

SUPER SALES INDIA LIMITED

COIMBATORE

28TH ANNUAL REPORT 2009-10



Dr. D. JAYAVARTHANA VELU

Chairman and Managing Director - LMW

(02.07.1940 - 11.06.2010)

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
"Kanapathy Towers", 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy,
Coimbatore- 641 006

COMPANY SECRETARY

Sri. S.K. Radhakrishnan

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 28th Annual General Meeting of the shareholders of Super Sales India Limited, Coimbatore - 641 018 will be held at 11.30 A.M on Wednesday, the 28th July, 2010 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, 2010, 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. C B Kariappa, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. J Raghupathy, 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.

By Order of the Board

Chennai
24th May, 2010

(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 Friday the 16th July, 2010 to Wednesday the 28th July, 2010 (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 28th July, 2010 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, 2010.
- 4. Company's Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, has shifted their office from No. 7, Street No.1, S.N.Layout, West Power House Road, Coimbatore 641 012 to "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Phone: 0422 6549995, 2539835-836. Fax : 0422 - 2539837.**
5. 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, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641 006. Similarly members holding shares in Demat form, shall intimate the change in address, if any, to their respective Depository Participants.
6. 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, 2007 - 08 and 2008 - 09 are requested to write to our Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641 006 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.
7. 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, 2010 for payment of dividend for the year 2009 -10 through ECS.
8. Members who require any clarifications on accounts or operations of the Company are requested to write their queries to the Company Secretary so as to reach him at least one week before the meeting. The queries will be answered accordingly.

Disclosures:

Brief resume and the details of shareholding as 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

Chennai
24th May, 2010

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with audited accounts of the Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

Financial results for the year under review are summarized below:

	2009-10	2008-09
	(Rs. in Millions)	
Turnover	1190.70	925.08
Commission Receipts	81.01	103.96
Other Income	41.03	31.77
Profit before Interest and Depreciation	415.08	197.39
Less: Interest	45.81	60.12
Profit before Depreciation	369.27	137.27
Less: Depreciation	110.77	127.10
Profit before Tax	258.50	10.17
Less: Provision for Current Tax	53.20	0.66
Less: Provision for Deferred Tax	21.43	2.76
Less: Provision for Fringe Benefit Tax	-	0.35
Profit after Tax	183.87	6.40
Add: Balance in Profit and Loss Account	156.78	151.19
Add: Prior year income/Depreciation	0.06	0.80
Less: Prior year expenses	0.12	0.67
Add: Excess provision for Tax Reversed/ Refund	0.01	2.31
Less: Prior year taxes	1.84	0.09
Balance Available for Appropriation	337.59	159.94
Appropriation:		
Proposed Dividend	30.71	1.84
Tax on Dividend	5.22	0.31
Transferred to General Reserve	100.00	1.00
Surplus in Profit and Loss Account Carried over to Balance Sheet	201.66	156.79

DIVIDEND

Your Directors recommend, payment of dividend of Rs. 10/- per equity share of Rs.10/- each for the financial year ended 31st March, 2010, 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 28th July, 2010 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, 2010.

PERFORMANCE

Agency Division

The effect of the global meltdown has continued up to first half of the financial year under review which reduced the off-take of the machineries by the spinning mills. The situation has improved slightly in the second half due to better yarn prices. This helped the mills to restart their expansion and modernization programmes which were shelved due to global down turn of the textile industry during the previous financial year. This division has performed better in the second half of the financial year under review.

The principals have decided to market the CNC Machines manufactured by it directly. Consequently the agency arrangement which expired on 30th September, 2009 for marketing of the CNC machines has not been renewed.

This division earned a PBT of Rs. 66.40 Millions, a decline of 28.10% over the previous year.

Textile Division

During the first half of the financial year the yarn prices were ruling lower and the cotton prices were steady. However in the second half the demand for yarn picked up and the prices have improved considerably. In spite of the higher cotton prices throughout the period, the mills were able to make better yarn price realization.

The textile division of the Company earned an EBIDTA of Rs. 286.71 Millions during the year under review compared to Rs. 32.92 Millions in the previous year.

Wind Mill Division

Your Company has installed two more 1500 KW Wind Energy Generators (WEG) which have commenced generation during the fag end of March, 2010. The present total installed capacity of this division is 27.50 MW. The full benefit of these two new WEGs will be available during 2010 - 11. The wind Energy division has performed well in the financial year under review due to better wind and better grid availability and this division has earned a PBT of Rs. 40.76 Millions.

EXPORTS

The Company's exports include the supplies to the units situated in the special economic zones of Rs. 23.25 Millions (Previous year Rs. 29.47 Millions) and the merchant export of Rs. 119.79 Millions (Previous year Rs. 32.16 Millions).

The Company used this opportunity of better price realization to its advantage by concentrating on the domestic market.

PROSPECTS

Good demand for the yarn and better yarn prices will help the industry in general to continue its better performance. However the reduction of the incentives for the export of yarn may increase the competition in the domestic market. Severe power cut, increase in the fuel prices, shortage of labour and increase in the employee cost may result in lower margins. This may affect the performance of the textile division as well as the agency division to some extent.

The wind energy division is expected to perform better. The gear manufacturing unit will commence its operation from July, 2010 onwards which will also contribute to the overall turnover and profitability of the Company.

DIRECTORS

Sri. C B Kariappa and Sri. J Raghupathy, 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 2009 - 10. The Company has complied with all the provisions of Section 58A of the Companies Act, 1956 and the 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 Bombay Stock Exchange Limited and the listing fees have been duly paid. Company has filed application for delisting of its shares from Madras Stock Exchange Limited based on the resolution passed at the last Annual general meeting. Confirmation for delisting of shares is awaited.

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 2010 - 11.

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 OUTGO

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

Foreign Exchange Earned	Rs. 6.25 Millions
Foreign Exchange Outgo:	
Foreign currency Term loan repayment	Rs. 13.98 Millions
Foreign currency Term loan interest payment	Rs. 0.38 Millions
Raw material imports	Rs. 30.51 Millions
Stores and Spares imports	Rs. 0.37 Millions
Capital goods imports	Rs. 1.68 Millions
Total	<u>Rs. 46.92 Millions</u>

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, inter alia, confirming the correctness of the financial statements is also made part of the Annual Report.