



**SUPER SALES INDIA LIMITED**

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**COIMBATORE**

**30TH ANNUAL REPORT 2011-12**

# **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

## **COMPANY SECRETARY**

Sri. S.K. Radhakrishnan

## **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

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## SUPER SALES INDIA LIMITED

### **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 30<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 Wednesday, the 8<sup>th</sup> August, 2012 at 'Nani Kalai Arangam', Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To consider the statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2012, 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. Ravi Sam, 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.

Coimbatore  
23<sup>rd</sup> May, 2012

By Order of the Board

**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, the 2<sup>nd</sup> August, 2012 to Wednesday, the 8<sup>th</sup> August, 2012 (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. 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 the change of 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 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009 - 10 and 2010 -11 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.

## **SUPER SALES INDIA LIMITED**

6. 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 for payment of dividend in future through ECS, if eligible.
7. 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.
8. 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 email addresses of its members. To take part in the above Green initiative, we propose to send the above documents in electronic form to the email addresses of the members.

In order to serve the documents in electronic mode, Members holding shares in physical mode 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.

### **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 the Report on Corporate Governance.

By Order of the Board

Coimbatore  
23<sup>rd</sup> May, 2012

**S. K. Radhakrishnan**  
Company Secretary

## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 30<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, 2012.

### **FINANCIAL RESULTS**

Financial results for the year under review are summarized below:

	<b>2011-12</b> (Rs. in Lakhs)	2010-11 (Rs. in Lakhs)
Turnover	<b>12805.72</b>	16389.70
Commission Receipts	<b>1278.98</b>	1152.34
Other Income	<b>689.19</b>	591.50
Profit before Interest and Depreciation	<b>917.92</b>	5351.35
Less: Interest	<b>1243.04</b>	636.43
Profit/(Loss) before Depreciation	<b>(325.12)</b>	4714.92
Less: Depreciation	<b>1783.45</b>	1408.17
Profit/(Loss) before Tax	<b>(2108.57)</b>	3306.75
Add/(Less): Provision for Current Taxes	<b>--</b>	(654.00)
Add/(Less): Provision for Deferred Taxes	<b>692.89</b>	(511.42)
Add: Excess provision for Tax Reversed/ Refund	<b>0.36</b>	2.29
Profit/(Loss) after Tax	<b>(1415.32)</b>	2143.62
Add: Balance in statement of Profit & Loss	<b>2801.99</b>	2016.53
Balance Available for Appropriation	<b>1386.67</b>	4160.15
<b>Appropriation:</b>		
Proposed Dividend	<b>Nil</b>	307.15
Tax on Dividend	<b>Nil</b>	51.01
Transferred to General Reserve	<b>Nil</b>	1000.00
Surplus in statement of Profit & Loss carried over to Balance Sheet	<b>1386.67</b>	2801.99

### **DIVIDEND**

In view of the loss incurred by the Company during the year under review, Board of directors has not recommended any dividend for the financial year 2011-12.

### **SEGMENT WISE PERFORMANCE:**

#### **Agency Division**

During the last year by expecting further upward movement in the cotton prices mills stored the cotton up to next season. But substantial fall in the prices of cotton and corresponding slide in the yarn prices during the first quarter of 2011-12 resulted in heavy losses to the spinning mills. Due to this the Companies shelved their modernization programmes. However as some of the new projects have been implemented, the division has moderate improvement in its performance.

This division earned a PBT of Rs. 1205.06 Lakhs, an increase of 11.40% over the previous year.

#### **Textile Division**

Increase in labour cost, higher power cuts, slow movement of yarn and sudden fall in the cotton prices which were purchased at higher cost and corresponding downfall in the yarn prices have severely affected the performance of this division.

The textile division of the Company incurred a loss of Rs. 3144.21 Lakhs during the year under review compared to profit of Rs. 2146.76 Lakhs in the previous year.

#### **Wind Energy Division**

The performance of the Wind Energy Division has been affected by low velocity of the wind, unscheduled shut down in drawal and high interest costs during the financial year under review. This division has earned a PBT of Rs. 58.95 Lakhs during the year under review compared to Rs. 433.72 Lakhs in the previous year.

**Engineering Division**

Due to lower off take of gears by the capital goods industries and increase in power cut have affected the performance of this division. During the year this division has commenced supplies to some new customers.

During the year under review this division has incurred a loss of Rs. 303.49 Lakhs as against a loss of Rs. 292.26 Lakhs in the previous year.

**EXPORTS**

The Company's exports include the supplies to merchant exporters to the tune of Rs. 1174.89 Lakhs (Previous year Rs. 2298.50 Lakhs).

**PROSPECTS**

Volatility in cotton price, higher fuel and power cost, labour shortage coupled with increase in interest cost, sluggish movement of yarn etc., may affect the growth of the textile sector. This may affect the performance of both the agency and textile divisions.

In order to meet the shortfall between the requirement and availability of power, it is reported that the Government is taking all measures to utilize the full generation of wind power by establishing the infrastructure for better grid availability. If these facilities are in place with better velocity of the wind, the wind energy division is expected to perform better.

Performance of the Gears unit is expected to improve during the current year.

**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 2011-12. 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 and your Directors appreciate the co-operation extended by the employees.

**LISTING**

Your Company's shares are listed in Bombay Stock Exchange Limited and Madras Stock Exchange Limited. The listing fee has been duly paid.

**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. 130.75 Lakhs

Foreign Exchange Outgo : Rs. 1385.15 Lakhs

Foreign currency Term loan Repayment	: Rs. 219.44 Lakhs
Capital goods imports (including advances)	: Rs. 1078.30 Lakhs
Foreign currency Term loan interest payment	: Rs. 19.66 Lakhs
Raw Material imports	: Rs. 34.76 Lakhs
Stores and Spares imports (including advances)	: Rs. 32.03 Lakhs
Others	: Rs. 0.96 Lakhs

**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, 2012 and of the 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.

**GENERAL**

The Directors place on record their sincere thanks to the Principals 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.

Coimbatore  
23<sup>rd</sup> May, 2012

By Order of the Board

**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, 2012.**

	<b>31.03.2012</b>	31.03.2011
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased :		
Units	<b>43,11,726</b>	87,28,485
Total Amount (Rs. in Lakhs)	<b>242.73</b>	386.01
Rate / Unit	<b>5.62</b>	4.42
b. Through own Generation:		
i. through Diesel Generators		
Units	<b>43,57,269</b>	51,42,125
Units per litre of diesel oil	<b>3.49</b>	3.58
Cost / Unit	<b>10.91</b>	9.56
ii. through Wind Energy Generators		
Units	<b>2,04,94,889</b>	2,19,95,558
Cost / Unit	<b>4.51</b>	4.47
2. Coal (Specify quantity and where used)	<b>Nil</b>	Nil
3. Furnace Oil	<b>Nil</b>	Nil
4. Other / Internal generation (Please give details)	<b>Nil</b>	Nil

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Product name

Grey Yarn (Kg)	<b>35,63,810</b>	52,19,448
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Consumption per kg

Electricity (units) :	<b>8.15</b>	6.87
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Furnace Oil	<b>Nil</b>	Nil
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Coal	<b>Nil</b>	Nil
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Others (Specify)	<b>Nil</b>	Nil
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**ANNEXURE - II**  
**FORM - B**  
**(See Rule 2)**

**Form for disclosure of particulars with respect to absorption.**

*Research and development (R & D)*

- |   |   |    |
|---|---|----|
| 1. Specific areas in which R & D carried out by the Company.  | : | -- |
| 2. Benefits derived as a result of the above R&D              | : | -- |
| 3. Future plan of action                                      | : | -- |
| 4. Expenditure on R & D :                                     | : | -- |
| (a) Capital   |   |    |
| (b) Recurring   |   |    |
| (c) Total   |   |    |
| (d) Total R & D expenditure as a percentage of total turnover |   |    |

*Technology absorption, adaptation and innovation*

- |   |   |    |
|---|---|----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.  | : | -- |
| 2. Benefits derived as a result of the above efforts,<br>e.g., product improvement, cost reduction,<br>product development, import substitution, etc.,              | : | -- |
| 3. In case of imported technology (imported during the last<br>5 years reckoned from the beginning of the financial year)<br>following information may be furnished | : | -- |
| (a) Technology imported.  |   |    |
| (b) Year of import.   |   |    |
| (c) Has technology been fully absorbed?   |   |    |
| (d) If not fully absorbed, areas where this has not taken place,<br>reasons there for and future plans of action.   |   |    |

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **ECONOMY OVER VIEW:**

The global economy continued to face stagnation during the year 2011-12 inspite of marginal improvement in the advanced economies. The crisis in the European countries affected the global economic recovery very badly. However it is expected that the reduction in unemployment rate and increase in business confidence will lead to better rate of growth in 2012-13.

Though the Asian economies registered a growth of 6.9 percent in 2011-12, the growth in 2012-13 may be affected due to European crisis and hence the growth is expected to be lesser than 2011-12.

During the year 2011-12 to tame the higher inflation, RBI has adopted a tight monetary policy which impacted the growth of the industrial sector. The global economic down turn impacted the country's economic growth which affected the all round performance of the Company.

### **OPPORTUNITIES AND THREATS:**

#### **Opportunities:**

1. Though the prices of cotton and yarn are highly volatile, there is some parity between them and hence the industry is hoping for better performance during the current year.
2. Normal monsoon is predicted by the Meteorological department and hence the cotton production is expected to be good.

#### **Threats:**

1. Allowing the export of raw cotton during the beginning of the season may affect the domestic supply which in turn may result in higher cotton price.
2. Pollution problems and shortage of workforce in down stream industries may affect the demand for yarn.
3. Despite the steps taken by the Government to improve the power supply position, power shortage may continue for some more time.
4. Unabated inflation, increased rate of interest, falling export revenue may affect the margin.

### **SEGMENT WISE PERFORMANCE:**

#### **Agency Division**

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This division earned a PBT of Rs. 1205.06 Lakhs, an increase of 11.40% over the previous year.