



**SUPERTEX INDUSTRIES
LIMITED**

25TH

**ANNUAL REPORT
2010-2011**

IMPORTANT COMMUNICATION TO MEMBERS

Dear Members,

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies vide circular Nos. 17 and 18 dated April 21, 2011 and 29th April, 2011 respectively, stating that a company would have complied with section 53 of the Companies Act relating to dispatch of Annual Report and other Notices etc, if the service of document has been made through electronic mode. In such case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every shareholder to register his/ her email address and changes therein, if any, from time to time with the company

To support this green initiative, members holding shares in demat form are requested to provide their email ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Sharex Dynamic India Pvt Ltd at unit no.1, Luthra Industrial Premises, Andheri Kurla Road, Safed Phool, Andheri (E), Mumbai-400072, and also update their e-mail addresses as and when there is any change.



BOARD OF DIRECTORS

S.S. MISHRA	..	Chairman
M.A. SHARMA	..	Director
G.R. TOSHNIWAL	..	Director
P.R. KAPADIA	..	Director
R.K. MISHRA	..	Managing Director & Company Secretary
S.K. MISHRA	..	Director -Finance

AUDITORS

M.B.AGRAWAL & CO.,
Chartered Accountants
N.G.THAKRAR & CO.,
Chartered Accountants

SOLICITORS

CRAWFORD BAYLEY & COMPANY
RAJANI ASSOCIATES

BANKERS

BANK OF BARODA

REGISTERED OFFICE

Plot No 45/46, Phase II
Piperia Industrial Estate
Silvassa, D & N H

HEAD OFFICE

Balkrishna Krupa, 2nd Floor
45/49 Babu Genu Road
Princess Street, Mumbai - 400002

WORKS

- Unit I & II : Plot No 45 & 46
Phase II, Piperia Industrial Estate
Silvassa, Dadra & Nagar Haveli
- Unit III : 213, Kharvel
Behind Kharvel Sub-station
Taluka Dharampur
Dist. Valsad, Gujarat

REGISTRARS AND SHARE TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit No1, Luthra Industrial Premises
Andheri Kurla Road, Safed Phool
Andheri (E), Mumbai 400 072

**NOTICE**

The Twenty-fifth Annual General Meeting of members of **SUPERTEX INDUSTRIES LTD.** will be held on Tuesday, the 23rd August, 2011 at 10.30 a.m. at the Registered Office of the Company at Plot No. 45-46 Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli) to transact the following business :

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2011 and the Audited Profit & Loss Account for the year ended as on that date along with the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Shri S.S. Mishra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M.A. Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :**5. To consider and pass the following Resolution with or without modification as an Ordinary Resolution :**

"RESOLVED THAT Shri P.R. Kapadia, who was appointed as an additional Director of the Company on 23rd November, 2010 and who holds office under section 260 of the Companies Act, 1956 upto the date of this meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation".

6. To consider and pass the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to sections 198, 269, 309, 310 read with Schedule XIII of the said Act and other applicable provisions, if any, of the Companies Act, 1956 and/or guidelines for managerial remuneration issued by the Central Government from time to time, the consent of the Company be and the same is hereby accorded to the reappointment of Shri R.K. Mishra as Managing Director of the Company with effect from 26th March, 2011 for a period of 5 years upon the terms and conditions including remuneration as passed by the Remuneration Committee and as set out herein the Explanatory Statement under section 173 of the Companies Act, 1956 annexed hereto."

7. To consider and pass the following Resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and/or guidelines for managerial remuneration issued by the Central Government from time to time, the consent of the Company be and the same is hereby accorded to the reappointment of Shri S.K. Mishra as Whole time Director – Finance of the Company with effect from 1st April, 2011 for a period of 5 years upon the terms and conditions including remuneration as passed by the Remuneration Committee and as set out herein the Explanatory Statement under section 173 of the Companies Act, 1956 annexed hereto."

8. To consider and pass the following Resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of section 16,94 and other applicable provisions, if any, of the Companies Act, 1956, the Securities and Exchange Board of India and the provisions of the Listing Agreement entered into by the Company, guidelines issued by competent authorities in this behalf and the provisions of Article 55 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the consent of the members be and is hereby accorded for consolidation of Authorized Equity Share capital of the Company consisting of 50,00,00,000 Equity Shares of Re. 1/- each into 5,00,00,000 equity shares of Rs. 10/- each AND THAT Clause V (being Capital clause) of the Memorandum of Association of the Company relating to Equity shares be altered accordingly".

"RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and are hereby authorized to issue new Share Certificates representing the consolidated Equity Shares with new distinctive numbers, consequent to the consolidation of shares as aforesaid and/or credit the shareholders' accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise and modify the terms and conditions for issue of shares on consolidation as mentioned above and all matters relating to the same, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities and



Exchange Board of India (SEBI), Stock Exchange and other competent authorities, without being required to seek any further consent or approval of the Members in General Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters, and things as may be required, necessary and expedient to give effect to this resolution”.

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and all other provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be deleted and substituted with the following new Clause:

V) “The Authorized Share Capital of the Company is Rs. 50,00,00,000/- (Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each.”

By Order of the Board

R.K. Mishra
Managing Director &
Company Secretary

Mumbai, the 29th July, 2011
 Registered Office:
 Plot No. 45-46, Phase II
 Piperia Industrial Estate
 Silvassa, Dadra & Nagar Haveli.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday 1st August, 2011 to Tuesday 2nd August, 2011 (both days inclusive).
3. M/s. Sharex Dynamic (India) Pvt. Ltd., Unit – I, Luthra Indl. Premises, Andheri Kurla Road, Safed Phool, Andheri (East), Mumbai – 400 072 are the Share Transfer Agents of the Company for transfer of shares. You are requested to forward all your share transfer applications or any correspondence relating to the shares of the Company to them directly at the aforesaid address.
4. Members are requested to promptly notify any change in their address to the Share Transfer Agents.
5. Vide SEBI Circular No. SMDRP/POLICY/CIR-23/2000 dated 20th May, 2000, it has been made mandatory for all investors in your Company to settle the trade in demat form with effect from 25th September, 2000.
6. In terms of provision of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write the Company's Share Transfer Agent, M/s. Sharex (Dynamic) India Pvt. Ltd., for nomination form quoting their folio number. Shareholders holding shares in dematerialized form should write to their Depository Participant for the purpose.

ADDITIONAL INFORMATION ABOUT DIRECTORS SEEKING RE-APPOINTMENT AT THE TWENTY FIFTH ANNUAL GENERAL MEETING :

1. Shri M.A. Sharma (69) is a M.Sc., from Mumbai University and a fellow of the Institute of Environmental Engineers (India). He has varied experience of teaching Textile-Chemistry and allied subjects at Victoria Jubilee Technical Institute for eight years. He has served with Century Textile & Industries Ltd., Mumbai in senior positions for more than twenty years. The Board commends his re-appointment.
2. Shri S.S.Mishra (81) is a B. Com., L.L.B. and F.C.S, has been Director of the Company right from its inception. He has varied experience and is well-versed in law and business administration. He has worked with the Company right from its inception for last many years as Company's Executive Chairman. He has now retired from the Company as an Executive Director and continues as Non-executive Chairman from 26.3.2011. Looking to his vast experience in various fields, the Board commends his re-appointment.
 Shri S.S. Mishra himself, Shri S.K. Mishra and Shri R.K. Mishra being relatives are interested/concerned in the resolution.
3. Shri P.R. Kapadia (53) is a B.Com., F.C.A. He practices in Direct and Indirect taxes. He is the proprietor of P.R. Kapadia & Associates, Chartered Accountants and senior partner at KAP & Co. He was also involved with the educational



committee of the Institute of Chartered Accountants of India. He has been a member of the managing committee of the Sales Tax Practitioners Association of Maharashtra for last 7 years.

ANNEXURE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO.5**

The Board of Directors of the Company (the Board) under Section 260 of the Companies Act, 1956 (the Act) appointed Shri P.R. Kapadia as an Additional Director of the Company with effect from 23rd November, 2010.

In terms of Section 260 of the Act, Shri P.R. Kapadia holds office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidature of Shri P.R. Kapadia for the office of Director of the Company under Section 260 of the Act.

Shri P.R. Kapadia is not disqualified from being appointed as Director under section 274(1)(g) of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act.

Except Shri P.R. Kapadia, no Director of the Company is, in any way, concerned or interested in this resolution.

ITEM NO. 6

Shri R.K. Mishra, B.Com., F.C.A., A.C.S., M.B.I.M.(Lond.), age 51 years, is a dynamic entrepreneur having about 33 years experience in profession, trade and industry. He joined the Company in 1987 as a director and was appointed Dy. Managing Director and Company Secretary in 1992. He was instrumental in the various expansions undertaken by the Company in the years following its formation, including the public issue of shares of the Company in 1993. He was promoted as Managing Director in the year 2005 to take up the task of reviving the Company. This task, he has been performing appreciably and the Company is in the process of revival mainly due to his efforts.

The remuneration payable to Shri R.K. Mishra is as follows :

(A) Remuneration :**(1) Salary :**

Rs. 78,500/- per month in the scale of Rs.78,500-3,500-92,500/- per month.

(2) Commission :

Commission as may be decided by the Board of Directors based on the net profit of the Company in each year, not exceeding 1% of Net Profits.

(3) Perquisites :

a) House Rent Allowance of Rs.20,000/- per month.

b) Medical Reimbursement : Reimbursement of actual medical expenses incurred in India and/or abroad for self and family.

c) Leave Travel Concession : For self and family once in a year incurred in accordance with the rules of the Company.

d) Personal Accident Insurance for which Premium shall not exceed Rs. 5,000/- per annum.

e) Company's contribution towards Provident Fund, Superannuation Fund or annuity as per the Rules of the Company.

f) Gratuity : Not exceeding one half month's salary for each completed year of service.

g) Provision of car for use on Company's business and telephone at residence which will not be considered as perquisites. However, the use of office car for personal purpose and personal long distance calls on telephone will be billed by the Company to the Managing Director.

h) Mediclaim Policy : For self and family, premium not exceeding Rs.40,000/- per annum.

i) Reimbursement of servant's(s) salary upto Rs. 2,500/- per month.

(B) Minimum Remuneration :

Subject to the limit specified in Schedule XIII to the Act, the salary and perquisites specified above shall be payable as minimum remuneration notwithstanding that in any financial year during the currency of the tenure, the Company has no profits or its profits are inadequate.

(C) Leave :

Earned/Privilege leave on full pay and allowance as per rules of the Company, but not exceeding one month's leave for every 11 (eleven) months of service. Unavailed leave at the end of the tenure will be allowed to be encashed.

(D) The appointment will be subject to termination by three months notice in writing by either side.



- (E) Subject to such approval(s) as may be required, the terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit, within the limits specified and in accordance with the provisions of the Companies Act, 1956 or otherwise as may be permissible at law.

Shri R.K.Mishra, Shri S.K.Mishra and Shri S.S.Mishra are relatives and are interested / concerned in this resolution.

ITEM NO. 7

Shri S.K. Mishra, 44, is a B.Com., from Mumbai University and a Chartered Accountant, and has been working with the Company since 1991 as Sr. Executive – Finance. Since then he has worked in various positions and at present looks after the financial accounts and taxation of the Company. He is well versed in corporate finance, taxation and office administration. Looking to his vast experience in various fields, he was promoted as a Whole-time Director – Finance from 1st April, 2008. This task he has been performing appreciably well. He has been reappointed as Whole-time Director of the Company by the Board at its meeting held on 24th March, 2011 for a period of 5 years as Whole-time Director-Finance.

The remuneration payable to Shri S.K.Mishra is as follows :

(A) Remuneration :

(1) **Salary :**

Rs. 60,000/- per month in the scale of Rs.60,000-3,000-72,000/- per month.

(2) **Commission :**

Commission as may be decided by the Board of Directors based on the net profit of the Company in each year, not exceeding 1% of Net Profits

(3) **Perquisites :**

a) House Rent Allowance of Rs.15,000/- per month

b) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad for self and family.

c) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.

d) Personal Accident Insurance for which premium shall not exceed Rs.5,000/- per annum.

e) Company's contribution towards Provident Fund, Superannuation Fund or annuity as per the Rules of the Company.

f) Gratuity: Not exceeding one half month's salary for each completed year of service.

g) Provision of car for use on Company's business and telephone at residence which will not be considered as perquisites. However, the use of office car for personal purpose and personal long distance calls on telephone will be billed by the Company to the Whole-time-Director Finance.

h) Mediclaim Policy: For self and family, premium not exceeding Rs.40,000/- per annum.

(B) **Minimum Remuneration :**

Subject to the limit specified in Schedule XIII to the Act, the salary and perquisites specified above shall be payable as minimum remuneration notwithstanding that in any financial year during the currency of the tenure, the Company has no profits or its profits are inadequate.

(C) **Leave:**

Earned/Privilege leave on full pay and allowance as per rules of the Company, but not exceeding one month's leave for every 11 (eleven) months of service. Unavailed leave at the end of the tenure will be allowed to be encashed.

(D) The appointment will be subject to termination by three months notice in writing by either side.

- (E) Subject to such approval(s) as may be required, the terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit, within the limits specified and in accordance with the provisions of the Companies Act, 1956 or otherwise as may be permissible at law.

Shri R.K.Mishra, Shri S.K.Mishra and Shri S.S.Mishra are relatives and are interested / concerned in this resolution.

ITEM NO. 8

Presently the face value of Company's equity share is Re. 1/- (Rupee One) each. The present authorized share capital of the company is Rs. 50,00,00,000 (Rupees Fifty Crores only) divided into 50,00,00,000 (Fifty Crore) equity shares of Re.1/- each. Having regard to the anticipated growth of the Company in future, it is proposed to reorganize the capital structure by consolidating the equity shares from Re. 1/- (Rupee One) each to Rs.10/- (Rupees Ten) each. The reorganizing will generate interest of institutional investors who are showing interest in investment in the Company.

The authority is sought to be given to the Board of Directors to fix the Record date and that in consolidation of 10 equity shares of Re.1/- (Rupee One) each fully paid up into one equity share of Rs.10/- (Rupees Ten) each fully paid up, the Board



shall not issue any fractional shares/ certificates but the total number of equity shares representing such fractions shall be transferred to a person or persons appointed by the Board as trustee/trustees for and on behalf of such fractional equity shareholders, who would, otherwise have been .entitled to such fractional shares/certificates. The trustee(s) shall be provided with details of the persons entitled for fractional shares/certificates so as to enable the trustees to distribute the sale proceeds to the persons entitled for the same and such sales be completed within stipulated period as may be prescribed, the shares vesting with the trust and after payment of all expenses of the sale, to distribute the net proceeds of such sale amongst the members/shareholders in proportion to their respective fractional entitlements thereto.

The proposed resolution as set out in the notice is intended to give effect to the above proposal and seeks approval of the shareholders of the Company for consolidation of share capital. The Directors of the Company are deemed to be interested in the said resolution to the extent of their shareholding in the Company.

ITEM NO. 9

Consequent to the consolidation of the face value of the Equity Shares of the Company (as per Item no. 8 of the notice), it is necessary to alter the Capital clause of the Memorandum of Association of the Company.

Section 16 read with Section 94 of the Companies Act, 1956 , provides inter- alia, that subject to the provision of the Companies Act, 1956 and the conditions contained in its Memorandum, the Company may alter its Memorandum by passing an Ordinary Resolution at a general meeting. Accordingly, the Ordinary Resolution for item no. 9 is placed before the meeting to approve the corresponding amendments in clause V of the Memorandum of Association in the manner set out in the text of the respective resolutions, so as to reflect the alteration in the Authorized Share Capital of the Company.

The Board of Directors recommends the resolution for approval of the members.

A copy of the Memorandum and Articles of Association of the Company is open for inspection by any member of the Company between 4.30 p.m. and 6.30 p.m. at the Registered Office of the Company.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

By Order of the Board

R.K. Mishra
Managing Director &
Company Secretary

Mumbai, the 29th July, 2011



DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present herewith the twenty-fifth Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2011.

Financial Results

		Year ended 31.03.2011 Rs.in lacs	Year ended 31.03.2010 Rs.in lacs
Turnover	::	4,099.81	4,845.09
Income from Operations	::	174.19	149.88
Profit on sale of Fixed Assets (net)	::	9.09	-
Profit before Interest and Depreciation	::	183.28	149.88
Interest	::	21.87	22.98
Profit before Depreciation	::	161.41	126.90
Depreciation	::	100.48	107.07
Profit Before Tax	::	60.93	19.83
Deferred Tax	::	(55.19)	48.27
Profit After Tax	::	5.74	68.10
Loss brought forward	::	(424.45)	(492.55)
Loss carried forward	::	(418.71)	(424.45)

The directors regret their inability to recommend any dividend on account of inadequacy of profits.

Working

The production improved during the year and was higher by 12.50 % at 2,201 M.T. as against 1,956 M.T. last year. The turnover was lower at Rs 4,100 lacs as against Rs 4,845 lacs as the Company entered into an agreement for processing speciality yarns for a large reputed spinner, consequently, the processing charges went up from Rs 10 lacs last year to Rs 96 lacs. This also exposed the Company to newer products which are being manufactured by very few in the market. The products were well received by the market and the management has worked out a medium to long term tie-up for manufacture of the same.

The profits improved at Rs 61 lacs as against Rs 20 lacs in the year ago. The Company had upgraded its facilities for manufacture of yarn in its units and this improved the overall performance of the Company during the year. The management is working hard to improve the capacity utilization further.

The draw warping and sizing activity remained steady although the demand remained under pressure in the second half of the year due to volatility in the prices of finished goods and the rising prices of raw material.

A lot of capacity is building up in this industry segment with the Company's products as their basic inputs. In order to remain competitive, the management is trying to look into the possibility of building more capacity and consolidating its activities in relation to its manufacturing facilities and for the same has raised Rs 5.31 crores by issuing share warrants. It is also applying for bank finance for the purpose.

Directors

Shri S S Mishra and Shri M A Sharma, Directors of the Company retire by rotation and being eligible offer themselves for reappointment.

Shri S S Mishra, Chairman and Whole-time Director, whose tenure as Whole-time Director came to end on 25th March, 2011 has opted not to be reappointed as a Whole-time Director on reasons of health. However, he continues to remain on the Board as Chairman. The Board placed on record its appreciation for the valuable contribution made by Shri S S Mishra during his tenure as a Whole-time Director.

Shri R K Mishra, Managing Director and Shri S K Mishra, Whole-time Director-Finance, appointed for a period of three years which ends on 25th March, 2011 and 31st March, 2011 respectively, have both been reappointed by the Board in their



respective capacities for a period of five years from 26th March, 2011 and 1st April, 2011 respectively at a Board meeting held on 24th March, 2011. Necessary resolutions in respect of both of them will be placed before the members for their approval in the ensuing Annual General Meeting.

Shri P.R. Kapadia was appointed as a Director with effect from 23rd November, 2010 and holds office until the date of ensuing Annual General Meeting. Notice proposing his candidature at the ensuing General Meeting has been enclosed.

The Board commends the above resolutions for your approval.

Shri N.N. Puri, a Director of the Company resigned with effect from 25th March, 2011. The Board records its appreciation for the valuable contribution made by him during his tenure as Director of the Company.

Auditors

The auditors M/s. M.B. Agrawal & Co., and M/s. N.G. Thakrar & Co., retire at the conclusion of the ensuing Annual General Meeting. They have furnished certificates of their eligibility for re-appointment.

Cost Auditors

The Cost Account records maintained by the Company are subject to yearly audit. M/s. N. Ritesh & Associates, the existing Cost Accountants retired. Your Company has appointed M/s. Talati & Associates, Cost Auditors for the year 2011-12.

Corporate Governance

Your Company attaches considerable significance to compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchange. A report on Corporate Governance is hereto annexed.

Industrial relations

The Company's industrial relations have been satisfactory and cordial.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i) that in the preparation of the annual accounts for the year ended March 31, 2011 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any ;
- ii) that such accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the Profit of the Company for the year ended on that date ;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the accounts have been prepared on a going concern basis.

Particulars of Employees (Section 217(2A) of the Companies Act, 1956)

The Company had no employee who was in receipt of remuneration during the year under report, which in the aggregate was equal to or more than such sum as is prescribed under Section 217(2A) of the Companies Act, 1956.

Section 217(1)(e) of the Companies Act, 1956.

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the relevant information is given below :

A) Conservation of energy

The Company is engaged in the process of energy conservation continuously through improved operational and maintenance practices.

a) Energy conservation measures taken :

- 1) Optimisation of air compressors for low pressure applications.
- 2) Limiting the use of air-conditioning in the plants to need based minimum.
- 3) The Company ensures minimal power consumption at its plant by constantly maintaining the power factor within the specified limits. The power factor has been improved by installing necessary capacitors, thereby reducing energy losses.



Power Consumption	31.03.2011	31.03.2010
Purchased Units (Kwh)	28,56,552	25,63,116
Amount (Rs.)	1,28,07,498	1,27,76,808
Rate / Unit (Rs./p.)	4.48	4.98

b) Additional Investment and proposals, if any, being implemented for conservation of Energy :

- i) Further optimisation of air compressors for low pressure applications.

c) Impact of measures at a) and b) above for reduction of energy consumption and on the cost of production of goods :

The above measures have resulted in reduction in consumption of electricity with consequent reduction in the cost of production.

B) Technology Absorption

a) Research and Development (R & D)

i) Specific areas in which R & D is carried out by the Company :

- 1) Development and indigenization of spares through local vendors.
- 2) Productivity enhancement of existing machines.
- 3) Development of new products.

ii) Benefits derived as a result of the above R & D :

- 1) Reduction in operating and maintenance cost.
- 2) Reducing machine downtime.
- 3) Improvement in quality, customer satisfaction and enlargement of market base.

iii) Future Plan of Action :

- 1) Further productivity enhancement of all machines and indigenization of spare parts.

iv) Expenditure on R & D : Nil

b) Technology Absorption, Adaptation and Innovation

i) Efforts in brief, made towards technology absorption, adaptation and innovation :

- 1) Adoption of suitable technology for various processes including speciality yarn.

ii) Benefits derived as a result of above efforts :

- 1) New product development.
- 2) Improved quality of products.

iii) Future Plan of Action :

- 1) Continue to better the technology adopted.

iv) Information regarding imported technology :

(Imported during the last 5 years from the beginning of the financial year): Nil

C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – Nil (Previous Year – Nil)

Foreign Exchange Outgo – Rs 4.36 lacs (Previous Year – Nil)

(Refer note nos. 9 & 10 in Notes on Accounts- Schedule K)

Listing with Stock Exchanges

The Company continues to remain listed with The Bombay Stock Exchange, Mumbai.

Acknowledgement

The Directors wish to place on record their appreciation of the contribution made by the executives, officers and workmen of the Company during the year. The Board also acknowledges with thanks the support, co-operation and assistance given by the Bank.

For and on behalf of the Board,

Mumbai, 30th May, 2011

S.S. Mishra
Chairman



ANNEXURE TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Review

During the year under review, the Company's overall performance showed an improvement over last year. In the first half of the year the export of textiles and apparels witnessed a growth of 11.5 % and there was optimism throughout due to the revival of demand from the US and European regions. There was a growth in the global fibre demand by 4 %. The year started on a very healthy note.

Thereafter, the prices started rising very fast and the year saw the highest price rise of the past decade. The price rise in polyester filament yarns was 42 % over the beginning of the year. This slowed down the operations in the market as there was high volatility due to various factors. Cotton prices rose phenomenally by 150 %. This is earlier recorded to have been witnessed 150 years back in the American Civil War of 1860. Increase in cotton prices made polyester attractive to weavers and fabric manufacturers and this resulted in growth in demand of polyester.

Globally, Polyester Filament Yarn (PFY) capacity is likely to grow at a healthy Compounded Annual Growth Rate (CAGR) of 4.4%. There are large scale expansions in the Indian industry also and a healthy growth is expected in the near future in all synthetic fibres. Polyester constitutes 83 % of all fibres in the industry and is estimated to grow over 4 % p.a. There is a continuous growth in the manufacturing capacity in the industry and the scenario is improving. Also, there is an encouraging untapped potential of growth in polyester consumption vis-à-vis the world levels of per capita consumption of polyester and India appears to be the only country after China to capitalize on this.

Corporate Overview

In the year under review, the management has tried to consolidate its existing set up and upgrade its manufacturing facilities. It has partially modernised its texturising and twisting facilities whereas consolidating the sale in draw warping and sizing activities. The second half of the year was affected by the rising prices of raw material and the demand being need based and under constraint to the extent. However, things are likely to improve as the prices are stabilizing.

There is a trend to consolidate as many processes as possible under one roof to achieve better economics on operations. Most of the texturisers are integrating operations by adding weaving, knitting, POY spinning, etc and also increasing the processes related and complementary to each other. This is improving their cost competitiveness. Your Company has also initiated efforts in this direction and this year should see the operations increase due to the same. This shall strengthen the Company's long term prospects.

Threats

The price volatility in the basic raw material Partially Oriented Yarn (POY) and its availability continued to remain a regular threat that your Company faced. The other competing manufacturers in the industry are integrated with the raw material available to them captively. This secures and enhances their profitability significantly. The Company is addressing this issue with various alternatives.

The second half of last year saw crude oil prices which have a direct bearing on the industry showing an unpredictable trend causing price uncertainty in the market. Uncertainty in availability of inputs, in the domestic market, may affect the performance of your Company

The global events have a direct effect on the performance and profitability of the industry as immunity from global happenings is diminishing continuously.

Opportunities

All round growth in the Indian economy, high GDP growth rate and appreciable growth of the Indian textile exports are likely to benefit the textile industry. Also, there is a growing application of polyester yarns in the new areas of fabric for apparels, furnishing material, technical-textiles and made-ups industry.

Growth in polyester demand creates good opportunity for the industry. The growing population provides stable market for the products.



The shortfall in per capita consumption of polyester in India vis-a-vis the other countries provides a vast scope for improvement in order to catch up with the global per capita consumption levels.

The low raw material prices, as compared to cotton, may boost the demand of polyester.

Risk Management

The Company has entered into various medium term tie ups with spinners for manufacture of yarns on their behalf and simultaneously it manages market led business risks by securing supplies of raw materials and other inputs, through them, on a continuous basis.

The technological obsolescence risk is kept low by continuously modernizing machines and complementing machines to remain in-tune with the changes in the industry.

Safety, health and environmental risks are controlled by formulating a clear policy on environmental conservation, safety and health.

The management minimizes the other uncertainties by monitoring the same vigilantly on a day-to-day basis and taking pro-active action immediately.

Internal Control System

The necessary internal control system has been set up in the organization in consultation with the Auditors of the Company. It appears to be adequate considering the size of the operations. The systems are being constantly upgraded as the operations of the Company improve.

Human Relations, Industrial Relations, etc.

There were cordial industrial relations during the year. The management feels that the same situation would continue during the coming year also.

Forward Looking Statements

Certain statements in this report on "Management Discussions and Analysis" may be *forward looking statements* within the meaning of applicable securities laws and regulations. There are several factors, which would be beyond the control of the management, and as such, actual results could differ materially from those expressed or implied.

**REPORT ON CORPORATE GOVERNANCE**

The Company has been following the SEBI Guidelines pertaining to Corporate Governance. The report on the Corporate Governance for the year is as follows:

Board of Directors

The Board of Directors consists of six members as on the date of this report, comprising three independent non-executive Directors, one non-executive Director and two executive Directors. None of the directors is a director of any other listed Company.

The Board meets at least once in a quarter, inter-alia to review the quarterly performance and to take on record the financial results. During the year the Board held nine meetings. A detailed agenda is sent to each director in advance of each Board meeting. In order to enable the Board to discharge its responsibilities effectively the members of the Board are briefed at every Board Meeting.

The details of the Directors and the Board meetings attended by them are given below:

	Name of Director	Status	Board Meetings attended	Whether attended last AGM
1	*Shri S.S.Mishra	Chairman & Non-executive Director	9	Yes
2	**Shri R.K.Mishra	Managing Director and Company Secretary	9	Yes
3	Shri S.K.Mishra	Whole-time Director – Finance	9	Yes
4	***Shri P.R.Kapadia	Non-Executive and Independent	3	No
5	****Shri N.N.Puri	Non-Executive and Independent	3	No
6	Shri M.A.Sharma	Non-Executive and Independent	4	No
7	Shri Ganesh Toshniwal	Non-Executive and Independent	9	No

* resigned as Company Secretary w.e.f 24.03.2011

** appointed as Company Secretary w.e.f 25.03.2011

*** appointed from 23.11.2010

**** resigned w.e.f. 25.03.2011

The number of other Companies in which the directors are directors or committee members or Chair person of the Committee formed by the Board are all within the limits as prescribed under the law / agreement with Stock Exchange.

The Non-Executive Directors of the Company are paid sitting fees for attending the Board and/or Committee meetings at the rate of Rs. 1,500/- per meeting attended plus their to and fro conveyance expenses.

Audit Committee

The Audit Committee constituted by the Board has four members as on 31st March, 2011 and has been functioning well and discharging its duties as required by Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange.

The Audit Committee comprises of the following Directors :

	Name of Director	Status
1	*Shri N.N.Puri	Member – Non Executive & Independent
2	Shri M.A.Sharma	Member – Non Executive & Independent
3	**Shri Ganesh Toshniwal	Chairman – Non Executive & Independent
4	***Shri P.R.Kapadia	Member – Non Executive & Independent
5	****Shri S.S.Mishra	Member – Non Executive

* resigned w.e.f 25.03.2011

** appointed as Chairman w.e.f 30.10.2010

*** appointed w.e.f. 31.01.2011

**** appointed w.e.f 24.03.2011



All members are financially literate and two are Chartered Accountants by profession.

The Committee held four meetings during the year and attendance was as follows:

Date of Meeting	No. of Members present
29.05.10	2
31.07.10	2
30.10.10	2
31.01.11	3

Besides, the committee members, the Managing Director and the Director - Finance, have also been attending the meetings but have no right to vote. The representatives of the statutory auditors and internal auditors have also been attending the audit committee meetings as and when required.

Remuneration Committee

The Remuneration Committee comprises of four Non-executive and Independent Directors as follows:

	Name of Director	Status
1	*Shri N.N.Puri	Chairman – Non Executive & Independent
2	Shri M.A.Sharma	Member – Non Executive & Independent
3	Shri Ganesh Toshniwal	Member – Non Executive & Independent
4	**Shri P.R.Kapadia	Member – Non Executive & Independent
5	***Shri S.S.Mishra	Member – Non Executive

* resigned w.e.f. 25.03.2011

** appointed w.e.f. 31.01.2011

*** appointed w.e.f. 24.03.2011

There was one meeting of the remuneration committee held during the year held on 24.03.2011.

Details of the remuneration of directors for 2010-11 are as follows :

(Amount in Rupees)

	Name of Director	Salary	Perquisites	Contribution to PF	Sitting Fees	Total	Service Contract
1	Shri S.S.Mishra	6,45,210	2,24,123	77,425	Nil	9,46,758	3 years till 24.03.2011
2	Shri R.K.Mishra	7,17,677	1,99,319	86,121	Nil	10,03,117	5 years
3	Shri S.K.Mishra	4,92,000	1,07,376	59,040	Nil	6,58,416	5 years
4	Shri Ganesh Toshniwal	-	-	-	24,000	24,000	Non Executive
5	Shri M.A.Sharma	-	-	-	10,500	10,500	Non Executive
6	Shri N.N.Puri	-	-	-	9,000	9,000	Non Executive
7	Shri P.R.Kapadia	-	-	-	7,500	7,500	Non Executive
	TOTAL	18,54,887	5,30,818	2,22,586	51,000	26,59,291	

Share Transfers & Shareholders' Grievance Committee

The Board has appointed a committee to look into the shareholders' grievance and to approve the share transfer and transmission etc. All applications for transfer/transmission are initially verified and passed by M/s. Sharex Dynamic (India) Pvt. Ltd., who are the appointed Registrars and Transfer (R&T) Agents for the Company's shares and thereafter the statement of such transfers etc. is duly considered and approved by the Committee. The R&T Agents also attend to the shareholders' grievance expeditiously and report to the Company in time.

The Share transfer / transmission etc., are all audited periodically by a firm of independent whole-time Company Secretaries and their report is placed before the Board. The Committee had three meetings during the year.



The committee comprises of the following three Directors :

	Name of Director	Status
1	*Shri Ganesh Toshniwal	Chairman- Non Executive & Independent
2	Shri M.A.Sharma	Member – Non Executive & Independent
3	Shri S.S.Mishra	Member – Non-Executive

*appointed as Chairman w.e.f. 29.05.2010

The Company received 4 complaints during the year, which were redressed in time.

General body Meetings

During the last three years, the Annual General Meetings were held on 22nd December, 2008, 22nd August , 2009 and 13th August 2010 All the meetings were held at the Registered Office of the Company at Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 394 230 (D&NH). There was also one extra ordinary general meeting held on 22nd October,2010.

Number of Special Resolutions passed during last three Annual General Meetings :

		No. of Special Resolutions
1	22nd Annual General Meeting	4
2	23rd Annual General Meeting	1
3	24th Annual General Meeting	1

Disclosures

There are no materially significant related party transactions with promoters, directors or management that may have potential conflict with the interest of the Company at large.

Any Non-compliance, Penalties or Strictures imposed :

There has been no non –compliance by the Company nor any penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital market in the last three years.

Directors' interest in the Company

Sometimes, the Company do enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any special weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the Companies in which they are directors or members. Full particulars of contracts entered with Companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under section 301 of the Companies Act, 1956 and the same is placed in every Board Meeting for the noting of the Directors.

In terms of Accounting Standard AS-18, details of related party transactions during the year have been set out under Note 16 to the Balance sheet and Profit and Loss Account However, these are not having any potential conflict with the interest of the Company at large.

Means of Communication

The Board of Directors of the Company consider and take on record the quarterly un-audited financial results of the Company which are published in two daily newspapers viz. Free Press Journal and Nav Shakti as per clause 41 of the listing agreement.

General shareholder information

M/s. Sharex Dynamic (India) Pvt Ltd., Unit-I, Luthra Industrial Premises, Andheri Kurla Road, Safed Phool, Mumbai-400 072, are the Registrars and Transfer Agents of the Company. All the applications for transfer / transmission / consolidation etc., are received, verified and passed by them and then transferred to the Company for final approval by the Share Transfer Committee.

Company's Website

The website of the Company is : www.supertex.in



Distribution Schedule of Shareholding as at the close of the year 2010-11 :

Equity Shares	Number of Holders	(%) of Holders	Total Shares	% of Total
Upto 100	1,208	7.87	82,833	0.07
101 To 200	4,095	26.68	8,08,638	0.71
201 To 500	2,219	14.46	9,04,789	0.80
501 To 1000	2,986	19.45	27,02,225	2.38
1001 To 5000	3,164	20.61	86,34,964	7.62
5001 To 10000	717	4.67	60,14,196	5.30
10001 To 100000	844	5.50	2,50,66,302	22.10
100001 And Above	117	0.76	6,91,99,253	61.02
Total	15,350	100.00	11,34,13,200	100.00

Shareholding pattern as on 31st March, 2011 :

	Category	No. of Shares Held	% of Share-Holding
A.	Promoter(s) Holding		
1	Promoter(s)		
	- Indian Promoters	1,08,28,544	9.548
	- Foreign Promoters	-	-
2	Persons Acting In Concert	84,70,296	7.469
	Sub-Total	1,92,98,840	17.017
B.	Non-Promoters Holding		
3	Institutional Investors		
A	Mutual Funds & Uti	3,600	0.003
B	Banks, Fis, Insurance Company (Central / State Govt.inst / Non-govt.inst.)	8,800	0.008
C	FII(s)	200	-
	Sub-Total	12,600	0.011
4.	Others		
A.	Private Corporate Bodies	2,17,55,016	19.182
B.	Indian Public	7,17,87,733	63.297
C.	NRI / OCBs	4,70,658	0.415
D.	Any-Other (Foreign Companies)	-	-
E.	Clearing Members	88,353	0.078
	Sub-Total	9,41,01,760	82.972
	Grand-Total	11,34,13,200	100.000

Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2010-11 :

Month	High Price (Rs.)	Low Price (Rs.)
April 2010	4.45	3.19
May 2010	5.15	2.81
June 2010	2.92	1.15
July 2010	1.49	1.08
August 2010	1.55	1.21
September 2010	1.33	1.15
October 2010	1.88	1.25
November 2010	1.78	1.28
December 2010	1.55	1.05
January 2011	1.30	0.92
February 2011	1.15	0.92
March 2011	1.04	0.66



Stock Code

526133

ISIN allotted to Equity shares (Re.1/- Face Value)

INE881B01047

Listing

The Company's shares are listed at The Stock Exchange, Mumbai

Issue of 9,00,00,000 Equity Share Warrants :

The Company issued 9,00,00,000 equity share warrants on a preferential basis, on 23.11.2010, to be converted into equity shares of Re 1/- each at a premium of Rs 1.36 per share within 18 months from the date of allotment.

Dematerialisation position of Company's Equity shares

Out of the total, 98.53% shares of the Company have been dematerialised till 31st March, 2011 leaving a balance of 1.47% in physical form.

Report on Corporate Governance

The Quarterly Compliance Report has been submitted to the Bombay Stock Exchange in the requisite format duly signed by Compliance Officer / Authorized Officer.

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific code of conduct for members of the Board of Directors and senior members of its staff. All the members of the Board and senior management personnel of the Company have affirmed the observance of the said code of conduct during the year ended March 31, 2011.

Place : Mumbai

Dated : 30th May, 2011

For and on behalf of the Board,**S S Mishra
Chairman****AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To The Members of
Supertex Industries Limited**

1. We have reviewed the implementation of Corporate Governance procedures by SUPERTEX INDUSTRIES LIMITED during the year ended 31st March, 2011, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respects by the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee.

**For N.G.THAKRAR & CO
Firm Regn.No.110907W
CHARTERED ACCOUNTANTS****N.G. Thakrar
Proprietor
Membership No. 36213**Place : Mumbai
Dated : 30th May, 2011**For M.B.AGRawal & CO.
Firm Regn.No.100137W
CHARTERED ACCOUNTANTS****Sanjay Lunkad
Partner
Membership No. 48229**Place : Mumbai
Dated : 30th May, 2011



AUDITORS' REPORT

**TO THE MEMBERS OF
SUPERTEX INDUSTRIES LIMITED.**

We have audited the attached Balance Sheet of **SUPERTEX INDUSTRIES LIMITED**, as at 31st March, 2011, the Profit and Loss Account and also 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.

- 1 We have 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.
- 2 As required by the Companies(Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 3 **We draw attention to note no.2 (d) of Schedule K regarding non provision for Minimum Alternate Tax (MAT) under the Income tax Act, 1961 as the company has obtained a legal opinion for non provision of the same.**
- 4 Further to our comments in the Annexure referred to above, we report that :
 - (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 the 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 dealt with by 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 this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (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 other notes thereon, 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 the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and,
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For N.G.THAKRAR & CO
Firm Regn.No.110907W
CHARTERED ACCOUNTANTS

N.G. Thakrar
Proprietor
Membership No. 36213

Place : Mumbai
Dated : 30th May, 2011

For M.B.AGRAWAL & CO.
Firm Regn.No.100137W
CHARTERED ACCOUNTANTS

Sanjay Lunkad
Partner
Membership No. 48229

Place : Mumbai
Dated : 30th May, 2011



ANNEXURE TO THE AUDITORS' REPORT

(referred to in paragraph 2 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) As explained to us, all the assets have been physically verified by the management during the year as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- ii. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancy noticed on physical verification of inventories as compared to the book records.
- iii. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from 17 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 159.15 lacs and the year-end balance of such loan was Rs 113.79 lacs. The amount was not due for repayment during the year.
- (c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v. (a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the transactions 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 explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs in respect of any party during the year 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 information and explanations given to us, the Company has not accepted any deposits from the public under sections 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.
- 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 books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the products of the Company, and are of the opinion that prima- facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing with appropriate authorities 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 material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-



tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.

- (c) The disputed statutory dues aggregating to Rs 996.04 lacs, that have not been deposited on account of matter pending before appropriate authorities are as under :-

Name of Statute	Nature of Dues	Amount (Rs lacs)	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax, Interest & Penalty	203.93	2003-04 to 2006-07	Asst. Commissioner, Surat
Central Excise Act	Excise Duty	792.11	4/7/1995 to 22/10/1996	High Court
Total		996.04		

- x. The Company has been discharged from the purview of the Board of Industrial & Financial Reconstruction vide their order dated 18/06/2010. The Company has earned a profit during the financial year covered by our audit and had earned a profit in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company does not have any dues to financial institutions or banks or debenture holders.
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi. The Company has not raised any term loans during the year.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has made a preferential allotment of share warrants to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which these equity share warrants have been issued has been determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, which in our opinion, is not prejudicial to the interest of the Company.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. The Company has not raised any money by way of public issue, during the year.
- xxi. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For N.G.THAKRAR & CO.
Firm Regn.No.110907W
CHARTERED ACCOUNTANTS

N. G. Thakrar
Proprietor
Membership No.36213

Mumbai,30th May,2011

For M.B.AGRAWAL & CO.
Firm Regn.No.100137W
CHARTERED ACCOUNTANTS

Sanjay Lunkad
Partner
Membership No.48229

Mumbai,30th May,2011



BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rupees	As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	16,65,13,200		11,34,13,200
Reserves and Surplus	B	12,70,51,310		12,70,51,310
			29,35,64,510	24,04,64,510
Loan Funds				
Unsecured Loans	C		1,23,79,522	21,90,000
Total			30,59,44,032	24,26,54,510
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	20,58,17,594		22,28,67,454
Less : Depreciation		15,48,90,534		16,34,21,103
Net Block			5,09,27,060	5,94,46,351
Capital Work-in-Progress			2,91,01,013	58,43,615
Deferred Tax Asset (Net)			6,19,30,151	6,74,49,334
Current Assets, Loans and Advances				
Inventories	E	1,91,35,952		1,27,54,828
Sundry Debtors		20,60,30,991		19,41,41,643
Cash and Bank Balances		31,18,543		85,83,216
Loans and Advances		9,37,37,109		3,86,03,625
		32,20,22,595		25,40,83,312
Less: Current Liabilities and Provisions				
Liabilities	F	19,79,96,582		18,49,45,895
Provisions		19,11,467		16,67,805
		19,99,08,049		18,66,13,700
Net Current Assets			12,21,14,546	6,74,69,612
Miscellaneous Expenditure				
(to the extent not written off or adjusted)				
Profit and Loss Account			4,18,71,262	4,24,45,598
Total			30,59,44,032	24,26,54,510
Notes Forming part of Account				
	K			

As per our attached report of even date

For N.G.Thakrar & Co.
Firm Regn.No.110907W
Chartered Accountants

For M.B.Agrawal & Co.
Firm Regn.No.100137W
Chartered Accountants

For and on behalf of the Board,

S S Mishra - Chairman
R K Mishra - Managing Director
& Company Secretary
S K Mishra - Director Finance
G R Toshniwal - Director

N.G.Thakrar
Proprietor

Sanjay Lunkad
Partner

Membership No.36213
Mumbai,30th May,2011

Membership No.48229
Mumbai,30th May,2011

Mumbai 30th May, 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH'2011

	Schedule	Rupees	Current Year Rupees	Previous Year Rupees
INCOME				
Sales			40,03,31,852	48,34,93,952
Processing Charges			96,49,193	10,15,186
Profit on sale of Fixed Assets (net)			9,09,222	-
Other Income	G		42,48,902	22,01,241
(Decretion) to Stocks	H		(3,36,747)	(38,00,090)
			41,48,02,422	48,29,10,289
EXPENDITURE				
Cost of materials consumed/sold				
Opening Stock		17,25,289		18,11,273
Add : Purchases		35,92,48,345		42,61,62,198
		36,09,73,634		42,79,73,471
Less :Closing Stock		63,58,140		17,25,289
			35,46,15,494	42,62,48,182
Manufacturing and Other Expenses	I		4,18,58,142	4,16,73,652
Interest	J		21,87,115	22,98,187
Depreciation			1,00,48,151	1,07,07,717
			40,87,08,902	48,09,27,738
Profit Before Tax			60,93,520	19,82,551
Add/(less): Deferred Tax			(55,19,184)	48,27,200
Profit After Tax			5,74,336	68,09,751
Less: Loss brought forward			(4,24,45,598)	(4,92,55,349)
Balance Carried to the Balance Sheet			(4,18,71,262)	(4,24,45,598)
Basic Earnings Per Share	K		0.01	0.07
Diluted Earnings Per Share (F.V. Re 1/-)			0.004	0.07
Notes Forming part of Account	K			

As per our attached report of even date

For N.G.Thakrar & Co.
Firm Regn.No.110907W
Chartered Accountants

For M.B.Agrawal & Co.
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Membership No.48229
Mumbai,30th May,2011

Mumbai 30th May, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rs. Lacs 2010-2011	Rs. Lacs 2010-2011	Rs. lacs 2009-2010	Rs. lacs 2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		60.94		19.83
ADJUSTMENT FOR:				
Depreciation	100.48		107.08	
Interest paid	21.87		22.98	
Profit on sale of Fixed Asset (net)	(9.09)	113.26	-	130.06
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		174.20		149.89
ADJUSTMENT FOR:				
Trade and Other Receivables	(670.23)		(1232.87)	
Inventories	(63.81)		28.19	
Trade Payables	132.94	(601.10)	1084.25	(120.43)
CASH GENERATED FROM OPERATIONS		(426.90)		29.46
Direct Taxes		-		-
NET CASH FROM OPERATING ACTIVITIES		(426.90)		29.46
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(83.89)		(25.81)	
Capital Work-in-Progress	(232.57)		(58.44)	
Sale of Fixed Assets	77.69	(238.77)	0.49	(83.76)
NET CASH USED IN INVESTING ACTIVITIES		(665.67)		(54.30)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Shares	-		135.00	
Issue of Share Warrants	531.00		-	
Interest paid	(21.87)		(22.98)	
Proceeds from Unsecured Loans	101.90		15.23	
NET CASH USED IN FINANCING ACTIVITIES		611.03		127.25
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(54.64)		72.95
CASH AND CASH EQUIVALENTS AS AT 01.04.2010(Opening Balance)		85.83		12.88
CASH AND CASH EQUIVALENTS AS AT 31.03.2011(Closing Balance)		31.19		85.83

As per our attached report of even date

For N.G.Thakrar & Co.
Firm Regn.No.110907W
Chartered Accountants

For M.B.Agrawal & Co.
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For and on behalf of the Board,

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Proprietor

Sanjay Lunkad
Partner

Mumbai 30th May, 2011

Membership No.36213
Mumbai,30th May,2011

Membership No.48229
Mumbai,30th May,2011



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
SCHEDULE A		
SHARE CAPITAL		
AUTHORISED		
50,00,00,000 Equity Shares of Re 1/- each		
(25,00,00,000 Equity Shares of Re 1/- each)	<u>50,00,00,000</u>	<u>25,00,00,000</u>
ISSUED SUBSCRIBED AND PAID UP		
11,34,13,200 (9,84,13,200) Equity Shares of Re 1/- each	<u>11,34,13,200</u>	<u>9,84,13,200</u>
- (1,50,00,000) Equity Shares of Re 1/- issued upon conversion of share warrants	<u>-</u>	<u>1,50,00,000</u>
11,34,13,200 (11,34,13,200) Equity Shares of Re 1/- each	<u>11,34,13,200</u>	<u>11,34,13,200</u>
- Equity Share Warrants	<u>5,31,00,000</u>	<u>-</u>
Total	<u>16,65,13,200</u>	<u>11,34,13,200</u>
SCHEDULE B		
RESERVES AND SURPLUS		
Share Premium Account	<u>3,48,66,000</u>	<u>3,48,66,000</u>
Capital Reserve	<u>9,21,85,310</u>	<u>9,21,85,310</u>
Total	<u>12,70,51,310</u>	<u>12,70,51,310</u>
SCHEDULE C		
UNSECURED LOANS		
Loans :		
- from Directors	<u>47,08,061</u>	<u>-</u>
- from Relatives	<u>76,71,461</u>	<u>21,90,000</u>
Total	<u>1,23,79,522</u>	<u>21,90,000</u>



SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE D											
FIXED ASSETS											
Amount in Rupees											
Sr. No.	Description	Gross Block As At 01.04.2010	Additions during the Year	Deduction during the Year	Gross Block As At 31.03.2011	Depreciation upto 31.03.2010	Adjustments	Depreciation for the Year	Total Depreciation	Net Block As At 31.03.2011	Net Block As At 31.03.2010
1a.	Leasehold Land	3,49,753	-	-	3,49,753	-	-	-	-	3,49,753	3,49,753
b.	Freehold Land	28,57,462	-	-	28,57,462	-	-	-	-	28,57,462	28,57,462
2	Buildings	3,31,53,708	48,969	38,55,418	2,93,47,259	1,65,85,556	9,84,870	9,78,518	1,65,79,204	1,27,68,055	1,65,68,152
3	Plant and Machinery	15,54,01,279	79,87,384	2,15,83,580	14,18,05,083	12,26,87,339	1,75,93,850	74,53,905	11,25,47,394	2,92,57,689	3,27,13,940
4	Electrical Installation	1,72,60,794	6,510	-	1,72,67,304	1,43,24,262	-	8,50,690	1,51,74,952	20,92,352	29,36,532
5	Tools, Gadgets and Equipments	79,67,988	3,36,225	-	83,04,213	58,30,783	-	5,16,348	63,47,131	19,57,082	21,37,205
6	Furniture and Fixtures	24,78,813	10,050	-	24,88,863	22,10,309	-	50,834	22,61,143	2,27,720	2,68,504
7	Vehicles	33,97,657	-	-	33,97,657	17,82,854	-	1,97,856	19,80,710	14,16,947	16,14,803
	Total	22,28,67,454	83,89,138	2,54,38,998	20,58,17,594	16,34,21,103	1,85,78,720	1,00,48,151	15,48,90,534	5,09,27,060	5,94,46,351
	Previous Year	22,03,34,881	25,81,209	48,636	22,28,67,454	15,27,13,386	-	1,07,07,717	16,34,21,103	5,94,46,351	
8	Capital Work in Progress									2,91,01,013	
	Total									8,00,28,073	

Note : Buildings include cost of 30 Shares of Rs.50/- each in Balkrishna Krupa Co-operative Hsg. Soc. Ltd.
 * Capital Work in progress include advances Rs. 1,19,17,872/-



SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rupees	Rupees	As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
SCHEDULE E				
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories (As taken, valued and certified by the management)				
Stores and Spares		72,89,236		52,04,216
Raw Materials		63,58,140		17,25,289
Stock in process		34,42,005		24,64,499
Finished Goods		20,46,571		33,60,824
			1,91,35,952	1,27,54,828
Sundry Debtors (Unsecured)				
Outstanding for a period exceeding six months				
- considered good		11,41,25,311		1,04,92,078
- considered doubtful	39,93,269			39,93,269
Less : Provision for doubtful debts	39,93,269			39,93,269
		-		-
Others		9,19,05,680		18,36,49,565
			20,60,30,991	19,41,41,643
Cash and Bank Balances				
Cash on Hand		27,20,585		21,11,182
Balances with Scheduled Banks : In Current Accounts		3,97,958		64,72,034
			31,18,543	85,83,216
Loans and Advances (Unsecured, considered good)				
TDS and FBT		8,96,255		4,10,006
Sundry Deposits		22,71,947		22,75,682
Excise duty refundable		28,61,567		28,61,567
Others		8,77,07,340		3,30,56,370
			9,37,37,109	3,86,03,625
Total			32,20,22,595	25,40,83,312

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
SCHEDULE F		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors :(See Notes)		
- Micro, Small and Medium Enterprises	-	-
- *Others	19,17,04,079	18,11,52,458
Other Liabilities	62,92,503	37,93,437
Total	<u>19,79,96,582</u>	<u>18,49,45,895</u>
Provisions		
Provision for Gratuity	17,63,114	15,19,452
Provision for Fringe Benefit Tax	1,48,353	1,48,353
Total	<u>19,11,467</u>	<u>16,67,805</u>
Total	<u>19,99,08,049</u>	<u>18,66,13,700</u>

Notes:

1. Includes Rs 3,99,444/- (Previous Year –Rs.2,38,196/-) due to small scale industrial undertakings, exceeding Rs 1 lac, each outstanding for more than 30 days, within the agreed terms.
2. The Company has not received any information from its suppliers regarding registration under “The Micro, Small and Medium Enterprises Development Act, 2006.” Hence the information required to be given in accordance with Section 22 of the said Act is not ascertainable and therefore not given.
3. * Includes debts due to Company under the same management Rs 78,50,912/-.



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Current Year Rupees	Previous Year Rupees
SCHEDULE G		
OTHER INCOME		
a. Interest (Gross)		
From others	38,91,645	21,16,781
(Tax Deducted at Source Rs 4,86,249/-)		
(Previous Year Rs 2,63,420/-)		
b. Leave license fees	11,300	52,478
c. Others	3,45,957	31,982
Total	<u>42,48,902</u>	<u>22,01,241</u>
SCHEDULE H		
ACCRETION / (DECRETION) TO STOCKS		
Closing Stock		
Stock in process	34,42,005	24,64,499
Finished goods	20,46,571	33,60,824
Total	<u>54,88,576</u>	<u>58,25,323</u>
Less: Opening Stock		
Stock in process	24,64,499	34,63,298
Finished goods	33,60,824	61,62,115
Total	<u>58,25,323</u>	<u>96,25,413</u>
(Decreton) to Stocks	<u>(3,36,747)</u>	<u>(38,00,090)</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE I			
MANUFACTURING AND OTHER EXPENSES			
Manufacturing Expenses			
Stores Consumed	66,11,769		68,62,634
Power and Fuel	1,18,22,079		1,29,13,989
Packing Expenses	14,15,715		20,20,006
Security Charges	4,13,302		4,47,000
Rent, Rates and Taxes	3,08,171		1,37,516
Other Expenses	36,960		27,646
		2,06,07,996	2,24,08,791
Repairs and Maintenance			
Buildings	38,059		95,472
Plant and Machinery	5,73,561		3,57,659
Others	1,17,317		1,09,075
		7,28,937	5,62,206
Employees' remuneration and benefits			
Salaries, Wages and Bonus	75,17,607		67,07,739
Gratuity	2,43,662		2,16,199
Staff and Labour Welfare	9,93,544		8,88,254
Contribution to Provident and other Funds	5,32,470		6,47,727
		92,87,283	84,59,919
Sales and Distribution Expenses			
Carriage Outward	26,67,433		22,87,203
Brokerage and Commission	29,82,212		19,80,684
		56,49,645	42,67,887
Carried forward		3,62,73,861	3,56,98,803



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE I (CONT'D)			
Brought forward		3,62,73,861	3,56,98,803
Establishment Expenses			
Insurance	3,69,217		3,37,038
Travelling and Conveyance (including Directors' Travelling Rs 2,40,095/-Pr. Year Rs 72,274/-)	15,77,290		19,24,140
Printing and Stationery	3,08,994		2,12,696
Communication	5,00,804		6,30,863
Directors' Remuneration	13,44,887		11,70,677
Legal and Professional	1,29,844		3,60,646
Auditors' Remuneration	1,10,300		1,10,000
Bank Charges	49,497		1,21,242
Other Expenses	11,93,448		11,07,547
		<u>55,84,281</u>	<u>59,74,849</u>
Total		<u><u>4,18,58,142</u></u>	<u><u>4,16,73,652</u></u>
SCHEDULE J			
INTEREST			
Others		<u>21,87,115</u>	<u>22,98,187</u>
Total		<u><u>21,87,115</u></u>	<u><u>22,98,187</u></u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE K

NOTES ON ACCOUNTS

1. Significant Accounting Policies :

- (a) Basis of Preparation of Financial Statements : The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles, the Accounting Standards and the relevant provisions of the Companies Act, 1956.
- (b) Use of estimates : The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.
- (c) Revenue Recognition : Sales are recognized on despatch to customers and are net of returns, discount and sales tax. Other Income and Expenditure are recognized and accounted on accrual basis.
- (d) Inventories : Raw material is valued at weighted average cost, Stock in process at manufacturing cost based on weighted average cost of raw material and overhead upto relevant stage of completion, stores and spares at cost and finished goods at lower of cost of production and net realisable value. Purchased finished goods are valued at cost and by-products and waste are valued at net realisable value.
- (e) Fixed Assets : Fixed Assets are stated at cost, less accumulated depreciation. Costs include all expenses incurred to bring the assets to its present location and condition. Exchange differences on translation of foreign currency loans obtained to purchase fixed assets are included in the cost of such assets.
- (f) Depreciation : Depreciation on fixed assets is being provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (g) Accounting for taxes : Provision for tax is made and retained in the accounts considering the taxable income for the relevant year, assessment orders and decisions of appellate authorities in the Company's case. Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.
- (h) Foreign currency transactions (if any) are entered as per the exchange rate prevailing on the date of transaction. Foreign currency assets, and liabilities covered by forward contracts, (if any), are stated at the forward contract rates ruling at the year end. Other exchange differences are dealt with in the Profit and Loss Account.
- (i) Employee benefits : (i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and loss account of the year in which the related service is rendered. These benefits include compensated absences such as paid annual leave and performance incentives. (ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Liability in respect of gratuity to employees is covered under the group gratuity scheme with the Life Insurance Corporation of India and premium paid is debited to the Profit and Loss Account.
- (j) Impairment of Assets : An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

2. Contingent liabilities :

- (a) Guarantees given by bank Rs Nil (Previous Year Rs Nil)
- (b) Claims against the Company not acknowledged as debt nor provided for:

	31.03.2011	31.03.2010
	Rs.Lacs	Rs. Lacs
i. Claims raised by the Sales Tax department in respect of earlier years disputed by the Company and appealed against	218.36	167.72
Less : Paid/(Provided)for out of the above	14.43	11.28
Total	<u>203.93</u>	<u>156.44</u>

Note : Excise duty of Rs 792.11 lacs, relating to certain sales made, from 4.07.1995 to 22.10.1996, was demanded by the Commissionerate, Daman, alongwith equal penalty, interest thereon and a fine of Rs 21 lacs. The Company appealed against the said order with CESTAT, Ahmedabad. The CESTAT had decided in favour of the Company. The Excise department has appealed before the High Court.



(c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 683.82 lacs (Previous Year Rs. Nil).

(d) No provision for Minimum Alternate Tax (MAT) under the Income tax Act, 1961, has been made in view of the legal opinion received by the Company.

3. Disclosures pursuant to Accounting Standard-15 “Employee Benefits” :

A. Defined Contribution Plans-

	2010-11 Rs.lacs	2009-10 Rs.lacs
Employer’s contribution to Provident Fund/Pension Fund	4.82	4.76
Employer’s contribution to ESIC	0.34	0.16
Total	<u>5.16</u>	<u>4.92</u>

B. Defined Benefit Plan-

Group Gratuity Scheme of LIC of India

i) Assumptions used for Actuarial valuation :

Discount Rate	: 8.00 %
Salary Escalation Rate	: 4.00 %

ii) Table showing changes in present value of obligation :

	(Rs in lacs)
Opening Balance	: 9.04
Interest cost	: 0.72
Current Service cost	: 0.60
Benefits paid	: (0.19)
Actuarial (gain)/loss	: 4.80
Closing Balance	: 14.97

iii) Table showing changes in fair value of plan assets :

Opening Balance	: 3.14
Expected Return on plan assets	: 0.25
Contributions	: -
Benefits paid	: (0.19)
Actuarial gain/(loss)	: -
Closing Balance	: 3.20

iv) Amount recognized in the Balance Sheet :

Present value of obligations	: (14.97)
Fair value of plan assets	: 3.20
Funded status	: (11.77)
Net liability recognized in Balance Sheet	: 17.63

v) Expenses recognized in the Profit and Loss Account:

Current Service cost	: 0.60
Interest cost	: 0.72
Expected return on plan assets	: (0.25)
Actuarial (gain)/loss	: 4.80
Expenses recognized in P & LA/c	: 5.87
Expenses recognized in current year P & LA/c	: 2.44

4. The Sales tax assessment at Silvassa and Dharampur is completed upto F.Y. 2004-05 and 2006-07 respectively. The Income tax assessment of the Company is completed upto A. Y. 2008-09.

5. Payment to Auditors :

	31.03.2011 Rupees	31.03.2010 Rupees
Audit Fees	1,10,300	1,10,300
Tax Audit Fees	27,575	27,575
Certification	9,378	4,412
Total	<u>1,47,253</u>	<u>1,42,287</u>

6. The Company is not required to obtain any licence under the Industrial Development and Regulations Act. Therefore the details of licenced capacity are not applicable. The installed capacity could not be worked out due to complexity of different deniers used. However, the Company has registered itself with the Textile Commissioner as a medium scale



unit for Texturising, Twisting and Doubling of Art Silk yarns at Silvassa. The Company is also registered with the Secretariat of Industrial Approvals for its unit at Dharampur.

7. Quantitative information in respect of opening stock, closing stock, sales and consumption of raw material and stores :

	Unit	31.03.2011 Quantity	Value Rupees
a Opening Stock :			
Finished Stocks	M.T.	29.975	33,60,824
	M.T.	(66.763)	(61,62,115)
b Closing Stock :			
Finished Stocks	M.T.	14.275	20,46,571
	M.T.	(29.975)	(33,60,824)
c Sales (Yarn)			
	M.T.	1565.591	20,24,19,275
	M.T.	(1840.717)	(20,94,97,687)
d Raw Material Consumed :			
Indigenous	100.00% M.T.	1622.166	15,72,37,192
	(100.00%) M.T.	(1888.252)	(15,89,51,023)
e Stores Consumed :			
Imported	%	-	-
	(-)	(-)	(-)
Indigenous	100.00%	-	66,11,769
	(100.00%)	(-)	(68,62,634)
Total	100.00%	-	66,11,769
	(100.00%)	(-)	(68,62,634)
f Goods traded in :			
Purchases	Mtrs.	21,56,823	19,73,78,302
		(54,77,373)	(26,72,97,165)
Sales	Mtrs.	21,56,823	19,79,12,577
		(54,77,373)	(27,41,66,572)
8. Actual Production :			
Texturised, Twisted, Warped and Sized Yarn		*2200.691 M.T.	
		*(1956.167) M.T.	
* Includes Jobwork Production 650.800 M.T (152.238 M.T.)			
9. CIF value of imports by the Company :			
Capital Goods		31.03.2011 Rs.lacs 3.03	31.03.2010 Rs.lacs Nil
10. Earning/expenditure in foreign currency :			
(a) Earning in foreign currency :			
FOB value of exports		Nil	Nil
(b) Expenditure in foreign currency :			
Foreign travelling expenses		1.33	Nil
Stores and Spares		NIL	Nil



11. The Company is no longer a sick industrial company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. It was discharged from the purview of the Act vide order dated 18/06/2010.
12. The Company has issued 900 lacs equity share warrants of Rs 2,124 lacs @ Rs 2.36 per warrant on preferential basis to be converted into equity shares of Re 1/- each at a premium of Rs 1.36 per share within 18 months from the date of allotment. Rs 531.00 lacs has been paid up on the warrants.
13. Previous Year's figures have been regrouped/rearranged wherever necessary. Figures in brackets relate to the previous year.
14. **Managerial remuneration paid to the Directors :**

	Current Year Rupees	Previous Year Rupees
Salaries	18,54,887	17,41,354
Perquisites	5,30,818	5,36,538
Contribution to Provident Fund	2,22,586	2,08,962
Total	26,08,291	24,86,854

15. Loans and advances include housing loan of Rs 1.11 lacs (Previous Year Rs 2.78 lacs) due from a director (approved by the Central Government). Maximum balance during the year Rs 2.78 lacs (Previous Year Rs 4.44 lacs).
16. **Related party Disclosure (as identified by the Management) :**

(i) Related party relationships :

- a) Where control exists
 - Super Infincon Pvt. Ltd.
 - Super Polyester Yarns. Ltd.
 - Prajapati Mercantile Pvt. Ltd.
 - P & M Distribution Pvt. Ltd.
- b) Key Management Personnel :
 - Shri S S Mishra
 - Shri R K Mishra
 - Shri S K Mishra
- c) Relatives of Key Management Personnel :
 - Shri B K Sharma
 - Shri N L Mishra & family
 - Smt R S Dhandh
 - Smt. S B Sharma
 - Ms. AB Sharma



(ii) **Transactions with Related Parties :**

Rs in lacs

Type of related party	Description of the nature of the transactions	Volume of transaction during the Year	Amount Outstanding as on 31st March, 2011	
			Receivable	Payable
Where Control Exists	Purchase bills financing	401.63	-	78.51
	Application Money for Share warrants	531.00	-	-
Key Management Personnel	Managerial Remuneration (Including perquisites)	26.08	-	18.80
	Housing Loan given	-	1.11	-
Relatives of Key Management Personnel	Remuneration (Including perquisites)	2.13	-	-
	Sale of Fixed Asset	55.00	-	-
	Unsecured Loan	159.15	-	113.79
	Interest on loan	1.56	-	1.56

17. Excise credit at the year end of Rs 72.54 lacs (Previous Year Rs 73.16 lacs) has not been accounted as, according to the management, the same is not realizable.

18. **Basic and diluted earnings per Share :**

	31.03.2011	31.03.2010
(a) Net Profit after tax (Rs Lacs)	5.74	68.10
Extraordinary items	-	-
Net Profit after tax for equity shareholders	5.74	68.10
(b) Number of Equity Shares as on April 1, 2010	11,34,13,200	9,84,13,200
Paid-up Re 1/- per share (P.Y. Rs 10/-)	-	1,50,00,000
Shares issued during the year	11,34,13,200	11,34,13,200
Number of Equity Shares as on March 31,2011	11,34,13,200	9,79,56,141
Weighted average no. of equity shares	0.01	0.07
(c) Basic Earnings per share (Rs)	9,00,00,000	-
Face Value Re 1/-(*Pr.year Re 1/-)	13,21,80,049	9,79,56,141
(c) Potential shares on exercise of options	0.004	0.07
Weighted average no. of equity shares		
Diluted Earnings per share (Rs)		
Face Value Re 1/-(*Pr.year Re 1/-)		

19. **Segment Reporting :** As the Company deals in only one segment i.e "Textiles", there are no reportable business segments. There are also no reportable geographical segments.

20. **Deferred Tax Asset :** Break-up of Deferred Tax Assets and Liabilities are as under :

	31.03.2011	31.03.2010
	Rs lacs	Rs Lacs
a) Deferred Tax Assets, on account of:		
Unabsorbed Depreciation	343.47	377.82
Accumulated Business Losses	287.80	313.14
Disallowance u/s 43B of IT Act	5.11	5.17
Total	636.38	696.13
b) Deferred Tax Liabilities, on account of :		
Difference in Book and Tax Depreciation	17.08	21.64
Net Deferred Tax Assets	619.30	674.49

21. Debit and credit balances are subject to confirmation and reconciliation.



22. Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956. :

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I) Registration Details:

Registration No.	L99999DN1986PLC000046
State Code	04
Balance Sheet Date	31.03.2011

II) Capital raised during the year

(Amount in Rs. thousands)

Public Issue	Nil
Preferential Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III) Position of Mobilisation and Deployment of Funds

(Amount in Rs. thousands)

Total Liabilities	3,05,944
Total Assets	3,05,944
Sources of Funds:	
Paid-up Capital	1,66,513
Reserves & Surplus	1,27,051
Secured Loans	-
Unsecured Loans	12,380
Application of Funds:	
Net Fixed Assets	80,028
Deferred Tax Asset (Net)	61,930
Net Current Assets	1,22,115
Miscellaneous Expenditure	-
Accumulated Losses	41,871

IV) Performance of Company

(Amount in Rs. Thousands)

Turnover	4,14,802
Total Expenditure	4,08,708
Profit Before Tax	6,094
Profit After Tax	574
Basic Earning Per Share (Rs)	0.01
Diluted Earning Per Share (Rs)	0.004
Dividend Rate %	Nil

V) Generic Names of Three Principal Products/Services of Company

(As per Monetary terms)

Item Code No. (ITC Code)	5402
Product Description	(i) TEXTURISED & TWISTED YARN OF POLYESTER SYNTHETICS (ii) POLYESTER FILAMENT YARN(SYNTHETIC)-DRAW WARPED (iii) SIZED BEAMS OF POLYESTER FILAMENT YARN

Signatures to Schedules A to K

As per our attached report of even date

For N.G.Thakrar & Co.
Firm Regn.No.110907W
Chartered Accountants

For M.B.Agrawal & Co.
Firm Regn.No.100137W
Chartered Accountants

For and on behalf of the Board,

S S Mishra - Chairman
R K Mishra - Managing Director
& Company Secretary
S K Mishra - Director Finance
G R Toshniwal - Director

N.G.Thakrar
Proprietor

Sanjay Lunkad
Partner

Membership No.36213
Mumbai,30th May,2011

Membership No.48229
Mumbai,30th May,2011

Mumbai 30th May, 2011



FORM OF PROXY

SUPERTEX INDUSTRIES LIMITED

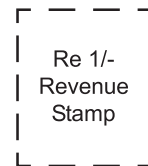
Regd. Office :

Plot No. 45-46, Phase II, Piperia Industrial Estate, Silvassa, Dadra and Nagar Haveli.

I/We
of in the district of
being a member / members of the above-named Company, hereby appoint
..... of
..... in the district of
or failing him of
as my / our proxy to vote for me / us on my / behalf at 25th Annual General Meeting of the Company, to be held on Tuesday, 23rd August , 2011 at 10.30 a.m. and at any adjournment thereof.

Signed this day of 2011

Signature



Reference Folio

1. Proxy must be deposited at the Registered Office or the Head Office of the Company, not less than 48 hours before the time for holding the meeting.
2. A Proxy need not be a member.

BOOK - POST



If undelivered, please return to :

SUPERTEX INDUSTRIES LIMITED

Head Off.: Balkrishna Krupa, 2nd Floor,
45/49, Babu Genu Road, Princess Street,
Mumbai 400 002.

Tel.: 2209 5630 / 2209 5631