



**SUPER SALES INDIA LIMITED**

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**COIMBATORE**

**29TH ANNUAL REPORT 2010-11**

# **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", 3<sup>rd</sup> 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 29<sup>th</sup> Annual General Meeting of the shareholders of Super Sales India Limited, Coimbatore - 641 018 will be held at 3.00 P.M on Thursday, the 11<sup>th</sup> August, 2011 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 31<sup>st</sup> March, 2011, 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. R. Satagopan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri. R. Venkatrangappan, 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 thought fit to pass the following resolution with or without modification as a Special Resolution :**

RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 including any amendments, modifications and re-enactments thereof the Articles of association of the Company be and is hereby amended/alterd in the manner and to the extent set out herein below:

- a. The following Article 44 be added after the Article 43:

Subject to the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 including any amendments, modifications and re-enactments thereof, the Company be and is hereby empowered to buyback its own shares from time to time to the extent and in the manner permitted under the Company law and such other regulations as may be applicable.

- b. The following Article 45 be added after the amended Article 44:

Subject to the provisions of the Sections 78 and 100 to 104 of the Companies Act, 1956 including any amendments, modifications and re-enactments thereof the Company may, from time to time, by Special Resolution reduce its capital or share premium account in any manner whatsoever including by paying off or canceling capital or share premium account which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may deem expedient and capital may be paid off up on the footing that it may be called up again or otherwise. The Board of Directors subject to the provisions of the Companies Act, 1956 are empowered to accept the surrender of shares.

7. **To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution :**

RESOLVED that in supersession of the Special Resolution passed at the Annual General Meeting held on 27.07.2009 relating to the delisting of the equity shares of the Company from Madras Stock Exchange

## SUPER SALES INDIA LIMITED

Limited(MSE), consent of the Company be and is hereby accorded for the withdrawal of the delisting application pending with MSE in view of the benefits of continued listing in MSE.

RESOLVED FURTHER that Board of Directors of the Company be and are hereby authorized to take necessary steps for the withdrawal of the delisting application submitted to MSE.

By Order of the Board

Coimbatore  
20<sup>th</sup> May, 2011

**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.**
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 2<sup>nd</sup> August, 2011 to Thursday, the 11<sup>th</sup> August, 2011 (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 Thursday, the 11<sup>th</sup> August, 2011 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 Monday, the 1<sup>st</sup> August, 2011.
- 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", 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore- 641 006. Similarly members holding shares in Demat form, shall intimate their change of address, if any, to their respective Depository Participants.
- 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 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009 - 10 are requested to write to our Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, "Kanapathy Towers", 3<sup>rd</sup> 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.
- Shareholders holding shares in the physical form and wish to avail Electronic Clearing Services (ECS) facility (subject to availability of the 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 1<sup>st</sup> August, 2011 for payment of dividend for the year 2010-11 through ECS.
- Members who require any clarification 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.
- The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by serving the documents viz. Notices for general meetings, Financial Statements, Annual Reports etc. through electronic mode, for which the Company has to obtain e-mail addresses of its members. To take part in the above Green Initiative, we propose to send the above documents in electronic form to the e-mail addresses of the members.

## **SUPER SALES INDIA LIMITED**

In order to serve the documents in electronic mode, Members holding shares in physical form are requested to communicate their e-mail address quoting their folio numbers to our Registrars and Share Transfer Agents. Similarly members holding shares in Demat form, shall intimate their e-mail address to their respective Depository Participants at the earliest.

Kindly note that if shareholders still wish to get hard copy of the above documents, the Company will send the same, at free of cost, upon receipt of a request from shareholders.

### **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.

### **Explanatory statement in terms of Section 173 (2) of the Companies Act, 1956**

#### **Item No. 6**

Companies are permitted to buy back their own shares through the Companies (Amendment) Act 1999. However there is caveat that the Articles of Association of the Company should contain a suitable article enabling the Company to buy back. Present Articles of Association of the Company are not having the enabling provisions to buy back its shares.

The Companies Act, 1956 permits reduction of share capital if there is a provision in the Articles of Association. As there is no provision in the Articles for reduction of share capital, a new Article 45 is proposed to be inserted to empower the Company to reduce the share capital.

In order to insert the above enabling resolutions for buy back and for reduction of share capital of the Company an alteration to the articles of association is required. Board of Directors of the Company recommends the above resolution for the approval by the shareholders.

Any alternation to the Articles of Association of the Company can be done in terms of the Section 31 of the Companies Act, 1956 only by means of a special resolution. Hence the resolution is proposed as a special resolution.

### **Interest of Directors:**

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

#### **Item No. 7**

The Company had decided to delist the shares from Madras Stock Exchange Limited (MSE) at its Annual General Meeting held on 27.07.2009 as there was no trading in the stock exchange. Based on the resolution delisting application was submitted to the Stock Exchange in October, 2009 which is still pending with them.

MSE has approached the Company and informed that they are taking steps for restarting the trading facilities and they have also informed that MSE has entered into a Strategic arrangement with the National Stock Exchange of India in terms of which the members of the MSE are allowed to trade in the National Stock Exchange platform.

The continuous listing in MSE will add liquidity to our shares which is beneficial to our shareholders. The Board of Directors recommends adoption of the resolution.

### **Interest of Directors:**

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

By Order of the Board

Coimbatore  
20<sup>th</sup> May, 2011

**S. K. Radhakrishnan**  
Company Secretary

## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company together with audited accounts of the Company for the financial year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

Financial results for the year under review are summarized below:

	<b>2010-11</b>	2009-10
	(Rs. in Millions)	(Rs. in Millions)
Turnover	<b>1638.97</b>	1188.37
Commission Receipts	<b>115.23</b>	81.01
Other Operating Income	<b>29.55</b>	14.68
Other Income	<b>29.60</b>	28.68
Profit before Interest and Depreciation	<b>534.20</b>	415.08
Less: Interest	<b>63.64</b>	45.81
Profit before Depreciation	<b>470.56</b>	369.27
Less: Depreciation	<b>140.82</b>	110.77
Profit before Tax	<b>329.74</b>	258.50
Less: Provision for Current Taxes	<b>65.40</b>	53.20
Less: Provision for Deferred Taxes	<b>51.14</b>	21.43
<b>Profit after Tax</b>	<b>213.20</b>	183.87
Add: Balance in Profit & Loss Account	<b>201.65</b>	156.78
Add: Prior year income	<b>1.16</b>	0.06
Less: Prior year expenses	<b>0.22</b>	1.40
Add: Excess provision for Tax Reversed/ Refund	---	0.12
Add / (Less): Prior year taxes	<b>0.23</b>	(1.84)
Balance Available for Appropriation	<b>416.02</b>	337.59
<b>Appropriation:</b>		
Proposed Dividend	<b>30.72</b>	30.72
Tax on Dividend	<b>5.10</b>	5.22
Transferred to General Reserve	<b>100.00</b>	100.00
Surplus in Profit & Loss Account Carried over to Balance Sheet	<b>280.20</b>	201.65

### **DIVIDEND**

Your Directors recommend payment of dividend of Rs. 10/- per equity share of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2011, 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 11<sup>th</sup> August, 2011 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 1<sup>st</sup> August, 2011.

### **PERFORMANCE**

#### **Agency Division**

The uptrend started in the financial year 2009-10 has continued throughout the financial year 2010-11. The yarn price realisation was better in the year which helped the spinning mills to continue their expansion and modernization programmes. This in turn improved the sales of the Textile Machineries of our principals.

This division has started a training center at Guntur, Andhra Pradesh to provide training to the technical personnel of the mills for effective utilization of the machines.

This division earned a PBT of Rs. 108.17 Millions, an increase of 62.92% over the previous year.

**TEXTILE DIVISION**

The good demand for the yarn has helped this division to post impressive results in spite of the unprecedented high cotton cost during the year under review. Both turn over and profits have gone up to record levels.

The textile division of the Company earned a PBT of Rs. 214.67 Millions during the year under review compared to Rs. 152.68 Millions in the previous year.

**WIND MILL DIVISION**

Your Company has replaced 12 numbers of old Wind Energy Generators (WEG) with new machines for better generation and to reduce the maintenance cost at our wind farms at Kammalapatti and Vadavedampatti villages at an investment of Rs. 203.70 Millions during the year under review. The present total installed capacity of this division is 27.025 MW.

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. 43.37 Millions during the year under review compared to Rs. 40.76 Millions in the previous year..

**ENGINEERING DIVISION**

The Gears unit has started its operations from July, 2010 onwards and operations were stabilized in the last quarter of the year under review. Some more machines will be imported for this unit during the current year to increase the production.

During the year under review the unit has incurred a loss of Rs. 29.23 Millions.

**EXPORTS**

The Company's exports include the supplies to merchant exporters to the tune of Rs. 217.78 Millions (Previous year Rs. 119.79 Millions).

**PROSPECTS**

Better Yarn price realisation, in spite of increase in the cotton prices, helped the entire textile industry to earn good profits during the year under review.

Sudden fall in the cotton prices reflected in the yarn price realisation also. There is a glut in the yarn market and the movement of yarn is very poor. Higher cost of power, employees cost and the lower yarn prices are expected to reverse the trend and the prospects for the current year are not promising.

This may affect the performance of the textile division as well as the agency division substantially in the coming months.

To meet the increase in the requirement of power by the industries, Government is taking all measures to utilize the full generation of wind power by establishing the infrastructure for better grid availability. The wind energy division is expected to continue its better performance.

Gears unit is expected to improve its performance during the current year.

**DIRECTORS**

Sri. R. Satagopan and Sri. R. Venkatrangappan, 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 2010-11. 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 Bombay Stock Exchange Limited and the listing fee has been duly paid.

Madras Stock Exchange Ltd (MSE) has approached the Company and informed that they are taking steps for restarting the trading facilities and they have also informed that MSE has entered into a Strategic arrangement with the National Stock Exchange of India in terms of which the members of the MSE are allowed to trade in the National Stock Exchange platform. The continuous listing in MSE will add liquidity to our shares which is beneficial to our shareholders. Therefore we wish to continue the listing with Madras Stock Exchange Limited in order to extend the facility to the shareholders. It is proposed to seek approval of the shareholders in this regard in 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 2011-12.

**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. 60.00 Lakhs per annum or Rs. 5.00 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. 5.83 Millions

Foreign Exchange Outgo : Rs. 143.19 Millions

Foreign currency Term loan Repayment	: Rs. 15.20 Millions
Capital goods imports (including advances)	: Rs. 72.91 Millions
Foreign currency Term loan interest payment	: Rs. 2.70 Millions
Raw Material imports	: Rs. 46.86 Millions
Stores and Spares imports (including advances)	: Rs. 5.45 Millions
Others	: Rs. 0.07 Millions



**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, 2011 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 for the whole hearted co-operation and to the bankers of the Company for their financial assistance. Directors also wish to thank the customers for their support and confidence reposed in the Company and to the employees at all levels for their co-operation and dedication.

By Order of the Board

Coimbatore  
20<sup>th</sup> May, 2011

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

**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 31<sup>st</sup> March, 2011.**

	31.03.2011	31.03.2010
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased :	Units	
Total Amount	8,728,485	6,263,968
Rate / Unit	Rs. 38,601,553	29,998,618
	Rs. 4.42	4.79
b. Through own Generation:		
i. through Diesel Generators	5,142,125	5,739,398
Units per litre of diesel oil	3.58	3.62
Cost / Unit	Rs. 9.56	8.32
ii. through Wind Energy Generators	21,995,558	22,349,321
Cost / Unit	Rs. 4.47	4.02
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other / Internal generation (Please give details)	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product name		
Grey Yarn (Kg)	5,219,448	4,990,830
Consumption per kg		
Electricity (units) :	6.87	6.83
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others (Specify)	Nil	Nil
Processed Yarn (Kg)	Nil	62,087
Consumption per kg		
Electricity (units) :	Nil	3.87
Furnace Oil	Nil	Nil
Coal	Nil	Nil
Others (Specify)	Nil	Nil