

SUPER SALES INDIA LIMITED

COIMBATORE



27TH ANNUAL REPORT 2008-09

SUPER SALES INDIA LIMITED

Registered Office :
34-A, Kamaraj Road, Coimbatore - 641 018.

BOARD OF DIRECTORS

Sri. R. Venkatrangappan (Chairman)
Sri. C.B. Kariappa
Sri. Ravi Sam
Sri. Sanjay Jayavarthanavelu
Sri. R. Satagopan
Sri. J. Raghupathy

AUDITORS

M/s. S. Krishnamoorthy & Co.,
Chartered Accountants

BANKERS

Indian Overseas Bank
Indian Bank
IDBI Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS

S.K.D.C Consultants Limited
No. 7, Street No. 1
S.N. Layout, West Power House Road
Coimbatore - 641 012

COMPANY SECRETARY

Sri. S.K. Radhakrishnan

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SUPER SALES INDIA LIMITED**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 27th Annual General Meeting of the shareholders of Super Sales India Limited, Coimbatore - 641 018 will be held at 11.30 A.M on Monday, the 27th July, 2009 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, 2009, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors.
2. To declare a dividend.
3. To appoint a Director in the place of Sri. Ravi Sam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. Sanjay Jayavarthanavelu, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if deemed fit to pass with or without modification the following Resolution as a Special Resolution:

RESOLVED that subject to the provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, Listing Agreement with the Stock Exchanges, Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003 and subject to such other approvals, permissions and sanctions as may be required from the Stock Exchange with which the Equity Shares of the Company are listed and / or any other relevant authority, and subject to any conditions or modifications as may be imposed while granting such approvals, permissions and sanctions mutually agreed to in the best interest of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of its equity shares from Madras Stock Exchange Limited, where the Company's Equity Shares are presently listed, without giving an exit option to the shareholders of the region where the aforesaid Stock Exchange is situated.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or appropriate and make all such applications and execute deeds, agreements, documents and writings as it may consider necessary, usual, requisite or proper for giving effect to this resolution.

By Order of the Board

Coimbatore
20th May, 2009

(Sd.) **S. K. Radhakrishnan**
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 INSTRUMENT 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 Thursday 16th July, 2009 to Monday the 27th July, 2009 (both days inclusive). The dividend as recommended by the Board, if sanctioned at the general meeting will be paid to the shareholders whose names appear in the Register of Members as on 27th July, 2009 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 15th July, 2009.
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. SKDC Consultants Limited., No. 7, Street No.1, S. N. Layout, West Power House Road, Coimbatore 641 012. Similarly members holding shares in Demat form, shall intimate the change in address, if any, to their respective Depository Participants.
5. Pursuant to Section 205C 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 their dividend warrants for the years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 are requested to write to our Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, No. 7, Street No.1, S.N.Layout, West Power House Road, Coimbatore 641 012 for claiming the dividend. Once the unclaimed dividend is transferred to the Investor Education and Protection fund, no claim can be made to the Company by the Shareholders thereafter.
6. Shareholders holding shares in the physical form and wish to avail Electronic Clearing Services (ECS) facility may authorize the Company with ECS mandate in the prescribed form (enclosed) and the same should be lodged with the Registrars and Share Transfer Agents M/s. SKDC Consultants Limited on or before 15th July, 2009 for payment of dividend for the year 2008-09 through ECS.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.

Item No. 6.

The Securities and Exchange Board of India (SEBI) had notified "Delisting of Securities Guidelines - 2003" on February 17, 2003 (the Guidelines). As per the Guidelines, a company may seek voluntary delisting of its securities from all or some the stock exchanges and further that an exit offer is not required to be provided in cases where such securities continue to be listed at a Stock Exchange having nationwide trading terminals i.e. Bombay Stock Exchange Limited, Mumbai, National Stock Exchange of India limited, Mumbai and any other Stock Exchange (s) that may be specified by SEBI in this regard.

SUPER SALES INDIA LIMITED

The equity shares of your Company are presently listed in two stock exchanges, Madras Stock Exchange Limited (MSE), Chennai and Bombay Stock Exchange Limited (BSE), Mumbai.

The shares of your Company are not being traded in MSE for a long time. Hence, it is proposed to delist the equity shares from MSE.

BSE is offering trading terminals throughout the country and also offer on-line trading in shares. Delisting from MSE will in no way affect the trading in our shares by the shareholders of the Company in any region, hence no exit option is given to the shareholders of the region where MSE is situated. The shares shall be continued to be listed on BSE.

Members' approval is being accordingly sought by a special resolution to enable voluntary delisting of the Company's shares from MSE in accordance with SEBI Guidelines and Stock Exchange Rules.

Your Directors recommend the Resolution for your approval.

Interest of Directors:

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

Disclosures:

Brief resume and the details of shareholding required to be given under clause 49 of the Listing Agreement in connection with the appointment, retirement and re-appointment of Non-Executive Directors and Directors inter-se relationships are provided under Report on Corporate Governance.

By Order of the Board

Coimbatore
20th May, 2009

(Sd.) **S. K. Radhakrishnan**
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 27th Annual Report of the Company together with audited accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

Financial results for the year under review are summarized below:

	2008-09	2007-08
	(Rs. in Millions)	
Turnover	925.08	760.19
Commission Receipts	103.96	182.73
Other Income	31.77	38.35
Profit before Interest and Depreciation	197.39	303.80
Less: Interest	60.12	58.10
Profit before Depreciation	137.27	245.70
Less: Depreciation	127.10	110.39
Profit before Tax	10.17	135.31
Less: Provision for Current Tax	0.66	27.50
Less: Provision for Deferred Tax	2.76	18.82
Less: Provision for Fringe Benefit Tax	0.35	0.51
Profit after Tax	6.40	88.48
Add: Balance in Profit & Loss Account	151.19	127.29
Add: Prior year income / Depreciation	0.80	1.20
Less: Prior year expenses	0.67	0.18
Add: Excess provision for Tax Reversed/ Refund	2.31	2.40
Less: Prior year taxes	0.09	0.03
Balance Available for Appropriation	159.94	219.16
Appropriation:		
Proposed Dividend	1.84	15.36
Tax on Dividend	0.31	2.61
Transferred to General Reserve	1.00	50.00
Surplus in Profit & Loss Account carried over to Balance Sheet	156.79	151.19

DIVIDEND

Your Directors recommend, payment of dividend of Rs. 0.60/- per equity share of Rs.10/- each for the financial year ended 31st March, 2009, which if approved at the forthcoming Annual General Meeting, will be paid to those equity shareholders whose names appear in the Register of Members as on 27th July, 2009 in respect of shares held in physical form and in respect of shares held in dematerialized form, the dividend shall be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 15th July, 2009.

PERFORMANCE

Agency Division

In the immediate preceding years, expansion of capacity has been undertaken by spinning units in anticipation of higher demand for yarn which did not happen. Today spinning units in general have become a losing proposition except a very few cases. This has resulted in further expansion being shelved, modernisation programmes being deferred and new projects being abandoned. The cumulative effect of all these resulted in substantial drop in the off take of textile machinery.

The market for the parts and components of the Automobile and Engineering Industries were also affected due to high cost of funds besides slow down of the original manufacturers which affected the off take of the CNC Machines by the above industries.

All these factors contributed to lower commission earnings. This division could manage a PBT of Rs.92.36 Millions, a decline of 46.57% over the previous year.

SUPER SALES INDIA LIMITED**Textile Division**

Due to down turn in the economies of United States of America and European countries, the textile exports have been affected very badly and hence the exporters turned to the domestic market. This created a glut in the domestic market which resulted in un-remunerative prices.

Due to higher export of raw cotton during the last season the cotton prices were ruling high. The Government of India hiked the minimum support price by 40% and the prices have gone up during the 2009-10 season also. This higher input cost resulted in the spinning mills incurring heavy losses. The power cut imposed in the state forced the units to either run with diesel generators or scale down the operations which caused additional losses to the spinning mills.

The textile division of the Company earned an EBIDTA of Rs. 39.92 Millions during the year under review compared to Rs. 63.55 Millions in the previous year.

Wind Mill Division

Your Company has installed one 1650 KW Wind Energy Generator (WEG) which commenced its generation during the fog end of March, 2008. The full year operation of this WEG has helped the division to achieve 24.8 Million units of generation during the year under review in spite of the lean wind season. The present total installed capacity of this division is 24.50 MW and this division has earned a PBT of Rs. 12.44 Millions.

EXPORTS

The Company's exports include the supplies to the units situated in the special economic zones of Rs. 29.47 Millions and the merchant export of Rs. 32.16 Millions compared to Rs. 13.3 Millions in the previous year. Due to recession in the world economy, competition from China, Pakistan, Bangladesh, Vietnam etc., exports have become not profitable. Your Company used this opportunity to concentrate on the domestic market.

PROSPECTS

Increase in the borrowing cost, severe power cuts, less demand for the yarn have affected the industry in general. The recession in the export of textiles has resulted in un-remunerative prices for the yarn and the mills have deferred their expansion and modernisation programmes. The engineering and automobile sectors were also affected because of the above reasons and until the situation improves, the off take of the machine tools will be lower and this will affect the performance of the Agency Division. Though the Spinning mills have started making profits, much depends upon the availability of cotton at reasonable prices in the coming months. However the wind mill division is expected to perform better.

SUBSIDIARY

Super Yarn Processors (India) Limited, the wholly owned subsidiary of your Company ceased to exist and the necessary legal formalities have been complied with.

DIRECTORS

Sri. Ravi Sam and Sri. Sanjay Jayavarthanavelu, Directors, retire by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

There is no deposit remaining unclaimed at the end of the financial year 2008-09. The Company has complied with all the provisions of Section 58A of the Companies Act, 1956 and Rules made there under with regard to acceptance of Deposits.

INDUSTRIAL RELATIONS

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

LISTING

Your Company's shares are listed in Madras Stock Exchange Limited and Bombay Stock Exchange Limited and the listing fees have been duly paid. It is proposed to delist the shares of the company from Madras Stock Exchange Limited, as no transactions are taking place. The resolution for the delisting is included in the Agenda of the ensuing Annual General Meeting.

AUDITORS

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

COST AUDITORS

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, Sri. R. Krishnan, Cost Auditor has been appointed to conduct Cost Audit relating to the Textile Division for the financial year 2009-10.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

In terms of sub-section (2A) of Section 217 of the Companies Act, 1956, the Company has no employee drawing salary exceeding Rs. 24.00 Lakhs per annum or Rs. 2.00 Lakhs per month during the year under review.

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 I attached.

Technology absorption particulars as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure II attached.

FOREIGN EXCHANGE EARNINGS AND OUT GO

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

Foreign Exchange Earned	Rs. Nil
Foreign Exchange Outgo:	Rs in Millions
Import of raw materials	133.04
Import of stores and spares	0.64
Traveling and subscription	0.15
Foreign currency term loan interest	5.65
Foreign currency term loan principal repayment	10.79
Other payments	1.81
Total	152.08

The company has exercised the option available under the amended Accounting Standard 11 by capitalising the exchange fluctuation of Rs. 21,994,875 in respect of the Foreign Currency term loan availed for the acquisition of wind energy generator.

ADDITIONAL DISCLOSURES:

In line with the requirement of Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report, Corporate Governance Report, A certificate from the Auditors of the Company regarding compliance of Corporate Governance and Related Party disclosures are made part of the Annual Report.

A certificate from CEO/CFO, interalia, confirming the correctness of the financial statements is also made 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 is 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, 2009 and of the profit 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.

GENERAL

The Directors place on record their sincere thanks to the Principals M/s. Lakshmi Machine Works Limited and to the bankers of the Company for their financial assistance. Directors also wish to thank the customers for their support and confidence reposed on the Company and to the employees at all levels for their co-operation and dedication.

Coimbatore
20th May, 2009

By Order of the Board

(Sd.) **R. VENKATRANGAPPAN**
Chairman

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ANNEXURE - I
FORM - A
(See Rule 2)

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 31st March, 2009.

	31.03.2009	31.03.2008
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased :	Units	
Total Amount	Rs. 6,442,511	10,140,452
Rate / Unit	Rs. 29,177,484	44,873,365
	Rs. 4.53	4.43
b. Through Own Generation :		
i) through Diesel Generators	3,953,835	2,693,173
Units per litre of diesel oil	3.29	3.63
Cost / Unit	Rs. 9.45	8.67
ii) through Wind Energy Generators	19,281,458	19,516,474
Cost / Unit	Rs. 4.20	4.12
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

Grey Yarn (Kg)	3,974,291	3,768,347
Consumption per kg.		
Electricity (Units) :	7.47	8.45
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others (Specify)	Nil	Nil
Processed Yarn (Kg)	2,05,050	98,795
Consumption per kg.		
Electricity (Units) :	4.22	5.84
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others (Specify)	Nil	Nil