

# **SUPER SALES INDIA LIMITED**

**COIMBATORE**

**28TH ANNUAL REPORT 2009-10**

# **SUPER SALES INDIA LIMITED**

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

## **BOARD OF DIRECTORS**

Sri. R. Venkatrangan (Chairman)  
Sri. C.B. Kariappa  
Sri. Ravi Sam  
Sri. Sanjay Jayavarthanavelu  
Sri. R. Sataganan  
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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***NOTICE TO SHAREHOLDERS***

NOTICE is hereby given that the 28<sup>th</sup> 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 28<sup>th</sup> 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 31<sup>st</sup> 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  
24<sup>th</sup> 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 16<sup>th</sup> July, 2010 to Wednesday the 28<sup>th</sup> 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 28<sup>th</sup> 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 15<sup>th</sup> 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", 3<sup>rd</sup> 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", 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 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", 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.
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 15<sup>th</sup> 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  
24<sup>th</sup> May, 2010

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

## **DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 28<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, 2010.

### **FINANCIAL RESULTS**

Financial results for the year under review are summarized below:

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

### **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, 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 28<sup>th</sup> 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 15<sup>th</sup> 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 30<sup>th</sup> 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.

**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, 2010 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.

For and on behalf of the Board

Chennai  
24<sup>th</sup> May, 2010

(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, 2010.**

	31.03.2010	31.03.2009
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased :	Units	6,442,511
Total Amount	Rs. <b>6,263,968</b>	29,177,484
Rate / Unit	Rs. <b>4.79</b>	4.53
b. Through Own Generation :		
i) through Diesel Generators	<b>5,739,398</b>	3,953,835
Units per litre of diesel oil	<b>3.62</b>	3.29
Cost / Unit	Rs. <b>8.32</b>	9.45
ii) through Wind Energy Generators	<b>22,349,321</b>	19,281,458
Cost / Unit	Rs. <b>4.02</b>	4.20
2. Coal (Specify quality 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>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product name		
Grey Yarn (Kg)	<b>4,990,830</b>	3,974,291
Consumption per kg.		
Electricity (Units) :	<b>6.83</b>	7.47
Furnace Oil	<b>Nil</b>	Nil
Coal	<b>Nil</b>	Nil
Others (Specify)	<b>Nil</b>	Nil
Processed Yarn (Kg)	<b>62,087</b>	205,050
Consumption per kg.		
Electricity (Units) :	<b>3.87</b>	4.22
Furnace Oil	<b>Nil</b>	Nil
Coal	<b>Nil</b>	Nil
Others (Specify)	<b>Nil</b>	Nil

**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, e.g., product improvement, cost reduction, product development, import substitution, etc.,              | : | -- |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) 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, reasons there for and future plans of action.  |   |    |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMY OVER VIEW:

The global economy registered a growth of 2.2% in 2009 - 10, as compared to the pre-crisis average growth of 5.0%. World bank and IMF estimate the growth of 2.7% for 2010 - 11 and 3.2% for first-half of 2011.

Developed economies are expected to grow slowly, i.e 1.8% during 2009 - 10 and by 2.3% during 2010 - 2011. The recovery of the advanced economies from the global meltdown is in slower phase.

Contrary to constrained growth of developed and global economies, developing and emerging economies are likely to experience a relatively more robust recovery. The growth rate estimates are 5.2% for 2010 and 5.8% for 2011.

Out of the developing economies, Asian economy is leading a global recovery that is faster and stronger than expected but the money rushing to emerging markets could lead to an asset bubble. China, India and other emerging Asian economies were close to returning to their pre-crisis growth rates, while rebounds in the US, Japan and other developed economies were sluggish.

The Government forecast that the Indian economy grow at the rate of 8.25% - 8.75% in 2010 - 11 and over 9% the year after, compared with projected growth of 7.2% - 7.5%. It is also expected that the Indian economy may achieve double-digit growth within the next four years.

The overall Index of Industrial production during 2009 - 10 shows a growth of 10.4% compared to 2.8% during the previous year. The manufacturing sector and capital goods sector have registered growth of 10.9 % and 19.2 % respectively during 2009 - 10 as compared to 2.8 % and 7.3 % during previous year. Cotton textile sector has grown at the rate of 5.4 % during 2009 - 10 and 7.3% in March, 2010.

The growth of the manufacturing, capital goods and cotton textile sectors may help us to achieve better performance in our agency as well as the textile divisions.

### OPPORTUNITIES AND THREATS:

#### Opportunities:

1. The TUF scheme allocation towards subsidy is Rs. 24000 Millions which will help the mills to carry out expansion/ modernization programmes.
2. Restriction on raw cotton export may result in stabilisation of cotton prices.
3. Meteorological department has predicted a normal rainfall during 2010 - 11 and cotton production in India's marketing year 2010 - 11 is forecast to increase to a record 25 Millions bales on expected record planting and improved yields as against 23.5 Millions bales.
4. Better performance of the textile mills lead to creation of additional spindleage.

#### Threats:

1. Withdrawal of DEPB rates affects the exports which will in turn increase the competition in the domestic market.
2. Increase in the inflation affect the consumption pattern in India.
3. Scheduled as well as unscheduled power cuts will affect the production considerably.

### SEGMENT WISE 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.

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**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.

**CONCERN:**

The areas of concern are:

1. **Labour shortage:** Increase in the labour cost and shortage of labour for the mills may affect the performance of the mills.
2. **Exchange rate risks:** High volatility in foreign currencies (especially US dollar and Euro) will adversely affect the exports.
3. **Power Shortage:** The power shortage results in lower utilization of capacity which leads to production losses.
4. **Competition :** Competition from the International companies in the textile machinery industry is an area of concern for our Agency Division.

**INTERNAL CONTROL SYSTEM AND ADEQUACY:**

The Company has an adequate internal control system commensurate with its size and nature of its business. Management has overall responsibility for the Company's internal control system to safeguard the assets and to ensure reliability of financial records.

The Company has a detailed budgetary control system and the actual performance is reviewed periodically and decision taken accordingly.

Internal audit programme covers all areas of activities and periodical reports are submitted to the Management. Audit Committee reviews all financial statements and ensures adequacy of internal control systems. The Company has a well-defined organization structure, authority levels and internal rules and guidelines for conducting business transactions.

**FINANCIAL PERFORMANCE AND ANALYSIS:**

(Rs. in Millions)

Particulars	2009-10	2008-09	Change	Percentage
Turnover	1190.70	925.08	265.62	28.71
Commission Receipts	81.01	103.96	(22.95)	(22.08)
Other Income	41.03	31.77	9.26	29.15
Profit before Interest & Depreciation	415.08	197.39	217.69	110.28
Interest	45.81	60.12	(14.31)	(23.80)
Profit before Depreciation	369.27	137.27	232.00	169.00
Less: Depreciation	110.77	127.10	(16.33)	(12.85)
Profit before Tax	258.50	10.17	248.33	2441.79
Profit after Tax	183.87	6.40	177.47	2772.97

**HUMAN RESOURCES:**

The Company's HR objectives aim to develop and train each individual to perform to his fullest capacity, achieving individual excellence and Company's Goals.

**CAUTION:**

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. The factors that might influence the operations of the Company are demand-supply conditions, finished goods prices, raw material costs & availability, change in the government regulations, WTO and natural calamities over which the Company has no control.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

For and on behalf of the Board

Chennai  
24<sup>th</sup> May, 2010

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

## CORPORATE GOVERNANCE REPORT

### 1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to ensure a good practice of Corporate functioning, maximizing the customer satisfaction by offering quality service & products (in least possible time) at reasonable cost and ensure compliance with all regulations as applicable with adequate transparency and accountability.

### 2. BOARD OF DIRECTORS

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material informations are placed before the Board on quarterly basis.

#### (A) Board Composition

The composition of the Board of Directors is:

Name	Category	Number of Other Directorships	No of committees in which he is Member/ Chairman
Sri. R. Venkatrangappan	Non-Executive, Chairman, Promoter	9	7/5
Sri. C. B. Kariappa	Non-Executive, Independent	Nil	1/2
Sri. Ravi Sam	Non-Executive, Promoter	13	5/0
Sri. Sanjay Jayavarthanavelu	Non-Executive, Promoter	9	5/0
Sri. R. Satagopan	Non-Executive, Independent	1	4/1
Sri. J. Raghupathy	Non-Executive, Independent	4	1/0

Number of Membership/Chairmanship in committees of all Directors is within the Limits specified in Clause 49 I (C) (ii) read with explanation 2 of the Listing Agreement.

#### (B) Board Meeting and Attendance:

Four Board Meetings were held during the period from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010, on 20.05.2009, 27.07.2009, 28.10.2009 and 25.01.2010. Details of attendance of each Director at the Board meeting and last AGM during the financial year ended 31<sup>st</sup> March, 2010 are given below :

Name\Date of meetings	20.05.09	27.07.09	28.10.09	25.01.10	AGM 27.07.09
Sri. R. Venkatrangappan	✓	✓	✓	✓	✓
Sri. C. B. Kariappa	✓	✓	✓	✗	✓
Sri. Ravi Sam	✓	✓	✓	✓	✗
Sri. Sanjay Jayavarthanavelu	✓	✓	✓	✓	✓
Sri. R. Satagopan	✓	✓	✓	✓	✓
Sri. J. Raghupathy	✓	✓	✓	✓	✓

#### Retirement of Directors by rotation and being eligible, offer for re-appointment

##### 1. Sri. C B Kariappa

Sri. C. B. Kariappa is a graduate in Science and a post graduate in Arts. He is a Member of Associated Chartered Insurance Institute (ACII).

Experience: More than five decades of experience in the fields of HR, Corporate Planning, Industrial Relation and Insurance.

Other Directorships : Nil

Membership of Committees of other Companies

Audit Committees : Nil

Remuneration Committees : Nil

Share Transfer Committees: Nil

Shareholders and Investors Grievance Committee : Nil

Share holding : 200 equity shares of Rs. 10/- each constituting 0.007% of the paid up capital.

## **2. Sri. J. Raghupathy**

Sri. J. Raghupathy is a graduate in Science and having five decades of experience in the textile industry. After Completion of his education, he took over the charge of Vijayakumar Mills Limited, Palani, Tamilnadu. He promoted several Companies. Presently he is the Managing Director of Veejay Syntex Private Limited.

Other Directorships :

1) Veejay Syntex Private Limited 2) Veejay Yarns and Fabrics Private Limited 3) Lakshmi Precision Tools Limited 4) Veejay Terry Products Limited

Membership of Committees of other Companies:

Audit Committees : Nil

Remuneration Committees : Nil

Share Transfer Committees: Nil

Shareholders and Investors Grievance Committee : Nil

Share holding : 1500 equity shares of Rs. 10/- each constituting 0.048% of the paid up capital.

## **3. REMUNERATION OF DIRECTORS**

Remuneration and sitting fee paid to the Directors during the financial year ended 31<sup>st</sup> March, 2010

(Amount in Rupees)

Name	Sitting fee
Sri. R. Venkatrangappan	80,000
Sri. C.B. Kariappa	35,000
Sri. Ravi Sam	40,000
Sri. Sanjay Jayavarthanavelu	35,000
Sri. R. Satagopan	50,000
Sri. J. Raghupathy	40,000

Remuneration to the Non-Executive Directors is decided by the Board of Directors. At present, the Company pays only sitting fees to all the Non-Executive Directors.

No benefits other than the above are given by the Company to the Directors. No Salary, Benefit, Bonus, Stock Option, Performance linked incentives, Severance fee and Pension are given to Directors.

Non- Executive Directors' share holding:

Sri. R. Venkatrangappan	: 12400 shares
Sri. C. B. Kariappa	: 200 shares
Sri. Ravi Sam	: 1000 shares
Sri. Sanjay Jayavarthanavelu	: 105400 shares
Sri. J. Raghupathy	: 1500 shares
Sri. R. Satagopan	: Nil

There is no pecuniary relationship or transactions of the Non- Executive Directors with the Company.

#### **4. COMMITTEES OF DIRECTORS**

The Board has constituted four committees of Directors to deal with the matters referred to it for timely decision.

(i) Audit Committee

Audit Committee has been constituted on 28.06.2002. The broad terms of reference to the Committee are compliance of adequate internal control system, financial disclosures and other issues confirming to the requirements specified in the Listing Agreement.

At present, the Committee consists of the following Directors as its Members:

1. Sri. R. Satagopan - Chairman
2. Sri. C. B. Kariappa - Member
3. Sri. Ravi Sam - Member
4. Sri. J. Raghupathy - Member

The Committee has met 4 times during the financial year ended 31<sup>st</sup> March, 2010.

Sri. S.K. Radhakrishnan, Company Secretary is the Secretary of the Committee .

Name\Date of Audit Committee meetings	20.05.09	27.07.09	28.10.09	25.01.10
Sri. R. Satagopan	✓	✓	✓	✓
Sri. C. B. Kariappa	✓	✓	✓	x
Sri. Ravi Sam	✓	✓	✓	✓
Sri. J. Raghupathy	✓	✓	✓	✓

(ii) Remuneration Committee

The Committee has been formed to determine the Company's policy on remuneration package to the Executive Directors and any compensation payments. The Committee consists of the following Directors as its Members.

1. Sri. C. B. Kariappa - Chairman
2. Sri. Ravi Sam - Member
3. Sri. R. Satagopan - Member

There is no remuneration committee meeting held for the financial year ended 31<sup>st</sup> March, 2010.



(iii) Shareholders / Investors Grievance Committee

The Committee has been formed to specifically look into Shareholders / Investors complaints, if any, on transfer of shares, non-receipt of balance sheet, etc., and also the action taken by the Company on the above matters.

The Committee consists of the following Directors as its Members

1. Sri. C. B. Kariappa - Chairman
2. Sri. Sanjay Jayavarthanavelu - Member
3. Sri. R. Satagopan - Member

Sri. S. K. Radhakrishnan, Company Secretary is the Compliance Officer.

During the financial year 3 complaints were received from the investors, which were resolved to their satisfaction. The outstanding complaint as on 31<sup>st</sup> March, 2010 was Nil. The committee has met 2 times during the financial year ended 31<sup>st</sup> March, 2010.

Particulars of Shareholders/Investors Grievance Committee meeting and attendance of the members present at the meetings.

Name\Date of meetings	27.07.09	25.01.10
Sri. C. B. Kariappa	✓	x
Sri. Sanjay Jayavarthanavelu	✓	✓
Sri. R. Satagopan	✓	✓

(iv) Share Transfer Committee

The Share Transfer Committee has been formed with 8 members, 5 members representing the Company and 3 members representing the Share Transfer Agents. The Committee reviews and approves transfers and transmission of equity shares.

Thirteen Share Transfer Committee meetings were held during the period from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010. Sri. R. Venkatrangappan, Chairman has attended 12 meetings, Sri. Sanjay Jayavarthanavelu, Director has attended 1 meeting and Sri. Ravi Sam, Director has taken leave of absence for all the meetings of the Share Transfer Committee.

**5. GENERAL BODY MEETINGS**

Information regarding last 3 years' General Body meetings are given below:

Location	AGM / EGM	Day	Date	Time
Nani Kalai Arangam, Mani Higher Sec. School, Coimbatore - 641 037	AGM	Thursday	26.07.2007	11.00 PM
-- do --	AGM	Wednesday	23.07.2008	11:00 AM
-- do --	AGM	Monday	27.07.2009	11:30 AM
-- do --	EGM	Friday	18.12.2009	10:00 AM

1. No special resolution was passed during the years 2007 - 08 and 2008 - 09.
2. During 2009 - 10 two special resolutions were passed:
  - a. At the 27<sup>th</sup> AGM held on 27.07.2009 a special resolution was passed to delist the equity shares from Madras Stock Exchange Limited
  - b. At the EGM held on 18.12.2009 a special resolution was passed to commence the objects specified under sub clause III (c) 6 of other objects clause of the Memorandum of Association of the Company

## **6. DISCLOSURES**

There is no materially significant related party transaction that would have been a potential conflict with the interests of the Company at large. Also no penalty or strictures have been imposed on the Company by any Regulatory Authority for non-compliance of any law.

Company has not adopted whistle blower policy and no person has been denied access to Audit Committee.

Certificate from the Statutory Auditors confirming the compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock exchanges in India forms part of this report.

### **Inter-se relationship between the directors:**

Sri. Ravi Sam, Director is the sister's husband to Sri. Sanjay Jayavarthanavelu, Director. No other director is related to each other.

### **The Company has complied the following non-mandatory requirement:**

Remuneration Committee of the Board of Directors of the Company has been constituted and the particulars of the Committee are elsewhere given in this Report.

The Company has not complied with any other non-mandatory requirements given in the Listing Agreement.

In the preparation of financial statements, no differential treatment from the prescribed accounting standards is followed.

In compliance of Clause 49 (I)(B) of the Listing Agreement, it is disclosed that the Company does not have any pecuniary relationship or transactions with its Non- Executive Directors during the financial year ended 31<sup>st</sup> March, 2010.

## **7. MEANS OF COMMUNICATION**

The quarterly results were published in leading Newspapers viz., Financial Express [English] and Dinamalar [Tamil]. The corporate information, shareholding pattern, financial statements are posted in the Company's web-site [www.supersales.co.in](http://www.supersales.co.in). The financial results and shareholding pattern are periodically updated and hosted in the SEBI website :[sebidifar.gov.in](http://sebidifar.gov.in).

**8. SHAREHOLDERS INFORMATION**

(i) Annual General Meeting

Day & Date : Wednesday, the 28<sup>th</sup> July, 2010  
 Time : 11.30 AM  
 Venue : 'Nani Kalai Arangam'  
 Mani Higher Secondary School,  
 Pappanaickenpalayam,  
 Coimbatore - 641 037

(ii) Financial Calendar (2010 - 11)

Results for the financial year 2009 - 10 : 24<sup>th</sup> May, 2010  
 Posting of Annual Report : On or before 1<sup>st</sup> July, 2010  
 Last date of receipt of proxy forms : 26<sup>th</sup> July, 2010  
 Announcement of Quarterly Results : July, 2010  
 October, 2010,  
 January, 2011 &  
 May, 2011

(iii) Date of Book Closure : 16<sup>th</sup> July, 2010 to 28<sup>th</sup> July, 2010  
 (both days inclusive)

(iv) Dividend Payment Date : On or before 5<sup>th</sup> August, 2010

(v) Listing on Stock Exchanges and Market Price

The shares of the Company are listed in Bombay Stock Exchange Limited. The market price data of High and Low during each month in the last financial year at Bombay Stock Exchange, Mumbai is given below:

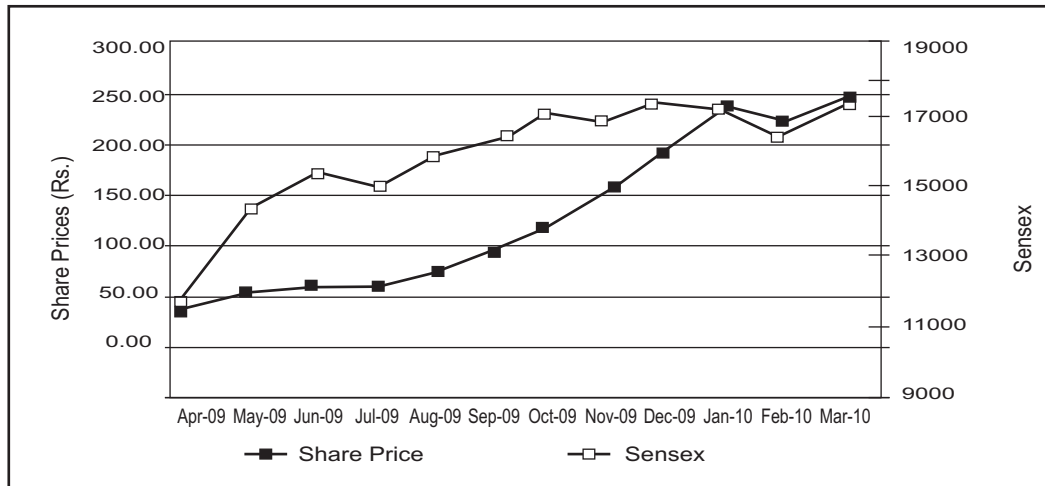
(vi) Scrip Code at Bombay Stock Exchange : 512527  
 International security identification number  
 (ISIN) : INE091C01017

(vii) Market Price data: Monthly High and Low Prices: (BSE)

Month	Share Price (Rs.)	
	High	Low
April, 2009	44.35	33.00
May, 2009	63.50	39.60
June, 2009	67.30	51.20
July, 2009	71.45	41.30
August, 2009	80.00	68.10
September, 2009	114.60	70.30
October, 2009	143.00	106.00
November, 2009	183.00	132.00
December, 2009	216.00	163.50
January, 2010	275.00	202.05
February, 2010	244.00	209.10
March, 2010	270.00	235.10

(viii)

**Super Sales share prices Vs BSE Sensex**



(ix) Registrar & Share Transfer / Demat Agents

Company's share transfer work and dematerialization are done by M/s. SKDC Consultants Limited, "Kanapathy Towers", 3<sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore-641 006. (Phone: 0422 6549995, 2539835-836 Fax : 0422 2539837 and Email: info@skdc-consultants.com) The shareholders can contact them for all matters related to their shareholdings.

(x) Share Transfer System

The share transfers are registered and returned within a period of 20 days from the date of receipt, if the documents are in order. The share transfers are approved by the Share Transfer Committee.

(xi) Distribution of Shareholding as on 31.03.2010

No. of equity shares held	No. of shareholders	No. of shares held	% held
Upto 500	6283	7,67,796	25.00
501 to 1000	288	2,19,002	7.13
1001 to 2000	134	2,02,939	6.61
2001 to 3000	39	99,319	3.23
3001 to 4000	26	92,551	3.01
4001 to 5000	18	86,445	2.81
5001 to 10000	26	1,78,977	5.83
10001 and above	36	14,24,471	46.38

**Total 6850 30,71,500 100.00**

S No	Category	No. of shares held	% held
1	Indian Promoters	5,47,938	17.84
2	Financial Institutions and Mutual Funds	19,193	0.63
3	Bodies Corporate	4,52,729	14.74
4	Indian Public	20,28,716	66.04
5	NRI	22,924	0.75
<b>Total</b>		<b>30,71,500</b>	<b>100.00</b>

(xii) Dematerialization of Shares

As on 31.03.2010, 23,53,216 shares constituting 76.61% of the total paid up capital of the Company have been dematerialized with CDSL and NSDL. In view of the numerous advantages offered by the depository system, members are requested to avail the facility of dematerialization of the Company's shares.

(xiii) Outstanding GDR/ADR

The Company has not issued any GDR/ADR.

(xiv) Plant Locations

The Company has three Divisions viz., Agency Division, Textile Division and Wind Energy Division. The Agency Division is functioning at the Registered Office of the Company, 34-A, Kamaraj Road, Coimbatore - 641 018 and the Textile Division consists of three units at the following locations:

Jay Textiles Unit I : Ayyampalayam, Pollachi - 642 005

Jay Textiles Unit II : Othakkalmandapam, Coimbatore - 641 032

Jay Textiles Unit III : Thekkampatti, Mettupalayam - 641 113

Wind Energy Division : Kethanur, Vavi Palayam and Elavanthi villages in Palladam Taluk, Tirupur (Dt), Vadavedampatti, Vadambachery and Kammalapatti Villages in Sulur Taluk, Coimbatore (Dt), Thungavi village in Udumalpet Taluk, Coimbatore (Dt) and Poomalikundu and Thappukundu Villages in Theni Taluk & (Dt).

(xv) Address for Correspondence

Company Secretary  
Super Sales India Limited  
Registered Office :  
34-A, Kamaraj Road  
Coimbatore - 641 018

Investor grievances : [investorscell@vaamaa.com](mailto:investorscell@vaamaa.com)

(xvi) Chairman's Certificate on Code of conduct

The Board has adopted a Code of conduct for the Board members and Senior Management Personnel of the Company and the same has also been posted in the website of the Company.

The requisite certificate affirming the compliance with the Code of conduct has also been obtained from the Board members and Senior Management personnel to whom this code of conduct is applicable.

For and on behalf of the Board

Chennai  
24<sup>th</sup> May, 2010

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

**CERTIFICATE**

To  
The Board of Directors  
Super Sales India Limited

- (a) I hereby certify that I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2010 and that to the best of my knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year 2009 - 10, which are fraudulent, illegal or violate any of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls and that the same have been evaluated for the effectiveness of the internal control system of the Company. I am of the opinion that the design or operations of internal controls are in order. There is no deficiency in the design or operation of internal controls of which I am aware.
- (d) I have indicated to the auditors and the Audit committee that there is no significant
- (i) changes in internal control during the year;
  - (ii) changes in accounting policies during the year; and
  - (iii) fraud of which I am aware of and there is no involvement of the management or an employee having a significant role in the Company's internal control system.

Chennai  
24<sup>th</sup> May, 2010

(Sd.) **S. RAVINDRAN**  
DGM- Finance

**CERTIFICATE**

To  
The Members of Super Sales India Limited

We have examined the compliance of conditions of Corporate Governance by Super Sales India Limited, for the year ended on 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said Company, with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered accountants of India, we have to state that based on the representation given by the Registrars of the Company to the Investors' Grievance Committee as on March 31, 2010, there were no investors' grievance matters against the Company remaining pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness, with which, the management has conducted the affairs of the Company.

Coimbatore  
26<sup>th</sup> May, 2010

For **S. KRISHNAMOORTHY & CO.,**  
Chartered Accountants  
(Reg. No. 001496S)  
(Sd.) **K.N. SREEDHARAN**  
Partner, Auditor  
Membership No. 12026

**AUDITORS' REPORT**

To

The Members of Super Sales India Limited

1. We have audited the attached Balance Sheet of SUPER SALES INDIA LIMITED, as at 31<sup>st</sup> March, 2010 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph 3 above ;
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e. On the basis of the written representations received from Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that no director of the Company is disqualified as on March 31, 2010, for appointment as a Director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956; and
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In the case of Balance Sheet, of the state of Company's affairs as on 31<sup>st</sup> March, 2010,
    - ii. In the case of Profit and Loss Account, of the Profit for the year ended on that date, and
    - iii. In the case of cash flow statement, of the cash flow for the year ended on that date.

Place: Coimbatore  
Date : 26<sup>th</sup> May, 2010

For **S. KRISHNAMOORTHY & CO.,**  
Chartered Accountants  
(Reg. No. 001496S)  
(Sd.) **K.N. SREEDHARAN**  
Partner, Auditors  
Membership No.12026



**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification ;
- (c) The Company has not disposed off a substantial part of fixed asset during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management ;
- (b) Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) Company is maintaining proper records of inventory and material discrepancies, if any, noticed on physical verification have been properly dealt with in the books of account;
- (iii) The Company has not taken/granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts and agreements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the explanations given to us, the Company has complied with the provisions of the section 58A or any other relevant provisions of the Act and the rules framed there under, with regard to the deposits accepted from the public;
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the cost records u/s.209(1)(d) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed arrears of statutory dues were outstanding as on 31<sup>st</sup> March, 2010 for a period of more than 6 months from the date they become payable.
- (b) According to the records of the Company, the following are disputed statutory dues remaining unpaid :

Sl. No.	Name of the Statute	Period to which amount relates	Nature of Demand	Amount disputed (Rs.)	Amount paid	Forum where dispute is pending
1.	Service Tax	Upto 31.3.2003	Tax on Agency Commission	8,100,293	Nil	CESTAT, Chennai
2.	Service Tax Penalty	Upto 31.3.2003	Penalty	6,331,600	Nil	CESTAT, Chennai
3.	Service Tax	Prior to 1.7.2003	Tax on erection charges	1,266,825	Nil	CESTAT, Chennai

- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash loss in the current and the immediately preceding financial year;
- (xi) The Company has not defaulted in repayment of dues to financial institution or bank;
- (xii) During the year the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) The provisions of special statute applicable to Chit fund, Nidhi/Mutual Benefit fund/Societies are not applicable to the Company ;
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments;
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions;
- (xvi) The Company has applied the term loans for the purpose of which it is availed.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance sheet of the Company, no funds raised on short term basis have, prima facie, been used during the year for long term investment.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act;
- (xix) During the year the Company has not issued any debentures;
- (xx) During the year the Company has not raised money by public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **S. KRISHNAMOORTHY & CO.,**  
Chartered Accountants  
(Reg. No. 001496S)  
(Sd.) **K.N. SREEDHARAN**  
Partner, Auditors  
Membership No.12026

Place: Coimbatore  
Date : 26<sup>th</sup> May, 2010

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

	Schedule	31.03.2010 Rs.	31.03.2009 Rs.
<b>A. SOURCE OF FUNDS</b>			
SHARE HOLDERS' FUNDS			
Share Capital	1	30,715,000	30,715,000
Reserves and Surplus	2	586,032,096	441,164,691
LOAN FUNDS			
Secured Loans	3	729,559,223	599,764,462
Unsecured Loans	4	16,584,611	131,170,925
DEFERRED TAX LIABILITY		127,259,198	105,828,391
<b>TOTAL</b>		<b>1,490,150,128</b>	<b>1,308,643,469</b>
<b>B. APPLICATION OF FUNDS</b>			
FIXED ASSETS			
Gross Block	5	1,818,742,022	1,708,067,263
Less : Depreciation		790,266,360	781,722,133
Net Block		1,028,475,662	926,345,130
INVESTMENTS	6	16,739,751	16,740,251
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		268,256,363	147,201,115
Sundry Debtors		149,678,246	120,279,501
Cash & Bank Balances		46,549,676	15,168,041
Other current assets		31,768,035	18,297,708
Loans & Advances		154,802,788	124,931,613
<b>Sub-Total</b>	(i)	<b>651,055,108</b>	<b>425,877,978</b>
Less: CURRENT LIABILITIES AND PROVISIONS	8		
Current Liabilities		116,985,379	57,158,572
Provisions		89,135,014	3,161,318
<b>Sub-Total</b>	(ii)	<b>206,120,393</b>	<b>60,319,890</b>
Net Current Assets	(i-ii)	444,934,715	365,558,088
MISCELLANEOUS EXPENDITURE		-	-
<b>TOTAL</b>		<b>1,490,150,128</b>	<b>1,308,643,469</b>
Significant Accounting Policies	19		
Notes forming part of the accounts	20		
Cash Flow Statement	21		

Note : Schedules referred to above form part of these accounts.

As per our report annexed

For **S . KRISHNAMOORTHY & CO.,** (001496 S)

Chartered Accountants

(Sd.) **R. VENKATRANGAPPAN**

Chairman

(Sd.) **K.N.SREEDHARAN**

Partner

Membership No. 12026

Coimbatore

26<sup>th</sup> May, 2010

(Sd.) **S.K. RADHAKRISHNAN**

Company Secretary

(Sd.) **SANJAY JAYAVARTHANAVELU**

Director

Chennai

24<sup>th</sup> May, 2010

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

	Schedule	31.03.2010 Rs.	31.03.2009 Rs.
<b>A. INCOME</b>			
Gross Sales	9	1,092,034,141	846,988,851
Less: Excise Duty		-	-
Net Sales		1,092,034,141	846,988,851
Wind Energy Receipts		98,661,150	78,088,383
Commission Receipts		81,012,339	103,956,824
Stock Adjustment	10	9,937,232	(64,873,805)
Other Income	11	41,028,838	31,768,049
<b>Total Income</b>		<u>1,322,673,700</u>	<u>995,928,302</u>
<b>B. EXPENDITURE</b>			
Goods Consumed	12	521,655,732	437,681,417
Operating Expenses	13	208,044,922	188,875,437
Employee Cost	14	89,794,105	88,181,662
Repairs	15	32,656,323	31,811,110
Administrative and other overheads	16	40,449,985	36,436,288
Selling overheads	17	14,997,443	15,546,246
Interest and finance charges	18	45,811,853	60,124,886
Depreciation		110,767,189	127,100,213
<b>Total Expenditure</b>		<u>1,064,177,552</u>	<u>985,757,259</u>
<b>PROFIT BEFORE TAX</b>		<b>258,496,148</b>	<b>10,171,043</b>
Provision for Income Tax - Current Tax		53,200,000	655,216
- Deferred Tax (Net)		21,430,807	2,763,137
Provision for Fringe Benefit Tax		-	350,000
<b>PROFIT AFTER TAX</b>		<b>183,865,341</b>	<b>6,402,690</b>
Add : Excess Provision of tax reversed		116,931	2,306,161
Less : Prior year Taxes		1,835,617	86,550
Add : Excess Provision of Expenses reversed		58,347	279,376
Add : Prior year income / depreciation		-	524,254
Less : Prior year expenses - Bonus		1,377,093	149,966
Less : Prior year expenses - Leave salary		25,490	524,026
<b>PROFIT AFTER PRIOR YEAR ADJUSTMENTS</b>		<b>180,802,419</b>	<b>8,751,939</b>
Add : Balance brought forward		156,785,809	151,189,972
<b>TOTAL</b>		<u>337,588,228</u>	<u>159,941,911</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend		30,715,000	1,842,900
Tax on Dividend		5,220,014	313,202
Transferred to General Reserve		100,000,000	1,000,000
Balance carried over to Balance Sheet		201,653,214	156,785,809
<b>TOTAL</b>		<u>337,588,228</u>	<u>159,941,911</u>
Earnings Per Share of face value of Rs. 10/- Each.		<b>58.86</b>	<b>2.85</b>

Note : Schedules referred to above form part of these accounts.

As per our report annexed

For **S . KRISHNAMOORTHY & CO.,** (001496 S)

Chartered Accountants

(Sd.) **R. VENKATRANGAPPAN**

Chairman

(Sd.) **K.N.SREEDHARAN**

Partner

Membership No. 12026

Coimbatore

26<sup>th</sup> May, 2010

(Sd.) **S.K. RADHAKRISHNAN**

Company Secretary

(Sd.) **SANJAY JAYAVARTHANAVELU**

Director

Chennai

24<sup>th</sup> May, 2010

**Schedules Annexed to the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.**

	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
AUTHORISED :		
5,000,000 Equity Shares of Rs.10/- each	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
3,071,500 Equity Shares of Rs.10/- each (of the above 250,000 Shares have been allotted as fully paid up by way of Bonus Shares by Capitalisation of General Reserve)	<u>30,715,000</u>	<u>30,715,000</u>
<b>TOTAL</b>	<u><b>30,715,000</b></u>	<u><b>30,715,000</b></u>
<b>SCHEDULE - 2: RESERVES AND SURPLUS</b>		
a) SHARE PREMIUM	<u>71,860,000</u>	<u>71,860,000</u>
b) GENERAL RESERVE		
As per last Balance Sheet	<u>206,142,331</u>	<u>205,142,331</u>
Add: transferred from Profit and Loss Account	<u>100,000,000</u>	<u>1,000,000</u>
<b>Sub Total</b>	<u><b>306,142,331</b></u>	<u><b>206,142,331</b></u>
c) BALANCE IN PROFIT AND LOSS ACCOUNT	<u>201,653,214</u>	<u>156,785,809</u>
d) INVESTMENT FLUCTUATION RESERVE	<u>6,376,551</u>	<u>6,376,551</u>
<b>TOTAL</b>	<u><b>586,032,096</b></u>	<u><b>441,164,691</b></u>
<b>SCHEDULE - 3 : SECURED LOANS</b>		
From Banks -		
Cash Credit Account (Limit Rs. 137.20 Millions)	<u>136,043,997</u>	<u>80,411,582</u>
Term Loans from Banks	<u>593,515,226</u>	<u>519,352,880</u>
<b>TOTAL</b>	<u><b>729,559,223</b></u>	<u><b>599,764,462</b></u>
<b>SCHEDULE - 4 : UNSECURED LOANS</b>		
Fixed Deposits	<u>13,500,000</u>	<u>24,445,000</u>
Add: Interest accrued & due but Unclaimed	<u>3,356</u>	<u>3,356</u>
<b>Sub Total</b>	<u><b>13,503,356</b></u>	<u><b>24,448,356</b></u>
Short Term Loan from Bank	-	<u>100,000,000</u>
Add: Interest accrued and due	-	<u>611,031</u>
Sales Tax Deferred	<u>3,081,255</u>	<u>6,111,538</u>
<b>Sub Total</b>	<u><b>3,081,255</b></u>	<u><b>106,722,569</b></u>
<b>GRAND TOTAL</b>	<u><b>16,584,611</b></u>	<u><b>131,170,925</b></u>

**Schedules Forming Part of the Balance Sheet as at 31<sup>st</sup> March, 2010**

**SCHEDULE - 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	COST UPTO 31.03.2009 Rs.	ADDITION / SALES Rs.	COST UPTO 31.03.2010 Rs.	UPTO 31.03.2009 Rs.	FOR THE YEAR Rs.	UPTO 31.03.2010 Rs.	AS ON 31.03.2010 Rs.	AS ON 31.03.2009 Rs.
LAND	43,659,895	7,297,589	50,957,484	-	-	-	50,957,484	43,659,895
BUILDINGS	200,002,345	240,718	200,243,063	52,608,504	6,421,795	59,030,299	141,212,764	147,393,841
PLANT AND MACHINERY	1,434,958,328	214,351,378 (113,117,209)	1,536,192,497	715,443,859	101,349,868 (101,929,427)	714,864,300	821,328,197	719,514,469
FURNITURE AND OFFICE EQUIPMENTS	6,598,425	514,666	7,113,091	3,210,959	383,657	3,594,616	3,518,475	3,387,466
VEHICLES	12,011,298	874,427 (330,974)	12,554,751	3,916,927	1,152,508 (293,535)	4,775,900	7,778,851	8,094,371
COMPUTERS	10,836,972	-	10,836,972	6,541,884	1,459,361	8,001,245	2,835,727	4,295,088
CAPITAL WORK IN PROGRESS	-	844,164	844,164	-	-	-	844,164	-
<b>TOTAL</b>	<b>1,708,067,263</b>	<b>224,122,942</b> <b>(113,448,183)</b>	<b>1,818,742,022</b>	<b>781,722,133</b>	<b>110,767,189</b> <b>(102,222,962)</b>	<b>790,266,360</b>	<b>1,028,475,662</b>	<b>926,345,130</b>
PREVIOUS YEAR	1,659,023,784	55,106,708 (6,063,229)	1,708,067,263	655,712,401	127,100,213 (1,090,481)	781,722,133	926,345,130	1,007,240,821

**Face Value**

**31.03.2010  
Rs.**

**31.03.2009  
Rs.**

**SCHEDULE - 6 : INVESTMENTS**

**A. Non trade : Quoted**

179,480 Equity Shares of Rs.10/-  
each in Lakshmi Machine Works Ltd.

1,794,800

**8,314,600**

8,314,600

36,100 Equity shares of Rs.10/-  
each in Indian Overseas Bank  
(Market value of quoted investments  
Rs. 328,599,973/-  
(Previous Year Rs.92,262,002)

361,000

**361,000**

361,000

**Sub Total**

**8,675,600**

**8,675,600**

**Schedules Annexed to the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.**

	Face Value	31.03.2010 Rs.	31.03.2009 Rs.
<b>B. Non trade : Unquoted</b>			
1,125,000 equity shares of SL Rs.10/- each in Pugoda Textiles Lanka Ltd SL Rs.11,250,000/-	5,672,886	<b>8,064,051</b>	8,064,051
10 Shares of Rs.10/- each in GKD Textiles Employees' Co-op. Stores	100	<b>100</b>	100
7 Years National Savings Certificate	500	-	500
<b>Sub Total</b>		<b>8,064,151</b>	<b>8,064,651</b>
<b>TOTAL</b>		<b>16,739,751</b>	<b>16,740,251</b>
<b>SCHEDULE - 7 : CURRENT ASSETS</b>			
<b>A. Inventories</b>			
As per the Inventories Certified by a Director and valued			
1. Stock of stores and spares at weighted average cost		<b>11,040,310</b>	16,109,773
2. STOCK - IN - TRADE			
Raw Materials at cost		<b>213,708,317</b>	99,859,239
Finished goods partly at cost and partly at realisable value		<b>27,307,523</b>	17,132,442
Waste at realisable value		<b>514,496</b>	752,345
On process at estimated average cost.		<b>15,685,717</b>	13,347,316
<b>Sub Total</b>		<b>268,256,363</b>	<b>147,201,115</b>
<b>B. Sundry Debtors</b>			
(Unsecured and considered good) for a period exceeding six months		<b>6,620,469</b>	8,918,751
Others		<b>143,057,777</b>	111,360,750
<b>Sub Total</b>		<b>149,678,246</b>	<b>120,279,501</b>
<b>C. Cash and Bank Balances</b>			
Cash on Hand		<b>256,970</b>	326,448
<b>Cash with Scheduled Banks:</b>			
In Current Accounts		<b>30,550,265</b>	11,367,916
In Deposit Accounts		<b>4,650,000</b>	700,000
In Margin Accounts		<b>9,083,704</b>	798,460
In Dividend Warrant Accounts		<b>2,008,737</b>	1,975,217
<b>Sub Total</b>		<b>46,549,676</b>	<b>15,168,041</b>

**Schedules Annexed to the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.**

	31.03.2010 Rs.	31.03.2009 Rs.
<b>D. Other current Assets</b>		
Interest Receivable	3,161,078	2,603,440
Income Receivable	28,606,957	15,694,268
<b>Sub Total</b>	<b>31,768,035</b>	<b>18,297,708</b>
<b>E. Loans and Advances</b>		
Advances recoverable in cash or in kind (for value to be received, unsecured, considered good)	62,936,624	66,901,325
Earnest and security Deposits	21,721,697	23,240,940
Advance payment of Taxes	68,492,274	33,402,240
Prepaid Expenses	1,652,193	1,387,108
<b>Sub Total</b>	<b>154,802,788</b>	<b>124,931,613</b>
<b>TOTAL</b>	<b>651,055,108</b>	<b>425,877,978</b>

**SCHEDULE - 8 : CURRENT LIABILITIES AND PROVISIONS**

**A. Current Liabilities**

Liabilities for Goods-Micro, Small & Medium Enterprises	1,612,122	748,690
Liabilities for Goods - others	73,419,447	25,766,032
Liabilities for Expenses	29,435,702	17,903,949
Liabilities for other Finance	5,799,990	6,383,384
Customers Credit Balance	4,359,325	3,775,311
Interest accrued but not due	350,056	605,989
Investor Education and Protection Fund		
Unclaimed Dividend	2,008,737	1,975,217
<b>Sub Total</b>	<b>116,985,379</b>	<b>57,158,572</b>

**B. Provisions**

Provision for Taxation	53,200,000	655,216
Provision for FBT	-	350,000
Proposed Dividend	30,715,000	1,842,900
Tax on Dividend	5,220,014	313,202
<b>Sub Total</b>	<b>89,135,014</b>	<b>3,161,318</b>
<b>TOTAL</b>	<b>206,120,393</b>	<b>60,319,890</b>



**Schedules Annexed to the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.**

	31.03.2010 Rs.	31.03.2009 Rs.
<b>SCHEDULE : 9 SALES</b>		
Domestic Sales	877,273,956	718,013,831
Direct Export	23,246,009	29,465,647
Merchant Export	119,790,727	32,156,593
Waste Sales	68,567,189	51,810,461
Trading Sales	833,735	2,406,195
Job Receipts ( TDS - Rs.1,52,969 )	2,322,525	13,136,124
<b>TOTAL</b>	<b>1,092,034,141</b>	<b>846,988,851</b>
<b>Commission Receipts (TDS - Rs.90,77,575)</b>	<b>81,012,339</b>	<b>103,956,824</b>
<b>SCHEDULE 10: STOCK ADJUSTMENT</b>		
Closing Stock of Finished Goods	27,307,523	17,132,442
Closing Stock of Waste	514,496	752,345
<b>TOTAL</b>	<b>27,822,019</b>	<b>17,884,787</b>
LESS :		
Opening Stock of Finished Goods	17,132,442	81,579,928
Opening Stock of Waste	752,345	1,178,664
<b>TOTAL</b>	<b>17,884,787</b>	<b>82,758,592</b>
<b>Increase / Decrease in stock</b>	<b>9,937,232</b>	<b>(64,873,805)</b>
<b>SCHEDULE 11: OTHER INCOME</b>		
Erection charges Receipts (TDS- Rs.47,770 )	12,354,500	17,307,000
Dividend Income	2,854,650	4,613,350
Interest Receipts ( TDS- Rs.267,390 )	3,733,316	4,376,657
Profit on sale of assets	12,057,993	996,000
Miscellaneous Receipts	10,028,379	4,475,042
<b>TOTAL</b>	<b>41,028,838</b>	<b>31,768,049</b>
<b>SCHEDULE 12 : GOODS CONSUMPTION</b>		
<b>OPENING STOCK</b>		
Raw Materials	99,859,239	182,208,296
On Process	13,347,316	16,044,381
<b>ADD : Purchases</b>	<b>637,843,211</b>	<b>352,635,295</b>
<b>Sub Total</b>	<b>751,049,766</b>	<b>550,887,972</b>
<b>LESS : CLOSING STOCK</b>		
Raw Materials	213,708,317	99,859,239
On Process	15,685,717	13,347,316
<b>Sub Total</b>	<b>229,394,034</b>	<b>113,206,555</b>
<b>TOTAL</b>	<b>521,655,732</b>	<b>437,681,417</b>

**Schedules Annexed to the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010.**

	31.03.2010 Rs.	31.03.2009 Rs.
<b>SCHEDULE 13 : OPERATING EXPENSES</b>		
Stores and Spares Consumed	41,355,208	44,484,542
Power and Fuel	<u>166,689,714</u>	<u>144,390,895</u>
<b>TOTAL</b>	<b><u>208,044,922</u></b>	<b><u>188,875,437</u></b>
<b>SCHEDULE 14 : EMPLOYEE COST</b>		
Wages and Salaries	77,201,690	73,893,582
Gratuity	500,000	1,363,274
Provident Fund Contribution	3,531,161	3,572,992
Workmen Welfare Expenses	<u>8,561,254</u>	<u>9,351,814</u>
<b>TOTAL</b>	<b><u>89,794,105</u></b>	<b><u>88,181,662</u></b>
<b>SCHEDULE 15 : REPAIRS</b>		
Repairs to Building	2,744,424	3,657,334
Repairs to Machinery	29,738,846	27,969,479
Repairs to Others	<u>173,053</u>	<u>184,297</u>
<b>TOTAL</b>	<b><u>32,656,323</u></b>	<b><u>31,811,110</u></b>
<b>SCHEDULE 16 : ADMINISTRATIVE EXPENSES</b>		
Insurance	1,877,132	2,729,140
Rates & Taxes (Other than on Income)	2,355,883	2,254,898
Administrative Expenses	15,214,417	15,058,493
Travelling expenses - Directors	74,635	97,378
Foreign Exchange Fluctuation Expenses	-	8,785,299
Donation	4,031,000	2,000,150
Rent Paid	4,230,124	1,908,135
Auditors remuneration	168,208	165,450
Sitting fees	280,000	315,000
Yarn conversion charges	10,890,734	2,561,751
Loss on sale of Assets	71,788	60,594
Loss on fire damage	1,255,564	-
Investment written off	500	500,000
<b>TOTAL</b>	<b><u>40,449,985</u></b>	<b><u>36,436,288</u></b>
<b>SCHEDULE 17 : SELLING OVERHEADS</b>		
Selling Expenses including Stock Transfer Expenses	3,225,009	4,814,368
Sales Promotion Expenses	119,756	261,202
Commission and Brokerage	<u>11,652,678</u>	<u>10,470,676</u>
<b>TOTAL</b>	<b><u>14,997,443</u></b>	<b><u>15,546,246</u></b>
<b>SCHEDULE 18 : INTEREST &amp; FINANCE CHARGES</b>		
Interest on Fixed loan	26,218,570	31,855,159
Interest on Deposits	1,827,067	2,625,492
Interest on Others	772,646	3,037,506
Other Interest & Bank Charges	<u>16,993,570</u>	<u>22,606,729</u>
<b>TOTAL</b>	<b><u>45,811,853</u></b>	<b><u>60,124,886</u></b>

**SCHEDULE 19****SIGNIFICANT ACCOUNTING POLICIES :****1. SYSTEM OF ACCOUNTING :**

These Accounts are prepared under historical Costing Convention, with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as receivable or payable during the year as a going concern and in accordance with accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 to the extent applicable.

**FIXED ASSETS & DEPRECIATION :**

Cost of Civil Works is capitalised and pro-rata Depreciation is claimed only on such area occupied and utilised. On Capital work in progress, no depreciation is claimed / charged.

Fixed assets are stated at cost net of cenvat and tnvat wherever applicable. Interest on borrowals and the amount of exchange rate fluctuation on Foreign Currency Term loan availed for acquisition of fixed assets are capitalised and considered as cost of concerned asset. The Depreciation on Fixed Assets has been provided on straight line method at the rates specified in Schedule XIV of the Companies Amendment Act, 1988 and in respect of those acquired / purchased / commissioned during the year on pro-rata basis.

Depreciation on the increase in value of fixed assets as a result of revaluation is recouped from fixed assets revaluation reserve.

**2. INVENTORIES - BASIS OF VALUATION :**

Inventories are valued at lower of cost and net realisable value.

- a. The raw materials are valued using identifiable lot cost.
- b. Value of finished goods is inclusive of excise duty wherever applicable
- c. Cost of finished goods is determined as cost of raw materials and other manufacturing cost. In respect of semi - finished goods cost is taken as cost of the materials and estimated conversion cost, up to completed stage.
- d. Stores, Spares and Components are valued at weighted average cost.
- e. By- Products and waste are valued at net realizable value.

**3. EMPLOYEE BENEFITS :**

Short term employee benefits ( other than termination benefits) which are payable within twelve months after the end of the period in which the employees render the service are accounted on accrual basis.

Defined contribution plans.

Company 's contribution paid/ payable during the year to provident fund is recognized in the profit and loss account.

Defined benefit plan.

The gratuity payable to the employees is covered by a Master policy taken out with Life Insurance Corporation of India under its Group Gratuity Scheme and the Company has opted for the cash Accumulation Method. Earned leave provision has been made as per AS 15 (Revised) .

**4. INVESTMENTS :**

Investments are valued at cost. A reserve has been created for diminution in value of individual investment to recognize decline in value of the investments.

**5. FOREIGN CURRENCY TRANSACTIONS :**

Income on export sales has been accounted on the basis of exchange rate prevailing on the date of transaction. Difference, if any, between the amount accounted and actual amount realised on account of fluctuation in exchange rate has been accounted and charged / credited to the Profit & Loss Account. The Foreign Exchange Fluctuations on account of receivables in export sales has been transferred to foreign exchange fluctuation account.

The import of goods are accounted on the date of receipt of goods using exchange rate prevailing on the date of transaction. The difference between the amount actually paid and accounted is charged to Profit & Loss Account. The Foreign Exchange Fluctuation on account of payables has been transferred to Foreign Exchange Fluctuation Account

The Company has exercised the option available under the amended AS 11 in respect of Foreign currency loans availed for acquisition of capital assets and capitalized the exchange rate fluctuation during the year.

**6. IMPAIRMENT OF ASSETS.**

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indication of impairment of those assets and charged to Profit & Loss Account as prescribed in AS 28..

**7. LEASES.**

In the case of operating lease, lease rentals are recognized as an expense in the Profit & Loss Account as per the lease terms in the year in which it is incurred.

**8. TAXATION :**

The Current Income tax is provided using the rates applicable for the year.

Deferred tax for timing differences between tax profits and book profits is accounted for, using the tax rates and laws that have been enacted or subsequently enacted as of the Balance Sheet date.

**SCHEDULE 20**

**NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31<sup>st</sup> MARCH,2010**

1. Figures have been rounded off to the nearest rupee & previous year`s figures have been regrouped wherever necessary.
2. Provision for all liabilities including depreciation is neither inadequate nor more than what is necessary.
3. The opinion of the Board is that the current assets, loans and advances will fetch the amounts stated if realised in the ordinary course of business.
4. a) The Company has not given any guarantee on behalf of the Directors or other Officers.  
 b) Amounts due from the Directors or other Officers of the Company either severally or jointly with any other person is Rs. Nil ( Previous year- Rs. Nil ).  
 c) i) a) Amounts due at the end of the year from Private Companies in which our Directors are interested as Directors are Rs. Nil ( Previous year - Rs.Nil )  
     b) Amounts due at the end of the year from Firms in which our Directors are Partners are Rs. Nil (Previous year - Rs. Nil ).  
     ii) Maximum amount due to the above companies at any time during the currency of the year is Rs. Nil (Previous year - Rs. Nil )

		<b>31.03.2010</b>	<b>31.03.2009</b>
5. Licensed capacity	Spindles	86,400	86,400
	Rotors	528	528
	Dyed Yarn	Nil	1,495 Tons

## SUPER SALES INDIA LIMITED

		31.03.2010	31.03.2009
6. Installed capacity	Spindles	81,600	78,000
	Rotors	528	528
	Dyed Yarn	Nil	1,495 Tons

The Installed capacity is as certified by the Company and has not been verified by the Auditors, being a technical matter.

7. Actual Production			
Cotton Yarn	Kgs.	4,990,830	3,974,291
Processed Yarn	Kgs.	62,087	205,050
Fabric	Metres	933,760	202,677
Wind Energy Generation	Units	30,908,563	24,797,683

The above cotton yarn production includes 400,370 kgs produced at a spinning mill taken on lease.(Previous year 176,454 Kgs.)

The above processed yarn production includes 30,314 Kgs (Previous year 159,540 Kgs) converted for others on job work basis. The charges received for the job work is Rs.2,322,525/- (Previous Year - Rs.13,136,124)

8. Turnover			
a) Cotton Yarn	Kgs.	4,623,132	4,249,302
	Rs.	935,268,730	751,567,720
b) Processed Yarn	Kgs.	71,019	199,025
	Rs.	9,989,378	9,210,135
c) Fabric	Metres	933,760	206,561
	Rs.	76,661,938	18,858,216
d) Waste	Kgs.	1,888,998	1,434,316
	Rs.	68,567,189	51,810,461
e) Trading	Kgs.	9,798	25,592
	Rs.	833,735	2,406,195
f) Wind Energy Receipts	Units	30,908,563	24,797,683
	Rs.	98,661,150	78,088,383

### 9. Stock of Goods

#### A. Opening Stock

a) Cotton Yarn	Kgs.	93,488	486,857
	Rs.	15,416,541	80,483,725
b) Processed Yarn	Kgs.	9,860	3,836
	Rs.	1,715,901	832,225
c) Fabric	Metres	-	3,884
	Rs.	-	263,978
d) Waste	Kgs.	21,612	34,396
	Rs.	752,345	1,178,664

#### B. Closing Stock

a) Cotton Yarn	Kgs.	153,659	93,488
	Rs.	27,307,523	15,416,541
b) Processed Yarn	Kgs	-	9,860
	Rs.	-	1,715,901
c) Fabric	Metres	-	-
	Rs.	-	-
d) Waste	Kgs.	20,829	21,612
	Rs.	514,496	752,345

## SUPER SALES INDIA LIMITED

**31.03.2010**

**31.03.2009**

10. Value and Quantity of Raw Materials Consumed :

a) Cotton	Kgs.	6,515,439	5,471,968
	Rs.	485,110,874	421,180,863
b) Grey yarn for Processing	Kgs.	27,287	48,016
	Rs.	3,361,211	6,490,256
c) Cotton for Fabric	Kgs.	452,516	140,151
	Rs.	33,183,647	10,010,298

CIF Value of Imports :

a) Raw Materials	Rs.	30,508,439	140,737,132
b) Stores and Spares	Rs.	372,899	639,801
c) Capital Goods	Rs.	1,678,186	-

11. The Value and percentage of Raw Materials, Components and Spare parts consumed / issued

Particulars		Indigenous Value	%	Imported Value	%
a) Raw Materials ( Cotton)	Rs.	482,534,328	93.10	35,760,193	6.90
(Previous year)	Rs.	323,783,469	74.50	107,407,692	25.50
b) Raw Materials (Grey yarn)	Rs.	3,361,211	100	Nil	Nil
(Previous year)	Rs.	6,490,256	100	Nil	Nil
c) Components & Spares	Rs.	41,248,712	99.75	106,496	0.25
(Previous year)	Rs.	43,844,741	98.56	639,801	1.44

12. Expenditure in Foreign Currency:

**31.03.2010**

**31.03.2009**

Particulars

a) Foreign Currency Term Loan Interest	Rs.	3,848,803	5,650,508
b) Traveling expenses & Subscription:	Rs.	-	154,800
c) Others	Rs.	-	1,809,148

13. Earnings in Foreign Exchange :

F O B Value of export - Yarn : Rs.6,280,549 Previous year (Nil)

14. Income tax assessment upto assessment year 2007-2008 (year ending 31.03.2007) has been completed.

15. Details of due to Micro, Small and Medium Enterprises as per MSMED Act, 2006

		<b>31.3.2010</b>
1	The Principal amount and the interest due there on remaining unpaid to any supplier as at the end of year	<b>Rs.</b>
	a. Principal Amount unpaid	<b>1,612,122</b>
	b. Interest Due	<b>Nil</b>
2	Payment and Interest made to Micro, Small and Medium Enterprises beyond the appointed day during the year	
	a. Payment made beyond the Appointed date	<b>Nil</b>
	b. Interest paid beyond the Appointed date	<b>Nil</b>
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME Development Act, 2006	<b>Nil</b>
4	The amount of interest accrued and remaining unpaid at the end of the year	<b>Nil</b>

16. The Company is holding 1,125,000 equity shares of SL Rs.10/- each in Pugoda Textiles Lanka Limited (PTLL). The government of Sri Lanka has been vested with the administration and management of the affairs of the company through the competent authority appointed by them. The Company has filed an application for compensation to the competent authority, which is yet to be finalised.

17. Secured loans from banks have been secured by hypothecation of movable properties of the company including Plant & Machinery and also by Equitable Mortgage of immovable properties by deposit of title deeds on pari passu basis.

18. Contingent liability not provided for in the accounts is :

	<b>31.03.2010</b>	<b>31.03.2009</b>
i) For Export / Domestic bills Discounted	Nil	6,958,689
ii) Export obligation under EPCG licenses is to be fulfilled by or before the end of following financial years:		

Financial Year	2010-11	2011-12	2012-13	2013-14	2014-15	Total
<b>Rs. in Million</b>	<b>40.74</b>	<b>478.40</b>	<b>64.77</b>	<b>478.40</b>	<b>24.03</b>	<b>1086.34</b>

19. Deferred Tax:

- i. Deferred tax has been provided in accordance with Accounting Standard 22 - Accounting for Taxes on Income .
- ii. The break-up of deferred tax assets / liabilities for the current year is as under: Rs.

Particulars	Opening Balance	Addition	Reversed	Closing Balance
<b>Deferred tax Liability</b>				
Difference between book & Income tax Depreciation	105,828,391	21,430,807	-	127,259,198

iii. Deferred tax assets on Long term capital loss have not been recognised due to the uncertainty of the future income under that head.

20. Related party disclosure ( As identified by the Management)

i. Related party Relationships:

- a) Subsidiary : -
- b) Other Related Parties : Lakshmi Machine Works Limited

ii) Transactions with Related Parties Rs.

Nature of Transactions	Subsidiary	Associates & Joint Ventures	Other Related Parties
Purchase of Fixed Assets			21,223,779
Purchases of Goods			37,119,652
Sale of Goods			2,234,688
Commission Receipts			23,156,273
Erection Charges Received			263,951
Others			14,024,168
Outstanding Balance as on 31.3.2010			
Payable	-	-	4,829,367
Receivable	-	-	72,416,541

iii. The undernoted companies constitute the “ Group” in terms of Regulation 3 ( 1 ) ( e ) ( i ) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended, with effect from 09.09.2002.

1. Lakshmi Machine Works Limited
2. Lakshmi Technology & Engineering Industries Limited
3. Lakshmi Cargo Company Limited
4. Eshaan Enterprises Limited
5. Walzer Hotels and Resorts Limited.



**SUPER SALES INDIA LIMITED**

	<b>31.03.2010</b>	<b>31.03.2009</b>
	Gratuity (Funded)	Gratuity (Funded)
	(Amount in Rs.)	
<b>21. Employee Benefits - Defined Benefit Plans</b>		
<b>A. Change in Present Value of the Obligation during the year</b>		
1. Present value of obligations as at beginning of year	<b>4,659,636</b>	4,292,909
2. Interest cost	<b>372,771</b>	343,433
3. Current Service Cost	<b>601,244</b>	516,596
5. Benefits Paid	<b>(1,136,954)</b>	(1,123,036)
4. Actuarial (gain) / loss on obligation	<b>417,765</b>	106,579
5. Present value of obligations as at end of year	<b>4,914,462</b>	4,136,481
<b>B. Change in the Fair value of Plan assets</b>		
1. Fair value of plan assets as at beginning of year	<b>6,512,816</b>	6,500,465
2. Expected return on plan assets	<b>553,941</b>	572,265
3. Contributions	<b>440,886</b>	563,122
4. Benefits paid	<b>(1,136,954)</b>	(1,123,036)
5. Actuarial gain / (loss) on plan assets	<b>0</b>	0
6. Fair value of plan assets as at end of year	<b>6,370,689</b>	6,512,816
<b>C. Fair Value of Plan Assets</b>		
1. Fair value of plan assets as at beginning of year	<b>6,512,816</b>	6,500,465
2. Actual return on plan assets	<b>553,941</b>	572,265
3. Contributions	<b>440,886</b>	563,122
4. Benefits paid	<b>(1,136,954)</b>	(1,123,036)
5. Fair value of plan assets as at end of year	<b>6,370,689</b>	6,512,816
6. Funded status	<b>1,456,227</b>	2,376,335
7. Excess of actual over estimated return on plan assets	<b>0</b>	0
<b>D. Actuarial Gain / Loss recognized as at end of year</b>		
1. Actuarial (gain) / loss on obligations	<b>(417,765)</b>	(106,579)
2. Actuarial (gain) / loss for the year-plan assets	<b>0</b>	0
3. Total (gain) / loss for the year	<b>417,765</b>	106,579
4. Actuarial (gain) / loss recognized in the year	<b>417,765</b>	106,579
<b>E. Net Asset/(Liability) recognised in the Balance sheet</b>		
1. Present value of obligation as at the end of year	<b>4,914,462</b>	4,136,481
2. Fair value of plan assets as at the end of year	<b>6,370,689</b>	6,512,816
3. Funded Status	<b>1,456,227</b>	2,376,335
4. Net asset / ( liability) recognised in the Balance Sheet	<b>(1,456,227)</b>	(2,376,335)
<b>F. Expenses recognised during year financial year</b>		
1. Current Service cost	<b>601,244</b>	516,596
2. Interest Cost	<b>372,771</b>	343,433
3. Expected return on plan assets	<b>(553,941)</b>	(572,265)
4. Net Actuarial (gain) / loss recognised in the year	<b>417,765</b>	106,579
5. Expenses recognised	<b>897,839</b>	394,343
<b>G. Actuarial Assumptions</b>		
1. Discount rate	<b>8.00%</b>	8.00%
2. Salary Escalation	<b>6.00%</b>	5.00%
3. Expected rate of return on plan assets	<b>8.00%</b>	8.00%

22. Leave encashment benefits have been provided as per the rules of the Company and on actuarial valuation. No separate fund has been created. Amount charged to Profit and Loss account during the year is Rs. 4,88,659/- (Previous year Rs.506,746/-)

23. Amount of contribution to Employees Provident Fund during the year is Rs.3,531,161 (Previous Year Rs.3,572,992/-)

24. The company has taken a spinning mill on lease and the lease charges of Rs.1,985,400/- has been charged to Profit and Loss account.(Previous year Rs. Nil).

25. Segment information for the year ended 31<sup>st</sup> March, 2010.

(Rs.)

S.No.	Particulars	Agency		Textiles		Wind Energy		Unallocated / Corporate		Total	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	<b>REVENUE:</b> Sales including processing charges & Commission Receipts Less: Inter- Segment Revenue	81,012,339	103,956,824	1,092,034,141	846,988,851	98,661,150	78,088,383			1,271,707,631	1,029,034,068
	Total	81,012,339	103,956,824	1,092,034,141	846,988,851	20,438,527	10,603,280	-	-	1,193,485,007	961,548,955
2	<b>RESULT:</b> PROFIT BEFORE INTEREST DEPRECIATION & TAXATION Less: Depreciation PROFIT AFTER DEPRECIATION Less: Interest Expenses	67,598,441 1,187,336 66,411,105	93,554,151 1,173,004 92,381,147	265,418,158 73,907,584 191,510,594	39,915,589 89,808,009 (49,892,420)	83,397,921 35,672,289 47,725,632	62,226,827 36,119,200 26,107,627	(1,339,330)	1,699,575	415,075,190 110,767,189 304,308,001	197,396,142 127,100,213 70,295,929
	<b>SEGMENT RESULTS - Profit Before Tax</b> Less: Prior year Expenses - Provision for Taxes - IT / FBT - Deferred tax Liabilities / (Assets) - Prior year Taxes - Bonus Leave Salary Add: Excess Provision for tax reversed Excess Provision for Exps. Reversed Prior year Income/Depreciation NET PROFIT / LOSS	66,396,204	92,360,682	152,675,609	(96,192,730)	40,763,665	12,440,494	(1,339,330)	1,562,597	258,496,148	10,171,043
									673,992		673,992
									1,005,216	53,200,000	53,200,000
									2,763,137	21,430,807	21,430,807
									86,550	1,835,617	1,835,617
									2,306,161	116,931	2,306,161
									279,376	58,347	279,376
									524,254	1,377,093	524,254
									25,490	25,490	25,490
									-	180,802,419	8,751,939
3	<b>OTHER INFORMATION:</b> Segment Assets	65,982,328	44,127,128	1,050,335,267	948,854,501	470,950,851	301,786,604	109,002,074	74,195,126	1,696,270,520	1,368,963,359
4	Segment Liabilities	7,306,232	6,888,013	643,576,491	621,627,704	196,384,340	132,548,680	69,062,150	30,190,880	916,329,213	791,255,277
5	Capital Expenditure (Incl. Capital work-in-progress)	482,298	230,585	31,556,515	32,429,125	192,084,127	22,446,998			224,122,940	55,106,708
6	Depreciation	1,187,336	1,173,004	73,907,584	89,808,009	35,672,289	36,119,200			110,767,189	127,100,213

**SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS:**

	31.03.2010		31.03.2009	
	%	Rs.	%	Rs.
Domestic Sales	100.00	10,920,034,141	100.00	846,988,851
Export Sales (Direct)	-	-	-	-
Countries to which exports were made	-	-	-	-

Notes:

- The Company has identified business segments as primary segments. The reportable segments are Agency, Textiles and wind energy divisions.
- Items of expenses and income, Assets and Liabilities (including Deferred tax liability / Assets) which are not directly attributable / identifiable / allocable to business segments are shown under unallocated/Corporate.

**SUPER SALES INDIA LIMITED**

26. Earnings per Share:		<b>31.03.2010</b>	<b>31.03.2009</b>
		Rs.	Rs.
a. Net profit after tax and prior year adjustments (a)		180,802,419	8,751,939
b. Weighted Average Number of Equity shares			
Rs.10/- each outstanding during the year (b)		3,071,500	3,071,500
c. Basic & Diluted Earnings Per Share (a/b)		58.86	2.85

## 27. Auditors Remuneration:

		<b>31.03.2010</b>	<b>31.03.2009</b>
Audit Fees		150,000	150,000
Service Tax		15,450	15,450
Other Fees		2,758	-
	Total	<u>168,208</u>	<u>165,450</u>

28. Foreign Exchange fluctuation of Rs. 9,207,940/- relating to Foreign Currency Term Loan availed for purchase of wind energy generator has been reduced from the cost of wind mill. .
29. The borrowing cost of Rs. 1,426,299/- (Previous Year Rs. 147,677/-) is added to the cost of fixed assets purchased during the year as per AS-16.
30. The interest subsidy due on the TUFSS loan amounting to Rs. 13,159,604/- (Previous Year Rs. 15,694,268/-) has been accounted under the head Income receivable.
31. Excess provision of expenses reversed represent Rs. 49,621/- towards commission Rs. 246/- towards Hank Yarn obligation transfer and Rs. 8,480/- towards reimbursement of medical expenses.
32. Other income includes an amount of Rs. 5,012,655/- being the entitlement of concession in power tariff decided by the High Court during the year under report for our Jay Textiles Unit-III.
33. The Company has carried out an exercise to ascertain the impairment if any in the carrying value of fixed assets. This has not revealed any impairment during the year.
34. The Company has not entered into any derivative transactions during the year under report.

**As per our report annexed**  
**For S.KRISHNAMOORTHY & CO.,** ( 001496 S )  
Chartered Accountants

**R.VENKATRANGAPPAN**  
Chairman

**K.N. SREEDHARAN**  
Partner  
Membership No.12026

**SANJAY JAYAVARTHANAVELU**  
Director

Coimbatore  
26<sup>th</sup> May, 2010

**S K RADHAKRISHNAN**  
Company Secretary

Chennai  
24<sup>th</sup> May, 2010



**SCHEDULE 22 : BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I	Registration Details	State Code <input type="text" value="18"/>
	Registration No. <input type="text" value="181-001109"/>	
	CIN No. <input type="text" value="L17111TZ1981PLC001109"/>	
	Balance sheet Date <input type="text" value="31032010"/>	
II	Capital raised during the year (Amount in Rs. Thousands)	
	Public Issue <input type="text" value="NIL"/>	Rights Issue <input type="text" value="NIL"/>
	Bonus Issue <input type="text" value="NIL"/>	Private Placement <input type="text" value="NIL"/>
III	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	Total Liabilities <input type="text" value="1490150"/>	Total Assets <input type="text" value="1490150"/>
	<b>Source of Funds</b>	
	Paid up Capital <input type="text" value="30715"/>	Reserve & Surplus <input type="text" value="586032"/>
	Secured Loans <input type="text" value="729559"/>	Unsecured Loans <input type="text" value="16585"/>
	<b>Application of Funds</b>	
	Net Fixed Assets <input type="text" value="1028475"/>	Investments <input type="text" value="16740"/>
	Net Current Assets <input type="text" value="444935"/>	Miscellaneous Exp. <input type="text" value="- - -"/>
	Accumulated Losses <input type="text" value="NIL"/>	Net Deferred Tax Liability/ Asset <input type="text" value="127259"/>
IV	Performance of Company (Amount in Rs. Thousands)	
	Turnover / Income from Operation <input type="text" value="1312736"/>	Total Expenditure <input type="text" value="1054240"/>
	+ - Profit before Tax adjustment <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="258496"/>	+ - Profit after Tax adjustment <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="180802"/>
	(Please tick Appropriate box + for profit, - for Loss)	
	+ - Earning per share in Rs. <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="58.86"/>	Dividend Rate % <input type="text" value="100"/>
V	Generic Names of three principle products / services of the Company. (as per monetary term)	
	Item Code No. <input type="text" value="520513"/>	
	(ITC Code) <input type="text" value="520513"/>	
	Product Description <input type="text" value="YARN"/>	

For **S . KRISHNAMOORTHY & CO.,** (001496 S)  
Chartered Accountants

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

(Sd.) **K.N.SREEDHARAN**  
Partner  
Membership No. 12026

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

(Sd.) **SANJAY JAYAVARTHANAVELU**  
Director

Coimbatore  
26<sup>th</sup> May, 2010

Chennai  
24<sup>th</sup> May, 2010