

SUPERTEX INDUSTRIES LIMITED

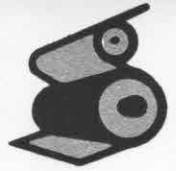
An ISO 9001:2015 Certified Company

HEAD OFFICE : BALKRISHNA KRUPA, 2ND FLOOR,
45/49, BABU GENU ROAD, PRINCESS STREET,
MUMBAI - 400 002

TEL.: 91-22-22095630 / 31, 22069034 • FAX : 91-22-22087797

EMAIL : supertex@vsnl.com • WEBSITE : www.supertex.in

CIN.: L99999DN1986PLC000046



SIL.: 2017-18: 4774

October 02, 2017

The Corporate Relation Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Scrip Code: 526133

Sub: Annual Report for the FY 2016-17

Dear Sir,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Company for the Financial Year 2016-17.

We request you to kindly take above on the records.

Thanking you.

Yours faithfully,

For SUPERTEX INDUSTRIES LIMITED

DIRECTOR AND CFO

Encl: As above



SUPERTEX
INDUSTRIES
LIMITED

**THIRTY FIRST
ANNUAL REPORT
2016-2017**

**BOARD OF DIRECTORS**

| | | |
|----------------|----|--------------------------------|
| R K MISHRA | .. | Chairman and Managing Director |
| S K MISHRA | .. | Director and CFO |
| M A SHARMA | .. | Director |
| G R TOSHNIWAL | .. | Director |
| P R KAPADIA | .. | Director |
| MEETA SHINGALA | .. | Director |

COMPANY SECRETARY

VAISHALI NAIK

AUDITORS

M. B. AGRAWAL & CO
Chartered Accountants

SOLICITORS

CRAWFORD BAYLEY & COMPANY
RAJANI ASSOCIATES

BANKERS

AXIS BANK

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 400 002

WORKS

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

REGISTRAR AND SHARE TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit No.1, Luthra Industrial Premises
Andheri Kurla Road, Safed Pool
Andheri (E), Mumbai 400 072

**NOTICE**

Notice is hereby given that the Thirty-first Annual General Meeting of members of SUPERTEX INDUSTRIES LIMITED will be held on Friday, the 29th day of September 2017 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, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint M/s. S M Gupta & Co., Chartered Accountants, Mumbai (Regn. No. 310015E) as Statutory Auditors of the Company and fix their remuneration;
3. To appoint a Director in place of Mr. R. K. Mishra, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve Borrowing limits of the Company:

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

“RESOLVED THAT in supersession of the resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 and pursuant to section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow by way of loan (whether secured or unsecured) /fund based/non fund based limits/guarantee for the purpose of the business of the Company any sum or sums of money either in Indian or foreign currency from time to time from any bank(s) or any financial institution(s) or any other institutions(s), firm(s), body corporate(s) or other person(s), provided that the sum or sums so borrowed under this resolution and remaining outstanding at any time (apart from the temporary loans obtained from the Company's Banker(s) in the ordinary course of business) shall not exceed in the aggregate Rs. 100 Crore (Rupees One Hundred Crore only).”

“RESOLVED FURTHER THAT in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company for above mentioned purpose to create such charges, mortgages and hypothecations, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks/ Financial Institutions, other investing agencies to secure money availed/to be availed by way of loan by the Company from time to time.”

“RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents or writings as it may in its absolute discretion consider necessary, expedient or proper for the purpose of giving effect of this resolution.”

By Order of the Board

R K Mishra
Chairman & Managing Director

Mumbai, 28th August, 2017

Registered Office

Plot No. 45-46, Phase II
Piperia Industrial Estate
Silvassa-396230,
Dadra & Nagar Haveli.

Notes:

1. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members



and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. Corporate members intending to authorise its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Notice of AGM, Annual Report, Proxy Form and Attendance Slip is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2017 is being sent in the permitted mode.
5. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.supertex.in and also on website of the Bombay Stock Exchange. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days upto and including the date of the Annual General Meeting.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
7. Details under Regulation 36 (3) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 in respect of the Directors seeking appointment/ reappointment at the Annual General Meeting, forms integral part of the notice.
8. M/s. Sharex Dynamic (India) Pvt. Ltd., Unit – I, 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.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 22nd September, 2017 to Friday, the 29th September, 2017 (both days inclusive).
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
12. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.
13. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. Mr. Vikas Chomal of M/s Vikas R. Chomal & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - V. The process and manner for remote e-voting is as under:

The instructions for shareholders voting electronically are as under:

 - (i) The voting period begins on Tuesday, 26th September, 2017 at 9.00 am and ends on Thursday, 28th



September, 2017 at 5.00 pm.

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company for which you choose to vote i.e. Supertex Industries Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code



and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Declaration of Results:

- 1) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 2) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 3) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.supertex.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM 4

The Members of the Company, at the Annual General Meeting held on 22nd August, 2009 had accorded by way of an Ordinary resolution, their approval to the Board of Directors of the Company for borrowing monies on behalf of the Company, from time to time, exceeding the paid up capital and free reserves upto an aggregate amount to Rs.100 crore under section 293(1)(d) of the erstwhile Companies Act, 1956. Now with the enactment of new Companies Act, 2013, the provisions of the earlier Act ceased to exist. Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of the Company shall not except with the consent of the Company in General Meeting by way of special resolution, borrow, together with the money already borrowed by the company in excess of the paid-up capital and free reserves of the Company and therefore it is necessary to pass a special resolution under section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and also to enable the Company under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations for the said purpose.

The Board recommends the Resolution as set out at Item no.4 of the Notice as a Special Resolution, for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.



ANNEXURE - I

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

| | |
|--|---|
| Name of the Director | Mr R K Mishra |
| DIN | 00245600 |
| Age | 58 years |
| Date of Appointment on the Board | 30/04/1987 |
| Qualification, nature of expertise in functional areas | Mr R K Mishra is B COM, FCA, ACS and MBIM (LOND). He has 37 years of varied experience of having worked in very senior positions in the Company and is well versed in corporate finance, law and business administration. |
| Directorships held in other public Companies [excluding foreign and private Companies] | Super Polyester Yarns Limited |
| Memberships / Chairmanships of Committees of other Public Companies | Nil |
| Number of shares held in the Company | 761225 |

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel, please refer to the Corporate Governance Report.

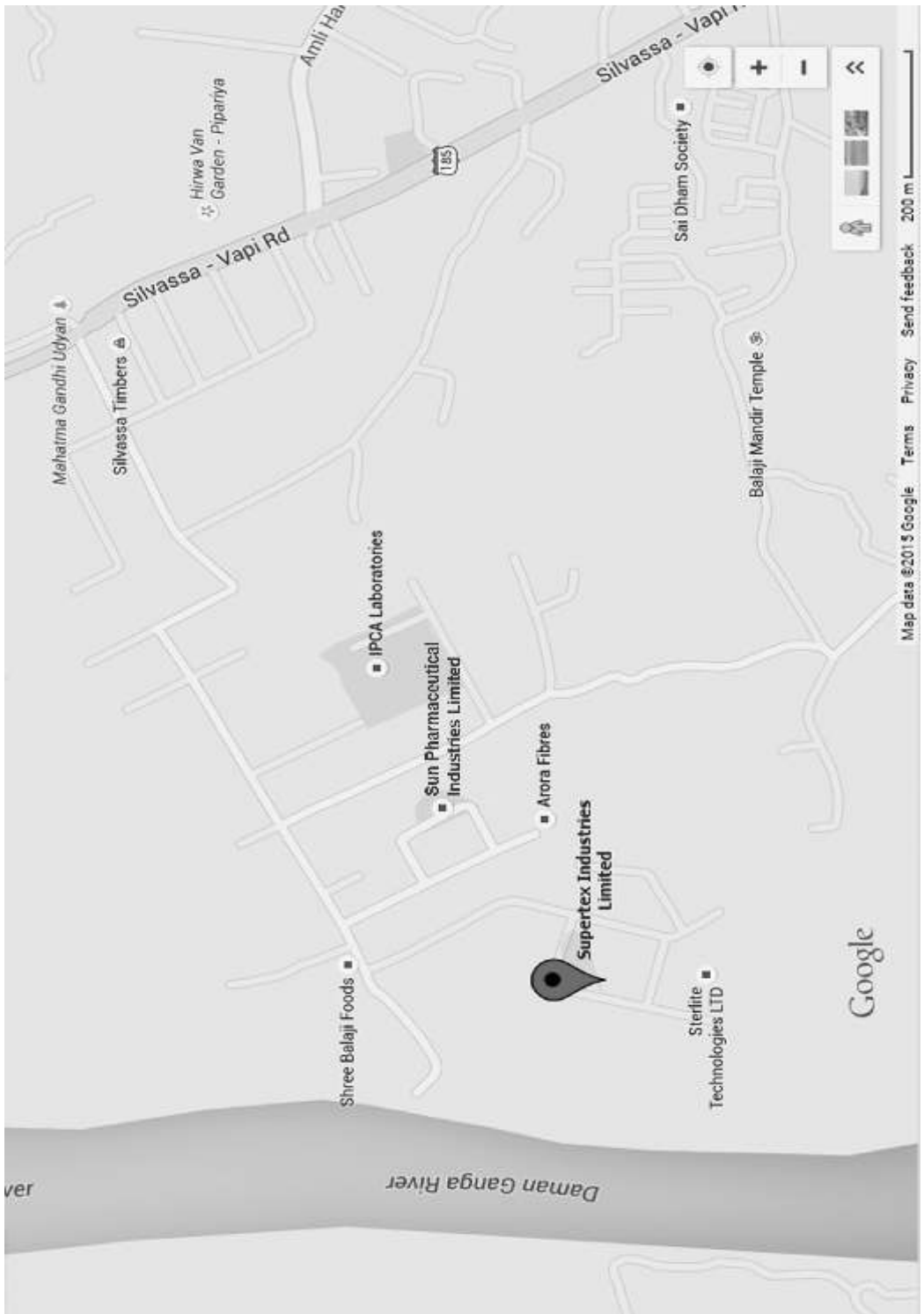
By Order of the Board

**R K Mishra
Chairman & Managing Director**

Mumbai, 28th August, 2017



ROUTE MAP TO THE VENUE OF AGM





DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present herewith the Thirty-first Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

| | Year ended 31.03.2017 in lacs | Year ended 31.03.2016 in lacs |
|---|-------------------------------------|-------------------------------------|
| Turnover | 9447.13 | 9156.26 |
| Other Income | 86.71 | 91.50 |
| Income from Operations/ Profit before Interest and Depreciation | 299.94 | 232.81 |
| Interest | 199.13 | 147.68 |
| Profit before Depreciation | 100.81 | 85.13 |
| Depreciation | 49.35 | 41.41 |
| Profit Before Tax | 51.46 | 43.72 |
| Deferred Tax | 14.15 | (12.27) |
| Profit After Tax and before exceptional items | 65.61 | 31.45 |
| Exceptional Items | (3.11) | (11.30) |
| Profit for the year | 62.50 | 20.15 |

In order to meet the growing funding requirements of the Company it has been decided to retain profits of the business in the Company. As such, your directors have not recommended any dividend for the year under report.

WORKING

During the year the oil prices dropped substantially, bringing down the yarn prices. The production improved during the year by 8% and was higher at 5344 MT as against 4903 MT last year. The turnover however was higher only by 3% at Rs. 9447.13 lacs as against Rs. 9156.26 lacs last year due to the lower yarn and raw material prices. Exports constitute 38% of total sales made during the year. The exports are recorded on CIF basis, sans duties and taxes. The processing charges increased by 13% to Rs. 54.73 lacs from Rs 48.57 lacs, last year.

The Company modernized its texturing division by replacing older machinery. This is expected to enhance the productivity and lower the cost of manufacturing. Moreover, the upgraded technology is in tune with the international market's requirements. The exercise kept the department affected for over a month which has reflected in its working but the same is likely to enhance the Company's production and profitability in the future.

The Company is looking forward to setting up more facilities to meet its varied domestic and international demand. It wants to manufacture several additional high end, value added products developed in consultation with some niche customers. This is expected to improve the margins in future. The export turnover was Rs. 3613 lacs as against Rs. 3716 lacs last year, although the quantity exported is higher at 3684 MT as against 3522 MT in the last year.

The profit after taxation increased to Rs 62.50 lacs as against Rs. 20.14 lacs in the past year. The upgraded production facilities are likely to improve the current year profitability and improve the overall performance of the Company during the current year. The management is working hard to improve the capacity utilization further. The prices remained volatile as per the fluctuation of the crude oil prices.

EXPORTS

The Company continued exports of its products and it has exported about 38% of the total sales during the year. Quantitatively, however, it has exported 3684 MT out of 5344 MT production which is equal to 69%. The Company is selling to other global markets apart from Turkey and is receiving positive response from international customers. The products are well received by the market and the exports are expected to grow.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No company has become/ceased to be a joint venture partner or associate of the Company during the financial year 2016-17.



EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure I to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Directors regret to report the sad demise of Mr. S S Mishra, Chairman Emeritus of the Company (retired from the position of Non-Executive Director at last AGM) on 27th March, 2017. Mr. S S Mishra was the founder of the Company and provided valuable guidance and vision to the Company. He shall be an inspiration for all of us.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. R K Mishra, Chairman and Managing Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

There was no change in the Key Managerial Personnel (KMP) during the year under review.

BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by SEBI Listing Regulations, the performance evaluation of the Board was carried out during the year under review. The Board of Directors expressed their satisfaction with the evaluation process.

MEETINGS

During the year four Board Meetings, four Audit Committee Meetings, two Stakeholders Relationship Committee Meetings, one Nomination and Remuneration Committee Meeting and one Independent Directors Meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees exceeding the limit prescribed under the provisions of section 186 of the Companies Act, 2013.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy for directors and employees to report concerns about unethical behavior, genuine concerns or grievances. The said policy has been posted on the website of the Company.

REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management employees. The Policy is approved by the Nomination & Remuneration Committee and the Board. The details of this policy are explained in the Corporate Governance Report.

FIXED DEPOSITS

The outstanding amount of Deposits with your Company was Nil. During the year your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the related party transactions policy of the company.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website. Your Directors draw attention of the members to Note 33 to the financial statement which sets out related party disclosures.

RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to compliance with the conditions of Corporate Governance stipulated in Clause 'C' of Schedule V on Annual Report pursuant to Regulations 34(3) of SEBI Listing Regulations. A Report on Corporate Governance is hereto annexed.



INTERNAL CONTROL SYSTEM

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Non-Executive Directors | Ratio to median remuneration |
|---|------------------------------|
| Mr G R Toshniwal | 0.21 |
| Mr MA Sharma | 0.21 |
| Mr P R Kapadia | 0.21 |
| Mrs Meeta Shingala | 0.21 |
| Late Mr S S Mishra* | 0.21 |
| Executive Directors | |
| Mr R K Mishra, Chairman and Managing Director | 18.32 |
| Mr S K Mishra, Director and CFO | 13.16 |

* Retired from the post of Non-Executive Director at the AGM held on 23.09.2016

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

| Directors, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|--|--|
| Non-executive directors | |
| Mr G R Toshniwal | - |
| Mr MA Sharma | - |
| Mr P R Kapadia | - |
| Mrs Meeta Shingala | - |
| Late Mr S S Mishra* | - |
| Executive Directors and KMPs | |
| Mr R K Mishra, Chairman and Managing Director | 7.49 |
| Mr S K Mishra, Director and CFO | 1.49 |
| Ms Vaishali Naik, Company Secretary | 21.00 |

* Retired from the post of Non-Executive Director at the AGM held on 23.09.2016.

- c. The percentage increase in the median remuneration of employees in the financial year: 4%**
- d. The number of permanent employees on the rolls of Company: 70**
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- Average increase in the remuneration of all employees excluding KMPs: 8%
 - Average increase in the remuneration of KMPs: 6%
- f. Affirmation that the remuneration is as per the remuneration policy of the Company:**
- The Company affirms remuneration is as per the remuneration policy of the Company.



g. The information required pursuant to Section 197 read with Rule, 5 (2) and rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

- a) Employed throughout the year- NIL
- b) Employed for part of the year- NIL

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s. M.B. Agrawal & Co., as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s. M.B. Agrawal & Co. as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. S.M. Gupta & Co., Chartered Accountants as the Statutory Auditors of the Company.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board has appointed M/s Vikas R. Chomal & Associates, Practicing Company Secretary, Mumbai to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013. The report of the Secretarial Auditor is annexed to this report as Annexure - II.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars with respect to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017 are annexed to this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under the Listing Agreement, Management Discussion & Analysis Report is attached and forms a part of this Report.

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 Axis Bank.

For and on behalf of the Board,

**R K Mishra
Chairman and Managing Director**

Mumbai, 30th May, 2017



ANNEXURE TO THE DIRECTORS REPORT

Section 134(3)(m) of the Companies Act, 2013.

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, 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.

(i) The steps taken or impact on conservation of energy:

- a) Optimisation and redesigning of air compressors for low pressure applications.
- b) Limiting the use of air-conditioning in the plants to need based minimum. Installation of Air Ventilators for proper ventilation with minimal energy consumption.
- c) 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.

(ii) The steps taken by the company for utilising alternate sources of energy:

of coal fired boiler in place of furnace oil based for steam generation.

(iii) The capital investment on energy conservation equipments: Rs. 0.20 lacs.

(B) Technology absorption:

(i) Efforts in brief, made towards technology absorption

Complete modification of DC drives to AC drives in major production facility/upgrading the same, and making them comparatively maintenance free and economical to operate.

(ii) Benefits derived as a result of above efforts:

- a) Reduced maintenance expenditure
- b) Increased Production at lower cost per unit
- c) Lower downtime
- d) Simpler process and indigenous technology
- e) Economical

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) Technology imported: NIL
- (b) The year of import: Not Applicable
- (c) Whether the technology been fully absorbed: Not Applicable

(iv) The expenditure incurred on Research and Development: NIL

(C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – Rs. 3385.58 lacs (Previous Year – Rs. 3572 lacs)

Foreign Exchange Outgo – Rs. 153.29 lacs (Previous Year – Rs. 106.53 lacs)

For and on behalf of the Board,

R K Mishra
Chairman and Managing Director

Mumbai, 30th May, 2017



Annexure - I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|----|---|--|
| 1. | CIN | L99999DN1986PLC000046 |
| 2. | Registration Date | 18th July, 1986 |
| 3. | Name of the Company | Supertex Industries Limited |
| 4. | Category/Sub-Category of the Company | Public Company limited by shares |
| 5. | Address of the Registered Office and contact details | Plot No. 45/46, Piperia Industrial Estate, Phase-II, Silvassa-396230, Dadra & Nagar Haveli Tel:- +91-22-22095630 Email: supertex@vsnl.com |
| 6. | Whether listed Company | Yes |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent | M/s. Sharex Dynamic (India) Pvt. Ltd., Unit -I, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 Tel No.: +91-22-28515606/ 28515644 Fax: +91-22-28512885 Email: investor@sharexindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of Main Product/Services | NIC Code of the Product | % to total turnover of the company |
|---------|---|-------------------------|------------------------------------|
| 1. | Polyester/ Nylon Filament Yarn | 2030 | 68% |
| 2. | Fabrics | 1312 | 32% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A.

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % Of Shares Held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| N.A. | | | | | |



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| Category of Shareholders | Shareholding at the beginning of the year - 1st April, 2016 | | | | Shareholding at the end of the year - 31st March, 2017 | | | | % Change during the year |
|--|---|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a. Individual/HUF | 1138359 | 180 | 1138539 | 10.039 | 1138359 | 180 | 1138539 | 10.039 | - |
| b. Central Govt. | - | - | - | - | - | - | - | - | - |
| c. State Govt. | - | - | - | - | - | - | - | - | - |
| d. Bodies Corporate | 492509 | - | 492509 | 4.343 | 492509 | - | 492509 | 4.343 | - |
| e. Bank/Fl | - | - | - | - | - | - | - | - | - |
| f. Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total A-(1) | 1630868 | 180 | 1631048 | 14.381 | 1630868 | 180 | 1631048 | 14.381 | - |
| 2. Foreign | - | - | - | - | - | - | - | - | - |
| a. NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b. Other Individuals | - | - | - | - | - | - | - | - | - |
| c. Body Corporate | - | - | - | - | - | - | - | - | - |
| d. Bank/Fl | - | - | - | - | - | - | - | - | - |
| e. Any Others | - | - | - | - | - | - | - | - | - |
| Sub Total- A (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoters (1+2) | 1630868 | 180 | 1631048 | 14.381 | 1630868 | 180 | 1631048 | 14.381 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institution | | | | | | | | | |
| a. Mutual Funds | 80 | 280 | 360 | 0.003 | 0 | 280 | 280 | 0.002 | -0.001 |
| b. Bank/ Fl | 880 | - | 880 | 0.008 | 960 | - | 960 | 0.008 | - |
| c. Cent. Govt. | - | - | - | - | - | - | - | - | - |
| d. State Govt. | - | - | - | - | - | - | - | - | - |
| e. Venture Capital | - | - | - | - | - | - | - | - | - |
| f. Insurance Co. | - | - | - | - | - | - | - | - | - |
| g. FIs | - | 20 | 20 | - | - | 20 | 20 | - | - |
| h. Foreign Portfolio Corporate | - | - | - | - | - | - | - | - | - |
| i. Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| j. Others | - | - | - | - | - | - | - | - | - |
| Sub-Total-B (1) | 960 | 300 | 1260 | 0.011 | 960 | 300 | 1260 | 0.011 | - |
| 2. Non- Institution | | | | | | | | | |
| a. Body Corp. | 1000153 | 12860 | 1013013 | 8.932 | 1006036 | 12860 | 1018896 | 8.984 | 0.052 |
| b. Individual | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto Rs. 1 lakh | 5404984 | 117684 | 5522668 | 48.695 | 5408157 | 117088 | 5525245 | 48.718 | 0.023 |



| Category of Shareholders | Shareholding at the beginning of the year - 1st April, 2016 | | | | Shareholding at the end of the year - 31st March, 2017 | | | | % Change during the year |
|--|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1Lakh | 3129364 | - | 3129364 | 27.593 | 3134687 | - | 3134687 | 27.640 | 0.047 |
| c. Others | | | | | | | | | |
| (i) Any other-Clr member | - | - | - | - | - | - | - | - | - |
| (ii) OCB | - | - | - | - | - | - | - | - | - |
| (iii) NRI | 35667 | 8300 | 43967 | 0.388 | 21864 | 8320 | 30184 | 0.266 | -0.122 |
| Sub-Total-B (2) | 9570168 | 138844 | 9709012 | 85.607 | 9570744 | 138268 | 9709012 | 85.607 | - |
| Net Total (1+2) | 9571128 | 139144 | 9710272 | 85.618 | 9571704 | 138568 | 9710272 | 85.618 | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| Public | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 11201996 | 139324 | 11341320 | 100.00 | 11202572 | 138748 | 11341320 | 100.00 | - |

ii. Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 1st April, 2016 | | | Shareholding at the end of the year - 31st March, 2017 | | | % change in shareholding during the year |
|---------|---------------------------|---|----------------------------------|---|--|----------------------------------|---|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Ramesh Kumar Mishra | 761225 | 6.712 | - | 761225 | 6.712 | - | - |
| 2 | Ramesh Kumar Mishra HUF | 19025 | 0.168 | - | 19025 | 0.168 | - | - |
| 3 | Sanjay Kumar Mishra | 1390 | 0.012 | - | 1390 | 0.012 | - | - |
| 4 | Sanjay Kumar Mishra (HUF) | 55100 | 0.486 | - | 55100 | 0.486 | - | - |
| 5 | Shyam Sundar Mishra | 555 | 0.005 | - | 555 | 0.005 | - | - |
| 6 | Shyam Sundar Mishra (HUF) | 2400 | 0.021 | - | 2400 | 0.021 | - | - |
| 7 | Sarladevi Mishra | 2084 | 0.018 | - | 2084 | 0.018 | - | - |
| 8 | Ramswaroop Mishra HUF | 27500 | 0.242 | - | 27500 | 0.242 | - | - |
| 9 | Alka Ramesh Mishra | 1695 | 0.015 | - | 1695 | 0.015 | - | - |
| 10 | Harshvardhan Mishra | 4386 | 0.039 | - | 4386 | 0.039 | - | - |
| 11 | Radhika Sharma | 3800 | 0.034 | - | 3800 | 0.034 | - | - |
| 12 | Renu S Mishra | 2493 | 0.022 | - | 2493 | 0.022 | - | - |
| 13 | Gomatidevi Mishra | 21690 | 0.191 | - | 21690 | 0.191 | - | - |
| 14 | Narottamlal Mishra | 81890 | 0.722 | - | 81890 | 0.722 | - | - |
| 15 | Pushpa N Mishra | 128986 | 1.137 | - | 128986 | 1.137 | - | - |
| 16 | Vijaykumar Mishra | 7800 | 0.069 | - | 7800 | 0.069 | - | - |
| 17 | Amit Mishra | 16340 | 0.144 | - | 16340 | 0.144 | - | - |
| 18 | Ajay Mishra | 180 | 0.001 | - | 180 | 0.001 | - | - |
| 19 | Super Infincon Pvt Ltd | 492509 | 4.343 | - | 492509 | 4.343 | - | - |

iii. Change in Promoters' Shareholding : NIL



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Top Ten Shareholders | Shareholding at the beginning of the year - 1st April, 2016 | | Shareholding at the end of the year - 31st March, 2017 | |
|---------|---------------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Amrit L. Gandhi | 999999 | 8.817 | 999999 | 8.817 |
| 2 | Seema A. Gandhi | 500004 | 4.409 | 500004 | 4.409 |
| 3 | Amrit L. Gandhi (HUF) | 376653 | 3.321 | 376653 | 3.321 |
| 4 | Ace Housing and Construction Limited | 273468 | 2.411 | 273468 | 2.411 |
| 5 | Mansi Manoj Mehta | 217378 | 1.917 | 217378 | 1.917 |
| 6 | Vishwanath M. Pujari | 193238 | 1.704 | 193238 | 1.704 |
| 7 | Vikaskumar S. Singhanian | 190899 | 1.683 | 190899 | 1.683 |
| 8 | Arcadia Share & Stock Brokers Pvt Ltd | 173527 | 1.530 | 174107 | 1.535 |
| 9 | Jitendra L. Gandhi | 155000 | 1.367 | 155000 | 1.367 |
| 10 | Vivek Ratanlal Gupta | 152988 | 1.349 | 152988 | 1.349 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year - 1st April, 2016 | | Shareholding at the end of the year - 31st March, 2017 | |
|---------|-----------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr R K Mishra | 761225 | 6.712 | 761225 | 6.712 |
| 2 | Mr SK Mishra | 1390 | 0.012 | 1390 | 0.012 |
| 3 | Late Mr SS Mishra* | 555 | 0.005 | 555 | 0.005 |
| 4 | Mr MA Sharma | 200 | 0.001 | 200 | 0.001 |
| 5 | Mr P R Kapadia | 2250 | 0.019 | 2250 | 0.019 |
| 6 | Mr G R Toshniwal | Nil | Nil | Nil | Nil |
| 7 | Mrs Meeta Shingala | Nil | Nil | Nil | Nil |
| | Name of the KMP | | | | |
| 1 | Vaishali Naik, Company Secretary | Nil | Nil | Nil | Nil |

*Retired from the post of Non-Executive Director at the AGM held on 23/09/2016



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` in lakhs)

| PARTICULARS | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS | DEPOSITS | TOTAL INDEBTEDNESS |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year - 01.04.2016 | | | | |
| 1) Principal Amount | 1212.61 | 462.75 | - | 1675.36 |
| 2) Interest due but not paid | - | - | - | - |
| 3) Interest accrued but not due | - | - | - | - |
| Total of (1+2+3) | 1212.61 | 462.75 | - | 1675.36 |
| Change in Indebtedness during the financial year | | | | |
| + Addition | - | - | - | - |
| -Reduction | 47.11 | 128.54 | - | 175.65 |
| Net change | 47.11 | 128.54 | - | 175.65 |
| Indebtedness at the end of the financial year - 31.03.2017 | 1165.50 | 334.21 | - | 1499.71 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(` in lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD | | Total Amount |
|---------|---|----------------|---------------|--------------|
| | | Mr R K Mishra | Mr S K Mishra | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 15.02 | 11.76 | 26.78 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 4.42 | 2.12 | 6.54 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - |
| 5 | Others, please specify Contribution to Provident Fund | 1.44 | 1.12 | 2.56 |
| | Total (A) | 20.88 | 15.00 | 35.88 |
| | Ceiling as per the Act* | 42.00 | 42.00 | 84.00 |

* As per Section II of Part II of Schedule V to the Companies Act, 2013.



B. Remuneration to Key Managerial Personnel:

(` in lakhs)

| Sr. No. | Particulars of Remuneration | Name of KMP |
|---------|---|--|
| | | Ms Vaishali Naik, Company Secretary |
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3.18 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - as % of profit - others, specify | - |
| 5 | Others, please specify Contribution to Provident Fund | 0.30 |
| | Total (A) | 3.48 |

C. Remuneration of other directors:

I. Independent Directors

(Rupees)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total |
|---------|---|-------------------|----------------|---------------|--------------------|--------|
| | | Mr G R Toshniwal | Mr P R Kapadia | Mr M A Sharma | Mrs Meeta Shingala | Amount |
| 1 | Fees for attending board & committee meetings | 18000 | 24000 | 10000 | 4000 | 56000 |
| 2 | Commission | - | - | - | - | |
| 3 | Others | - | - | - | - | |
| | Total | 18000 | 24000 | 10000 | 4000 | 56000 |

II. Other Non-Executive Directors:-

(Rupees)

| Sr. No. | Particulars of Remuneration | Name of Director | Total Amount |
|---------|---|----------------------------|--------------|
| | | Late Mr S S Mishra* | |
| 1 | Fees for attending board and committee meetings | 10000 | 10000 |
| 2 | Commission | - | - |
| 3 | Others | - | - |
| | Total | 10000 | 10000 |

*Retired from the post of Non-Executive Director at the AGM held on 23/09/2016.



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | -- NIL-- | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | -- NIL-- | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | -- NIL-- | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Annexure-II****SECRETARIAL AUDIT REPORT****Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,**The Members****SUPERTEX INDUSTRIES LIMITED**

Plot No. 45/46, Piperia Industrial Estate
Phase-II, Silvassa -396230

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Supertex Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Supertex Industries Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit Period as the Company has not issued any Debt Instruments/Securities);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period as delisting of securities did not take place);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period as the Company has not bought back its Securities); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



(vi) and all other Acts as are generally applicable to the Company.

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not made:

- (i) Redemption / buy-back of securities
- (ii) Merger / amalgamation / reconstruction, etc.
- (iii) Foreign technical collaborations
- (iv) Preferential/Private Placement or Rights issue of Shares.

WE FURTHER REPORT THAT with regards to maintaining of hundred percent holding of promoters in dematerialized format as per Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, out of 16,31,048 Shares held by the promoters 180 shares are in physical form.

For Vikas R. Chomal & Associates

Vikas R. Chomal

(Proprietor)

ACS No. 24941

C P No.: 12133

Place: Mumbai

Date: 30th May, 2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure A**

**To,
The Members
SUPERTEX INDUSTRIES LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Statutory and other records are the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Company was following system of obtaining reports from various departments to ensure compliance with applicable laws and now is in the process of implementing electronic system for compliance management to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vikas R. Chomal & Associates

Vikas R Chomal

Proprietor

ACS No. 24941

C P No.: 12133

Place: Mumbai
Date: 30th May, 2017



MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

The global economic outlook remained stagnant. There were policy uncertainties, slow trades and low investments in the advanced economies. In the emerging markets and developing economies too, the medium term growth prospects were affected due to weak investments, poor productivity along with policy uncertainties and protectionist pressures from industry and trade. During the year, United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America were two major events which are expected to have long-term effects on the global economy. Global growth in 2016 was 3.1% and this is projected to rise to 3.5% in 2017. The growth in emerging markets and developing economies, is also expected to pick up in 2017. This is due to the fiscal stimulus measures in developed economies and narrowing of trade deficits.

On the domestic front, India remained the fastest growing major economy in the world, after surpassing China last year. GDP growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending. Government continues to lay focus on structural reforms, infrastructure development, agricultural and rural development and to improve the ease of doing business.

INDUSTRY STRUCTURE, DEVELOPMENT, THREATS, OPPORTUNITIES & OUTLOOK

Textile Industry Scenario:

The textile industry has two broad segments. First, the unorganised sector consisting of handloom, handicrafts, etc. and the second is the organised sector consisting of spinning, weaving, knitting, garments and home textiles segment. The industry has a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes 14% to industrial production, 4% to India's Gross Domestic Product (GDP) and 15% to the country's export earnings. It is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly in 2015-16. Exports have been a core feature of India's textile sector. The Indian textiles export market estimated at \$18 billion is expected to grow at a CAGR of 4% as compared to the global CAGR of 3% over 2016-26.

Corporate Review:

The Company's exports continued to remain at the same level due to the global unrest and recession in many countries. This is likely to improve in the current year.

The Company has developed various value added products for both exports and the domestic market and it is expected to improve its performance during the year.

Opportunities:

The government has been supportive in encouraging textile industry in India. The introduction of GST in the industry is seen as positive step as it will result in 'Fibre-neutrality effect' on the sector. With the right government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market. The domestic market is now not bound by the state territories and unscrupulous trade elements are likely to be controlled by the same.

Make in India campaign, increase in consumption pattern of polyester across the country and even globally will give a boost to the polyester yarn market also the use of polyester yarn as a affordable substitute of much other manmade and natural fibres has led to the increase in consumption of polyester yarn, the world over.

Threats:

The industry faces the challenges of competition from low cost neighbouring countries who are supported under various pacts of their countries with consumer countries. The government's active action to curb or check the same will be required..

Company Outlook:

The global markets are recovering slowly. The Company hopes to increase its sales by introducing various new and value added products, both in exports as well as domestic market. The Company has modified certain machines and purchased some machinery to keep pace with the latest technology of processing yarns. The Indian economy which has grown at 7.1% (GDP) last year is also expected to improve demand this year.

**SEGMENT-WISE PERFORMANCE**

(` /Lacs)

| Sr. | Particulars | Year Ended | |
|-----|--|------------|-----------|
| | | 31-Mar-17 | 31-Mar-16 |
| 1 | Segment Revenue | | |
| | (a) Domestic | 5,838 | 5,440 |
| | (b) International | 3,609 | 3,716 |
| | Total (Net Sales/Income from Operations) | 9,447 | 9,156 |
| 2 | Segment Results | | |
| | (a) Domestic | 165 | 19 |
| | (b) International | 85 | 173 |
| | Total | 250 | 192 |
| | Less : Finance cost | 199 | 148 |
| | Total Profit before Tax | 51 | 44 |

RISK MANAGEMENT

The Company has a Risk Management Policy and Procedure in place to identify and prioritise risk, selection of appropriate mitigation strategy and reporting process. The common risks inter alia are: regulations, competition, business risk, technology obsolescence, foreign exchange exposure, commodity price risks, investments, retention of talent and expansion of facilities.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

As on March 31, 2017 the Company had 70 permanent employees at its manufacturing plants and administrative office. The Company recognises the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. The Industrial Relations in the Company are satisfactory and cordial.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system in place which is commensurate with the size and nature of the business. The internal controls are aligned with statutory requirements and designed to safeguard the assets of the Company. The Management reviews and strengthens the controls periodically. Apart from self monitoring of the internal controls, there is independent Chartered Accountant firm appointed to conduct internal audit of the Company's operations. The Statutory Auditors present their observations to the Audit Committee on financial statements including the financial reporting system.

The Audit Committee takes due cognisance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee further ensure the quality and adequacy of the control systems.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**Highlights**

(` /Lacs)

| | 2016-17 | 2015-16 |
|---|---------|---------|
| Turnover | 9447.13 | 9156.26 |
| Profit before Interest and Depreciation | 299.94 | 232.81 |
| Interest | 199.13 | 147.68 |
| Depreciation | 49.35 | 41.41 |
| Profit before tax | 51.46 | 43.72 |
| Deferred Tax | 14.15 | (12.27) |
| Profit After Tax and before exceptional items | 65.61 | 31.45 |

**Highlights**

(` /Lacs)

| | 2016-17 | 2015-16 |
|--------------------------|----------------|----------------|
| Exceptional Items | (3.11) | (11.30) |
| Profit/Loss for the year | 62.50 | 20.15 |
| Earnings per share ` /P | 0.55 | 0.18 |

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

Company's Philosophy on Corporate Governance

Good Governance is an integral part of the Company's business practices based on the philosophy of Trusteeship. The core value of the Company's business practices are derived from the four pillars of Trusteeship, i.e. transparency, adequate disclosure, fairness to all and independent monitoring and supervision. The strong internal control systems and procedures, risk assessment and mitigation procedures and code of conduct for observance by the Company's directors and employees and internal financial controls, are conducive in achieving good Corporate Governance practices in the Company.

1. Board of Directors

Composition:

The Board of Directors consists of six members as on the date of this report, comprising four non-executive independent Directors and two executive Directors. Mr. S S Mishra who retired from the post of non-executive director at the last AGM and was the Chairman Emeritus of the Company passed away on 27th March, 2017.

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 four 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 Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2017, are given below:-

| Name of Director | Category of Director | No. of Shares held in the company | Other Directorship | No. of Membership/ Chairmanship of Committees of other companies |
|--------------------|---|-----------------------------------|--------------------|--|
| Mr R K Mishra* | Chairman and Managing Director (Executive and Promoter) | 761225 | 1 | - |
| Mr S K Mishra* | Executive and Promoter | 1390 | 1 | - |
| Mr P R Kapadia | Independent | 2250 | - | - |
| Mr MA Sharma | Independent | 200 | - | - |
| Mr G R Toshniwal | Independent | - | - | - |
| Mrs Meeta Shingala | Independent | - | - | - |

*Mr R K Mishra and Mr S K Mishra are brothers. None of the other directors are related to any other director on the Board.

Number of Board Meetings and Attendance Record of Directors:

The dates of the meeting and attendance are as follows:

| Date of Meeting | No. of Directors present |
|-----------------|--------------------------|
| 30.05.2016 | 7 |
| 05.08.2016 | 5 |
| 05.11.2016 | 5 |
| 08.02.2017 | 4 |



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

| Sr. No. | Name of Director | Board Meetings attended | Whether attended last AGM |
|---------|--|-------------------------|---------------------------|
| 1 | Mr R K Mishra | 4 | Yes |
| 2 | Mr S K Mishra | 4 | Yes |
| 3 | Late Mr S S Mishra (Retired w.e.f 23/09/2016) | 2 | No |
| 4 | Mr P R Kapadia | 4 | No |
| 5 | Mr M A Sharma | 2 | No |
| 6 | Mr G R Toshniwal | 3 | No |
| 7 | Mrs Meeta Shingala | 2 | No |

Meeting of Independent Directors and Attendance Record:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February, 2017 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

The appointment letters of Independent Directors and familiarization program for Independent Directors has been placed on the Company's website at www.supertex.in

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 and on arm's length basis 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 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

2. Audit Committee

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee. The composition, quorum and the role of the Committee are as per and includes items specified in Section 177(4) of the Companies Act, 2013, items specified in Part C of Schedule II in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee and such matters as may be assigned from time to time by the Board of Directors.

The Audit Committee inter alia reviews the quarterly (unaudited) financial results, annual financial statements before submitting to the Board of Directors, review internal control system and procedures and its adequacy including internal financial controls, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, recommendation for the appointment of Chief Financial Officer, Management Discussions and Analysis, Review of Internal Audit Reports, related party transactions. The Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy).

Composition of the Committee:

The Committee consists of three Independent Directors. The attendance of each Committee Member is as under:

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|----------------------|--------------------------|
| Mr P R Kapadia (Chairman) Non-Executive and Independent Director | 4 | 4 |
| Mr G R Toshniwal Non-Executive and Independent Director | 4 | 3 |



| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|--|----------------------|--------------------------|
| Mr M A Sharma Non-Executive and Independent Director | 4 | 2 |
| Late Mr S S Mishra Non-Executive Director (Retired w.e.f 23/09/2016) | 4 | 2 |

All members are financially literate and two are Chartered Accountants by profession. The Company Secretary of the Company acts as the Secretary to the Committee.

Besides, the committee members, the Managing Director and the Director and CFO, 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.

3. Nomination and Remuneration Committee

Composition of the Committee:

The Committee consists of three Independent Directors. The attendance of each Committee Member is as under:

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|----------------------|--------------------------|
| Mr G R Toshniwal (Chairman) Non-Executive and Independent Director | 1 | 1 |
| Mr P R Kapadia Non-Executive and Independent Director | 1 | 1 |
| Mr M A Sharma Non-Executive and Independent Director | 1 | - |

The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes - recommendation to Board of Directors the remuneration policy for the Company, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned by the Board of Directors.

Remuneration Policy:

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2016-17 was Rs.0.66 lacs. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings.

Details of the remuneration of directors for 2016-17 are as follows:

(Amount in `)

| Sr. No. | Name of Director | Salary | Perquisites | Contribution to PF | Sitting Fees | Total | Service Contract |
|---------|------------------|-----------|-------------|--------------------|--------------|-----------|------------------|
| 1 | Mr R K Mishra | 15,02,400 | 4,41,750 | 1,44,288 | NIL | 20,88,438 | 5 years |
| 2 | Mr S K Mishra | 11,76,000 | 2,11,708 | 1,12,320 | NIL | 15,00,028 | 5 years |
| 3 | Mr G R Toshniwal | - | - | - | 18,000 | 18,000 | Independent |
| 4 | Mr M A Sharma | - | - | - | 10,000 | 10,000 | Independent |



(Amount in `)

| Sr. No. | Name of Director | Salary | Perquisites | Contribution to PF | Sitting Fees | Total | Service Contract |
|---------|--|------------------|-----------------|--------------------|---------------|------------------|------------------|
| 5 | Mr P R Kapadia | - | - | - | 24,000 | 24,000 | Independent |
| 6 | Mrs Meeta Shingala | - | - | - | 4,000 | 4,000 | Independent |
| 7 | Late Mr S S Mishra (Retired w.e.f 23/09/16) | - | - | - | 10,000 | 10,000 | Non-Executive |
| | TOTAL | 26,78,400 | 6,53,458 | 2,56,608 | 66,000 | 36,54,466 | |

4. Stakeholders Relationship Committee

Composition of the Committee:

The Committee consists of three Independent Directors. Mr MA Sharma is the Chairman of the Committee. The Secretary of the Company is to act as the Compliance Officer.

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|----------------------|--------------------------|
| Mr M A Sharma (Chairman) Non-Executive and Independent Director | 2 | 1 |
| Mr G R Toshniwal Non-Executive and Independent Director | 2 | 1 |
| Mr P R Kapadia Non-Executive and Independent Director | 2 | 2 |
| Late Mr S S Mishra Non-Executive Director (Retired w.e.f. 23/09/2016) | 2 | 1 |

The primary function of the Committee is to address investors' and stakeholders' complaints pertaining to transfers/transmission of shares and any other related matters as prescribed under section 178 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the Listing Regulations. There were two meetings of the Stakeholders Relationship Committee held during the year. No complaints were received during the year.

5. General Body Meetings

Details of last three Annual General Meetings are as under:

| Year | Date | Whether Special Resolution passed | Time | Location |
|---------|------------|-----------------------------------|----------|---|
| 2013-14 | 26.09.2014 | No | 10.30 AM | Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 396 230 (D&NH) |
| 2014-15 | 26.09.2015 | No | | |
| 2015-16 | 23.09.2016 | No | | |

For the year ended March 31, 2017 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

6. Related Party Transactions

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. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Related Party Transaction policy as approved by the Board is available on the website of the Company www.supertex.in. In terms of Accounting Standard AS-18, details of related party transactions during the year have been set out under Note No. 33 to the Balance Sheet and the Statement of Profit and Loss Account.

7. Whistle blower policy

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern.



The Policy broadly covers instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism. The Policy is available on the website of the Company.

8. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

9. 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.

10. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in two newspapers viz. Financial Express (English) and local language newspaper, Lokmitra (Gujarati).

Financial results and other useful information of the Company are also available on the Company's website i.e. www.supertex.in

11. General shareholder information

Annual General Meeting:

| | | |
|--------------|---|---|
| Day and Date | : | Friday, 29th September, 2017 |
| Time | : | 10.30 a.m. |
| Venue | : | Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 396 230 (D&NH) |

Financial Calendar:

| | | |
|---|---|----------------------------------|
| Financial reporting for the quarter ending 30th June, 2017 | : | On or before 14th August, 2017 |
| Financial reporting for the quarter ending 30th September, 2017 | : | On or before 14th November, 2017 |
| Financial reporting for the quarter ending 31st December, 2017 | : | On or before 14th February, 2018 |
| Financial reporting for the quarter ending 31st March, 2018 | : | On or before 30th May, 2018 |

Date of book closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd September, 2017 to 29th September, 2017 (both days inclusive) in connection with the 31st Annual General Meeting of the company.

Listing:

The Company's shares are listed at The Bombay Stock Exchange, Mumbai. Annual Listing fees for Financial Year 2017-18 has been paid to BSE.

Stock code:

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

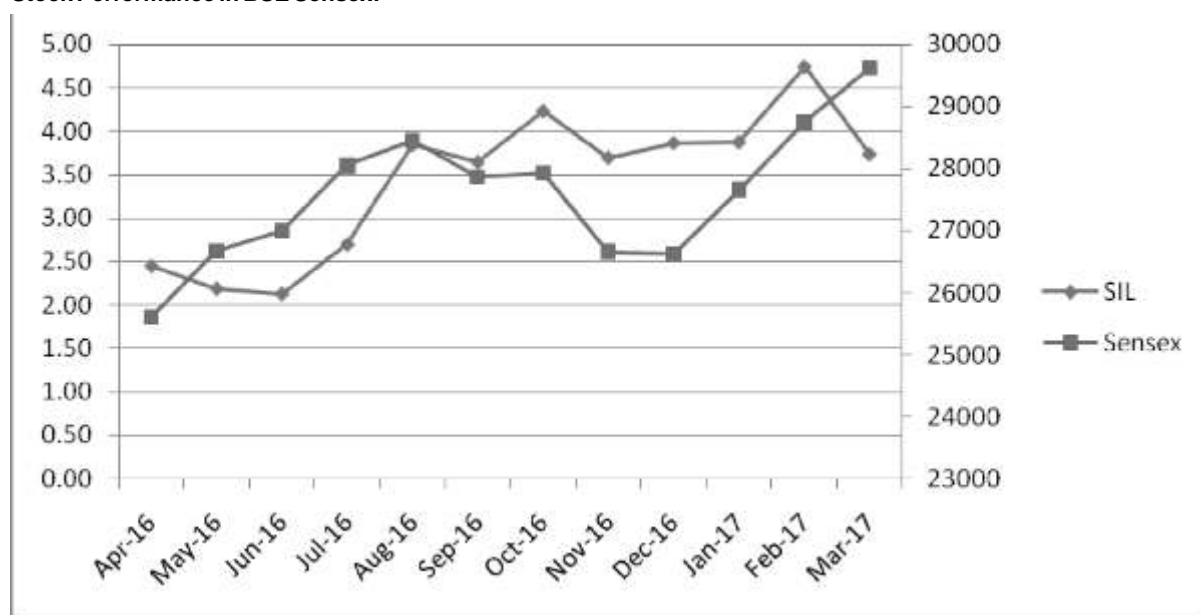
Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2016-17:

| Month | High Price (₹) | Low Price (₹) |
|------------|----------------|---------------|
| April 2016 | 3.16 | 2.45 |
| May 2016 | 2.48 | 2.06 |
| June 2016 | 2.31 | 2.00 |
| July 2016 | 2.78 | 2.01 |



| Month | High Price (₹) | Low Price (₹) |
|----------------|----------------|---------------|
| August 2016 | 3.85 | 2.66 |
| September 2016 | 3.85 | 3.65 |
| October 2016 | 4.24 | 3.00 |
| November 2016 | 4.45 | 3.50 |
| December 2016 | 4.43 | 3.51 |
| January 2017 | 5.09 | 3.53 |
| February 2017 | 5.23 | 3.38 |
| March 2017 | 4.70 | 3.72 |

Stock Performance in BSE Sensex:



Note: Based on monthly closing price on BSE (April 2016 to March 2017)

Share Transfers Agents:

M/s. Sharex Dynamic (India) Pvt. Ltd., Unit -1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri(E), Mumbai - 400 072.

Share transfer system:

All the applications for transfer / transmission / consolidation etc., are received, verified and passed by M/s. Sharex Dynamic (India) Pvt. Ltd., Share Transfer Agents of the Company and then transferred to the Company for final approval of the Stakeholders Relationship Committee. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

Distribution Schedule of shareholding as the close of the year 2016-17

| Equity Shares | Number of Holders | (%) of Holders | Total Shares | % of Total |
|----------------|-------------------|----------------|--------------|------------|
| Upto 5000 | 12257 | 98.19 | 2952341 | 26.03 |
| 5001 To 10000 | 114 | 0.91 | 830013 | 7.32 |
| 10001 To 20000 | 52 | 0.42 | 768160 | 6.77 |
| 20001 To 30000 | 18 | 0.14 | 438518 | 3.87 |
| 30001 To 40000 | 6 | 0.05 | 214740 | 1.89 |

**Distribution Schedule of shareholding as the close of the year 2016-17**

| Equity Shares | Number of Holders | (%) of Holders | Total Shares | % of Total |
|------------------|-------------------|----------------|-----------------|---------------|
| 40001 To 50000 | 9 | 0.07 | 410925 | 3.62 |
| 50001 To 100000 | 11 | 0.09 | 761641 | 6.72 |
| 100001 And Above | 16 | 0.13 | 4964982 | 43.78 |
| Total | 12483 | 100.00 | 11341320 | 100.00 |

Shareholding pattern as on 31st March, 2017:

| | Category | No. of Shares Held | % of Share-Holding |
|-----------|--|--------------------|--------------------|
| A. | Promoter(s) Holding | | |
| 1 | Promoter(s) | | |
| | - Indian Promoters | 16,31,048 | 14.381 |
| | - Foreign Promoters | - | - |
| | Sub-Total | 16,31,048 | 14.381 |
| B. | Non-Promoters Holding | | |
| 2 | Institutional Investors | | |
| a | Mutual Funds & UTI | 280 | 0.002 |
| b | Banks, FIs, Insurance Company (Central / State Govt. Inst. / Non-govt. Inst.) | 960 | 0.008 |
| c | FII(s) | 20 | - |
| | Sub-Total | 1,260 | 0.010 |
| 3. | Others | | |
| a | Private Corporate Bodies | 7,13,420 | 6.290 |
| b | Indian Public | 86,90,116 | 76.623 |
| c | NRI / OCBs | 30,184 | 0.266 |
| d | Any-Other (Foreign Companies) | - | - |
| e | Clearing Members | 2,75,292 | 2.427 |
| | Sub-Total | 97,09,012 | 85.606 |
| | Grand-Total | 1,13,41,320 | 100.000 |

Dematerialisation position of Company's Equity shares:

As on March 31, 2017, 98.78 % of shares were held in dematerialized form and the rest in physical form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:

The Company has not issued any GDRs/ADRs/Warrants/Convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities:

The Company uses forward exchange contracts/options to hedge against its foreign currency exposures for exports and to avoid currency exchange fluctuation, whenever it is considered necessary.

Plant locations:

Unit I and II : Plot No. 45/46, Piperia Industrial Estate, Phase-II, Silvassa, Dadra & Nagar Haveli

Unit III : Plot No. 213, Kharvel, Behind Kharvel Sub- Station, Taluka Dharampur, District Valsad, Gujarat.

Investor Correspondence:

M/s. Sharex Dynamic (India) Pvt Ltd., Unit-I, Luthra Industrial Premises,

Andheri Kurla Road, Safed Pool, Mumbai - 400 072.

Tel. : +91-22-28515606/28515644 Fax : +91-22-28512885

E-mail : investor@sharexindia.com

**CEO/CFO CERTIFICATION**

We, the undersigned, Mr R K Mishra, Chairman and Managing Director and Mr S K Mishra, Director and CFO of the Company, to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For Supertex Industries Limited

R K Mishra
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2017

For Supertex Industries Limited

S K Mishra
Director and Chief Financial 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, 2017.

For and on behalf of the Board

R K Mishra
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2017

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To The Members of
Supertex Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Supertex Industries Limited, for the year ended March 31, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We 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.

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

Sanjay Lunkad
Partner
Membership No. 48229

Place : Mumbai
Date : 30th May, 2017

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF
SUPERTEX INDUSTRIES LIMITED,****Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of SUPERTEX INDUSTRIES LIMITED, which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and cash flow statement for the year ended 31st March, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Directors of the Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India -

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in case of the Statement of Profit and Loss, of the Profit of the Company for the financial year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that-
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Reports in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to information and explanation given to us:
 - i. The company does not have any pending litigation as at March 31, 2017 which would impact its financial position.
 - ii. The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses
 - iii. The provisions of Investor Education and Protection Fund are not applicable to the company.
 - iv. The company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S O 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the management.

For M.B.AGRAWAL & CO.

Chartered Accountants

Firm Registration Number: 100137W

Sanjay Lunkad

(Partner)

M. No. 48229

Place : Mumbai

Dated : 30th May, 2017



ANNEXURE A TO THE AUDITOR'S REPORTS

The Annexure referred to in our Independent Auditors' Report to the members of SUPERTEX INDUSTRIES LIMITED on the Standalone Financial Statements for the year ended March 31st, 2017

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified by the management, as per the program of verification covering all the fixed assets at reasonable intervals. According to the information and explanations given to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees & security.
- v. The company has not accepted any deposit from public within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) According to information and explanation given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory dues have been generally regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records examined by us, the particulars of statutory dues not paid as on 31st March, 2017 on account of dispute are as follows:-

| Name of the Statute | Nature of Dues | Amount (₹ lacs) | Period to which the amount relates | Forum where the dispute is pending |
|---------------------|----------------|-----------------|------------------------------------|------------------------------------|
| Income Tax Act | Income tax | 48.44 | A.Y 2013-14 | CIT (Appeals)IX |
| Income Tax Act | Income tax | 137.82 | A.Y 2014-15 | CIT (Appeals)IX |

- viii. According to the records of the company examined by us and the information given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable



and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M. B. AGRAWAL & CO.

Chartered Accountants

Firm Registration Number: 100137W

Sanjay Lunkad

(Partner)

M. No. 48229

Place : Mumbai

Dated : 30th May, 2017

**ANNEXURE - B TO THE AUDITORS' REPORT****(Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"))**

We have audited the internal financial controls over financial reporting of SUPERTEX INDUSTRIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

According to the information and explanation given to us, the company has 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 regards the sales of goods. However, the Company has not laid down process narratives for its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

For M.B.AGRAWAL & CO.

Chartered Accountants

Firm Registration Number: 100137W

Sanjay Lunkad

(Partner)

M. No. 48229

Place : Mumbai

Dated : 30th May, 2017



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BALANCE SHEET AS AT 31ST MARCH, 2017

(` in Lacs)

| | Note | As At 31st March, 2017 | As At 31st March, 2016 |
|--|---------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 1,134.13 | 1,134.13 |
| Reserves and Surplus | 3 | 1,659.26 | 1,596.75 |
| | | 2,793.39 | 2,730.88 |
| Non-Current Liabilities | | | |
| Long term Borrowings | 4 | 35.49 | 46.37 |
| Long Term Provisions | 5 | 35.10 | 30.40 |
| | | 70.59 | 76.77 |
| Current Liabilities | | | |
| Short Term Borrowings | 6 | 1,460.28 | 1,629.32 |
| Trade Payables | 7 | 2,267.69 | 2,095.24 |
| Other Current Liabilities | 8 | 433.39 | 219.90 |
| Short Term Provisions | 9 | 17.85 | 15.77 |
| | | 4,179.20 | 3,960.23 |
| Total | | 7,043.18 | 6,767.87 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets - Tangible Assets | 10 | 931.22 | 781.40 |
| - Intangible Assets | 10 | 2.13 | - |
| - Capital Work-in-Progress | 10 | 44.38 | 54.89 |
| Non-Current Investments | 11 | 12.51 | 12.51 |
| Deferred Tax Assets (net) | 12 | 423.41 | 409.26 |
| Long Term Loans and Advances | 13 | 104.43 | 124.76 |
| | | 1,518.08 | 1,382.82 |
| Current Assets | | | |
| Inventories | 14 | 604.49 | 426.93 |
| Trade Receivables | 15 | 2,860.41 | 2,778.64 |
| Cash and cash equivalents | 16 | 113.15 | 87.51 |
| Short Term Loans and Advances | 17 | 1,685.99 | 1,762.35 |
| Other Current Assets | 18 | 261.07 | 329.62 |
| | | 5,525.10 | 5,385.05 |
| Total | | 7,043.18 | 6,767.87 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 37 | | |

As per our attached report of even date

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

Sanjay Lunkad
Partner
Membership No. 48229
Mumbai : 30th May, 2017

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director
S K Mishra - Director & CFO
Vaishali Naik - Company Secretary

Mumbai : 30th May, 2017



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lacs)

| | Note | Current Year Ended 31st March, 2017 | Previous Year Ended 31st March, 2016 |
|--|----------------|--|---|
| INCOME | | | |
| Revenue from Operations | 19 | 9,447.13 | 9,156.26 |
| Other Income | 20 | 86.71 | 91.50 |
| Total Revenue | | 9,533.84 | 9,247.76 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 21 | 5,327.58 | 4,537.17 |
| Purchase of Stock-in-Trade | 22 | 2,979.61 | 3,787.43 |
| Changes in Inventories of Finished Goods and Work-in-Progress | 23 | (82.93) | (154.60) |
| Employee Benefits Expense | 24 | 254.83 | 210.47 |
| Finance Costs | 25 | 199.13 | 147.68 |
| Depreciation and Amortisation Expense | 10 | 49.35 | 41.41 |
| Other Expenses | 26 | 754.81 | 634.48 |
| Total Expenses | | 9,482.38 | 9,204.04 |
| Profit before Exceptional and Extraordinary items and Tax | | 51.46 | 43.72 |
| Exceptional Items | 27 | (3.11) | (11.30) |
| Profit Before Tax | | 48.35 | 32.42 |
| Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | 12 | 14.15 | (12.27) |
| Profit for the Period | | 62.50 | 20.15 |
| Earnings per equity share of face value Rs 10 each | 32 | | |
| Basic | | 0.55 | 0.18 |
| Diluted | | 0.55 | 0.18 |
| Face Value | | 10 | 10 |
| Significant Accounting Policies | 1 | | |
| Notes on Financial Statements | 2 to 37 | | |

As per our attached report of even date

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

Sanjay Lunkad
Partner
Membership No. 48229
Mumbai : 30th May, 2017

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director
S K Mishra - Director & CFO
Vaishali Naik - Company Secretary

Mumbai : 30th May, 2017



CASH FLOW STATEMENT FOR THE YEAR 2016-17

(₹ in Lacs)

| | Current Year 2016-17 | Previous Year 2015-16 |
|--|-------------------------|--------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | 51.46 | 43.72 |
| Adjusted for : | | |
| Loss on Sale of fixed asset (net) | - | 0.39 |
| Prior period expenses | (3.10) | (11.69) |
| Depreciation | 49.35 | 41.41 |
| Finance Costs | 199.13 | 147.68 |
| | 245.39 | 177.79 |
| Operating Profit before Working Capital Changes | 296.85 | 221.51 |
| Adjusted for : | | |
| Trade and Other Receivables | 63.15 | (1,326.34) |
| Inventories | (177.56) | (180.89) |
| Trade and Other Payables | 388.01 | 963.73 |
| | 273.61 | (543.50) |
| Cash Generated from Operations | 570.45 | (321.99) |
| Less : Taxes Paid | - | - |
| Net Cash from Operating Activities | 570.45 | (321.99) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (201.30) | (263.72) |
| Capital Work-in-Progress | 10.51 | - |
| Purchase of Investments | - | - |
| Reversal of excess write-off in Plant/Buildings | - | 2.00 |
| Net Cash used in Investing Activities | (190.79) | (261.72) |
| | 379.66 | (583.71) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long Term Borrowings | (6.18) | 7.65 |
| Long Term Loans and Advances | 20.33 | (12.35) |
| Short Term Borrowings (net) | (169.04) | 793.04 |
| Finance Cost | (199.13) | (147.68) |
| Net Cash generated in Financing Activities | (354.02) | 640.66 |
| Net Increase in Cash and Cash Equivalents | 25.64 | 56.94 |
| Opening Balance of Cash and Cash Equivalents | 87.51 | 30.57 |
| Closing Balance of Cash and Cash Equivalents | 16 | 113.15 |
| Significant Accounting Policies | 1 | 25.64 |
| Notes on Financial Statements | 2 to 37 | 56.94 |

As per our attached report of even date

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

Sanjay Lunkad
Partner
Membership No. 48229
Mumbai : 30th May, 2017

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director
S K Mishra - Director & CFO
Vaishali Naik - Company Secretary

Mumbai : 30th May, 2017


Note No 1. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
1. Corporate Information:

The Company was formed in 1986 and manufactures draw warped and sized yarn beams of polyester and nylon. It also manufactures textured and twisted yarns of polyester and nylon. The Company also exports these yarns and trades in textile fabrics.

2. Significant Accounting Policies:

- (a) **Basis of Preparation:** The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards (AS) and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 as applicable, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India (ICAI) and of the Securities and Exchange Board of India (SEBI).
- (b) **Classification of Assets and Liabilities as Current and Non-Current:** All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current/ non current classification of assets and liabilities.
- (c) **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.
- (d) **Revenue Recognition:** (i) Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer, and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty. (ii) Income from jobwork is recognized as they are rendered (based on agreement/arrangement with the concerned customers). (iii) Dividend income on investments is accounted for as and when the right to receive the payment is established. (iv) Interest Income is recognized on time-proportion basis. Export incentives and other government incentives, insurance claims and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis. (v) Profit/Loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and carrying value of investment and other incidental expenses.
- (e) **Borrowing Costs:** Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the asset is ready for their intended use. All other borrowing costs are recognised in the of Profit and Loss in the year in which they are incurred.
- (f) **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. Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.
- (g) **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.
- (h) **Method of Depreciation and Amortisation:**
- Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013.
 - Intangible Assets : Lifetime software licences are not depreciated.
 - Depreciation on additions to assets or on sale/discardment of assets is calculated pro rata from the month of such addition or upto the month of such sale / discardment, as the case may be.
 - The details of estimated life for each category of assets is as under :

| Category of Assets | Estimated useful life |
|----------------------|--------------------------|
| Leasehold Land | Over the period of lease |
| Freehold Land | - |
| Buildings | 30-60 years |
| Plant and Equipment | 5 – 25 years |
| Office Equipment | 3-5 years |
| Furniture & Fixtures | 10 years |
| Vehicles | 8 – 10 years |



(i) **Leases:**

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

- (j) **Investments:** Investments that are readily realisable and are intended to be held for not more than one year from the date of investment are classified as current investments. All the other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.
- (k) **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.
- (l) **Foreign currency transactions:**
- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction, except transactions covered by forward contracts, which are recorded at the forward contract rates.
 - (ii) Monetary assets and liabilities, if any, at the year end are restated at the year end rates and exchange rate gains and losses are recognised in the Statement of Profit and Loss.
- (m) **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.
- (n) **Employees benefits:**
- (i) **Short term employee benefits:** are recognized as an expense on accrual basis.
 - (ii) **Defined Contribution Plan:** Contribution payable to recognized provident fund and approved superannuation scheme, which are substantially defined contribution plans, are recognized as expense in the Statement of Profit and Loss, as they are incurred. The Provident Fund contribution as specified under the law is paid to the Regional Provident fund Commissioner.
 - (iii) **Defined Benefit Plan:** The obligation in respect of defined benefit plans, which covers Gratuity and Pension, are provided for on the basis of actuarial valuation at the end of each financial year. Gratuity is funded with an approved fund with the LIC of India. Actuarial gains/losses, if any, are recognized immediately in the Statement of Profit and Loss.
 - (iv) **Other Long Term Benefits:** Long term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains/losses, if any, are recognized immediately in the Statement of Profit and Loss.
- (o) **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 Statement of Profit and Loss 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.
- (p) **Provisions and Contingencies:** A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value. Contingent Liabilities are not recognized but are disclosed in the financial statements. Claims against the Company where the possibility of materialization is remote are not considered as contingent liabilities. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (q) **Segment Reporting:** The Company deals in only one segment i.e. "Textiles". However, as per Accounting Standard (AS) 17 on Segment Reporting the Company has identified and reported "Domestic" and "International" as primary business segments and "Manufacturing" and "Trading" as secondary business segments.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(` in Lacs)

| | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 2 SHARE CAPITAL | | |
| Authorised : | | |
| 5,00,00,000 Equity Shares of ` 10/- each (5,00,00,000 Equity Shares of ` 10/- each) | <u>5,000.00</u> | <u>5,000.00</u> |
| Issued, Subscribed and Fully Paid up : | | |
| 1,13,41,320 Equity Shares of ` 10/- each (1,13,41,320 Equity Shares of ` 10/- each) | 1,134.13 | 1,134.13 |
| Total | <u>1,134.13</u> | <u>1,134.13</u> |

2.1 Reconciliation of number of shares

| | AsAt 31st March, 2017 No. of Shares | AsAt 31st March, 2017 ` in Lacs | AsAt 31st March, 2016 No. of Shares | AsAt 31st March, 2016 ` in Lacs |
|------------------------|---|---------------------------------------|---|---------------------------------------|
| Equity shares | | | | |
| Opening balance | 1,13,41,320 | 1,134.13 | 1,13,41,320 | 1,134.13 |
| Issued during the year | - | - | - | - |
| Closing balance | 1,13,41,320 | 1,134.13 | 1,13,41,320 | 1,134.13 |

2.2 Rights attached to shares

Equity shares

The Company has one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. The dividend, proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the repayment of capital will be in proportion to the number of equity shares held.

2.3 The details of Shareholders holding more than 5% shares :

| Name | 31st March, 2017 | | 31st March, 2016 | |
|---------------------|------------------|--------------|------------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Ramesh Kumar Mishra | 7,61,225 | 6.71 | 7,61,225 | 6.71 |
| Amrit L Gandhi | 9,99,999 | 8.82 | 9,99,999 | 8.82 |

3 RESERVES AND SURPLUS

| | As at 31st March, 2017 ` in Lacs | As at 31st March, 2016 ` in Lacs |
|--|-------------------------------------|-------------------------------------|
| Securities Premium Account | | |
| As per last Balance Sheet | 348.66 | 348.66 |
| Capital Reserve | | |
| As per last Balance Sheet | 1,452.85 | 1,452.85 |
| Profit and Loss Account | | |
| As per last Balance Sheet (Debit) | (204.76) | (224.90) |
| Add : Transfer from Statement of Profit and Loss | 62.50 | 20.14 |
| | <u>(142.25)</u> | <u>(204.76)</u> |



(` in Lacs)

| | As at 31st March, 2017 | | As at 31st March, 2016 | |
|--|---------------------------|-----------------|---------------------------|-----------------|
| Add: Additional Depreciation as per Schedule II of the Companies Act, 2013 | - | (142.25) | - | (204.76) |
| Total | | 1,659.26 | | 1,596.75 |
| 4 Long term Borrowings | | | | |
| Secured Loans | | | | |
| Loans for Auto Finance from Banks | | 5.84 | | 11.06 |
| Unsecured Loans | | | | |
| Intercorporate Deposits | | 29.65 | | 35.31 |
| Total | | 35.49 | | 46.37 |
| 4.1 Loans for Auto Finance from Banks are repayable in 3-5 years. Last Installment due in 11/2019. Rate of Interest @ 9.50-10.50%. Secured against hypothecation of the vehicle and post dated cheques. | | | | |
| 5 Long Term Provisions | | | | |
| Provision for Employee Benefits: | | | | |
| Provision for Gratuity | | 35.10 | | 30.40 |
| Total | | 35.10 | | 30.40 |
| 6 Short term Borrowings | | | | |
| Secured Loans | | | | |
| Working Capital Loan -From Axis Bank (Refer Note 6.1) | | | | |
| Cash Credit facility | 807.87 | | 849.54 | |
| EPC/PSC facility | 347.85 | 1,155.72 | 347.33 | 1,196.87 |
| Unsecured Loans | | | | |
| Loans from Directors | 77.14 | | 76.11 | |
| Intercorporate Deposits | 227.42 | 304.56 | 356.33 | 432.44 |
| Total | | 1,460.28 | | 1,629.31 |
| 6.1 Working Capital loan from Axis Bank is secured by Registered mortgage of Plot No. 45 & 46, Phase II, Piperia Indl. Estate, Silvassa, Office premises at Balkrishna Krupa CHS, 45/49 Babu Genu Road, Kalbadevi, Mumbai-2; Hypothecation on the entire current assets and exclusive first charge on some of the movable fixed assets of the Company, both present and future and personal guarantee of some of the Directors of the Company. | | | | |
| 6.2 Also refer Note 35 IB regarding contingent liability in respect of LCBD facility availed by the Company. | | | | |
| 7 Trade Payables | | | | |
| Micro, Small and Medium Enterprises | | - | | - |
| Others | | 2,267.69 | | 2,095.24 |
| Total | | 2,267.69 | | 2,095.24 |
| 7.1 The Company has not received any declarations from its suppliers regarding their 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. | | | | |
| 8 Other Current Liabilities | | | | |
| Loans for Auto Finance | | 5.22 | | 4.72 |
| Creditors for Capital Expenditure | | 132.27 | | 5.71 |
| Other Payables* | | 295.90 | | 209.47 |
| Total | | 433.39 | | 219.90 |
| 8.1 * includes Statutory dues and advance received from customers. | | | | |
| 9 Short Term Provisions | | | | |
| Provision for employee benefits: | | | | |
| Leave Salary | | 17.85 | | 15.77 |
| Total | | 17.85 | | 15.77 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

10. FIXED ASSETS

in Lacs

| Sr. No. | Description | GROSS BLOCK | | | | DEPRECIATION/AMORTISATION | | | NET BLOCK | | |
|---------|--------------------------|------------------------------|---------------------------------|---------------------------------|------------------------------|------------------------------|-------------|---------------------------|--------------------|----------------------------|----------------------------|
| | | Gross Block As At 01.04.2016 | Additions/ Adj. during the Year | Deduction/ Adj. during the Year | Gross Block As At 31.03.2017 | Depreciation upto 01.04.2016 | Adjustments | Depreciation for the Year | Total Depreciation | Net Block As At 31.03.2017 | Net Block As At 31.03.2016 |
| 1 | Tangible Assets | | | | | | | | | | |
| a. | Land: | | | | | | | | | | |
| | Leasehold Land | 3.50 | - | - | 3.50 | - | - | - | - | 3.50 | 3.50 |
| b. | Freehold Land | 28.57 | - | - | 28.57 | - | - | - | - | 28.57 | 28.57 |
| 2 | Buildings | 305.60 | - | - | 305.60 | 225.17 | - | 10.53 | 235.70 | 69.90 | 80.43 |
| 3 | Plant & Equipment | 2,051.54 | 197.40 | - | 2,248.94 | 1,414.18 | - | 33.90 | 1,448.08 | 800.86 | 637.36 |
| 4 | Office Equipment | 35.02 | 1.77 | - | 36.79 | 32.54 | - | 0.59 | 33.13 | 3.66 | 2.48 |
| 5 | Furniture & Fixtures | 25.17 | - | - | 25.17 | 23.90 | - | - | 23.90 | 1.27 | 1.26 |
| 6 | Vehicles | 44.57 | - | - | 44.57 | 16.78 | - | 4.33 | 21.11 | 23.46 | 27.80 |
| 1 | Intangible Assets | | | | | | | | | | |
| | Software Licenses | - | 2.13 | - | 2.13 | - | - | - | - | 2.13 | - |
| | Total | 2,493.97 | 201.30 | - | 2,695.27 | 1,712.57 | - | 49.35 | 1,761.92 | 933.35 | 781.40 |
| | Previous Year | 2,240.76 | 263.71 | 10.50 | 2,493.97 | 1,679.67 | (8.51) | 41.41 | 1,712.57 | 781.40 | |
| 7 | Capital Work-in-Progress | | | | | | | | | 44.38 | |
| | Total | | | | | | | | | 977.73 | |



- 10.1 Buildings include cost of 30 shares of Rs.50/- each in Balkrishna Krupa Co-operative Hsg. Soc.Ltd
 10.2 In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2017 are as follows :

(` in Lacs)

| | Total Minimum Lease Payments outstanding | | Future Interest on Outstanding Lease Payments | |
|---|--|------------------|---|------------------|
| | 31st March, 2017 | 31st March, 2016 | 31st March, 2017 | 31st March, 2016 |
| Within one year | 5.22 | 4.72 | 0.88 | 1.37 |
| Later than one year and not later than five years | 5.84 | 11.06 | 0.39 | 1.27 |
| Later than five years | - | - | - | - |
| Total | 11.06 | 15.78 | 1.27 | 2.64 |

10.3 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, 2017

(` in Lacs)

| | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 11 Non Current Investments | | |
| Investments in Mutual Funds (At Cost)(Unquoted) | | |
| Units of SBI Life Smart Elite Plan : | | |
| 31,515 Equity Elite Fund II - 30% | 3.75 | 3.75 |
| 18,460 Bond Fund - 30% | 3.75 | 3.75 |
| 23,639 Balanced Fund - 40% | 5.00 | 5.00 |
| (NAV Rs 17,55,060/-, Previous Year Rs 16,28,758/-) | 12.51 | 12.51 |
| Total | 12.51 | 12.51 |
| 12 Deferred Tax Assets (net) | | |
| Deferred Tax Assets | | |
| Unabsorbed Depreciation | 355.60 | 355.60 |
| Accumulated Business Losses | 42.58 | 32.23 |
| Disallowance u/s 43B of Income Tax Act, 1961 | 5.77 | 3.08 |
| Total | 403.95 | 390.91 |
| Less : Deferred Tax Liability | | |
| Difference in Books and Tax Depreciation | 22.62 | 19.41 |
| Allowable u/s 43B of Income Tax Act, 1961 | (3.16) | (1.06) |
| Deferred Tax Asset (net) | 423.41 | 409.26 |
| 13 Long Term Loans and Advances | | |
| (Unsecured, Considered Good) | | |
| Security Deposits | 18.78 | 26.78 |
| Tax Deducted at Source | 28.37 | 40.16 |
| Balance with Revenue Authorities | 30.48 | 30.47 |
| Other Loans and Advances | 26.81 | 27.36 |
| Total | 104.43 | 124.76 |
| 14 Inventories | | |
| Stores and Spares | 73.07 | 72.16 |
| Raw Materials | 206.13 | 112.41 |
| Work-in-Progress | 52.61 | 24.14 |
| Finished Goods | 209.60 | 90.75 |
| Goods in Transit | 63.08 | 127.47 |
| Total | 604.49 | 426.93 |
| 15 Trade Receivables | | |
| (Unsecured) | | |
| Over Six Months | | |
| -Considered Good | 277.92 | 272.10 |
| -Considered Doubtful | 201.34 | 175.40 |
| Less : Provision for doubtful debts | (39.93) | (39.93) |
| Others | 2,421.08 | 2,371.07 |
| Total | 2,860.41 | 2,778.64 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(` in Lacs)

| | As at 31st March, 2017 | As at 31st March, 2016 |
|---|--|---|
| 16 Cash and cash equivalents | | |
| Balances with Banks | 78.62 | 57.26 |
| Cash on Hand | 23.14 | 19.54 |
| Margin Money with Bank | 11.39 | 10.71 |
| Total | <u><u>113.15</u></u> | <u><u>87.51</u></u> |
| 17 Short Term Loans and Advances (Unsecured, Considered Good) | | |
| Advance to Suppliers | 866.24 | 853.81 |
| Advance for Capital Goods | 90.87 | 94.40 |
| Others | 728.87 | 814.14 |
| Total | <u><u>1,685.99</u></u> | <u><u>1,762.35</u></u> |
| 18 Other Current Assets | | |
| Export Incentives Receivable | <u><u>261.07</u></u> | <u><u>329.62</u></u> |
| | Current Year Ended 31st March, 2017 | Previous Year Ended 31st March, 2016 |
| 19 Revenue from Operations | | |
| Sale of Products | 9,319.54 | 8,911.43 |
| Processing Charges | 54.73 | 48.57 |
| Export Incentives | 72.86 | 144.35 |
| Gain on foreign currency transactions/translation | - | 51.90 |
| Total | <u><u>9,447.13</u></u> | <u><u>9,156.26</u></u> |
| 20 Other Income | | |
| Interest | 84.41 | 77.40 |
| Other income | 2.30 | 14.10 |
| Total | <u><u>86.71</u></u> | <u><u>91.50</u></u> |
| 21 Cost of Materials Consumed | | |
| Indegenous | 5,327.58 | 4,537.17 |
| Total | <u><u>5,327.58</u></u> | <u><u>4,537.17</u></u> |
| 22 Purchase of Stock-in-Trade | | |
| Fabrics | 2,927.15 | 3,784.94 |
| Textured Yarn | 52.46 | 2.49 |
| Total | <u><u>2,979.61</u></u> | <u><u>3,787.43</u></u> |
| 23 Changes in Inventories of Finished Goods and Work-in-Progress | | |
| Inventories (at close) | | |
| Finished Goods | 272.68 | 218.22 |
| Work-in-Progress | 52.61 | 24.14 |
| Total | <u><u>325.29</u></u> | <u><u>242.36</u></u> |
| Less : Inventories (at commencement) | | |
| Finished Goods | 218.22 | 60.36 |
| Work-in-Progress | 24.14 | 27.40 |
| Total | <u><u>242.36</u></u> | <u><u>87.76</u></u> |
| Increase/(Decrease) | <u><u>82.93</u></u> | <u><u>154.60</u></u> |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(` in Lacs)

| | Current Year Ended 31st March, 2017 | Previous Year Ended 31st March, 2016 |
|--|--|---|
| 24 Employee Benefits Expense* | | |
| Salaries and Wages | 219.55 | 182.97 |
| Contribution to Provident and Other Funds | 11.63 | 8.41 |
| Gratuity | 5.70 | 4.67 |
| Staff welfare Expenses | 20.44 | 20.41 |
| | <u>257.31</u> | <u>216.46</u> |
| Less : Capitalised during the Year | 2.48 | 5.99 |
| Total | <u>254.83</u> | <u>210.47</u> |
| *(Refer Note No. 34 for Disclosures as per AS 15) | | |
| 25 Finance Costs | | |
| Interest Expenses | 179.55 | 129.35 |
| Other Borrowing Costs | 19.58 | 18.33 |
| Total | <u>199.13</u> | <u>147.68</u> |
| 26 Other Expenses | | |
| 26.1 Manufacturing Expenses | | |
| Consumption of stores and spares | 126.61 | 112.68 |
| Power and Fuel | 148.61 | 108.35 |
| Processing Charges | - | 13.76 |
| Rent, Rates and Taxes | 8.57 | 10.00 |
| Repairs to Building | 0.40 | 0.79 |
| Repairs to Machinery | 4.75 | 6.93 |
| Repairs to Others | 1.67 | 1.39 |
| Other Manufacturing Expenses | 12.62 | 12.54 |
| Total | <u>303.23</u> | <u>266.43</u> |
| 26.2 Selling and Distribution Expenses | | |
| Carriage Outward | 188.94 | 160.51 |
| Brokerage and Commission | 148.46 | 115.37 |
| Total | <u>337.40</u> | <u>275.88</u> |
| 26.3 Establishment Expenses | | |
| Insurance | 10.14 | 9.11 |
| Travelling and Conveyance | 51.07 | 55.94 |
| Communication | 5.33 | 8.18 |
| Printing and Stationery | 2.58 | 3.01 |
| Legal and Professional | 10.78 | 8.51 |
| Payment to Auditors | 1.73 | 1.72 |
| Other Establishment Expenses | 35.22 | 17.99 |
| Total | <u>116.85</u> | <u>104.46</u> |
| Less : Capitalised during the Year | 2.66 | 12.29 |
| Total | <u>754.81</u> | <u>634.48</u> |
| 27 Exceptional Items | | |
| Income tax of earlier year | (3.11) | - |
| Profit/(Loss) on Sale of Fixed Assets (net) | - | 0.39 |
| Prior Period (Expenses)/Income | - | (11.69) |
| Total | <u>(3.11)</u> | <u>(11.30)</u> |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(` in Lacs)

| | Current Year Ended 31st March, 2017 | Previous Year Ended 31st March, 2016 |
|--|--|---|
| 28 Value of Stores Consumed : | | |
| Indegenous | 126.61 | 112.68 |
| Total | 126.61 | 112.68 |
| 29 Payment to Auditors | | |
| Statutory Audit fees | 1.73 | 1.72 |
| Tax Audit fees | 0.46 | 0.46 |
| Certification fees | 0.31 | 0.48 |
| Internal Audit Fees | 2.76 | 2.75 |
| Total | 5.25 | 5.40 |
| 30 Earnings in Foreign Currency | | |
| FOB value of exports | 3,385.58 | 3,450.83 |
| 31 Expenditure in Foreign Currency | | |
| Foreign travelling expenses | 10.85 | 12.27 |
| Ocean Freight | 84.97 | 95.67 |
| Commission | 68.32 | 43.85 |
| Foreign Bank Charges | 6.28 | 4.66 |
| Total | 170.42 | 156.45 |
| 32 Earnings Per Share | | |
| i Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ` in Lacs | 62.50 | 20.15 |
| ii Weighted Average number of Equity Shares | 1,13,41,320 | 1,13,41,320 |
| iii Basic Earnings per Share ` /p | 0.55 | 0.18 |
| iv Potential shares on exercise of options | - | - |
| v Weighted Average number of Equity Shares | 1,13,41,320 | 1,13,41,320 |
| vi Diluted Earning per Share ` /p | 0.55 | 0.18 |
| vii Face value per Equity Share | 10.00 | 10.00 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

33 Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with related parties (with whom transaction exist) are given below:

i Related Party relationships :

a Where control exists

Super Infincon P. Ltd
Super Polyester Yarns Ltd.

b Key Management Personnel

R K Mishra - Managing Director
S K Mishra - Director & CFO

c Relatives of Key Management Personnel

Late S S Mishra - Father of R K Mishra & S K Mishra, H V Mishra - Son of R K Mishra

ii Transactions with Related Parties

(` in Lacs)

| Sr. No. | Nature of Transaction | Type of Related Party | As At 31st March, 2017 Volume of Transactions | As At 31st March, 2016 | As At 31st March, 2017 | As At 31st March, 2016 |
|---------|-----------------------------|---------------------------------------|--|------------------------|------------------------|------------------------|
| 1 | Unsecured Loan and Interest | Where control exists | 41.88 | 166.78 | 65.44 CR | 26.38 CR |
| 2 | Managerial remuneration | Key Management Personnel | 35.88 | 34.21 | 30.65 CR | 26.23 CR |
| 3 | Remuneration | Relatives of Key Management Personnel | 1.80 | 2.42 | - | - |
| 4 | Unsecured Loan | Key Management Personnel | 5.40 | 5.28 | 77.14 CR | 76.11 CR |

34 Disclosures as per Accounting Standard 15 "Employee Benefits" are as under :

(` in Lacs)

| | As At 31st March, 2017 | As At 31st March, 2016 |
|---|------------------------|------------------------|
| Disclosures as per Accounting Standard 15 "Employee Benefits" are as under : | | |
| Defined Contribution Plans : | | |
| Employer's contribution to Provident Fund/Pension Fund | 11.29 | 7.96 |
| Employer's contribution to ESIC | 0.34 | 0.44 |
| | <u>11.63</u> | <u>8.40</u> |

Defined Benefit Plan :

Group Gratuity Scheme of LIC of India

Assumptions used for Actuarial valuation (Gratuity) : Discount Rate : 8 %, Salary Escalation Rate : 5% Rol on PA : 10%
Assumptions used for Actuarial valuation (Leave) : Discount Rate : 8 %, Salary Escalation Rate : 5%, Retirement Age :65 Yrs,

-Withdrawal Rates 1%p.a., Mortality Table:Indian Assured lives Mortality(2006-08)Ultimate, Projected Unit Credit Method



I) Reconciliation of opening and closing balances of Defined Benefit Obligation (` in Lacs)

| | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|--|-------------------|---------|-----------------------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Defined Benefit Obligation at beginning of year | 31.61 | 27.66 | 15.77 | 11.63 |
| Interest cost | 2.49 | 2.21 | 1.10 | 0.93 |
| Current Service cost | 2.61 | 2.60 | 3.25 | 1.79 |
| Benefits paid | (1.00) | (1.45) | (4.00) | (1.37) |
| Actuarial (Gain)/Loss | 0.69 | 0.60 | 5.89 | 2.79 |
| Defined Benefit Obligation at year end | 36.40 | 31.62 | 22.01 | 15.77 |
| II) Reconciliation of opening and closing balances of fair value of Plan Assets | | | | |
| Fair value of Plan Assets at beginning of year | 1.21 | 1.91 | - | - |
| Adjustment to Opening balance | (1.25) | - | - | - |
| Expected return on Plan Assets | 0.07 | 0.19 | N.A | N.A |
| Contributions | 1.00 | 0.50 | - | - |
| Benefits paid | (1.00) | (1.45) | - | - |
| Actuarial (Gain)/Loss | 0.03 | 0.06 | - | - |
| Fair value of Plan Assets at year end | 0.06 | 1.21 | - | - |
| III) Amount recognised in Balance Sheet | | | | |
| Fair value of obligations | 36.40 | 31.62 | 22.01 | 15.77 |
| Fair value of Plan Assets | 0.06 | 1.21 | - | - |
| Funded Status | 36.34 | 30.40 | 22.01 | 15.77 |
| Net Liability recognised in Balance Sheet | 35.10 | 30.40 | 22.01 | 15.77 |
| IV) Expenses recognised during the year | | | | |
| Current Service cost | 2.61 | 2.60 | 3.25 | 1.79 |
| Interest cost | 2.49 | 2.21 | 1.10 | 0.93 |
| Expected return on Plan Assets | (0.07) | (0.19) | N.A. | N.A. |
| Actuarial (Gain)/Loss | 0.66 | 0.54 | 5.89 | 2.79 |
| Net Cost | 5.69 | 5.15 | 10.24 | 5.51 |
| Expenses recognised in current year Profit & Loss A/c | 5.69 | 5.15 | 10.24 | 5.51 |

| 35 Contingent Liabilities and Commitments | As At 31st March, 2017 in Lacs | As At 31st March 2016 in Lacs |
|---|---|--|
| I Contingent Liabilities | | |
| A Claims against the Company/disputed liabilities not acknowledged as debt nor provided for : | | |
| i Excise duty appeal before the Gujarat High Court* | 792.11 | 792.11 |
| ii Disputed demand in respect of income tax of AY 2013-14, appealed by the Company | 48.44 | 48.44 |
| iii Disputed demand in respect of income tax of AY 2014-15, appealed by the Company | 137.82 | - |
| Total | 978.37 | 840.55 |
| * Excise duty of Rs 792.11 lacs (Previous Year Rs 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 Rs 21 lacs (Previous Year Rs 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. | | |
| B. The Company has given letter of comfort to the Bank for LCBD credit facility availed for discounting of the export LCs of banks not covered by their bank lines. As at 31/3/2017 the amount of bills discounted under LCBD facility with Axis Bank was Rs 116.97 lacs. | | |
| II Commitments | | |
| i Estimated amount of contracts remaining to be executed on capital account and not provided for | 225.00 | 200.00 |
| Less : Provided | 90.87 | 94.40 |
| Total | 134.13 | 105.60 |
| 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. | | |



36 The Sales Tax assessments at Silvassa and Dharampur are both completed upto F.Y. 2012-13. The income tax assessment of the Company is completed upto A.Y.2013-14.

37 Specified Bank Notes Disclosure (SBNs)

In accordance with the MCA notification G.S.R. 308(E) dated 30/3/2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from 8/11/2016 to 30/12/2016, is given below :

(` in Lacs)

| Sr | Particulars | SBN's | ODNs | Total |
|----|---------------------------------------|--------|--------------|--------------|
| 1. | Closing cash on hand as on 8/11/2016 | 0.13 | 27.39 | 27.52 |
| 2. | (+) Non Permitted receipts | - | - | - |
| 3. | (+) Permitted receipts | - | 10.17 | 10.17 |
| 4. | (-) Permitted payments | - | (16.95) | (16.95) |
| 5. | (-) Amount deposited in Banks | (0.13) | (0.09) | (0.22) |
| 6. | Closing cash on hand as on 30/12/2016 | - | 20.52 | 20.52 |

38 Segment Information

Segmentwise Revenue, Results and Capital Employed

(` in Lacs)

| Sr | Particulars | Quarter Ended | | | Year Ended | |
|----|--|---------------|--------------|--------------|--------------|--------------|
| | | Audited | Unaudited | Audited | Audited | Audited |
| | | 31-Mar-17 | 31-Dec-16 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 |
| 1 | Segment Revenue | | | | | |
| | (a) Domestic (Manufacturing) | 988 | 347 | 533 | 2,836 | 1,640 |
| | Domestic (Trading) | 1,136 | 690 | 713 | 3,002 | 3,800 |
| | (b) International (Manufacturing) | 953 | 1,388 | 743 | 3,609 | 3,716 |
| | Total (Net Sales/Income from Operations) | 3,078 | 2,425 | 1,989 | 9,447 | 9,156 |
| 2 | Segment Results | | | | | |
| | (a) Domestic (Manufacturing) | 1 | 13 | 8 | 90 | 7 |
| | Domestic (Trading) | 35 | 34 | 12 | 75 | 12 |
| | (b) International (Manufacturing) | 52 | 7 | 23 | 85 | 173 |
| | Total | 88 | 54 | 43 | 250 | 192 |
| | Less : Finance cost | 79 | 44 | 40 | 199 | 148 |
| | Total Profit/(Loss) before Tax | 9 | 10 | 3 | 51 | 44 |
| 3 | Capital Employed (Segment Assets - Liabilities) | | | | | |
| | (a) Unallocated | 2,793 | 2,773 | 2,731 | 2,793 | 2,731 |
| | Total | 2,793 | 2,773 | 2,731 | 2,793 | 2,731 |

39 Previous Year's figures have been re-grouped/re-arranged wherever necessary.



SUPERTEX INDUSTRIES LIMITED

CIN : L99999DN1986PLC000046

Registered office: Plot No. 45/46, Phase II, Piperia Industrial Estate, Silvassa-396230, Dadra & Nagar Haveli
Website: www.supertex.in, E-mail: supertex@vsnl.com, Tel: +91-22-22095630

PROXY FORM

Name of the Member(s):

Registered address:

E-mail Id :

Folio No. / Client ID No. : DP ID No.

I/We, being the member(s) ofShares of the above named company, hereby appoint:

1. Name:

Address:

E-mail Id: Signature: or failing him

2. Name:

Address:

E-mail Id: Signature: or failing him

3. Name:

Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on Friday, the 29th day of September 2017 At 10.30 a.m. at the registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

| |
|--|
| Ordinary Business |
| 1. Adoption of Financial Statements and Reports of the Board of Directors and Auditors thereon for the year ended 31st March, 2017. |
| 2. Appointment of M/s. S M Gupta & Co., Chartered Accountants, Mumbai (Regn. No. 310015E) as Auditors and fixing their remuneration. |
| 3. Re-Appointment of Mr R K Mishra as a Director of the Company. |
| Special Business |
| 4. Approval to the Borrowing limits of the Company. |

Signed this day of 20

Signature of shareholder.....

Signature of Proxy holder(s).....



NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 31st Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

SUPERTEX INDUSTRIES LIMITED

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ATTENDANCE SLIP 31st Annual General Meeting

| | |
|---------------------------------|--|
| DP ID-Client ID/ Folio No. | |
| Name and address of sole member | |
| Name of Joint Holder(s), if any | |
| No. of Shares held | |

I hereby certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 31st Annual General Meeting of the Company to be held at Plot No. 45/46, Phase II, Piperia Industrial Estate, Silvassa-396230, Dadra & Nagar Haveli on Friday, 29th September, 2017 at 10.30 a.m.

Member's/ Proxy's Signature

.....Cut Here.....

ELECTRONIC VOTING PARTICULARS

| Remote Electronic Voting Event Number (REVEN) | User ID | Password/PIN |
|---|---------|--------------|
| | | |

Note: Please read the complete instructions given under the Note 13 (The instructions for shareholders voting electronically) to the Notice of 31st Annual General Meeting. The remote e-voting time starts on September 26, 2017 at 9 a.m. and ends on September 28, 2017 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.