

**SUPER SALES
AGENCIES LIMITED
COIMBATORE**



17th Annual Report - 1998 - 99

SUPER SALES AGENCIES LIMITED

Registered Office :

34-A, Kamaraj Road, COIMBATORE - 641 018.

BOARD OF DIRECTORS :

Sri R. Venkatrangappan (Chairman)
Sri Ramesh Rudrappan
Sri C.B. Kariappa
Sri Ravi Sam
Sri Sanjay Jayavarthanavelu

PRESIDENT :

Sri M.A. Chandrasekara Rajha

COMPANY SECRETARY :

Sri A. Prabhakar

AUDITORS :

M/S. S. KRISHNAMOORTHY & CO.,
Chartered Accountants

BANKERS :

INDIAN OVERSEAS BANK
CANARA BANK
STATE BANK OF INDIA

REGISTRARS AND SHARE TRANSFER AGENTS :

S.K.D.C Consultants Ltd.
11, Street No. 1
S.N. Lay out
Coimbatore - 641 012

SUPER SALES AGENCIES LIMITED

CONTENTS

Notice	...	3
Directors' Report	...	6
Auditors' Report	...	9
Balance Sheet	...	12
Profit and Loss Account	...	14
Schedules	...	16
Notes to the Accounts	...	23
Cash flow Statement	...	27

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 17th Annual General Meeting of the shareholders of the Company will be held at 11.00 A.M. on Wednesday the 22nd September, 1999 at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Reports of Auditors' and of the Directors' and the Profit & Loss Account for the year ended March 31st, 1999 and the Balance Sheet as on that date.
2. To appoint a Director in the place of Sri Sanjay Jayavarthanavelu, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri Ramesh Rudrappan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED that payment of an amount of Rs. 2,500/- to M/s. S. Krishnamoorthy & Co., Chartered Accountants, towards Service Tax on Audit Fees for carrying out the statutory audit of accounts of the Company for the financial year, 1998-99 as provided in the annual accounts of the Company for the year ended March 31, 1999 be and is hereby ratified and approved.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

RESOLVED that pursuant to Section 31 and other applicable provisions, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out hereinbelow:

1. After Article 2 (b), the following new Articles 2 (c) to 2 (h) shall be inserted as under :

- (c) 'Beneficial Owner' shall mean beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.
- (d) 'Depositories Act' means the Depositories Act, 1996 including any statutory modification or re-enactment thereof for the time being in force.
- (e) 'Depository' shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- (f) 'Member' means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

SUPER SALES AGENCIES LIMITED

(g) 'SEBI' means the Securities Exchange Board of India.

(h) 'Security' means such security as may be specified from time to time.

2. After Article 6 (b), the following new Articles 6 (c) and 6 (d) shall be inserted as under :

(c) The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of securities held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

(d) The securities of the Company shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the securities of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no securities shall be sub-divided. Every forfeited or surrendered security held in material form shall continue to bear the number by which the same was originally distinguished.

3. After Article 14 (A), the following new Articles 14 (B) to 14 (E) shall be inserted as under :

14 (B) The Company shall be entitled to dematerialise its securities, rematerialise its securities held in the Depositories and/or to offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

14 (C) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any security or whose names appears as the beneficial owner of securities in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such security on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any securities in the joint names of any two or more persons or the survivor or survivors of them.

14 (D) The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of security held in material form.

14 (E) In case of transfer or transmission of securities where the Company has not issued any certificates and where such securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956.

ITEM NO. 5

At the Annual General Meeting of the Company held on 10.09.1998 the resolution passed had approved the appointment of M/s. S. Krishnamoorthy & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of that meeting to the conclusion of the next Annual General Meeting, at a remuneration of Rs. 50,000/- and out of pocket expenses incurred by them. However, subsequent to the members approval, the applicability of Service Tax was extended by the Finance Act, 1998 to remuneration payable to the Auditors of the Company.

The ordinary resolution set out at Item No. 5 of the notice convening this Annual General Meeting is for the purpose of obtaining the approval of the members of the Company to pay in addition to remuneration and out of pocket expenses, a sum of Rs. 2,500/- towards Service Tax.

None of the Directors of the Company is concerned or interested in passing of the resolution.

ITEM NO. 6

Some of the provisions of the Companies Act, 1956, have been amended to facilitate the Depository System consequent to the passing of the Depositories Act, 1996 and the introduction of the Depository System. It is, therefore, proposed to alter the Articles of Association of the Company in certain respects so that they conform to the amended provisions of the Companies Act, 1956 and the Depositories Act, 1996.

The Board recommends the passing of the Special Resolution contained in Item No. 6 of the accompanying Notice.

A copy of the existing Articles of Association of the Company and the proposed amendments will be available for inspection by members at the Registered office of the Company between 3 to 5 p.m. on any working day (Monday to Friday) excluding bank holidays prior to the date of Annual General Meeting and will also be available for inspection at the Meeting.

None of the Directors of the Company is concerned or interested in passing of the resolution.

Coimbatore
14th May, 1999

By Order of the Board,
A. PRABHAKAR
Company Secretary

Notes :

1. A member who is entitled to attend and vote at the above meeting is entitled to appoint a proxy and vote instead of himself and such proxy need not be a member of the Company.
2. The instruments appointing the proxy should be lodged with the Company not less than fortyeight hours before the scheduled commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 1st September, 1999 to 22nd September, 1999 (both days inclusive).
4. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, S.K.D.C. Consultants Ltd., No. 11, Street No. 1, S.N. Layout, Tatabad, Coimbatore - 641 012.
5. Pursuant to section 205 A of the Companies Act, 1956, all unclaimed dividends upto the Company's financial year ended 31st March, 1995 (paid in 1995) have been transferred to the "General Revenue Account" of the Central Government.

SUPER SALES AGENCIES LIMITED**DIRECTORS' REPORT**

Your Directors present the annual report together with audited accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS	1998-99	1997-98
	(Rs. in lacs)	
Turnover	3302.52	3754.64
Commission Receipts	348.95	455.46
Other Income	159.69	224.21
Profit/(Loss) before Interest, Depreciation and Taxes	380.03	679.98
Less : Interest	184.82	167.41
Profit/ (Loss) before Depreciation and Taxes	195.21	512.57
Less : Depreciation	322.23	294.79
Profit/(Loss) before Taxes	(127.02)	217.78
Less : Taxation	-	42.00
Net Profit / (Loss) before extraordinary items	(127.02)	175.78

The loss of Rs. 127.02 lacs is proposed to be set off and met out of General Reserve.

DIVIDEND

In the absence of profits, your Directors regret their inability to recommend any dividend.

WORKING OF THE COMPANY :**TEXTILE DIVISION :**

The spinning industry, during the year under review, was reeling under the impact of total adverse conditions. Cotton prices ruled firm throughout, notwithstanding the earlier expectations of a bumper crop. Even on high prices, quality cotton was not available, which factor had its own impact on the quality of the yarn produced. The cost of production was constantly moving up.

On the other hand, yarn prices were constantly moving down and even at lower levels facing resistance. There has been a sluggish movement right through the year and most of the mills were having huge stocks. This position continued notwithstanding the fact that quite a few mills had closed down and even those mills which were working, decommissioned frames partially, more or less throughout the year.

In any count spun, there was no parity and only a few mills, who had a very strong base could make some marginal cash profits.

These general conditions prevailing in the spinning industry had its won impact on the two units of your Company also. While every effort is being made to optimise production in both the units, in so far as Jay Textiles is concerned, there was an illegal strike for 35 days on bonus issue. For the first time the working of Jay Textiles also resulted in a loss.

AGENCY DIVISION

The sales in textile machinery was affected due to recession in the spinning industry. Sales of CNC machines was at the same level as compared to previous year.

INDUSTRIAL RELATIONS

The relationship with the employees was normal. A Voluntary Retirement Scheme (VRS) was introduced during the year and 70 employees opted for it. The total outgo on this account was Rs. 47.80 lacs.

DEPOSITS

As at close of the year 5 deposits amounting to Rs. 20,000/- remained undrawn. Reminders have been sent for suitable instructions.

DIRECTORS

The following Directors retire by rotation at the ensuing Annual General Meeting, who being eligible offer themselves for re-appointment :

1. Sri Sanjay Jayavarthanavelu
2. Sri Ramesh Rudrappan

STATUS ON Y2K COMPLIANCE

The Company commenced measures to become Y2K Compliant in July, 1998. Implementation plans are in an advanced stage for both Hardware & Software and to the best of our knowledge we anticipate full Compliance could be achieved by 31st October, 1999. The estimated cost for achieving Y2K Compliance is to be around Rs. 4 lacs. Follow up action has been initiated with concerned intermediaries for Compliance. Contingency plans have been developed to ensure smooth operations and transition through adequate backups/manual operations in case of any eventuality.

LISTING

Your Company's shares are listed in Madras and Mumbai Stock Exchanges and the listing fees have been paid.

AUDITORS :

M/s S Krishnamoorthy & Co., Chartered Accountants, the retiring Auditors, have given the certificate pursuant to Sec. 224(1-B) of the Companies Act, 1956 and are eligible to be re-appointed.

STATEMENT UNDER SEC. 217 (2A)

The particulars are enclosed.

CONSERVATION OF ENERGY

Various electrical equipments are being constantly monitored and overhauled in order to ensure that the consumption of energy is always at peak efficiency levels. The Generators are being overhauled periodically and maintained in good order to ensure optimum output. Energy consumption particulars as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached.

GENERAL

The Directors acknowledge the support given by the Principals M/s Lakshmi Machine Works Ltd., as also the assistance given by the bankers of the Company. Directors also wish to place on record, the Co-operation extended by the employees at various levels.

Coimbatore
14th May, 1999.

By Order of the Board
R. VENKATRANGAPPAN
Chairman