

## **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 information are placed before the Board on quarterly basis.

#### **(A) Board Composition**

The composition of the Board of Directors is:

Name	DIN	Category	Number of Other Directorships	No. of committees in Which he is Member/ Chairman
Sri. Sanjay Jayavarthanavelu	00004505	Non-Executive, Chairman, Promoter, Non Independent	11	8/4
Sri. Ravi Sam	00007465	Non-Executive, Promoter, Non Independent	10	7/0
Sri. J. Raghupathy	00003351	Non-Executive, Independent	2	3/3
Sri. S. Venkataraman	02538050	Non-Executive, Independent	1	4/0
Sri. S. K. Najmul Hussain	02723029	Non-Executive, Independent	4	4/0
Smt. Vijayalakshmi Narendra	00412374	Non-Executive, Independent, Woman Director	2	--
Sri. N. R. Selvaraj	00013954	Executive, Non Independent	6	4/1

Number of Membership/Chairmanship in committees of all Directors is within the Limits specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

Four Board Meetings were held during the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018, on 23.05.2017, 04.08.2017, 27.10.2017, and 30.01.2018. Details of attendance of each Director at the Board meeting and Last AGM during the financial year ended 31<sup>st</sup> March, 2018 are given below:

Name of the Director/ Date of Meetings	AGM on				
	23.05.2017	04.08.2017	27.10.2017	30.01.2018	04.08.2017
Sri. Sanjay Jayavarthanavelu	✓	✓	✓	✓	✓
Sri. Ravi Sam	✓	✗	✗	✗	✗
Sri. J. Raghupathy	✓	✓	✓	✓	✓
Sri. S. Venkataraman	✓	✓	✓	✓	✓
Sri. S. K. Najmul Hussain	✗	✓	✓	✓	✓
Smt. Vijayalakshmi Narendra	✓	✓	✓	✓	✓
Sri. N. R. Selvaraj	✓	✓	✓	✓	✓

No Director is related to other Directors

Non- Executive Directors' share holding:

Sri. Sanjay Jayavarthanavelu : 216288 shares

Sri. Ravi Sam : 1000 shares

Sri. J. Raghupathy : 1500 shares

Sri. S. Venkataraman : Nil

Sri S. K. Najmul Hussain : Nil

Smt. Vijayalakshmi Narendra : Nil

The familiarisation programmes were held on 28<sup>th</sup> March, 2018 at Jay Textiles Unit I & II. All the independent directors were present for the above two programmes.

In addition to the above all the improvements and major changes in the operations or functions of the Company are updated to the Directors in the Board and its Committee meetings. The details of the familiarisation programmes are available at <http://www.supersales.co.in/directors.html>

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

Sri. Ravi Sam, Director (DIN 00007465) is retiring at the ensuing annual general meeting. He is eligible and offers himself for re- appointment.

Brief profile, other directorships, Committees in which he is member/ Chairman, details of his shareholding and inter-se relationships are given in the Notice of the Annual General Meeting.

**3. 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 conforming to the requirements specified in Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Committee has been reconstituted on 20.01.2014 and at present, the Committee consists of the following Directors as its Members:

1. Sri. J. Raghupathy - Chairman
2. Sri. Ravi Sam - Member
3. Sri. S. Venkataraman - Member
4. Sri. S.K. Najmul Hussain - Member
5. Sri. N. R. Selvaraj - Member

The Committee has met 4 times during the financial year ended 31<sup>st</sup> March, 2018.

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

Details of attendance of each member at the Audit Committee meeting held during the year 2017-18 are given below :

Name of the Director/ Date of Meetings	23.05.2017	04.08.2017	27.10.2017	30.01.2018
Sri. J. Raghupathy	✓	✓	✓	✓
Sri. Ravi Sam	✓	✗	✗	✗
Sri. S. Venkataraman	✓	✓	✓	✓
Sri. S. K. Najmul Hussain	✗	✓	✓	✓
Sri. N. R. Selvaraj	✓	✓	✓	✓

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Committee has been formed to determine the Company's policy on remuneration package to the Directors, Key Managerial Personnel and other Employees and identify suitable person for the directorship and senior management. The Committee has been reconstituted on 20.01.2014 and the reconstituted Committee consists of the following Directors as its Members.

- 1. Sri. J. Raghupathy - Chairman
- 2. Sri. Ravi Sam - Member
- 3. Sri. S. Venkataraman - Member
- 4. Sri. S.K. Najmul Hussain - Member

There is no Nomination and Remuneration Committee meeting held during the financial year ended 31<sup>st</sup> March, 2018.

Performance evaluation criteria for independent directors: Securities Exchange Board of India has issued a guidance note for evaluation of the Directors for evaluation of Board as a Whole, Individual directors (including independent Directors and Chairman) and various Committees. Based on the guidance note, Nomination and Remuneration Committee has adopted criteria to evaluate the independent directors. Criteria are : Qualification, experience, knowledge & competency, ability to fulfill allotted functions/rolls, ability to function as a team, pro-activeness, participation and attendance, commitments, contribution, integrity, independence from Company, ability to articulate independent views and judgment. Based on these Criteria, the evaluations have been carried out.

**5. REMUNERATION OF DIRECTORS**

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, 2018.

At present, the Company pays only sitting fees to all the Non-Executive Directors for attending the Board, Committee or meeting of the directors.

Remuneration and sitting fee paid to the Directors during the financial year ended 31<sup>st</sup> March, 2018 are as follows:

Name	(Amount in Rupees.) Sitting fee
Sri. Sanjay Jayavarthanavelu	1,00,000
Sri. Ravi Sam	50,000
Sri. J. Raghupathy	2,75,000
Sri. S.Venkataraman	2,50,000
Sri. S. K. Najmul Hussain	2,50,000
Smt. Vijayalakshmi Narendra	1.25,000

Remuneration paid to Sri. N. R. Selvaraj, Managing Director during the year 2017-18:

Particulars	Amount in Rupees.
Basic Salary	36,00,000
HRA	18,00,000
Special Allowance	4,32,000
Medical Reimbursement	2,99,880
Leave travel assistance	2,00,000

**Other Benefits:**

Company has provided a car with Driver and Telephone for official use.

He is entitled to gratuity and encashment of leave as per the rules of the Company. All the payments mentioned above to the Managing Director are fixed in nature and there is no performance linked payment to him.

Sri. N. R. Selvaraj has been appointed as Managing Director of the Company with effect from 1<sup>st</sup> February, 2017. He is not entitled to sitting fee for attending the Board and Committee meetings.

Criteria for making payment to the Non-executive Directors were uploaded in the website and the same is available at [http:// www. supersales.co.in/policies.html](http://www.supersales.co.in/policies.html).

No other remuneration, Benefit, other than the above, Bonus, Stock Option, Performance linked incentives, Severance fee and Pension are given to any Directors.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

The Committee has been reconstituted on 20.01.2014 and the reconstituted Committee consists of the following Directors as its Members:

- 1. Sri. J. Raghupathy - Chairman
- 2. Sri. S. K. Najmul Hussain - Member
- 3. Sri. N. R. Selvaraj - Member

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

During the financial year the Company has not received any complaint from the investors. The outstanding complaint as on 31<sup>st</sup> March, 2018 was Nil. The Committee has met 2 times during the financial year ended 31<sup>st</sup> March, 2018.

Particulars of Stakeholders Relationship Committee Meeting and attendance of the members present at the meetings are given below:

Name of the Director \ Date of Meeting	04.08.2017	30.01.2018
Sri. J. Raghupathy	✓	✓
Sri. S. K. Najmul Hussain	✓	✓
Sri. N. R. Selvaraj	✓	✓

**7. 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	Wednesday	12.08.2015	3:30 PM
-- do --	AGM	Monday	01.08.2016	12:05 PM
-- do --	AGM	Friday	04.08.2017	2:45 PM

- 1. During 2014-15 one special resolution was passed -  
At the 33<sup>rd</sup> AGM held on 12.08.2015 one special resolution was passed to approve the material related party transactions with M/s. Lakshmi Machine Works Limited as per clause 49 of the Listing agreement entered with the Stock Exchanges.
- 2. During 2015-16 one special resolution was passed-  
At the 34<sup>th</sup> AGM held on 01.08.2016 one special resolution was passed to appoint Sri. N. R. Selvaraj as Managing Director of the Company.

3. The Company has not passed any special resolution during the year 2016-17.

The Company has not conducted any business by postal Ballot as provided in Rule 22 of the Companies (Management and Administration) Rules, 2014 during the year 2017-18.

There is no proposal to conduct any business through Postal Ballot at the ensuing Annual General Meeting.

### **8. 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. There is no official release and presentation to institutional investors or analysts during the year.

### **9. GENERAL SHAREHOLDERS INFORMATION**

#### **a. Annual General Meeting**

Day & Date : Thursday, the 26<sup>th</sup> July, 2018  
 Time : 3.30 PM  
 Venue : 'Nani Kalai Arangam'  
 Mani Higher Secondary School,  
 Pappanaickenpalayam, Coimbatore - 641 037

#### **b. Financial year - 2018-19**

##### Financial Calendar (2018-19)

Results for the financial year 2017-18 : 29<sup>th</sup> May, 2018  
 Posting of Annual Report : On or before 1<sup>st</sup> July, 2018  
 Last date of receipt of proxy forms : 24<sup>th</sup> July, 2018  
 Announcement of Quarterly Results : July, 2018, October, 2018, January, 2019 & May, 2019

c. Dividend Payment Date : on or before 24.08.2018

#### **d. Listing on Stock Exchanges and payment of Listing Fee**

The shares of the Company are listed in BSE Limited, Mumbai. The Company has paid the Listing fee for the years 2017-18 and 2018-19.

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

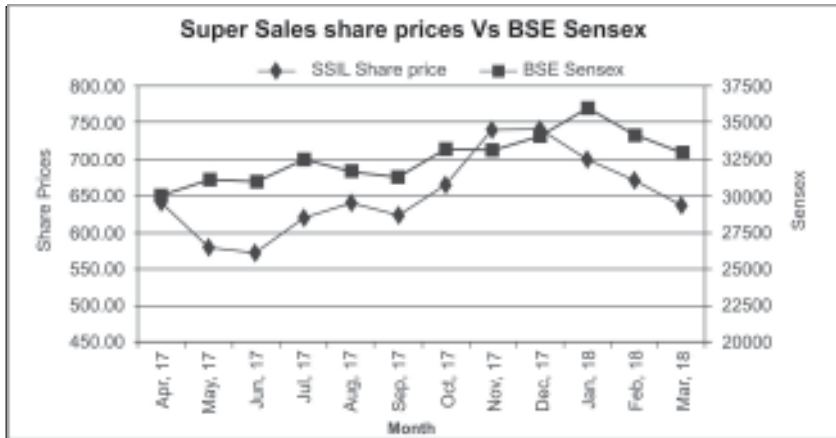
f. Market Price data: Monthly High and Low Prices : (BSE)

The market price data of High and Low during each month in the last financial year at BSE Limited, Mumbai is given below:

Month	Apr,17	May,17	Jun,17	Jul,17	Aug,17	Sep,17	Oct,17	Nov,17	Dec,17	Jan,17	Feb,17	Mar,17
High Rs.	680.00	674.50	620.10	660.00	677.00	719.00	758.95	700.00	764.35	835.00	729.80	692.00
Low Rs.	577.00	550.00	540.30	504.00	581.00	611.00	603.00	624.75	695.30	695.00	620.05	610.00
Sensex	29918.40	31145.80	30921.61	32514.94	31730.49	31283.72	33213.13	33149.35	34056.83	35965.02	34184.04	32968.68

g. Super Sales share prices Vs BSE Sensex

a. Super Sales share prices Vs BSE Sensex



h. The shares are regularly traded in BSE Limited and trading was not suspended at any time during the year.

i. Registrars and Share Transfer / Demat Agents

Company's share transfer and dematerialization work 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- 4958995, 2539835-836 Fax : 0422-2539837 and Email: info@skdc-consultants.com) The shareholders can contact them for all matters related to their shareholdings in the Company.

j. Share Transfer System

The share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are in order. The share transfers are approved by the Share Transfer Committee.

k. Distribution of Shareholding as on 31.03.2018

No. of equity shares held	No. of share holders	No. of shares held	% held
Upto 500	4874	491001	15.99
501 to 1000	176	134442	4.38
1001 to 2000	81	120184	3.91
2001 to 3000	25	61541	2.00
3001 to 4000	8	28229	0.92
4001 to 5000	13	62258	2.03
5001 to 10000	17	118919	3.87
10001 and above	18	2054926	66.90
<b>Total</b>	<b>5212</b>	<b>3071500</b>	<b>100.00</b>

l. Dematerialization of Shares

As on 31.03.2018, 28,76,308 shares constituting 93.65% 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.

m. Outstanding GDR/ADR

The Company has not issued any GDR/ADR.

n. The Company has not entered into any forward cover or hedging to cover the Commodity price risk or foreign exchange risk.

**o. Plant Locations**

The Company is having Four Divisions viz., Agency Division, Textile Division, Wind Energy Division and Engineering Division.

The Agency Division is functioning at Perumal Complex, 69, Nethaji Road, Pappanaickenpalayam, Coimbatore-641 037 and other Divisions are functioning at the following locations:

**Textile Division**

Jay Textiles - Unit I                      Ayyampalayam, Pollachi - 642 005

Jay Textiles - Unit II                      Othakkalmandapam, Coimbatore - 641 032

**Wind Energy Division**

Kethanur, Vavi Palayam and Elavanthi villages in Palladam Taluk, Tirupur (Dt), Vadavedampatti, Vadambachery and Kammalapatti Villages in Suler Taluk, Coimbatore (Dt), Thungavi village, Udumalpet Taluk, Tirupur (Dt) and Poomalaikundu and Thappukundu Villages in Theni (Dt).

**Engineering Division**

Thekkampatti, Mettupalayam - 641 113

**p. Address for Correspondence**

Company Secretary  
 Super Sales India Limited  
 Registered Office :  
 34-A, Kamaraj Road,  
 Coimbatore - 641 018  
 Investor grievances : investorscell@vaamaa.com

**10. OTHER DISCLOSURES**

- a. There is no material significant related party transaction that would have been a potential conflict with the interests of the Company at large.
  - b. No penalty or strictures have been imposed on the Company by any Regulatory Authority for non-compliance of any law during the last three years.
  - c. The Company has adopted Vigil mechanism, whistle blower policy and no person has been denied access to Audit Committee.
  - d. The Company has complied with all applicable mandatory compliance requirements and not adopted any of the non-mandatory requirements given in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
  - e. The Company has no subsidiary and hence there is no policy for deciding the material subsidiary.
  - f. Policy for dealing with related parties is available at <http://www.supersales.co.in/policies.html>
  - g. The Company has not entered into any forward cover or hedging to cover the Commodity price risk.
11. The Company has complied with all the requirements as specified in sub para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report to the extent applicable.
  12. The Company has not adopted any of the non-mandatory requirements given in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
  13. The Company has complied with all the requirements as specified in Regulation 17 to 27 and has uploaded all the details in the website of the Company as per clauses (b) to (i) of 46 (2) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 except Policy for deciding the material subsidiary.

For and on behalf of the Board  
 (Sd.) **SANJAY JAYAVARTHANAVELU**  
 Chairman  
 DIN 00004505

Coimbatore  
 29<sup>th</sup> May, 2018

**CHIEF EXECUTIVE'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.

(Sd.) **N. R. Selvaraj**  
Managing Director  
DIN 00013954

**CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

Certificate from the Statutory Auditors confirming the compliance with all the applicable conditions of Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms part of the Directors report.

**DISCLOSURES RELATING TO UNCLAIMED SUSPENSE ACCOUNT**

In terms of the schedule VI of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, intimations have been sent to the shareholders to claim the unclaimed shares. Even after the reminders some of the shares had not been claimed by the Shareholders and as per schedule VI of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 these shares have been kept in a separate demat account opened for this purpose.

- a. Number of cases and number of shares unclaimed at the beginning of the year : 3 and 75
- b. Number of shareholders claimed during the year : Nil
- c. Number of shares transferred to the shareholders: Nil
- d. Number of cases and number of shares unclaimed at the end of the year : 3 and 75
- e. Voting rights of the unclaimed shares remain frozen.

The shareholders who have not claimed their shares are requested to contact the Registrars and share transfer agent for claiming the shares.