

**SUPER SALES
AGENCIES LIMITED
COIMBATORE**

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20th Annual Report 2001-2002

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

Sri R.V.M. Kesavachandra Rau - Director - Textiles
(Wholetime)

COMPANY SECRETARY :

Sri R. Vijayakumar

AUDITORS :

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

BANKERS :

INDIAN OVERSEAS BANK

REGISTRARS AND SHARE TRANSFER AGENTS :

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



SUPER SALES AGENCIES LIMITED**Agency Division**

34-A, Kamaraj Road, Coimbatore-18.

Textile Division

- ◆ Jay Textiles - Unit I
Ayyampalayam, Pollachi
- ◆ Jay Textiles - Unit II
Othakkal Mandapam, Coimbatore
- ◆ Jay Textiles - Unit III
Thekkampatty, Mettupalayam

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 20th Annual General Meeting of the shareholders of Super Sales Agencies Limited, Coimbatore – 641 018 will be held at 10:00 A.M. on Monday, the 26th August, 2002 at 'Nani Kalai Arangam', Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 to transact the following business:

ORDINARY BUSINESS

1. To consider the Profit and Loss Account for the financial year ended 31st March 2002, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.
2. To appoint a Director in the place of Sri R Venkatrangappan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri Sanjay Jayavarthanavelu, 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 deemed fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Association of the Company be and is hereby amended by insertion thereof the following Article 39A after the Article 39"

39A. The seal of the Company shall not be affixed to any instrument, except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf and except in the presence of any one of the Directors of the Company and of the Secretary or such other person as the Board may appoint for the purpose. The Director and the Secretary or other person shall sign the document to which the seal of the Company is affixed.



SUPER SALES AGENCIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No.5**

There is no specific clause in the Articles of Association of the Company regarding the affixing of common seal of the Company. Hence the provisions of Regulation 84 of Table 'A' to Schedule I of the Companies Act, 1956 is applicable. As per Regulation 84, Common Seal can be affixed in the presence of any two Directors of the Company. For Administrative convenience it is proposed to amend the Articles of Association of the Company by inserting thereto a new Article Viz., 39A after the Article 39 as set out in the resolution.

Interest of Directors

None of the Directors is concerned or interested in the Resolution.

Inspection of Documents

A copy of the existing Memorandum and Articles of Association of the Company together with a copy of the proposed alteration to the Articles of Association as set out in the Special Resolution of the notice, are open for inspection at the Registered Office of the Company during the business hours on any working day.

By Order of the Board

Coimbatore
28th June, 2002

R. Vijayakumar
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 FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 17th August, 2002 to Monday, the 26th August, 2002 (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, M/s 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 shall be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of 7 years from the date of declaration. Shareholders, who have not encashed the dividend warrants for the years 1995-96, 1996-97 and 1997-98 are requested to write to our Registrars and Share Transfer Agents, M/s S.K.D.C Consultants Ltd., No.11, Street No.1, S N Layout, Tatabad, Coimbatore – 641 012 for claiming the dividend. Once the unpaid / unclaimed dividend is transferred to the above fund, then the Company will not have any claim on the same.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 20th Annual Report of the company together with audited accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS

Financial results for the year are summarised below for your consideration.

	2001-2002	2000-2001
	(Rs. In Lacs)	
Turnover	4968.61	3004.44
Commission Receipts	368.80	453.73
Other Income	230.79	176.40
Profit / (Loss) before Interest & Depreciation	700.76	776.46
Less: Interest	512.54	490.45
Profit / (Loss) before Depreciation	188.22	286.01
Less: Depreciation	422.50	458.99
Net Profit / (Loss) before extraordinary item(s)	(234.28)	(172.98)
Add / (Less) Extraordinary item	—	(182.63)
Add / (Less) Prior year Taxes	(5.99)	4.85
Deferred Tax – Asset	116.29	—
Loss set off against General Reserve	(123.98)	(350.76)

DIVIDEND

In the absence of profit, your Directors are unable to recommend any Dividend.

PERFORMANCE**AGENCY DIVISION**

The recessionary trend continued in the Textile Industry during the year under report also and hence the off-take of textile machinery was very badly affected. The gross earnings by way of commission has come down by 19% compared to the previous year.

TEXTILE DIVISION

In view of the slackness in demand for the cotton yarn in the Domestic as well as Export Markets the production in the spinning units have been curtailed. The cotton prices were volatile and there was no parity between cotton and yarn prices for a major part of the year. In spite of the above adverse conditions both the spinning units have posted profits.

The yarn processing unit of your company has improved its working during the year but could not achieve better results due to the subdued yarn market conditions.

EXPORTS

The company's exports both direct and indirect, during the year was Rs.2456.79 Lacs compared to Rs.2073.69 Lacs in the previous year. This relates to both Grey and Processed yarn.

MARKET

The market for cotton yarn throughout the year under review was sluggish. The movement was very slow and huge stocks have piled up. The prices were also unremunerative. Only during the last quarter of the year the movement picked up and stocks were diluted.

SUPER SALES AGENCIES LIMITED**PROSPECTS**

The prospects for the Agency Division appears to be fairly encouraging with the Government laying more stress on the disbursements under Technology Upgradation Fund. With the quality of the machines of our principals having been acknowledged by the spinning industry as the best in the country, this division is expected to show an improved performance.

The market is slowly improving and the Textile Division is looking for better prospects this year. The Government has levied Excise duty on Hank Yarn also thereby paved the way for a level playing field. This right step towards establishing an unbroken CENVAT Chain will help the industry in a big way on the long run. With the reasonable cotton prices and improved market sentiments we expect better performance by your Company during the current year.

SUBSIDIARY

During the year under review, your Company has invested Rs.5,00,000/- in M/s Super Yarn Processors (India) Limited, a wholly owned subsidiary of the Company. The Accounts of the subsidiary company form part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm that:

- all applicable Accounting Standards have been followed in the preparation of annual accounts and that there are no material departure;
- such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2002 and of the profit and loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

Industrial relations are cordial and your Directors appreciate the co-operation extended by the employees.

FIXED DEPOSITS

As at the close of the year, one deposit amounting to Rs.6000/- remained unclaimed. Reminders have been sent for suitable instructions. The Company has complied with all the provisions of Section 58A of the Companies Act, 1956 with regard to acceptance of Deposit.

DIRECTORS

The following Directors retire by rotation at the ensuing annual general meeting who being eligible, offer themselves for re-appointment.

- 1) Sri R Venkatrangappan
- 2) Sri Sanjay Jayavarthanavelu

COMMITTEE OF DIRECTORS

Your company has formed the following Committees as per the requirement of the Companies Act, 1956 and the Listing Agreements with Stock Exchanges.

AUDIT COMMITTEE

In terms of clause 49 of the Listing Agreement, an Audit Committee has been formed with the following Directors

- 1) Sri C B Kariappa
- 2) Sri Ravi Sam
- 3) Sri Ramesh Rudrappan.

SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

In terms of Clause 49 of the Listing Agreement, a Shareholders / Investors Grievances Committee has been formed with the following Directors

- 1) Sri C B Kariappa
- 2) Sri Ramesh Rudrappan
- 3) Sri Sanjay Jayavarthanavelu

REMUNERATION COMMITTEE

In terms of amended Schedule XIII to the Companies Act, 1956, a Remuneration Committee has been formed with the following Directors

- 1) Sri Ravi Sam
- 2) Sri Ramesh Rudrappan.
- 3) Sri C B Kariappa

LISTING

Your company's shares are listed in Madras and Mumbai stock exchanges and the listing fees have been duly paid.

AUDITORS

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

STATEMENT UNDER SECTION 217 (2A)

In terms of sub-section (2A) of Section 217 of the Companies Act, 1956, the company has no employee drawing salary exceeding Rs.12.00 lakhs per annum or Rs.1.00 lakh per month during the year under review.

CONSERVATION OF ENERGY

Various electrical equipments are being constantly overhauled and maintained 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 given in the Annexure attached.

TECHNOLOGY ABSORPTION

The Company is taking all steps to absorb and adopt the latest technology and innovation in the field of Textile Spinning and processing. The improvement in the performance is expected in the coming years.

FOREIGN EXCHANGE EARNINGS AND OUT GO

The Foreign Exchange earnings and outgo during the year under review were as follows:

Foreign Exchange Earned	Rs.897.88 Lacs
Foreign Exchange Outgo	Rs.519.80 Lacs

GENERAL

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

Coimbatore
28th June, 2002

By Order of the Board
R. VENKATRANGAPPAN
Chairman

SUPER SALES AGENCIES LIMITED

STATEMENT APPENDED TO THE DIRECTORS' REPORT PURSUANT TO RULE 2(A) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2002.

	31-3-2002	31-3-2001
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased :		
Units	17,707,582	7,862,290
Total Amount	Rs. 71,896,536	Rs. 33,977,808
Rate / Unit	Rs. 4.06	Rs. 4.32
b. Own Generation :		
i) through Diesel Generator	1,115,640	2,475,312
Units per litre of Diesel oil	3.31	3.48
Cost / Unit	Rs. 4.84	Rs. 4.35
ii) through steam turbine / Generator	Nil	Nil
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other / Internal generation (Please give details)	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

Product Name	Yarn	Yarn
	(in metric tonne)	
Grey Yarn	2270.95	1190.99
Processed Yarn	264.13	212.94
Consumption per tonne		
Electricity		
- Grey Yarn	7,351	7,086
- Processed Yarn	3,557	3,757
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others (Specify)	Nil	Nil

AUDITORS' REPORT

To

The Members of Super Sales Agencies Limited

We have audited the attached Balance Sheet of M/s. SUPER SALES AGENCIES LIMITED, as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that -
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by the report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of Balance Sheet, of the state of Company's affairs as on 31st March, 2002;
 - and
 - (ii) In the case of Profit and Loss Account, of the Loss for the year ended on that date.
3. On the basis of the declaration given by the individual directors, we state that no director of the Company is disqualified for appointment as a Director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

For **S. KRISHNAMOORTHY & CO.**
Chartered Accountants

K.N. SREEDHARAN
Partner
Auditors

Coimbatore
28th June, 2002