

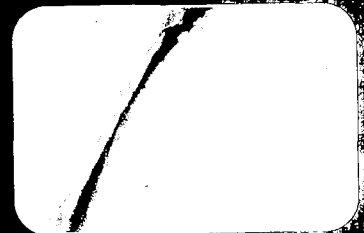
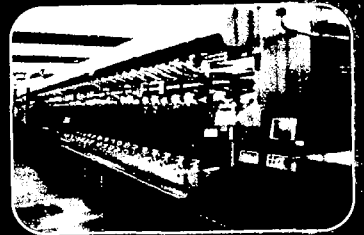
SARA ELGI

# 46<sup>th</sup> Annual Report 2007 - 08

SUPER



**Super Spinning Mills Limited**





Late Sri. L.G. Ramamurthi  
Chairman  
Super Spinning Mills Limited

SUPER



# Super Spinning Mills Limited

**Chairman**

**Managing Director**

**Executive Director**

**Board of Directors**

**Company Secretary**

**Auditors**

**Bankers**

**Registrar and Share Transfer Agent**

**Registered & Central Office**

**Mr Vidyaprakash D**

**Mr Sumanth Ramamurthi**

**Mr K R Seethapathy**

**Mr C S K Prabhu**

**Mr C R Ramamurthy**

**Mr D Sarath Chandran**

**Mr Sudarsan Varadaraj**

**Mr B Vijayakumar**

**Mr Vijay Venkataswamy**

**Mr T V Thulsidass**

**M/s Reddy, Goud & Janardhan**

**Union Bank of India**

**State Bank of India**

**Citibank N A**

**Andhra Bank**

**IDBI Bank**

**ICICI Bank**

**Intime Spectrum Registry Limited**

**Coimbatore Branch**

**"SURYA" 35, Mayflower Avenue,**

**Behind Senthil Nagar, Sowripalayam Road,**

**Coimbatore-641028**

**Phone : (0422) 2314792**

**"ELGI TOWERS", P B 7113,**

**Green Fields,**

**737-D, Puliakulam Road,**

**Coimbatore - 641 045**

**Tamil Nadu**

**Phone : (0422) 2311711, 4351711**

**Fax : (0422) 2311611, 2315111**

**E-mail : super@ssh.saraelgi.com**

**Internet : www.saraelgi.com**

**Mills**

**A & O.E Unit : Kirikera, Andhra Pradesh**

**B Unit : Kotnur, Andhra Pradesh**

**C Unit : D-Gudalur, Tamilnadu**

**D Unit : Udumalpet, Tamilnadu**

**Super Sara : Beerapalli, Andhra Pradesh**

**Garment Units: New Tirupur, Thekkalur,**

**Tamilnadu**

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## Notice to the Members

Notice is hereby given that the 46<sup>th</sup> Annual General Meeting of the Company will be held on Wednesday, the 24<sup>th</sup> September, 2008 at 3.00 PM at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore - 641 018, to transact the following business :

### Ordinary Business

1. To receive, consider and adopt the following :
  - a. The audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008.
  - b. The audited Balance sheet as at 31<sup>st</sup> March, 2008 and
  - c. The reports of the Directors' and the Auditors'.
2. To declare a dividend.
3. To appoint a Director in the place of Mr C R Ramamurthy, who retires by rotation and superannuates at the ensuing Annual General Meeting.
4. To appoint a Director in the place of Mr D Sarath Chandran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### Special Business

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

**Resolved** that in supersession and partial modification of the resolution No. 6 passed at the Annual General Meeting held on 29<sup>th</sup> July, 2005 and pursuant to the provisions of Section(s) 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the terms and conditions of the appointment as regards the remuneration of Mr K R Seethapathy, Executive Director, be and is hereby amended with effect from 1<sup>st</sup> November, 2007 as detailed below and his tenure remains unaltered:

#### Remuneration

- I. **Salary** : Rs.75,000/- per month in the scale of Rs.75,000/- – 6,000/.
- II. **Allowance** : 50% of the salary.
- III. **Commission** : 0.75% of the net profit of the Company subject to a maximum of Rs.15 Lakhs and minimum of Rs.5 Lakhs.

#### IV. Perquisites

In addition to salary and commission, perquisites shall be allowed as detailed below:

1. **Housing** : Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
2. The following perquisites shall be allowed subject to the maximum of 40% of the salary :
 

**Medical** : Reimbursement of medical expenses incurred for him and his family.

**LTC** : Leave Travel Concession for him and his family.

**Gas, Water etc** : Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.

**Club fee** : For self.

**Insurance** : Health and personal accident insurance cover for him.
3. He shall also be eligible to the following benefits, which shall not be included in the computation of the ceiling on the remuneration.
  - a. **PF / SAF** : Contribution to Provident and / or Super Annuation Fund and/or Annuity Fund to the extent of either singly or put together are not taxable under the Income-tax Act, 1961.
  - b. **Gratuity** : Gratuity payable at the rate not exceeding half a month's salary of each year of completed service or at the rate as may be modified from time to time as per The Payment of Gratuity Act, 1972.
4. Free use of Company car with driver and telephone at his residence.

**Resolved Further** that in the event of no profits or inadequacy of profits, the remuneration and other perquisites payable to Mr K R Seethapathy, Executive Director, shall not exceed the limits specified in Section II of Part II (A) of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**Resolved Further** that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any other amendments made there under in this regard.

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



**Resolved** that pursuant to the provisions of Section(s) 198, 269, 309, 310, 316 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, Mr Vidyaprakash D be and is hereby appointed as the Executive Chairman of the Company for a period of three years with effect from 01.04.2008 on the following terms and conditions. He is also the Managing Director of Coimbatore Pioneer Fertilizers Ltd with remuneration.

#### **Remuneration**

- I. **Salary** : Rs.1,25,000/- per month in the scale of Rs.1,25,000/- - 10,000/-.
- II. **Commission** : 1.5% of the net profit of the Company.

He shall also be eligible for the following benefits which shall not be included in the computation of the ceiling on the remuneration.

- a. **PF/SAF** : Contribution to Provident Fund and/or Super Annuation Fund and/or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. **Gratuity** : Gratuity payable at the rate not exceeding half a month's salary of each year of completed service.

**Resolved Further** that in the event of no profits or inadequacy of profits, the remuneration payable to Mr Vidyaprakash D, Executive Chairman, shall not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**Resolved Further** that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any other amendments made there under in this regard.

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

**Resolved** that in supersession of the earlier resolution No. 7 passed at the Annual General Meeting held on 23<sup>rd</sup> August, 2007 and pursuant to the provisions of Section(s) 198, 269, 309, 310, 316 and other applicable provisions, if any, of the

Companies Act, 1956 read with Schedule XIII, Mr Sumanth Ramamurthi be and is hereby re-appointed as Managing Director of the company for a period of three years effective from 01.04.2008, on the following terms and conditions :

#### **Remuneration**

- I. **Salary** : Rs.1,00,000/- per month in the scale of Rs.1,00,000/- – Rs.8,000/-.
- II. **Commission** : 1.5% of the net profit of the company subject to the overall ceiling laid down in Section(s) 198 and 309 of the Companies Act, 1956.

#### **III. Perquisites**

In addition to salary and commission, perquisites shall be allowed as detailed below

1. **Housing** : Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
2. The following perquisites shall be allowed subject to the maximum of 40% of the salary.

**Medical** : Reimbursement of expenses actually incurred for self and his family.

**LTC** : Leave Travel Concession for self and his family.

**Gas, Water etc** : Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.

**Club fee** : For self.

**Insurance** : Life, Health and personal accident insurance cover for self.

In any year, if the perquisites specified in Part-III, Sub-clause (2) above, are not availed in full, the unutilised portion of the limit shall be carried over for a period of three years.

3. He shall also be eligible to the following benefits which shall not be included in the computation of the ceiling on the remuneration.
  - a. **PF/SAF** : Contribution to Provident Fund and/or Super Annuation Fund and/or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - b. **Gratuity** : Gratuity payable at the rate not exceeding half a month's salary of each year of completed service.



4. Free use of Company Car with driver and Telephone at his residence.

**Resolved Further** that in the event of no profits or inadequacy of profits, the remuneration and perquisites payable to Mr Sumanth Ramamurthi, Managing Director, shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**Resolved Further** that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any other amendments made there under in this regard.

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

**Resolved** that in supersession of the earlier resolution No. 6 passed at the Annual General Meeting held on 29<sup>th</sup> July, 2005 and all subsequent resolutions modifying the terms thereof and pursuant to the provisions of Section(s) 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, Mr K R Seethapathy be and is hereby re-appointed as Executive Director of the Company for a period of three years with effect from 01.04.2008 on the following terms and conditions.

**Remuneration**

- I. **Salary** : Rs.75,000/- per month in the scale of Rs.75,000/- – 6000/-.
- II. **Allowance** : 50% of the salary.
- III. **Commission** : 0.75% of the net profit of the Company subject to a maximum of Rs. 15 Lakhs and minimum of Rs. 5 Lakhs.

**IV. Perquisites**

In addition to salary and commission, perquisites shall be allowed as detailed below :

1. **Housing** : Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
2. The following perquisites shall be allowed subject to the maximum of 40% of the salary :  
**Medical** : Reimbursement of medical expenses incurred for him and his family.

**LTC** : Leave Travel Concession for him and his family.

**Gas, Water etc**: Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.

**Club fee** : For self.

**Insurance** : Health and personal accident insurance cover for him.

3. He shall also be eligible to the following benefits, which shall not be included in the computation of the ceiling on the remuneration.

- a. **PF / SAF** : Contribution to Provident and/or Super Annuation Fund and/or Annuity Fund to the extent of either singly or put together are not taxable under the Income-tax Act, 1961.
- b. **Gratuity** : Gratuity payable at the rate not exceeding half a month's salary of each year of completed service or at the rate as may be modified from time to time as per The Payment of Gratuity Act, 1972.

4. Free use of Company car with driver and telephone at his residence.

**Resolved Further** that in the event of no profits or inadequacy of profits, the remuneration and other perquisites payable to Mr K R Seethapathy, Executive Director, shall not exceed the limits specified in Section II of Part II (B) of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration.

**Resolved Further** that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any other amendments made there under in this regard.

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

**Resolved** that subject to the provisions of the applicable laws, guidelines, rules and regulations including the Companies Act, 1956, the Securities Contracts (Regulations) Act, 1956, Listing Agreements with Stock Exchanges, the Securities and Exchange Board of India (De-listing of Securities) Guidelines 2003 and the rules framed





there under in this regard and subject to such other approvals, as may be required from the Stock Exchanges with which equity shares of the company are listed and/or any other relevant authority, consent of the Company be and is hereby accorded to the Board of Directors of the company to seek voluntary de-listing of its equity shares from the Coimbatore Stock Exchange Ltd., Coimbatore and The Madras Stock Exchange Ltd., Chennai where the Company's equity shares are presently listed without giving an exit option to the shareholders of the region where the aforesaid Stock Exchanges are situated.

**Resolved Further** that the Board of Directors of the company be and is hereby authorised to do 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 for giving effect to this resolution.

For and on behalf of the Board

Coimbatore  
31<sup>st</sup> May, 2008

**Vidyaprakash D**  
Chairman

#### Notes :

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **Instrument appointing a proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. The explanatory statement in respect of the special business pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
5. The register of members and share transfer books of the company will remain closed from 10.09.2008 to 24.09.2008 (both days inclusive).
6. The dividend, if declared at the meeting, will be paid to those members whose names appear in the Register of Members as on 24.09.2008.
7. For receiving dividend through Electronic Clearing Service (ECS), in the notified centers, members are requested to forward the form attached to the Annual Report, duly filled in, to the Registrar and Share Transfer Agent of the Company, M/s Intime Spectrum Registry Ltd., Coimbatore Branch or to their respective Depository Participants before 08.09.2008.
8. The brief profile and other information in respect of Non-Executive Directors seeking re-appointment are furnished in the Notice.
9. The company has transferred the unclaimed dividend to the General Revenue Account of the Central Government for and up to the financial year 1994-95. The concerned members may therefore submit their claims to the Registrar of Companies, Coimbatore (Tamilnadu), Stock Exchange Building, Singanallur, Coimbatore – 641 005.
10. The company has transferred the amount of unclaimed dividends paid from 1995-96 to 1999-2000 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
11. As per the amended provisions of the Companies Act, 1956, dividend remaining unclaimed for a period of 7 years has to be transferred to the Investors Education and Protection Fund established by the Government. Any claim relating to the unclaimed dividend for the financial years from 31.03.2001 to 31.03.2007 should be made at the earliest to the company. Once the unclaimed dividends are transferred to the Investors Education and Protection Fund, the shareholders cannot claim the dividend thereafter from the company.
12. The company has appointed M/s Intime Spectrum Registry Ltd., as Registrar and Share Transfer Agent of the Company for carrying out both physical and electronic share transfers. All the members are requested to forward their share transfer deed(s) and other communications directly to its Branch Office at the following address :  
M/s Intime Spectrum Registry Ltd  
Coimbatore Branch  
"SURYA" 35, Mayflower Avenue  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore-641028, Tamilnadu.  
Phone : (0422)2314792 Fax:(0422)2314792,  
E-mail : [Coimbatore@intimespectrum.com](mailto:Coimbatore@intimespectrum.com)



### Explanatory Statement pursuant to the provisions U/s 173(2) of the Companies Act, 1956

#### Item No. 6

In view of the present managerial remuneration trends in the industry for professionals and the contribution of the Executive Director Mr K R Seethapathy towards the growth of the company, it has been proposed to enhance the remuneration and other perquisites payable to him with effect from 1<sup>st</sup> November, 2007. The company needs the approval of the shareholders for the above change and hence this resolution.

None of the Directors except Mr K R Seethapathy is interested in the resolution.

#### Item No. 7

At the meeting of the Board of Directors of the company held on 16<sup>th</sup> April, 2008, it was resolved to appoint Mr Vidyaprakash D, as Executive Chairman of the Company for a period of three years with effect from 1<sup>st</sup> April, 2008, and also pay him remuneration approved by the remuneration committee, in accordance with the provisions of the Companies Act, 1956, on the terms and conditions set out in the resolution. As per Section 269 read with Schedule XIII of the Companies Act, 1956, the appointment and remuneration shall be subject to the approval of the shareholders of the company in general meeting. Hence, the resolution is placed for your approval.

None of the Directors, except Mr Sumanth Ramamurthi and Mr Vidyaprakash D is interested in this resolution.

#### Item No. 8

The Board of Directors of the company at their meeting held on 16<sup>th</sup> April, 2008 decided to re-appoint Mr Sumanth Ramamurthi as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2008, at a revised remuneration approved by the remuneration committee in accordance with the provisions of the Companies Act, 1956 on the terms and conditions set out in the resolution. As per Section 269 read with Schedule XIII of the Companies Act, 1956, the appointment and remuneration shall be subject to the approval of the shareholders of the company in general meeting. Hence, the resolution is placed for your approval.

None of the Directors, except Mr Sumanth Ramamurthi and Mr Vidyaprakash D, as relatives are interested in the resolution.

### Statement of Information to be provided under Section II, Part II (B) of Schedule XIII of the Companies Act, 1956

#### I. General Information

Nature of Industry : Textiles

Date or expected date of commencement of commercial production : Not applicable

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable

Financial performance based on given indicators:

Particulars	2007-08 (Rs. Lakhs)	2006-07 (Rs. Lakhs)
Sales and Other Income	40012	40522
Profit before tax and depreciation	2834	4525
Profit after tax	172	1427
Paid up Equity Capital	550	550
Reserves and Surplus	11743	12067
Basic Earnings per share	0.31	2.6

Export performance and net foreign exchange collaborations : Export turn over amounts to Rs.121 Crores Foreign currency expenditure is Rs. 29 Crores and the company has a positive foreign currency inflow of Rs. 92 Crores.

Foreign investments and collaborators, if any : Not applicable

#### II. Information about the Appointee:

Back ground details : Mr Sumanth Ramamurthi aged 48 years is an industrialist, having more than two decades of experience in the Textile and Engineering industries and is a Director on the Board of ten other Public Limited Companies. He has a B.S Degree in Electrical Engineering from the University of Missouri, USA.

Past remuneration : Rs. 2,00,000/- per month with annual increment of Rs. 20,000/- and Commission 2% of net profit plus allowances and perquisites.

Recognition or awards : -

Job profile and his suitability : The Managing Director personally oversees the operations of the Company. Mr Sumanth Ramamurthi is a technocrat having over two decades of experience in the textile and engineering industries.

Remuneration Proposed : Rs.1,00,000/- per month with an annual increment of Rs. 8,000/- and





Commission 1.5% of net profit plus Allowances and perquisites.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : Salary to be given is at par with the industry standards.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any : Mr Sumanth Ramamurthi is related to Mr Vidyaprakash D, the Chairman of the Company.

### III. Other Information

Reasons of loss or inadequate profits : The high cost of raw material, lower value realization for yarn and appreciation in the value of the Indian rupee have affected the Company's operating performance resulting in inadequacy of profits.

Steps taken or proposed to be taken for improvement : The Company has made efforts to increase yarn realization through productivity and cost control measures. It has also identified and implemented strategies to improve sales and profitability by focusing on niche products for the export market.

Expected increase in productivity and profits in measurable terms : The Company expects to see a growth in turnover of at least 10% and proportionate increase in profitability over the previous year as a result of these measures.

### IV. Disclosures

The shareholders of the company shall be informed of the remuneration package of the managerial person : Disclosed

The following disclosures have been mentioned in the Board of Directors report under the heading Corporate Governance attached to the annual report:

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors : Disclosed in the Report on Corporate Governance

Details of fixed component and performance linked incentives along with the performance criteria : Disclosed

Service contracts, notice period, severance fees : Disclosed

Stock option details, if any, and whether the same has been issued at a discount as well as the period

over which accrued and over which exercisable : Company has not issued any Stock option

The Company has not defaulted in repayment of any of its debts or debentures and public deposits.

The Board of Directors and the remuneration committee recommend the passing of the resolution.

### Item No. 9

At the meeting of the Board of Directors of the Company held on 16<sup>th</sup> April, 2008, it was resolved to re-appoint Mr K R Seethapathy as Executive Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2008 and also pay him remuneration approved by the Remuneration Committee, in accordance with the provisions of the Companies Act, 1956 on the terms and conditions set out in the resolution. As per Section 269 read with Schedule XIII of the Companies Act, 1956, the appointment and remuneration shall be subject to the approval of the shareholders of the company in general meeting. Hence, the resolution is placed for your approval.

None of the Directors except Mr K R Seethapathy is interested in the resolution.

### Statement of Information to be provided under Section II, Part II (B) of Schedule XIII of the Companies Act, 1956

#### I. General Information

Nature of Industry : Textiles

Date or expected date of commencement of commercial production : Not applicable

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable

Financial performance based on given indicators :

Particulars	2007-08 (Rs. Lakhs)	2006-07 (Rs. Lakhs)
Sales and Other Income	40012	40522
Profit before tax and depreciation	2834	4525
Profit after tax	172	1427
Paid up Equity Capital	550	550
Reserves and Surplus	11743	12067
Basic Earnings per share	0.31	2.6

Export performance and net foreign exchange collaborations : Export turn over amounts to Rs. 121 Crores. Foreign currency expenditure is



Rs. 29 Crores and the Company has a positive foreign currency inflow of Rs. 92 Crores.

Foreign investments and collaborators, if any :  
Not applicable

## II. Information about the Appointee

Back ground details : Mr K R Seethapathy aged 52 years has been working with the Company since 1981 and has been the Executive Director since 2004. He has more than 27 of experience in the Textile Industry and has contributed significantly to the Company's growth. He has B Sc and MBA Degrees and serves as a Director in four other Companies.

Past remuneration : Rs. 34,000/- per month with an annual increment of Rs. 4,000/- and Commission 0.5 % of net profit Plus Allowances and perquisites.

Recognition or awards : -

Job profile and his suitability : The Executive Director assists the Managing Director in handling the day to day operations of the Company under the overall guidance of the Chairman. He has 27 years experience in the textile industry.

Remuneration Proposed : Rs.75,000/- per month with an annual increment of Rs. 6,000/- and Commission 0.75 % of net profit plus allowances and perquisites.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Salary to be given is at par with the industry.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any : No relationship

## III. Other Information

Reasons of loss or inadequate profits : The high cost of raw material, lower value realization for yarn and appreciation in the value of the Indian rupee have affected the Company's operating performance resulting in inadequacy of profits.

Steps taken or proposed to be taken for improvement : The Company has made efforts to increase yarn realization through productivity and cost control measures. It has also identified and implemented strategies to improve sales and profitability by focusing on niche products for the export market.

Expected increase in productivity and profits in measurable terms : The Company expects to see a growth in turnover of at least 10% and proportionate increase in profitability over the previous year as a result of these measures.

## IV. Disclosures

The shareholders of the company shall be informed of the remuneration package of the managerial person : Disclosed

The following disclosures have been mentioned in the Board of Directors report under the heading Corporate Governance attached to the annual report :

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors : Disclosed in the Report on Corporate Governance.

Details of fixed component and performance linked incentives along with the performance criteria : Disclosed

Service contracts, notice period, severance fees : Disclosed

Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable : Company has not issued any Stock option

The Company has not defaulted in repayment of any of its debts or debentures and public deposits.

The Board of Directors and the remuneration committee recommend the passing of the resolution

### Item No. 10

The shares of the Company are listed on four Stock Exchanges at present viz., Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Madras Stock Exchange Ltd and Coimbatore Stock Exchange Ltd. There is no trading activity in the Madras and Coimbatore Stock Exchanges. As both the NSE and BSE have nation wide terminals, investors have access to online trading in equity shares of the Company. It is now proposed to de-list the equity shares of the Company at an appropriate time in future, from Madras Stock Exchange Ltd and Coimbatore Stock Exchange Ltd. The proposed de-listing will not affect the investors adversely, as the Company's shares will continue to be listed on BSE and NSE. The consent of the members by way of a special resolution is required for the purpose of de-listing. Hence the resolution is placed for your approval.

For and on behalf of the Board

Coimbatore  
31<sup>st</sup> May, 2008

**Vidyaprakash D**  
Chairman