



**SUPERTEX  
INDUSTRIES LIMITED**

**TWENTY SIXTH  
ANNUAL REPORT  
2011-2012**

### **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 April 29, 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 or alternatively send us email to the Company at [investors@supertex.in](mailto:investors@supertex.in) 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
S.K. MISHRA	..	Director -Finance

**COMPANY SECRETARY**

L. L. SALIAN

**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-Sixth Annual General Meeting of members of SUPERTEX INDUSTRIES LTD. will be held on Wednesday, the 26th September, 2012 at 10.30 a.m. at the Registered Office of the Company at Plot No. 45-46, Phase II, Piperia Industrial Estate, Silvassa - 394230 (Dadra & Nagar Haveli) to transact the following business :

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2012 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 Ganesh Toshniwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider, and if thought fit to pass with or without modification(s), the following resolution as Special Resolution:-  
 “RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 (the said Act) and in terms of the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into with the Stock Exchanges where the Equity Shares of the Company are listed and subject to the approval of Government of India (GOI), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Stock Exchange and other authorities, if any, and subject to the consents, permissions and sanctions of all concerned authorities, if any, to the extent required to such conditions and modifications as may be prescribed or as may be imposed while according such consents, which may be considered appropriate by the Board of Directors of the Company or any authorized committee thereof, (hereinafter referred to as “the Board”) in its absolute discretion, consent of the Company be and is hereby accorded to the Board to create, offer, issue, allot and deliver in one or more tranches, on a preferential basis upto 2,16,68,680 (Two Crores Sixteen Lacs Sixty Eight Thousand Six Hundred Eighty) convertible warrants (“Warrants”) to prospective investors (or its nominee/nominees) of the company, details of which are given below, each warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment into 1 (One) fully paid up Equity share of the company of ₹ 10/- each.

**List of the Allottees**

Serial Number	Name of the Prospective Investors	No. of Warrants
1	Chase Marketing Private Limited	80,89,000
2	P and R Mercantile Private Limited	63,70,000
3	Parameshwar Exports Private Limited	57,11,650
4	Venus Portfolio & Finance Private Limited	6,74,000
5	Ellora Electricals Limited	6,74,030
6	Sunil Purnamal Poddar (HUF)	1,50,000

At an exercise price which is not lower than the minimum price specified as per Regulation 76 of Chapter VII of SEBI (Issue of Capital & Disclosures Requirement) Regulations, 2009 ( the “SEBI Regulations”), as stated below and out of which 25% shall be payable before the allotment of warrants and balance on or before 18 months from the date of allotment of each warrant or else the money received for the allotment shall be forfeited by the Company.

The exercise price of the warrants as per Regulation 76 of Chapter VII of SEBI Regulations shall not be lower than:

- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during six months preceding the relevant date (Regulation 76), or,
- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during two weeks preceding the relevant date and at any other price above exercise price, as may be finalized by the Board on the following terms and conditions:
  - (a) The warrants shall be converted within 18 months from the date of allotment. The Equity shares so issued on conversion shall be subject to the Memorandum and Articles of Association of the Company.
  - (b) The amount to be paid up on the warrants at the time of allotment shall not be less than 25% of the exercise price, and other such terms and conditions of the warrants may be decided in accordance with SEBI Regulations and other provisions of applicable law, by the “Board”.



- (c) The relevant date for the purpose of calculating the minimum exercise price for the Warrant under Chapter VII of SEBI Regulations is 27th August, 2012 being 30 days prior to 26th September, 2012 (i.e. 30 days prior to the date on which Meeting of General body of shareholders is held in terms of Section 81(1A) of the Companies Act, 1956, to consider this proposed issue.)
- (d) The Equity Shares allotted on conversion of warrants shall rank pari passu in all respects with the other existing Equity Shares of the Company.
- (e) The Warrants shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock in provided under SEBI Regulations except to the extent and in manner permitted thereunder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and take action on matters, give such directions or instructions for settling any question, doubt or difficulty which may arise with regard to the offer, issue or allotment of the said shares and to take appropriate actions to bring into effect the above decision.

**By Order of the Board**

**L. L. Salian**  
**Company Secretary**

Mumbai, the 27th August, 2012  
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 Thursday the 20th September, 2012 to Wednesday the 26th September, 2012 (both days inclusive).
- 3. M/s. Sharex Dynamic (India) Pvt. Ltd., Unit – 1, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, 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 20<sup>th</sup> May, 2000, it has been made mandatory for all investors in your Company to settle the trade in demat form with effect from 25<sup>th</sup> 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 to 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 SIXTH ANNUAL GENERAL MEETING :**

- 1. Shri Ganesh Toshniwal (44) is a B. Com from Rajasthan University and a fellow member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and is a partner in NGS & Co., Chartered Accountants. The Board commends his appointment.



**ANNEXURE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4**

In order to finance the Company's requirements of funds for expansion, diversification and modernization activities, requirements arising out of growth in operations, business acquisitions, capital expenditure investment in loans / Joint Ventures / Associates and for other corporate purposes, the Company proposes to raise funds / resources in India and / or international market at any point of time, in one or more tranches by issue of Preferential Equity Warrants.

In terms of the SEBI Regulations, the following disclosures are being made:-

- **Object of the Issue:** The object of the proposed Preferential Issue of Warrants is to permit strategic investment in the Company which would pave the way for addressing the business opportunities presented before the Company. The Company is undertaking an expansion programme, and looking for prospective Merger's/ Acquisition, promoting companies in the textile and in textile related industries, etc.
- **Pricing of the issue:** The equity shares of the Company are traded on the Stock Exchanges where the shares of the Company are listed during six months or two weeks preceding the relevant date i.e. 27th August, 2012 as arrived in accordance with the provisions of SEBI Regulations.  
The conversion price of ₹ 10 per Equity Share of the proposed issue of warrants is above the provisions of SEBI Regulations and is calculated by taking 27th August, 2012 as the Relevant Date.
- **Intention of the Promoters, Directors, Management personnel to subscribe to the offer:** The Promoters have introduced the following strategic investors to invest in the Company's expansion plans.

**Details of the subscription are appended below.**

- **\*Share holding pattern:**

Sr.No.	Category of Shareholders	Pre-issue Shareholding (as on 30th June, 2012)		Post-issue Shareholding (assuming full conversion)*	
		Number	%	Number	%
1.	<b>Promoters/Promoters Group</b>				
i)	Individuals/HUF	10,83,211	9.55	10,83,211	3.28
ii)	Bodies Corporate	5,92,584	5.23	5,92,584	1.80
	<b>Total of 1</b>	<b>16,75,795</b>	<b>14.78</b>	<b>16,75,795</b>	<b>5.08</b>
2.	<b>Public Holding</b>				
i)	Institutions	1,260	0.01	1,260	0.00
ii)	Non-Institutions				
a)	Individuals / HUF				
	Sunil Puranmal Poddar (HUF)	18,500	0.16	1,68,500	0.51
	Others	81,72,845	72.06	81,72,845	24.76
	Total (a)	81,91,345	72.23	83,41,345	25.27
b)	Bodies Corporate				
	Chase Marketing Private Limited	1,436	0.01	80,90,436	24.51
	P and R Mercantile Private Limited	NIL	0.00	63,70,000	19.30
	Parameshwar Exports Private Limited	1,209	0.01	57,12,859	17.31
	Venus Portfolio & Finance Private Limited	NIL	0.00	6,74,000	2.04
	Ellora Electricals Limited	NIL	0.00	6,74,030	2.04
	Others	13,98,556	12.33	13,98,556	4.23
	Total (b)	14,01,201	12.35	2,29,19,881	69.43
	Total (ii) (a & b)	95,92,546	84.58	3,12,61,226	94.70
	<b>Total of 2</b>	<b>95,93,806</b>	<b>84.59</b>	<b>3,12,62,486</b>	<b>94.70</b>
3	<b>Any Other</b>				
i)	Clearing Member	30,816	0.27	30,816	0.09
ii)	NRIs	40,903	0.36	40,903	0.12
	<b>Total of 3</b>	<b>71,719</b>	<b>0.63</b>	<b>71,719</b>	<b>0.22</b>
	<b>Total of 1+2+3</b>	<b>1,13,41,320</b>	<b>100.00</b>	<b>3,30,10,000</b>	<b>100.00</b>



**\*RA Comment:** *The figures in the shareholding pattern are on the assumption that all the warrants will be subscribed by the Promoters to the full number of warrants authorized to be issued and allotted pursuant to the shareholders resolution and all the warrants will be exercised. However, if any warrants are not issued or allotted or any warrants are not exercised, the shareholding pattern will vary and change correspondingly.*

- **Proposed time within which allotment will be completed:** The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their allotment. Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.
- **Whether there will be a change in control and management over the company:** The preferential issue will not result in change in the control of the Company. The promoters who already have control over the company will continue to have control over the company
- **Identity of allottee with percentage of expanded capital to be held by them :**  
**The allottees in the proposed preferential issue are as follow:-**

Sr. No.	Name of the Prospective Investors	No. of Warrants	Post-Issue Shareholding (assuming full conversion)**	
			Number	%
1	Chase Marketing Private Limited	80,89,000	80,90,436	24.51
2	P and R Mercantile Private Limited	63,70,000	63,70,000	19.30
3	Parameshwar Exports Private Limited	57,11,650	57,12,859	17.31
4	Venus Portfolio & Finance Private Limited	6,74,000	6,74,000	2.04
5	Ellora Electricals Limited	6,74,030	6,74,030	2.04
6	Sunil Purnamal Poddar (HUF)	1,50,000	1,68,500	0.51

**\*\* RA Comment:** *The figures in the shareholding pattern are on the assumption that all the warrants will be subscribed by the Promoters to the full number of warrants authorized to be issued and allotted pursuant to the shareholders resolution and all the warrants will be exercised. However, if any warrants are not issued or allotted or any warrants are not exercised, the shareholding pattern will vary and change correspondingly.*

- i. 2,16,68,680 Warrants are proposed to be issued and allotted to the aforesaid prospective investors as specified in Explanatory Statement, (or its nominees/affiliates) each Warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into one fully paid up Equity Share of the Company of Face Value ₹ 10/-
- ii. A Copy of certificate issued by the Statutory Auditors of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in the SEBI Regulations shall be laid before the Annual General Meeting.
- iii. The consent of the Shareholders in terms of the Special resolution of the accompanying notice is required under Section 81(1A) of the Companies Act, 1956.

The Directors of the Company may be deemed to be interested in this resolution to the extent of their respective shareholding in the Company in the same proportion as they may be allotted in the preferential issue.

The Directors recommend this Resolution for your approval.

**By Order of the Board**

**L. L. Salian  
 Company Secretary**

Mumbai, 27th August, 2012



**DIRECTORS' REPORT**

Dear Members,

The Directors are pleased to present herewith the twenty-sixth Annual Report together with the audited statement of accounts of your Company for the year ended 31<sup>st</sup> March, 2012.

**Financial Results**

	<b>Year ended 31.03.2012 ₹ in lacs</b>	<b>Year ended 31.03.2011 ₹ in lacs</b>
Turnover	5,073.42	4,099.81
Other Income	82.65	42.49
Income from Operation	239.64	174.68
Profit on sale of Fixed Assets (net)	8.12	9.09
Profit before Interest and Depreciation	247.76	183.77
Interest	26.22	22.36
Profit before Depreciation	221.54	161.41
Depreciation	102.16	100.48
Profit Before Tax	119.38	60.93
Deferred Tax	(10.46)	(55.19)
Profit After Tax	108.92	5.74

In order to maintain the profits of the business of the company and to meet the growing funding requirements, your Directors have not recommended any dividend for the year under report.

**Working**

The production improved during the year and was higher by 5.90% at 2,333 M.T. as against 2,203 M.T. last year. The turnover was higher by 23.73% at ₹ 5,073 lacs as against ₹ 4,100 lacs. The company has continued to manufacture under its agreement for processing speciality yarns for a large reputed spinner. The processing charges went up by 52% from ₹ 96 lacs last year to ₹ 146 lacs. The Company has modified and enhanced its capacity to facilitate manufacture of newer products.

The profits improved at ₹ 119 lacs as against ₹ 61 lacs in the past year. The Company had upgraded many of its production facilities, improved capacity utilization and used better marketing strategies which 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 margins remained under pressure due to the global scenario which imposed itself over the domestic markets also. The prices remained volatile during the year depending on the prices of the raw material. The Company is expecting to augment its capacity to meet the encouraging demand of domestic as well as the exports market.

**Exports**

The company has resumed exports of its products and it has exported about 2.5% of the total sales during the year. The current year performance is a marked improvement over the past year and the Company expects to export a much higher percentage of its products to the international market. The products are well received by the market and the management has worked out a medium to long term tie-up for manufacture of the same.

**Directors**

Shri Ganesh Toshniwal, Director of the Company retires by rotation and being eligible offer himself for reappointment.

**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 by the qualified Auditors. Your Company has re-appointed M/s. Talati & Associates, Cost Auditors for conducting the audit of such records for the financial year 2012-2013.



**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, 2012 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, 2012 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 :**

- i) Optimisation of air compressors for low pressure applications.
- ii) Limiting the use of air-conditioning in the plants to need based minimum.
- iii) 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.

<b>Power Consumption</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Purchased Units (Kwh)	<b>22,49,136</b>	28,56,552
Amount (₹)	<b>1,22,10,657</b>	1,28,07,498
Rate / Unit (₹/p.)	<b>5.43</b>	4.48

**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 – ₹ 1,23,70,113 (Previous Year – Nil)

Foreign Exchange Outgo – ₹ 4,55,139 (Previous Year – ₹ 1,33,850)

(Refer Note 28 of Notes on Financial Statements)

**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,**

**S.S. Mishra**  
Chairman

Mumbai, 31st May, 2012

**ANNEXURE TO THE DIRECTORS REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****Overview:**

The prolonged dip in GDP rate of US economy saw a first hint of growth during the last year. At the beginning of year 2011, the Indian economy commenced its journey with considerable confidence and a stable currency. As the year progressed, Indian economy was gripped by high Inflation, weakening rupee, high interest rates and fuel prices etc. Decline in industrial output resulted in slow growth of estimated GDP (6.9% in 2011-2012 as against 8.4% in 2010-2011). The global growth rate is expected to go down from an estimated 5.8% in 2011 to 3.7%. However, India emerged as the fast growing export economy followed by US and China.

**Textile Industry Scenario:**

The Indian polyester industry fared well. There was a growth in production and increase in capacity utilization of around 3.1% and 6.1% respectively in 2011-2012. The Polyester Filament Yarn was the most preferred capacity addition segment. The capacity grew around 9% from 2.91 million tonnes in 2010-2011 to 3.18 million tonnes in 2011-2012. The Production grew around 10.7% from 2.15 million tonnes in 2010-2011 to 2.38 million tonnes in 2011-2012. The demand grew 8.9% from 1.91 million tonnes to 2.08 million tonnes. Exports of PFY registered an impressive growth of 24% from 0.20 million tonnes in 2010-2011 to 0.25 million tonnes in 2011-2012. PFY is estimated to grow at 8-10% between 2013 and 2015 due to high growth home textile, women's wear and automotive segment.

**Corporate Review:**

During the year under review, the Company has been exporting yarns to other countries resulting into increase in profits of the Company. Despite the challenging business environment, there has been steady rise in the profits of the Company as compared to last year

**Threats :**

The increase in the rate of CENVAT, fluctuation in crude oil prices and depreciation of Indian rupee lead to high raw material and fuel cost posing a threat to the industry. There are challenges, such as inflation, high interest rates, depreciating rupee, delays in policy initiatives to boost investments and capital flows etc, will moderate growth and which in the short term are likely to affect your Company's performance.

**Opportunities:**

Increase in price of cottons have provided for more demand for polyester fabrics. The future outlook of yarns is more impressive than cotton. The growing applications of synthetic yarns in the day to day life and new areas of fabric for apparels, technical textiles, furnishing and other home textiles will absorb the ongoing expansions in the industry.

**Risk Management:**

The Company is exposed to risks from market fluctuations of foreign exchange and raw material prices. 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 proactive 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 six 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 dates of the meeting and attendance are as follows:

Date of Meeting	No. of Members present
30.05.2011	6
29.07.2011	6
25.08.2011	6
05.10.2011	6
31.10.2011	5
31.01.2012	6

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	6	Yes
2	*Shri R.K.Mishra	Managing Director	6	Yes
3	Shri S.K.Mishra	Whole-time Director – Finance	6	Yes
4	Shri P.R.Kapadia	Non-Executive and Independent	6	No
5	Shri M.A.Sharma	Non-Executive and Independent	6	No
6	Shri Ganesh Toshniwal	Non-Executive and Independent	5	Yes

\* resigned from his additional responsibility as Company Secretary w.e.f 25.05.2012

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 ₹ 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, 2012 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 :

	<b>Name of Director</b>	<b>Status</b>
1	Shri Ganesh Toshniwal	Chairman – Non Executive & Independent
2	Shri M.A.Sharma	Member – Non Executive & Independent
3	Shri P.R.Kapadia	Member – Non Executive & Independent
4	Shri S.S.Mishra	Member – Non Executive

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:

<b>Date of Meeting</b>	<b>No. of Members present</b>
30.05.2011	4
29.07.2011	4
31.10.2011	3
31.01.2012	4

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 following four Directors:

	<b>Name of Director</b>	<b>Status</b>
1	Shri S.S.Mishra	Chairman – Non Executive
2	Shri Ganesh Toshniwal	Member – Non Executive & Independent
3	Shri P.R.Kapadia	Member – Non Executive & Independent
4	Shri M.A.Sharma	Member – Non Executive & Independent

There was no meeting of the remuneration committee held during the year.

Details of the remuneration of directors for 2011-12 are as follows :

(Amount in Rupees)

	<b>Name of Director</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Contribution to PF</b>	<b>Sitting Fees</b>	<b>Total</b>	<b>Service Contract</b>
1	Shri S.S.Mishra	-	-	-	18,000	18,000	Non Executive
2	Shri R.K.Mishra	10,20,500	3,30,688	1,13,040	NIL	14,64,228	5 years
3	Shri S.K.Mishra	7,80,000	2,22,705	86,400	NIL	10,89,105	5 years
4	Shri Ganesh Toshniwal	-	-	-	15,000	15,000	Non Executive
5	Shri M.A.Sharma	-	-	-	18,000	18,000	Non Executive
6	Shri P.R.Kapadia	-	-	-	15,000	15,000	Non Executive
	<b>TOTAL</b>	<b>18,00,500</b>	<b>5,53,393</b>	<b>1,99,440</b>	<b>66,000</b>	<b>26,19,333</b>	

#### **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 Share 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 two meetings during the year.i.e on 29.07.2011 and 31.01.2012.

The committee comprises of the following three Directors :

	<b>Name of Director</b>	<b>Status</b>
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

The Company received 1 complaint during the year, which were redressed in time.

**General body Meetings**

During the last three years, the Annual General Meetings were held on 22nd August, 2009, 13th August, 2010 and 23rd August, 2011. 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 one Extra Ordinary General Meeting held on 29th October, 2011

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

		<b>No. of Special Resolutions</b>
1	23 <sup>rd</sup> Annual General Meeting	1
2	24 <sup>th</sup> Annual General Meeting	1
3	25 <sup>th</sup> Annual General Meeting	0

**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. There are no strictures or penalties etc. imposed by the SEBI or the Stock Exchange.

**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 30 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. The website of the Company is : [www.supertex.in](http://www.supertex.in)

**General shareholder information**

M/s. Sharex Dynamic (India) Pvt Ltd., Unit-I, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Mumbai-400 072, are the Registrars and Share 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.

**Distribution Schedule of shareholding as at the close of the year 2011-12 :-**

Equity Shares	Number of Holders	(%) of Holders	Total Shares	% of Total
Upto 100	9,844	68.89	4,19,867	3.70
101 To 200	1,479	10.35	2,59,684	2.29
201 To 500	1,363	9.54	5,20,384	4.59
501 To 1000	657	4.60	5,51,301	4.86
1001 To 5000	712	4.98	16,79,806	14.81
5001 To 10000	113	0.79	8,25,856	7.28
10001 To 100000	105	0.73	26,52,380	23.39
100001 And Above	17	0.12	44,32,042	39.08
<b>Total</b>	<b>14,290</b>	<b>100.00</b>	<b>1,13,41,320</b>	<b>100.00</b>

**Shareholding pattern as on 31st March, 2012**

	Category	No. of Shares Held	% of Share-Holding
A.	Promoter(s) Holding		
1	Promoter(s)		
	- Indian Promoters	16,75,795	14.776
	- Foreign Promoters	-	-
	<b>Sub-Total</b>	<b>16,75,795</b>	<b>14.776</b>
B.	Non-Promoters Holding		
2	Institutional Investors		
a	Mutual Funds & UTI	360	0.003
b	Banks, FIs, Insurance Company (Central / State Govt. Inst. / Non-govt. Inst.)	880	0.008
c	FII(s)	20	-
	<b>Sub-Total</b>	<b>1,260</b>	<b>0.011</b>
3.	Others		
a	Private Corporate Bodies	17,81,101	15.705
b	Indian Public	77,61,831	68.438
c	NRI / OCBs	40,863	0.360
d	Any-Other (Foreign Companies)	-	-
e	Clearing Members	80,470	0.710
	<b>Sub-Total</b>	<b>96,64,265</b>	<b>85.213</b>
	<b>Grand-Total</b>	<b>1,13,41,320</b>	<b>100.000</b>



Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2011-12 :

Month	High Price (₹)	Low Price (₹)
April 2011	1.22	0.73
May 2011	1.03	0.65
June 2011	1.08	0.79
July 2011	0.90	0.72
August 2011	0.77	0.52
September 2011*	7.48	0.62
October 2011	7.39	4.23
November 2011	6.38	3.73
December 2011	4.62	2.90
January 2012	5.95	3.02
February 2012	5.20	3.99
March 2012	5.38	4.01

\* The face value of share were consolidated from ₹ 1/- per share to ₹ 10/- per share

Stock Code	526133
ISIN allotted to Equity shares (₹ 10/- Face Value)	INE881B01054

**Listing**

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

**Dematerialisation position of Company's Equity shares**

Out of the total, 98.56% shares of the Company have been dematerialised till 31st March, 2012 leaving a balance of 1.44% 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, 2012.

**For and on behalf of the Board,**

**S S Mishra  
Chairman**

Place : Mumbai  
Dated : 31st May, 2012





**AUDITORS' 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, 2012, 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 : 31st May, 2012

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

**M. B. Agrawal**  
**Partner**  
**Membership No. 9045**

Place : Mumbai  
Dated : 31st May, 2012



**AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SUPERTEX INDUSTRIES LIMITED** which comprise the Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 affairs of the Company as at 31st March, 2012;
- ii. in the case of the Statement of Profit and Loss, 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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies(Auditor's Report) Order, 2003, as amended, 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'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. **We draw attention to Note No. 31(II)ii 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.**
3. As required by Section 227(3) of the Companies Act, 1956 we further 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

**N.G. Thakrar**  
Proprietor  
Membership No. 36213

Place : Mumbai  
Dated : 31st May, 2012

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

**M. B. Agrawal**  
Partner  
Membership No. 9045

Place : Mumbai  
Dated : 31st May, 2012



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of Supertex Industries Ltd. for the year ended 31st March, 2012. We report that:

- 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 18 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 152.91 lacs and the year-end balance of such loan was ₹ 95.91 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. However, the same needs to be further strengthened.
- 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, 2012 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating to ₹ 792.11 lacs, that have not been deposited on account of matter pending before appropriate authorities are as under :-

Name of Statute	Nature of Dues	Amount (₹ lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	792.11	4/7/1995 to 22/10/1996	High Court
Total		792.11		

- x. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and 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 has not defaulted in repayment of dues to financial institutions, 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. The Company has not made any preferential allotment of share warrants to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 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**

Place : Mumbai  
 Dated : 31st May, 2012

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

**M. B. Agrawal**  
**Partner**  
**Membership No. 9045**

Place : Mumbai  
 Dated : 31st May, 2012



**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	11,34,13,200	11,34,13,200
Reserves and Surplus	2	9,60,71,736	8,51,80,048
Money received against Share Warrants	3	5,31,00,000	5,31,00,000
		<b>26,25,84,936</b>	<b>25,16,93,248</b>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	7,35,906	1,39,025
<b>Current Liabilities</b>			
Short Term Borrowings	5	1,54,13,875	1,23,79,522
Trade Payables	6	15,19,84,320	19,28,21,657
Other Current Liabilities	7	1,69,25,660	63,61,137
Short Term Provisions	8	19,73,626	19,11,467
		<b>18,62,97,481</b>	<b>21,34,73,783</b>
<b>Total</b>		<b>44,96,18,323</b>	<b>46,53,06,056</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible Assets	9	5,54,13,732	5,09,27,060
- Capital Work-in-Progress	9	3,12,13,269	2,91,01,013
Deferred Tax Assets (net)	10	6,08,83,733	6,19,30,151
Long Term Loans and Advances	11	78,22,173	84,64,449
		<b>15,53,32,907</b>	<b>15,04,22,673</b>
<b>Current Assets</b>			
Inventories	12	1,47,59,331	1,91,35,952
Trade Receivables	13	15,32,50,817	21,41,81,059
Cash and cash equivalents	14	15,32,769	31,18,543
Short Term Loans and Advances	15	12,25,79,647	7,84,47,829
Other Current Assets	16	21,62,852	-
		<b>29,42,85,416</b>	<b>31,48,83,383</b>
<b>Total</b>		<b>44,96,18,323</b>	<b>46,53,06,056</b>
<b>Notes on Financial Statements</b>	<b>1 to 34</b>		

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,**

R K Mishra - Managing Director  
S K Mishra - Director Finance  
L L Salian - Company Secretary

**N. G. Thakrar**  
Proprietor  
Membership No. 36213  
Mumbai : 31st May, 2012

**M. B. Agrawal**  
Partner  
Membership No. 9045  
Mumbai : 31st May, 2012

Mumbai : 31st May, 2012



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>INCOME</b>			
Revenue from Operations	17	50,73,41,531	40,99,81,045
Other Income	18	82,65,828	42,48,902
<b>Total Revenue</b>		<u>51,56,07,359</u>	<u>41,42,29,947</u>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	19,17,22,695	15,72,37,193
Purchase of Stock-in-Trade	20	24,40,25,477	19,73,78,302
Changes in Inventories of Finished Goods and Work-in-Progress	21	3,86,231	3,36,747
Employee Benefits Expense	22	1,38,88,540	1,06,32,170
Finance Costs	23	26,22,191	22,36,612
Depreciation and Amortisation Expense	24	1,02,15,716	1,00,48,151
Other Expenses	25	4,16,20,416	3,11,76,474
<b>Total Expenses</b>		<u>50,44,81,266</u>	<u>40,90,45,649</u>
Profit before tax		1,11,26,093	51,84,298
<b>Tax Expense</b>			
Deferred Tax		(10,46,418)	(55,19,184)
<b>Profit for the Year before exceptional item</b>		<u>1,00,79,675</u>	<u>(3,34,886)</u>
Profit on sale of Fixed Asset		8,12,013	9,09,222
<b>Profit for the Year</b>		<u>1,08,91,688</u>	<u>5,74,336</u>
Earnings per equity share			
Basic ₹/p		0.96	0.01
Diluted ₹/p		0.54	0.004
Face Value ₹		10	1
<b>Notes on Financial Statements</b>	<b>1 to 34</b>		

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,**

R K Mishra - Managing Director  
S K Mishra - Director Finance  
L L Salian - Company Secretary

**N. G. Thakrar**  
Proprietor  
Membership No. 36213  
Mumbai : 31st May, 2012

**M. B. Agrawal**  
Partner  
Membership No. 9045  
Mumbai : 31st May, 2012

Mumbai : 31st May, 2012



**CASH FLOW STATEMENT FOR THE YEAR 2011-12**

	Rupees	Year 2011-12 Rupees	Rupees	Year 2010-11 Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		1,19,38,106		60,93,520
Adjusted for:				
Profit on Sale of fixed asset	(8,12,013)		(9,09,222)	
Depreciation	1,02,15,716		1,00,48,151	
Finance Costs	26,22,191		22,36,612	
		<u>1,20,25,894</u>		<u>1,13,75,541</u>
<b>Operating Profit before Working Capital Changes</b>		<b>2,39,64,000</b>		<b>1,74,69,061</b>
Adjusted for:				
Trade and Other Receivables	1,52,77,849		(6,70,22,832)	
Inventories	43,76,621		(63,81,124)	
Trade and Other Payables	(3,02,10,655)		1,32,94,349	
		<u>(1,05,56,185)</u>		<u>(6,01,09,607)</u>
<b>Cash Generated from Operations</b>		<b>1,34,07,815</b>		<b>(4,26,40,546)</b>
Less : Taxes Paid		-		-
Net Cash from Operating Activities		<u>1,34,07,815</u>		<u>(4,26,40,546)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1,50,64,659)		(83,89,138)	
Capital Work-in-Progress	(21,12,256)		(2,32,57,398)	
Reversal of excess write-off in Buildings	11,74,284		-	
Sale of Fixed Assets	-		77,69,500	
Net Cash used in Investing Activities		<u>(1,60,02,631)</u>		<u>(2,38,77,036)</u>
		<u>(25,94,816)</u>		<u>(6,65,17,582)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Issue of Share Warrants	-		5,31,00,000	
Long Term Borrowings	5,96,880		-	
Short Term Borrowings (net)	30,34,353		1,01,89,521	
Finance Cost	(26,22,191)		(22,36,612)	
Net Cash generated in Financing Activities		<u>10,09,042</u>		<u>6,10,52,909</u>
Net Decrease in Cash and Cash Equivalents		<u>(15,85,774)</u>		<u>(54,64,673)</u>
Opening Balance of Cash and Cash Equivalents		31,18,543		85,83,216
Closing Balance of Cash and Cash Equivalents		15,32,769		31,18,543

**Notes on Financial Statements**

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,**

R K Mishra - Managing Director  
S K Mishra - Director Finance  
L L Salian - Company Secretary

**N. G. Thakrar**  
Proprietor  
Membership No. 36213  
Mumbai : 31st May, 2012

**M. B. Agrawal**  
Partner  
Membership No. 9045  
Mumbai : 31st May, 2012

Mumbai : 31st May, 2012



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**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, discounts 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) **Leased Assets :** Finance Leases- The lower of the fair value of the assets and present value of minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Profit and Loss account.
- (g) **Depreciation :** Depreciation of 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.
- (h) **Accounting for taxes :** Provision for tax is made and retained in the accounts considering the taxable income for the relevant years, 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.
- (i) **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.
- (j) **Earnings per Share :** Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares as above and also the weighted average number of equity shares upon conversion of all dilutive potential equity shares.
- (k) **Employees 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.
- (l) **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.
- (m) **Provisions, Contingent Liabilities and Contingent Assets :** Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.





**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>1 SHARE CAPITAL</b>		
<b>Authorised :</b> 5,00,00,000 Equity Shares of ₹ 10/- each (₹ 1/- each)	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, Subscribed and Fully Paid up :</b> 1,13,41,320 Equity Shares of ₹ 10/- each (11,34,13,200 Equity Shares of ₹ 1/- each)	11,34,13,200	11,34,13,200
<b>Total</b>	<u>11,34,13,200</u>	<u>11,34,13,200</u>

1.1 15,00,000 Shares of ₹ 10/- each out of the Issued, Subscribed and Paid-up Share Capital were allotted in the last five years pursuant to exercise of warrants.

**1.2 The details of Shareholders holding more than 5% shares :**

Name	31st March, 2012		31st March, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Ramesh Kumar Mishra	7,61,185	6.71	76,00,000	6.70
Super Infincon Pvt. Ltd.	5,92,584	5.23	58,50,000	5.16
<b>2 RESERVES AND SURPLUS</b>				
<b>Securities Premium Account</b> As per last Balance Sheet		3,48,66,000		3,48,66,000
<b>Capital Reserve</b> As per last Balance Sheet		9,21,85,310		9,21,85,310
<b>Profit and Loss Account</b> As per last Balance Sheet (Debit)		(4,18,71,262)		(4,24,45,598)
Add : Transfer from Statement of Profit and Loss		<u>1,08,91,688</u>		<u>5,74,336</u>
		<u>(3,09,79,574)</u>		<u>(4,18,71,262)</u>
<b>Total</b>		<u>9,60,71,736</u>		<u>8,51,80,048</u>
<b>3 Money received against Share Warrants</b>		<u>5,31,00,000</u>		<u>5,31,00,000</u>

3.1 The Company had allotted 9 crore equity share warrants on 23/11/2010. These share warrants were convertible into equal number of equity shares at the option of the holder within 18 months from the date of allotment. As per SEBI (ICDR) Regulations, the Company had received upfront money towards consideration from the allottees. Since the holders of the warrants did not exercise their right to convert their warrants into equity shares by the last date of exercise of such right which was 23/05/2012, the share warrants issued got lapsed. The Company will take the necessary steps in this regard in the ensuing year.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2011 Rupees
<b>4 Long term Borrowings</b>			
<b>Secured</b>			
Long Term maturities of Finance Lease Obligations Loans for Auto Finance	7,35,906		1,39,025
<b>Total</b>	<u>7,35,906</u>		<u>1,39,025</u>
4.1 Finance lease obligations are secured against leased Assets.			
<b>5 Short term Borrowings</b>			
<b>Secured</b>			
<b>Working Capital Loan -From Bank</b>			
Overdraft facility from Bank of Baroda	41,74,386		-
<b>Unsecured</b>			
Loans and advances from Related parties	84,27,463		1,23,79,522
Loans (Intercompany)	<u>28,12,026</u>	1,12,39,489	-
<b>Total</b>		<u>1,54,13,875</u>	<u>1,23,79,522</u>
5.1 Working Capital loan from Bank of Baroda is secured by equitable mortgage of Plot No. 46, Phase II, Piperia Indl. Estate, Silvassa, and personal guarantee of some of the Directors.			
<b>6 Trade Payables</b>			
Micro, Small and Medium Enterprises	-		-
Others	15,19,84,320		19,28,21,657
<b>Total</b>		<u>15,19,84,320</u>	<u>19,28,21,657</u>
6.1 The Company has not received any declarations 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.			
<b>7 Other Current Liabilities</b>			
Current maturities of Finance Lease Obligations Loans for Auto Finance	5,06,062		3,22,028
Creditors for Capital Expenditure	1,14,56,517		9,64,882
Other Payables	49,63,081		50,74,227
<b>Total</b>		<u>1,69,25,660</u>	<u>63,61,137</u>
<b>8 Short Term Provisions</b>			
Provision for Gratuity	19,73,626		17,63,114
Provision for Fringe Benefit Tax	-		1,48,353
<b>Total</b>		<u>19,73,626</u>	<u>19,11,467</u>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**9. FIXED ASSETS**

Sr. No.	Description	Amount in Rupees										
		Gross Block As At 01.04.2011	Additions/ Adj. during the Year	Deduction/ Adj. during the Year	Gross Block As At 31.03.2012	Depreciation upto 31.03.2011	Adjustments	Depreciation for the Year	Total Depreciation	Net Block As At 31.03.2012	Net Block As At 31.03.2011	
1 a.	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	2,93,47,259	11,74,284	-	3,05,21,543	1,65,79,204	(3,62,271)	10,04,279	1,79,45,754	1,25,75,789	1,27,68,055	
3	Plant and Machinery	14,18,05,083	1,21,18,920	-	15,39,24,003	11,25,47,394	-	76,46,323	12,01,93,717	3,37,30,286	2,92,57,689	
4	Electrical Installation	1,72,67,304	-	-	1,72,67,304	1,51,74,952	-	8,50,804	1,60,25,756	12,41,548	20,92,352	
5	Tools, Gadgets and Equipment \$	83,04,213	2,94,640	-	85,98,853	63,47,131	-	4,42,385	67,89,516	18,09,337	19,57,082	
6	Furniture and Fixtures	24,88,863	28,000	-	25,16,863	22,61,143	-	43,597	23,04,740	2,12,123	2,27,720	
7	Vehicles	33,97,657	14,48,815	-	48,46,472	19,80,710	-	2,28,328	22,09,038	26,37,434	14,16,947	
	<b>Total</b>	<b>20,58,17,594</b>	<b>1,50,64,659</b>	-	<b>22,08,82,253</b>	<b>15,48,90,534</b>	<b>(3,62,271)</b>	<b>1,02,15,716</b>	<b>16,54,68,521</b>	<b>5,54,13,732</b>	<b>5,09,27,060</b>	
	Previous Year	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		
8	Capital Work in Progress									<b>3,12,13,269</b>		
	<b>Total</b>									<b>8,66,27,001</b>		



- 9.1 Buildings include cost of 30 shares of ₹ 50/- each in Balkrishna Krupa Co-operative Hsg. Soc.Ltd  
 9.2 Additions to Buildings include reversal of excess write-off during 2010-11  
 9.3 \$ includes Office Equipments  
 9.4.1 In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2012 are as follows :

	Total Minimum Lease Payments outstanding		Future Interest on Outstanding Lease Payments	
	31st March,2012	31st March,2011	31st March,2012	31st March,2011
Within one year	5,06,062	3,22,028	99,848	40,372
Later than one year and not later than five years	7,35,906	1,39,025	85,627	2,420
Later than five years	-	-	-	-
<b>Total</b>	<b>12,41,968</b>	<b>4,61,053</b>	<b>1,85,475</b>	<b>42,792</b>

- 9.4.2 General description of Lease terms:  
 (a) Lease rentals are charged on the basis of agreed terms  
 (b) Assets are taken on lease over a period of 3 to 5 years



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As at 31st March, 2012 Rupees      Rupees		As at 31st March, 2011 Rupees      Rupees	
<b>10 Deferred Tax Assets (net)</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation		3,43,47,496		3,43,47,496
Accumulated Business Losses		2,41,21,295		2,87,80,002
Difference in Books and Tax Depreciation		16,89,008		-
Disallowance u/s 43B of Income Tax Act, 1961		7,25,934		5,10,762
Total		6,08,83,733		6,36,38,260
<b>Less : Deferred Tax Liability</b>				
Difference in Books and Tax Depreciation		-		17,08,109
Deferred Tax Asset (net)		<u><b>6,08,83,733</b></u>		<u><b>6,19,30,151</b></u>
<b>11 Long Term Loans and Advances</b>				
Security Deposits		18,90,148		24,36,946
Other Loans and Advances		59,32,025		60,27,503
<b>Total</b>		<u><b>78,22,173</b></u>		<u><b>84,64,449</b></u>
<b>12 Inventories</b>				
Stores and Spares		71,89,087		72,89,236
Raw Materials		24,67,899		63,58,140
Stock-in-Process		13,57,749		34,42,005
Finished Goods		37,44,596		20,46,571
<b>Total</b>		<u><b>1,47,59,331</b></u>		<u><b>1,91,35,952</b></u>
<b>13 Trade Receivables</b> (Unsecured)				
Over Six Months				
- Considered Good		2,42,09,434		11,41,25,311
- Considered Doubtful	39,93,269		39,93,269	
Less : Provision for doubtful debts	<u>(39,93,269)</u>	-	<u>(39,93,269)</u>	-
Others		12,90,41,383		10,00,55,748
<b>Total</b>		<u><b>15,32,50,817</b></u>		<u><b>21,41,81,059</b></u>
<b>14 Cash and cash equivalents</b>				
Balances with Banks		(6,87,165)		3,97,958
Cash on Hand		22,19,934		27,20,585
<b>Total</b>		<u><b>15,32,769</b></u>		<u><b>31,18,543</b></u>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>15 Short Term Loans and Advances</b>		
Loans and Advances to Related parties	-	1,11,092
Tax Deducted at Source	15,88,419	8,96,255
Others	12,09,91,228	7,74,40,482
<b>Total</b>	<b><u>12,25,79,647</u></b>	<b><u>7,84,47,829</u></b>
<b>16 Other Current Assets</b>		
Export Incentives Receivable	21,62,852	-
<b>Total</b>	<b><u>21,62,852</u></b>	<b><u>-</u></b>
<b>17 Revenue from Operations</b>		
Sale of Products	49,18,93,625	40,03,31,852
Processing Charges	1,45,92,751	96,49,193
Export Incentives	8,55,155	-
<b>Total</b>	<b><u>50,73,41,531</u></b>	<b><u>40,99,81,045</u></b>
<b>17.1 Particulars of Sale of Products :</b>		
Textured and Twisted yarn	1,43,34,443	20,30,824
Draw Warped and Sized Yarn	23,51,85,853	20,03,88,451
Fabrics	24,23,73,329	19,79,12,577
<b>Total</b>	<b><u>49,18,93,625</u></b>	<b><u>40,03,31,852</u></b>
<b>18 Other Income</b>		
Interest	78,81,048	38,91,645
Leave license fees	-	11,300
Other non operating income	44,852	3,45,957
Gain on foreign currency transactions/translation	3,39,928	-
<b>Total</b>	<b><u>82,65,828</u></b>	<b><u>42,48,902</u></b>
<b>19 Cost of Materials Consumed</b>		
Imported	-	-
Indegenous	19,17,22,695	15,72,37,193
<b>Total</b>	<b><u>19,17,22,695</u></b>	<b><u>15,72,37,193</u></b>
<b>19.1 Particulars of Materials Consumed :</b>		
Partially Oriented Yarn	18,14,92,490	15,09,81,357
Textured Yarn	1,02,30,205	62,55,836
<b>Total</b>	<b><u>19,17,22,695</u></b>	<b><u>15,72,37,193</u></b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>20 Purchase of Stock-in-Trade</b>		
Fabrics	24,40,25,477	19,73,78,302
<b>Total</b>	<b><u>24,40,25,477</u></b>	<b><u>19,73,78,302</u></b>
<b>21 Changes in Inventories of Finished Goods and Work-in-Progress</b>		
<b>Inventories (at close)</b>		
Finished Goods	37,44,596	20,46,571
Work-in-Progress	13,57,749	34,42,005
Total	<u>51,02,345</u>	<u>54,88,576</u>
<b>Less : Inventories (at commencement)</b>		
Finished Goods	20,46,571	33,60,824
Work-in-Progress	34,42,005	24,64,499
Total	<u>54,88,576</u>	<u>58,25,323</u>
Increase/(Decrease)	<b><u>(3,86,231)</u></b>	<b><u>(3,36,747)</u></b>
<b>22 Employee Benefits Expense</b>		
Salaries and Wages	1,22,44,711	88,62,494
Contribution to Provident and Other Funds	5,29,460	5,32,470
Gratuity	2,10,512	2,43,662
Staff welfare Expenses	9,03,857	9,93,544
<b>Total</b>	<b><u>1,38,88,540</u></b>	<b><u>1,06,32,170</u></b>
<b>22.1 Disclosures as per Accounting Standard</b>		
<b>15 "Employee Benefits" are as under :</b>		
<b>Defined Contribution Plans :</b>		
Employer's contribution to Provident Fund/Pension Fund	4,41,657	4,82,403
Employer's contribution to ESIC	40,753	34,034
<b>Defined Benefit Plan :</b>	<b><u>4,82,410</u></b>	<b><u>5,16,437</u></b>
Group Gratuity Scheme of LIC of India		

Assumptions used for Actuarial valuation (Gratuity) : Discount Rate : 8%, Salary Escalation Rate : 4%, Assumption used for Actuarial valuation (Leave) : Discount Rate : 8%, Salary Escalation Rate : 5%, Retirement Age : 65 Yrs, Withdrawal Rates 1% p.a., Mortality Table (LIC1994-96) Ultimate, Projected Unit Credit Method



I) Reconciliation of opening and closing balances of Defined Benefit Obligation

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12 Rupees	2010-11 Rupees	2011-12 Rupees	2010-11* Rupees
Defined Benefit Obligation at beginning of year	14,96,840	9,03,585	9,34,631	
Interest cost	1,19,747	72,287	74,770	
Current Service cost	67,550	59,500	1,19,182	
Benefits paid	(44,134)	(18,692)	(27,340)	
Actuarial (Gain)/Loss	48,658	4,80,160	1,76,688	
Defined Benefit Obligation at year end	16,88,661	14,96,840	12,77,931	
<b>II) Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
Fair value of Plan Assets at beginning of year	3,20,413	3,14,396	-	
Expected return on Plan Assets	25,443	24,709	N.A	
Contributions	30	-	-	
Benefits paid	(44,134)	(18,692)	-	
Actuarial (Gain)/Loss	-	-	-	
Fair value of Plan Assets at year end	3,01,752	3,20,413	-	
<b>III) Amount recognised in Balance Sheet</b>				
Fair value of obligations	16,88,661	14,96,840	12,77,931	
Fair value of Plan Assets	3,01,752	3,20,413	-	
Funded Status	13,86,909	11,76,427	12,77,931	
Net Liability recognised in Balance Sheet	19,73,626	17,63,114	13,25,137	
<b>IV) Expenses recognised during the year</b>				
Current Service cost	67,550	59,500	1,19,182	
Interest cost	1,19,747	72,287	74,770	
Expected return on Plan Assets	(25,443)	(24,709)	N.A	
Actuarial (Gain)/Loss	48,658	4,80,160	1,76,688	
Net Cost	2,10,512	5,87,238	3,70,640	
Expenses recognised in current year Profit & Loss A/c	2,10,512	2,43,662	4,49,765	

\* Not Available

	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>23 Finance Costs</b>		
Interest Expenses	24,48,331	21,87,115
Other Borrowing Costs	1,73,860	49,497
<b>Total</b>	<b>26,22,191</b>	<b>22,36,612</b>
<b>24 Depreciation and Amortisation Expense</b>		
Depreciation	<b>1,02,15,716</b>	<b>1,00,48,151</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	<b>As At 31st March, 2012 Rupees</b>	<b>As At 31st March, 2011 Rupees</b>
<b>25 Other Expenses</b>		
<b>25.1 Manufacturing Expenses</b>		
Consumption of stores and spares	1,28,88,748	66,11,769
Power and Fuel	1,30,50,213	1,18,22,079
Packing Expenses	4,90,699	14,15,715
Security Charges	7,35,713	4,13,302
Rent, Rates and Taxes	10,36,105	3,08,171
Repairs to Building	36,328	38,059
Repairs to Machinery	3,90,619	5,73,561
Repairs to Others	1,42,451	1,17,317
Other Manufacturing Expenses	46,170	36,960
<b>Total</b>	<b><u>2,88,17,046</u></b>	<b><u>2,13,36,933</u></b>
<b>25.2 Selling and Distribution Expenses</b>		
Carriage Outward	28,75,076	18,93,239
Brokerage and Commission	19,02,297	29,82,212
<b>Total</b>	<b><u>47,77,373</u></b>	<b><u>48,75,451</u></b>
<b>25.3 Establishment Expenses</b>		
Insurance	3,58,666	3,69,217
Travelling and Conveyance	41,90,667	23,51,484
Communication	7,08,569	5,00,804
Printing and Stationery	3,44,695	3,08,994
Legal and Professional	12,77,305	1,29,843
Payment to Auditors	1,12,360	1,10,300
Other Establishment Expenses	10,33,735	11,93,448
<b>Total</b>	<b><u>80,25,997</u></b>	<b><u>49,64,090</u></b>
<b>26 Value of Stores Consumed :</b>		
Imported	-	-
Indegenous	1,28,88,748	66,11,769
<b>Total</b>	<b><u>1,28,88,748</u></b>	<b><u>66,11,769</u></b>
<b>27 Payment to Auditors</b>		
Statutory Audit fees	1,12,360	1,10,300
Tax Audit fees	28,090	27,575
Certification fees	20,407	9,378
Cost Audit fees	22,472	16,545
<b>Total</b>	<b><u>1,83,329</u></b>	<b><u>1,63,798</u></b>
<b>28 Earnings in Foreign Currency</b>		
FOB value of exports	<b><u>1,23,70,113</u></b>	<b><u>-</u></b>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>28.1 Expenditure in Foreign Currency</b>			
Foreign travelling expenses		2,77,194	1,33,850
Capital Goods		71,757	-
Commission		1,06,188	-
<b>Total</b>		<b><u>4,55,139</u></b>	<b><u>1,33,850</u></b>
<b>29 Earnings Per Share</b>			
i Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	₹	1,08,91,688	5,74,336
ii Weighted Average number of Equity Shares		1,13,41,320	11,34,13,200
iii Basic Earnings per Share	₹/p	<b>0.96</b>	<b>0.01</b>
iv Potential shares on exercise of options		90,00,000	9,00,00,000
v Weighted Average number of Equity Shares		2,03,41,320	13,21,80,049
vi Diluted Earning per Share	₹/p	<b>0.54</b>	<b>0.004</b>
vii Face value per Equity Share	₹	10	1



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

**As At  
31st March, 2012**      **As At  
31st March, 2011**  
**Rupees**                      **Rupees**

**30 Related Party Disclosures**

As per Accounting Standard 18, the disclosures of transactions with related parties are given below:

i **Related Party relationships :**

a **Where control exists**

Super Inficon P. Ltd  
Super Polyester Yarns Ltd.

b **Key Management Personnel**

S S Mishra  
R K Mishra  
S K Mishra

c **Relatives of Key Management Personnel**

B K Sharma  
S B Sharma  
AB Sharma  
R S Dhandh

ii **Transaction with Related Parties**

Sr. No.	Nature of Transaction	Type of Related Party	Volume of Transactions Rupees	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
1	Purchase bills financing	Where control exists	2,24,19,058	60,16,426 CR	78,50,912 CR
2	Managerial remuneration	Key Management Personnel	17,07,233	20,40,292 CR	18,79,530 CR
3	Housing Loan	Key Management Personnel	-	-	1,11,092 DR
4	Remuneration	Relatives of Key Management Personnel	1,94,401	-	-
5	Unsecured Loan	Relatives of Key Management Personnel	1,52,90,699	95,39,489 CR	1,13,79,522 CR
6	Interest on loan	Relatives of Key Management Personnel	1,31,984	1,31,984 CR	1,56,000 CR

**31 Contingent Liabilities and Commitments**

I **Contingent Liabilities**

A Claims against the Company/disputed liabilities not acknowledged as debt nor provided for :

i) Claims by the Sales tax department in respect of earlier years, appealed by the Company

Less : Paid/provided for out of the above

**Total**

-	2,18,36,704
-	14,43,911
-	<u><u>2,03,92,793</u></u>

ii) Excise duty of ₹ 792.11 lacs (Previous Year ₹ 792.11 lacs), relating to certain sales made from 4/7/1995 to 22/10/1996, was demanded by the Commissionerate, Daman, alongwith equal penalty, interest thereon and a fine of ₹ 21 lacs (Previous Year ₹ 21 lacs). The Company appealed against the said order with CESTAT, Ahmedabad. The CESTAT has decided in favour of the Company. The Excise department has appealed before the Gujarat High Court.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As At 31st March, 2012 Rupees	As At 31st March, 2011 Rupees
<b>II Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) (₹ in lacs)	<u>225.20</u>	<u>683.82</u>
ii) No provision for Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961 has been made in view of legal opinion received by the Company.		
<b>32 Segment Reporting</b>		
As the Company deals in only one segment i.e. "Textiles", there are no reportable business segments. There are also no reportable geographical segments.		
<b>33</b> The Sales Tax assessment at Silvassa is completed upto F.Y 2004-05 and at Dharampur upto F.Y. 2008-09. The income tax assessment of the Company is completed upto A.Y.2010-11.		
<b>34</b> Previous Year's figures have been re-grouped/re-arranged wherever necessary.		



**FORM OF PROXY**

**SUPERTEX INDUSTRIES LIMITED**

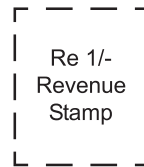
Regd. Office :

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 26th Annual General Meeting of the Company, to be held on Wednesday, 26th September, 2012 at 10.30 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012

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

E-mail: [investors@supertex.in](mailto:investors@supertex.in)