Rs)	**(3.93)**	(2.36)
36	**Earnings in foreign currency**		
	FOB value of exports	**3,767.64**	4,628.33
		3,767.64	4,628.33
37	**Expenditure in foreign currency**		
	Foreign Travel	**5.01**	2.15
	Commission	**41.70**	45.37
	Others	**7.71**	9.84
		54.42	57.36
38	**Value of Imports (on C.I.F basis)**		
	Raw Materials	**416.82**	1,590.92
	Components and spares	**20.71**	105.80
		437.53	1,696.72

39 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Value	Percentage (%)	Value	Percentage (%)
Value of raw materials consumed				
Imported	**416.82**	**3.00**	1,590.92	9.00
Indigenous	**15,306.77**	**97.00**	15,993.59	91.00
	15,723.59	**100.00**	17,584.51	100.00
Value of Stores and Spares Consumed				
Imported	**20.71**	**2.00**	105.80	8.00
Indigenous	**984.86**	**98.00**	1,288.34	92.00
	1,005.57	**100.00**	1,394.14	100.00

Notes to financial statements for the year ended March 31, 2018

40 Commitments and contingent liability

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Contingent Liability *		
Bank Guarantees	**6.00**	6.00
Bills discounted with company's bankers	**208.81**	909.69
Disputed demands from Income tax authorities	**523.74**	553.94
Disputed excise duty liability	**49.61**	75.98
Disputed sales tax liability	**828.62**	396.62
Capital Commitments		
Estimated amount of investments remaining to be executed on capital account and not provided for Tangible assets	**72.41**	63.82

* The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the company is not probable and accordingly, no provision for the same is considered necessary

41 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
(a) The principal amount remaining unpaid at the end of the year	**-**	-
(b) The delayed payments of principal amount paid beyond the appointed date during the year	**-**	-
(c) Interest actually paid under Section 16 of MSMED Act	**-**	-
(d) Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms	**-**	-
(e) Total interest accrued during the year and remaining unpaid	**-**	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

42 Operating Segments

The Company's main business segment is "Textile" while the other segment does not meet the reportable segment thresholds given in Ind AS 108 "Operating Segments" and hence included under "Others"

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Segment Revenue		
a) Textiles	**26,045.02**	29,162.53
b) Others	**42.90**	255.43
Revenue from operations (Net)	**26,087.92**	29,417.96

Notes to financial statements for the year ended March 31, 2018

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Segment Results		
Profit (+) / Loss (-) before tax and finance cost		
a) Textiles	**(773.71)**	555.28
b) Others	**(3.60)**	102.75
Total	**(777.31)**	658.03
Add/ Less : Finance Cost	**1,381.73**	1,711.23
Profit /(Loss) from continuing operations	**(2,159.04)**	(1,053.20)
Profit/(Loss) from discontinuing operations	**-**	-
Profit Before Tax	**(2,159.04)**	(1,053.20)
Segment Assets		
a) Textiles	**28,824.18**	31,138.10
b) Others	**454.36**	456.68
c) Other unallocable corporate assets	**-**	-
Total assets	**29,278.54**	31,594.78
Segment Liabilities		
a) Textile operations	**14,795.87**	14,942.82
b) Others	**17.67**	27.92
c) Other unallocable corporate liabilities	**-**	-
Total liabilities	**14,813.54**	14,970.74
Capital Employed (Segment assets-Segment liabilities)		
a) Textiles	**14,028.31**	16,195.28
b) Others	**436.69**	428.76
Total capital employed in segments	**14,465.00**	16,624.04
Unallocable corporate assets less corporate liabilities	**-**	-
Total Capital Employed	**14,465.00**	16,624.04

Information relating to geographical areas

(a) Revenue from external customers

India	**22,169.58**	24,352.20
Rest of the world	**3,788.93**	4,679.80
Total	**25,958.51**	29,032.00

(b) Non current assets

The manufacturing facilities of the Company are situated in India and no non-current assets are held outside India.

(c) Information about major customers

Number of external customers each contributing more than 10% of total revenue	**4**	4
Total revenue from the above customers (Rs. in lakhs)	**1995**	2124

43 Operating lease arrangements (as lessor)

The Company has given certain properties on operating lease arrangements. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. The total lease income recognised on such contracts for the year is Rs.16.15 Lakhs (Previous year Rs. 12.12 Lakhs).

44 Merger of Elgi Building Products Limited and Sara Elgi Arteriors Limited

In accordance with the terms of the Scheme of Amalgamation (the 'Scheme') between the Elgi Building Products Limited and Sara Elgi Arteriors Limited (Transferor Companies) and the Company (Transferee Company) which was approved by the NCLT, Chennai Bench the Transferor Companies was merged with the Company from an appointed date of April 1, 2016. The scheme was approved by the members through Postal Ballot dated June 8, 2017 and as per the orders of National Company Law Tribunal dated September 4, 2017 and September 19, 2017. The effective date of the Scheme (being the date on which all the requirements under the Companies Act, 2013 and as per the Scheme have been completed) was September 25, 2017 (the 'Effective Date'). As per the requirements of the Scheme, the assets and liabilities acquired have been incorporated at their carrying amounts as of the appointed date.

Details of assets and liabilities acquired and equity balances merged with the Company's equity are given below:

Particulars	Amount ₹ in Lakhs
Non-current assets	553.37
Current Assets	524.89
Total Assets (A)	**1,078.26**
Non-current liabilities	–
Current liabilities	107.95
Other Equity	369.05
Total Equity and Liabilities Assets (B)	**477.00**
Excess of assets over equity and liabilities (A) - (B)	601.26
Less : Investments in subsidiaries cancelled on merger	1,399.96
Goodwill on merger	(798.70)

As the effect of merger was recorded on April 1, 2016 being the appointed date of the Scheme, the opening balance sheet as at the transition date (which also happens to be April 1, 2016) in these financial statements do not include the balances relating to transferor companies and accordingly the figures of April 1, 2016 are not comparable with the balances as at other two balance sheet dates.

45 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Notes to financial statements for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gearing Ratio:			
Debt	**855.76**	1,660.76	3,067.41
Less: Cash and bank balances	**158.22**	147.14	66.79
Net debt	**697.54**	1,513.62	3,000.62
Total equity	**14,465.00**	16,624.04	17,624.87
Net debt to equity ratio (%)	**4.82%**	9.11%	17.02%

Categories of Financial Instruments			
a. Measured at amortised cost			
Other non-current financial assets	**600.70**	657.14	736.63
Trade receivables	**1,195.04**	1,200.45	2,667.87
Cash and cash equivalents	**158.22**	147.14	66.79
Other financial assets	**2,497.87**	2,660.96	2,660.82
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Investments	**1,327.05**	1,327.05	2,747.49
Derivative instruments	**-**	-	-
Financial liabilities			
a. Measured at amortised cost			
Borrowings (short term)	**5,650.63**	5,713.81	6,642.03
Trade payables	**5,300.98**	4,856.47	5,134.58
b. Mandatorily measured at fair value through profit or loss (FVTPL)			
Derivative instruments	**-**	6.59	5.64

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures.

Notes to financial statements for the year ended March 31, 2018

The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover (a) repayments of specific foreign currency borrowings; (b) the risk associated with anticipated sales and purchase transactions out to 6 months within 50% to 70% of the exposure generated.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
As on March 31, 2018							
USD	-	-	-	771,279	-	771,279	771,279
In INR (Rs. In lacs)	-	-	-	505.00	-	505.00	505.00
As on March 31, 2017							
USD	153,622	-	153,622	778,360	-	778,360	624,738
In INR (Rs. In lacs)	101.00	-	101.00	513.00	-	513.00	412.00
As on April 1, 2016							
USD	211,448	-	211,448	152,377	-	152,377	(59,071)
In INR (Rs. In lacs)	144.00	-	144.00	103.00	-	103.00	(41.00)

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

Notes to financial statements for the year ended March 31, 2018

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 24 Lakhs for the year (Previous INR 30 Lakhs)

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks, mutual fund investments, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Notes to financial statements for the year ended March 31, 2018

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved Financial Institutions/ Counterparty. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
March 31, 2018				
Trade payables	5,300.98	–	–	5,300.98
Borrowings (including interest accrued thereon up to the reporting date)	873.11	855.76	–	1,728.87
	6,174.09	**855.76**	**–**	**7,029.85**
March 31, 2017				
Trade payables	4,856.47	–	–	4,856.47
LBorrowings (including interest accrued thereon up to the reporting date)	1,482.85	1,660.76	–	3,143.61
	6,339.32	**1,660.76**	**–**	**8,000.08**
April 01, 2016				
Trade payables	5,134.58	–	–	5,134.58
Borrowings (including interest accrued thereon up to the reporting date)	1,585.48	3,067.41	–	4,652.89
	6,720.06	**3,067.41**	**–**	**9,787.47**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil

Notes to financial statements for the year ended March 31, 2018

46 Terms and conditions of long term loans taken from banks

Details of Security of Long term Borrowings

The TUF loan from SBI is secured by:

(a) First charge on fixed asset financed by SBI and second charge on entire current asset and other fixedassets of the company on pari-passu basis; and

(b) Personal Guarantee from promoter directors

The term loans from Andhra bank is secured by:

(a) First charge on the entire fixed assets of the company on pari-passu basis; and

(b) Second charge on current assets of the company

The term loans are repayable in 5 years on monthly basis and carry interest rates ranging from 13.20% to 15.15%

47 Terms and conditions of short term loans taken from banks

Working capital loan from banks are secured by:

(a) First charge on entire current assets of the Company on pari-passu basis; and

(b) Second pari-passu charge on entire fixed assets of the company

Working capital loans are payable on demand and carries interest rate for cash credit - (12.70% to 14.65%) and for packing credit (9.90% to 11.65%)

48 Related party disclosures

(a) Name of related party and nature of relationship

Key management personnel

Sumanth Ramamurthi	Executive Chairman
A.S.Thirumoorthy	Managing Director
C Shankar	Chief Financial Officer
Ramaa Krishnakumar	Company Secretary

Other Enterprises with which promoter has significant influence

Elgi Electric and Industries Limited

Super Sara Textiles Limited

Sara Elgi Industries Limited

Super Farm Products (P) Limited

Sara Elgi Envirotech LLP

Notes to financial statements for the year ended March 31, 2018

b) Transactions during the year

S.No	Nature of transactions	Year ended 31.03.2018	Year ended 31.03.2017
1	Others		
	Purchase of goods	1,757.28	9.24
	Sale of Goods	658.34	4.45
	Service Charges Paid	2.50	0.41
	Rent Received	10.60	10.60
	Other Expenses	0.28	1.20
	Other Receipts	20.00	12.92
2	Sumanth Ramamurthi		
	Managerial Remuneration	43.67	43.56
	Contribution to provident and other funds	2.62	2.61
	Interest Expended	27.66	3.36
	A S Thirumoorthy		
	Remuneration	58.08	58.08
	Contribution to provident and other funds	3.48	3.48
	C Shankar		
	Remuneration	11.87	9.33
	Contribution to provident and other funds	0.22	0.17
	Ramaa Krishnakumar		
	Remuneration	6.24	5.50
	Contribution to provident and other funds	0.22	0.22

c) Balance outstanding at the year end

Others		
Elgi Electric and Industries Ltd		
Amount outstanding at year end - Cr	561.61	–
Amount outstanding at year end - Dr	–	12.11
Super Farm Products Pvt Ltd		
Amount outstanding at year end - Dr	8.83	2.70
Sara Elgi Industries Ltd		
Amount outstanding at year end - Dr	6.40	–
Sumanth Ramamurthi		
Amount outstanding at year end - Cr	453.00	28.00

49 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund and super annuation fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of Rs.181.84 Lakhs (for the year ended March 31, 2017: Rs. 176.75 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including Dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate	7.70% p.a	7.34-8.00% p.a.
Rate of increase in compensation level	2.50% p.a	2.50-8.00% p.a.
Rate of Return on Plan Assets	7.70% p.a	7.34-8.00% p.a.
Attrition rate	1.00% p.a	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to financial statements for the year ended March 31, 2018

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
	Rs. Lakhs	Rs. Lakhs
Current service cost	30.53	5.38
Net interest expense	64.42	68.53
Return on plan assets (excluding amounts included in net interest expense)	(20.90)	(30.00)
Components of defined benefit costs recognised in profit or loss	74.05	43.91
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	(3.16)	73.56
Components of defined benefit costs recognised in other comprehensive income	(3.16)	73.56
	70.89	**117.47**

i) The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.

ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

Present value of defined benefit obligation	874.02	967.05
Fair value of plan assets	(197.81)	(360.37)
Net liability/(asset) arising from defined benefit obligation	**676.21**	**606.68**
Funded	197.81	361.46
Unfunded	478.40	245.22
	676.21	**606.68**

The above provisions are reflected under 'Provision for employee benefits- gratuity' as per details below

Long term provisions (refer note 19)	539.49	535.71
Short term provisions (refer note 24)	136.72	70.97
	676.21	**606.68**

Movements in the present value of the defined benefit obligation in the current year were as follows:

Opening defined benefit obligation	967.05	983.09
Present value of obligation of subsidiary companies taken over	-	2.75
Current service cost	30.53	5.38
Interest cost	64.42	68.35
Actuarial (gains) /losses	(12.92)	78.11
Benefits paid	(172.43)	(171.72)
Others	(2.63)	1.09
Closing defined benefit obligation	**874.02**	**967.05**

Movements in the fair value of the plan assets in the current year were as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Opening fair value of plan assets	360.37	490.43
Fair Value of Plan Assets of Subsidiary company taken over	–	4.08
Return on plan assets	20.90	30.00
Contributions	1.47	3.03
Benefits paid	(172.43)	(171.72)
Actuarial gains/(loss)	(9.76)	4.55
Others	(2.74)	–
Closing fair value of plan assets	197.81	360.37

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense recognised during the year is Rs.7.49 Lakhs (previous year Rs.8.77 Lakhs)

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

50 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost for Property, Plant and Equipment (PPE)

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

A.1.2. Deemed cost for Intangible Assets

Ind AS 101 permits a first-time adopter to elect to fair value the intangible assets or to continue with the carrying value as per the previous GAAP as deemed cost on the date of transition

The company has elected to continue the carrying value on the date of transition as per previous GAAP as deemed cost.

A.1.3. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

B. Notes to first-time adoption

B.1 Fair valuation of land as deemed cost

As per Ind AS, the company is allowed to elect the option of fair value any class of its PPE on the date of transition and treat it as deemed cost under Ind AS. The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment. The consequential impact has been considered in the opening retained earnings.

B.2 Trade receivables

As per Ind AS 109, The company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Accordingly, the Company has developed an assessment for allowance for expected credit loss. The same has been considered in the opening and comparative period financial statements.

B.3 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications. However, this has no effect on the profits and equity as per Ind AS.

B.4 Accounting for restructuring plans

Under Ind AS, expenses on restructuring plans like voluntary retirement schemes (VRS) has to be accrued in the year in which the formal plan has been approved by the board and communicated to those affected. The Company has to provide for the expected outflows on a best estimate of the management considering the past trends and industry experience. Whereas under IGAAP, the same is provided based on actual application received from the employees.

Accordingly, the Company has accrued the differential liability in respect of open VRS on the date of transition to Ind AS and recognised in the opening Ind AS balance sheet with consequential impact in the opening retained earnings.

B.5 Fair valuation of financial assets and liabilities

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities.

Accordingly, the Company has remeasured the financial assets and liabilities (including investments and derivative contracts) as on the date of transition and the consequential impact has been given in the opening retained earnings.

B.6 Transaction costs in respect of financial instruments

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements."

B.7 Deferred tax and MAT Credit Entitlement

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company is also required to remeasure the carrying amount of MAT credit entitlement as per Ind AS. Accordingly, the Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

Notes to financial statements for the year ended March 31, 2018

51 Key reconciliation required as per Ind AS 101 on transition to Ind AS

(a) Reconciliation of equity

	As at March 31, 2017	As at April 01, 2016
Total equity / shareholders' funds as per Indian GAAP	4,945.36	5,488.28
Ind AS Adjustments		
Impact of fair valuation of land as deemed cost	14,757.97	14,757.97
Allowance for expected credit loss	(582.35)	(582.35)
Remeasurement of VRS Expenditure as per Ind AS	(121.27)	(179.77)
Gain on fair valuation of investments	33.03	31.90
Gain on fair valuation of forward contracts	6.59	5.64
Impact of amortised cost on term loan	13.58	24.79
Remeasurement of MAT Credit entitlement	(296.66)	(296.66)
Remeasurement of deferred tax as per balance sheet approach	(2,132.21)	(1,624.93)
Total equity/ shareholders' funds as per Ind AS	**16,624.04**	17,624.87

(b) Reconciliation of Profits

Total comprehensive income as per Indian GAAP	(911.97)
Ind AS Adjustments	
Gain on fair valuation of investments	1.13
Gain on fair valuation of forward contracts	0.95
Impact of amortised cost on term loan	(11.21)
Remeasurement of deferred tax as per balance sheet approach	(507.28)
Remeasurement of VRS Expenditure as per Ind AS	58.50
Total comprehensive income as per Ind AS	**(1,369.88)**

The significant accounting policies and the accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M/s **Sethia, Prabhad Hegde & Co**
Chartered Accountants
FRN 013367S

Timmayya Hegde
Partner, Membership No.226267

Coimbatore, 19th May, 2018

For and on behalf of the Board

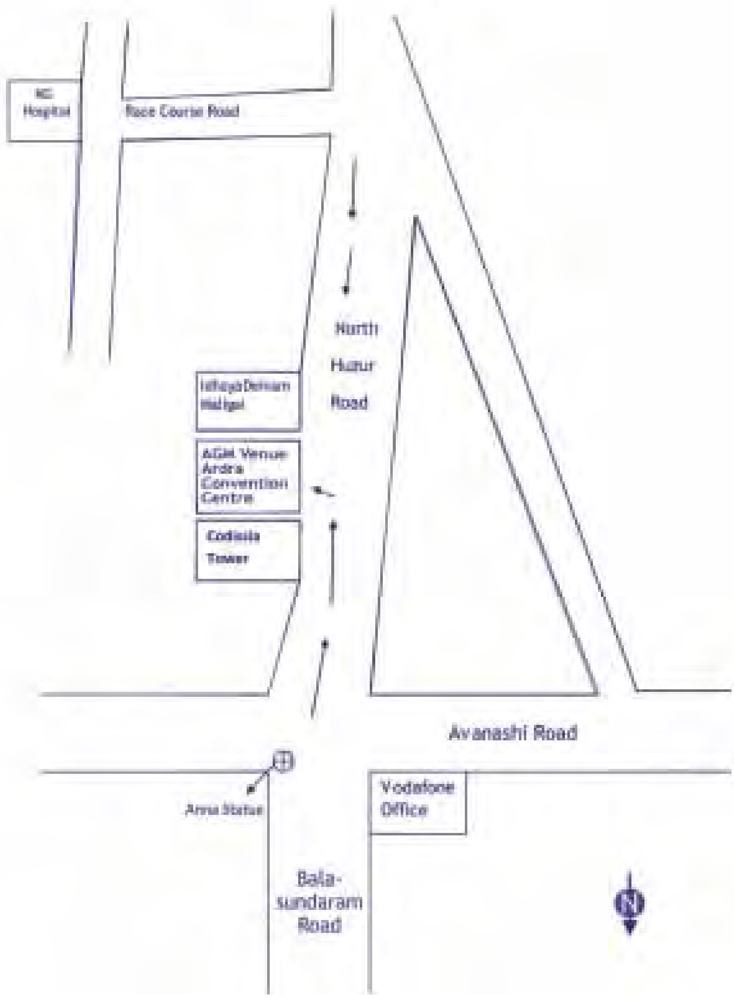
Sumanth Ramamurthi
Executive Chairman
DIN : 00002773

A S Thirumoorthy
Managing Director
DIN : 03604474

C Shankar
Chief Financial Officer

Ramaa Krishnakumar
Company Secretary

Route map of AGM Venue



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SUPER

Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

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

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

E-mail : investors@ssh.saraelgi.com

www.superspinning.com

SUPER

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.

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Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

Event No.	User ID	* Default PAN / Sequence No
180092		

* Those who have not registered their PAN may use Default PAN

✂ Cut here —

SUPER

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 **56th Annual General Meeting** of the Company being held on **Wednesday**, the **29th August 2018** at **3.30 P.M** at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore – 641 018.

Signature of Member / Proxy*

* Strike out whichever is not applicable

as my / our Proxy to attend and vote (on a Poll) for me / us on my / our behalf at the 56th Annual General Meeting of the Company to be held on **Wednesday**, **the 29th August 2018** 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 the Audited Financial Statements of the Company including Statement of Profit and Loss (including other comprehensive income) the Statement of Cash Flows and the Statement of changes in equity for the financial year ended March 31, 2018, the Balance Sheet as at that date, the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)
2	Re-appointment of Mr. Sumanth Ramamurthi, (DIN: 00002773) as a Director on retirement by rotation. (Ordinary Resolution)
	Special Business
3	Ratification of the remuneration payable to Mr.R.Krishnan, (Membership No.7799) Cost Auditor of the Company for the financial year ending 31st March 2019 (Ordinary Resolution)
4	Approval of the remuneration payable to Mr.A S Thirumoorthy (DIN: 03604474), Managing Director of the Company for a period of two months with effect from 1st April 2018 up to 31st May 2018 (Ordinary Resolution)
5	Approval of the remuneration payable to Mr. Sumanth Ramamurthi, Executive Chairman of the Company for a period of two years with effect from 1st April 2018 (Ordinary Resolution)
6	Appointment of Mr. A R Balasundharam (DIN: 07802383) as a director of the Company (Ordinary Resolution)
7	Approval for the payment of consultancy fees to Mr.A R Balasundharam (DIN: 07802383) Non-Executive Non Independent Director of the Company for a period of one year with effect from 1st June 2018 (Special Resolution)

Signed this ………………. day of ………………. 2018

Affix ₹ 1/- Revenue Stamp

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.