



**TWENTY EIGHTH  
ANNUAL REPORT  
2013-2014**



**SUPERTEX  
INDUSTRIES  
LIMITED**

### **IMPORTANT COMMUNICATION TO MEMBERS**

Dear Members,

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

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



#### **BOARD OF DIRECTORS**

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

#### **AUDITORS**

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

#### **SOLICITORS**

CRAWFORD BAYLEY & COMPANY  
RAJANI, SINGHANIA & PARTNERS

#### **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

#### **REGISTRARS AND SHARE TRANSFER AGENTS**

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



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**NOTICE**

Notice is hereby given that the Twenty Eighth Annual General Meeting of members of SUPERTEX INDUSTRIES LTD. will be held on Friday, the 26th day of September 2014 at 10.30 a.m., at the Registered Office of the Company at Plot No. 45-46 Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli) to transact the following business:

1. To receive and adopt the audited Balance Sheet as at 31st March, 2014 and the Audited Profit & Loss Account for the year ended as on that date along with the Auditors' Report and the Directors' Report thereon;
2. To appoint a Director in place of Mr. S. S. Mishra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Mr. M. A. Sharma (DIN 02309138), already an Independent Director pursuant to clause 49 of the Listing Agreement and who is eligible to continue as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made hereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and in whose respect the Company has received a written notice from a member proposing his candidature for appointment as an Independent Director, shall continue and be and is hereby appointed as an Independent Director for a term of 5 (five) consecutive years with effect from 01st April, 2014 to 31st March, 2019 and shall not be liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Mr. G. R. Toshniwal (DIN 00217071), already an Independent Director pursuant to clause 49 of the Listing Agreement and who is eligible to continue as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and in whose respect the Company has received a written notice from a member proposing his candidature for appointment as an Independent Director, shall continue and be and is hereby appointed as an Independent Director for a term of 5 (five) consecutive years with effect from 01st April, 2014 to 31st March, 2019 and shall not be liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Mr. P. R. Kapadia (DIN 03332411), already an Independent Director pursuant to clause 49 of the Listing Agreement and who is eligible to continue as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and in whose respect the Company has received a written notice from a member proposing his candidature for appointment as an Independent Director, shall continue and be and is hereby appointed as an Independent Director for a term of 5 (five) consecutive years with effect from 01st April, 2014 to 31st March, 2019 and shall not be liable to retire by rotation."

**By Order of the Board,**

**R. K. MISHRA**  
Managing Director

Mumbai, 1st September, 2014

**Registered Office :**

Plot No. 45-46, Phase II  
Piperia Industrial Estate  
Silvassa, 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.  
Proxy shall not vote except on Poll.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday the 19th September, 2014 to Friday, the 26th September, 2014 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
5. 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.
6. Members are requested to notify any change in their address to the Share Transfer Agents.
7. Vide SEBI Circular No. SMDRP/POLICY/CIR-23/2000 dated 20th May, 2000, it has been made mandatory for all investors in your Company to settle the trade in demat form with effect from 25th September, 2000.
8. In terms of provisions of Section 72 of the Companies Act, 2013 nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's Share Transfer Agents, M/s. Sharex Dynamic (India) Pvt. Ltd., Unit – I, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400072 for nomination form quoting their folio number. The shareholders, who are holding shares in dematerialized form, should write to their Depository Participant for the purpose.
9. In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs and in terms of the provisions of the Companies Act, 2013, all Members who are holding shares of the Company in physical mode, are required to register their E-mail ids, so as to enable the Company to send all notices/ reports/ documents/ intimations and other correspondences, etc. through E-mails, in the electronic mode instead of receiving physical copies of the same. Members holding shares in demat mode, who have not registered their E-mail ids with Depository Participant, are requested to register/update their E-mail ids with their Depository Participant(s).
10. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-Voting. The detailed process, instructions and manner for availing e-Voting facility is enclosed herewith.

The instructions for members for voting electronically are as under:-

- (1) In case of members receiving e-mail:
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) 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.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



(vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	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"><li>• 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 last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li></ul>
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account in dd/mm/yyyy format. If the shares are in physical form, enter the folio number.
<b>Dividend Bank Details#</b>	Enter the dividend bank details as recorded in your demat account. If the shares are in physical form, enter the dividend bank details as given to the company.
# If the details of DOB or Dividend Bank Details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.	

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for "SUPERTEX INDUSTRIES LIMITED" on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.



- (2) In case of members receiving the physical copy:  
Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (3) The voting period begins on 20th September, 2014 at 9.00 a.m. and ends on 22nd September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (4) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (5) In case of Members who are attending the Annual General Meeting and are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion for all businesses specified in the accompanying Notice. For clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- (6) Mr. Vikas Chomal of M/s. Vikas R. Chomal & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot cast by the Members at the Annual General Meeting) in a fair and transparent manner.
- (7) The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting unlock the votes in the presence of atleast two witnesses, not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (8) The results of e-voting and poll on resolutions shall be aggregated and declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.
- (9) The results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.supertex.in](http://www.supertex.in) and on the website of CDSL viz [www.cdslindia.com](http://www.cdslindia.com) within two days of passing of the resolutions at the AGM of the Company and communicated to BSE.

**ADDITIONAL INFORMATION ABOUT THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 28TH ANNUAL GENERAL MEETING:**

1. Mr. S.S.Mishra, 84, is a B. Com., L.L.B. and F.C.S, has been Director of the Company right from its inception. He has varied experience and is well-versed in law and business administration. He has worked with the Company right from its inception for last many years as Company's Executive Chairman. He continues as Non-executive Chairman since 26.3.2011. Looking to his vast experience in various fields, the Board commends his re-appointment. He is a Chairman of Remuneration Committee and member of Audit Committee and Share Transfers & Shareholders' Grievance Committee of the company.
2. Mr. M. A. Sharma, 70, is a M. Sc from Mumbai University and a fellow of the Institute of Environmental Engineers (India). He has varied experience of teaching textile chemistry and allied subjects at Victoria Jubilee Technical Institute for eight years. He has served with Century Textile & Industries Ltd., Mumbai in senior positions for more than twenty years. He is a Chairman of Share Transfers & Shareholders' Grievance Committee and member of Remuneration Committee and Audit Committee of the company.
3. Mr. G. R. Toshniwal, 47, is a B.com from Rajasthan University and a Fellow member of Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and is a partner in M/s NGS & Co., Chartered Accountants. He is a Chairman of Audit Committee and member of Remuneration Committee and Share Transfers & Shareholders' Grievance Committee of the company.
4. Mr. P. R. Kapadia, 56, is a B.com from Mumbai University and a Fellow member of Institute of Chartered Accountants of India. He is a Proprietor of M/s. P. R. Kapadia & Associates, Chartered Accountants and has a practice of Sales tax and Company law matters. He is also involved with educational committee of the Institute of Chartered Accountants of India. He is a member of Remuneration Committee and Audit Committee of the company.





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

**ITEM NOS. 4,5,6**

The Company had appointed each of Mr. M. A. Sharma, Mr. G. R. Toshniwal, and Mr. P. R. Kapadia as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April, 2014 the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. M. A. Sharma, Mr. G. R. Toshniwal, and Mr. P. R. Kapadia as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

The Company has received from each of Mr. M. A. Sharma, Mr. G. R. Toshniwal, and Mr. P. R. Kapadia (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the opinion of the Board, Mr. M. A. Sharma, Mr. G. R. Toshniwal, and Mr. P. R. Kapadia fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. M. A. Sharma, Mr. G. R. Toshniwal, and Mr. P. R. Kapadia is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

**By Order of the Board**

**R. K. Mishra**  
**Managing Director**

Mumbai, 1st September, 2014



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**DIRECTORS' REPORT**

Dear Members,

The Directors are pleased to present herewith the twenty-eighth Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2014.

**Financial Results**

	<b>Year Ended 31.03.2014 ₹ in lacs</b>	<b>Year Ended 31.03.2013 ₹ in lacs</b>
Turnover	<b>6,533.85</b>	7,150.15
Other Income	<b>60.50</b>	75.34
Income from Operation / Profit before Interest and Depreciation	<b>201.15</b>	195.03
Interest	<b>56.58</b>	35.79
Profit before Depreciation	<b>144.57</b>	159.24
Depreciation	<b>38.60</b>	77.06
Profit Before Tax	<b>105.97</b>	82.18
Deferred Tax	<b>(92.82)</b>	(53.19)
Profit After Tax and before exceptional items	<b>13.15</b>	28.99
Loss on sale of Fixed Assets	<b>(29.82)</b>	-
Profit / Loss for the year	<b>(16.67)</b>	28.99

Due to unavailability of distributable profits your directors are unable to recommended any dividend for the year under report.

**Working**

The production improved by an appreciable 63 % during the year. The turnover reflects a reduction of 8.62 % at Rs. 6533.85 lacs as against Rs. 7150.15 lacs, although the production was higher at 4014 M.T. as against 2476 M.T. last year. This is due to the rise in exports which now constitute 60 % of total sales made during the year and exports are made on CIF basis sans duties and taxes. The company has also continued to manufacture nylon yarns under its agreement for processing speciality yarns. The processing charges increased by 25% from Rs 63 lacs last year to Rs 79 lacs. The Company has modified and enhanced its capacity to facilitate manufacture of newer products. The export turnover was higher at Rs. 3911.11 lacs as against Rs. 1073.31 lacs.

The profits before taxation increased to Rs. 105.97 lacs as against Rs 82.18 lacs in the past year. The Company had upgraded many of its production facilities, improved capacity utilization and used better marketing strategies which improved the overall performance of the Company during the year. The management is working hard to improve the capacity utilization further. The draw warping and sizing activity remained on a low key as the margins remained under pressure due to lack of demand in the segment in the domestic market. The prices remained volatile during the year depending on the prices of the raw material. The Company is expecting to augment its capacity to balance its existing capacity and meet the market requirements, domestic as well as the exports market.

**Exports**

The company continued exports of its products and it has exported about 60 % of the total sales during the year. The current year performance has marked an exponential improvement over the previous years. The Company expects to explore other global markets owing to positive response from international customers. The products are well received by the market.

**Directors**

Shri S. S. Mishra, Director of the Company retires by rotation and being eligible offers himself for reappointment at this annual general meeting. The Board of Directors have recommended his reappointment for consideration of the shareholders.

In terms of the provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read



with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on your Board of Directors of the Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri G. R. Toshniwal, Shri. M. A. Sharma and Shri. P. R. Kapadia as Independent Directors for a term of five (5) consecutive years upto 31 March 2019. Details of the proposal for appointment of Shri G. R. Toshniwal, Shri. M.A.Sharma and Shri. P. R. Kapadia are enumerated in the Explanatory Statement of the notice convening the 28th Annual General Meeting of the Company.

#### **Auditors**

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

#### **Corporate Governance**

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

#### **Industrial relations**

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

#### **Directors' Responsibility Statement**

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

- i) that in the preparation of the annual accounts for the year ended March 31, 2014 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any ;
- ii) that such accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the Profit of the Company for the year ended on that date ;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the accounts have been prepared on a going concern basis.

#### **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 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014 are annexed to this report.

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

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

#### **Listing with Stock Exchanges**

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

#### **Acknowledgement**

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

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

**S. S. Mishra**  
**Chairman**

Mumbai, 30th May, 2014



**ANNEXURE TO THE DIRECTORS REPORT**

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

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

**A) Conservation of energy**

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

**a) Energy conservation measures taken:**

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

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

Further optimization of air compressors for low pressure applications.

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

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

**AS PER FORM – “A”**

**A) Power and Fuel Consumption**

<b>Power Consumption</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Purchased Units (Kwh)	<b>12,98,628</b>	19,83,546
Amount (Rs.)	<b>79,60,514</b>	1,17,17,067
Rate / Unit (Rs./p.)	<b>6.12</b>	5.90

**FORM – “B”**

**B) Technology Absorption**

**a) Research and Development (R & D)**

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

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

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

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

**iii) Future Plan of Action :**

Further productivity enhancement of all machines and indigenization of spare parts.

**iv) Expenditure on R & D : Nil**



**b) Technology Absorption, Adaptation and Innovation**

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

Adoption of suitable technology for various processes including speciality yarn.

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

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

**iii) Future Plan of Action :**

Continue to better the technology adopted.

**iv) Information regarding imported technology:**

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

**C) Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings – Rs. 36,87,76,765 (Previous Year – 9,68,09,556)

Foreign Exchange Outgo – Rs. 1,30,90,541 (Previous Year – Rs. 61,32,887)

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

**S.S. Mishra**  
**Chairman**

Mumbai, 30th May, 2014



## MANAGEMENT DISCUSSION AND ANALYSIS

### **Overview of the Economy:**

The economy has grown at a rate of 4.71% in the previous year. It was a year of low GDP growth, lower industrial output, high inflation, high interest rates and depreciated currency. The economy was to a large extent stagnant with very conservative policy reforms. The oil price rise pushed up the raw material costs of the polyester industry.

### **Textile Industry Scenario:**

The Indian textile industry is expected to grow in the coming years. The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent. More so as the government has acknowledged this sector amongst a list of industries requiring special attention.

The textile and garment makers of India are eyeing 15-20 percent growth in exports this year as the Textiles Ministry has assured full support to the industry and the Indian Government is planning to implement some new measures to boost exports.

### **Corporate Review:**

The company reviewed the challenging domestic market situation and stepped up its efforts on exports.

The domestic market is also looking up and is likely to improve in the current year. The company is developing certain value addition products to improve its profitability and versatility.

### **Opportunities:**

Opportunities in the textile market are susceptible to numerous factors like inflation, uncertainties of monsoon, etc. The volatility in the prices of oil makes the raw material price very unstable. However the improving political scenario and the new governments pro reform commitments, provide hope for the improvement in the current year.

The new textile policy in Gujarat, Maharashtra and many other States gives a lot of hope to the textile industry. The governments commitment to boost exports also is a soother to the industry.

### **Threats:**

The increasing cost of production is one of the major challenges that the industry faces. Increasing power costs, higher interest rates and other expenses curtail the company's profitability.

### **Risk Management:**

The Company is taking steps to reduce the interest costs, economise the power costs and follow prudent financial policies. It is looking for suitable growth opportunities to improve its profitability.

The Company has a suitable policy to meet market fluctuations of foreign exchange and raw material prices. Safety, health and environmental risks are controlled by formulating a clear policy on environmental conservation, safety and health. The management tries to minimise other uncertainties by monitoring the same vigilantly and taking pro-active action immediately.

### **Internal Control System**

The necessary internal control system has been set up in the organization in consultation with the Auditors of the Company and is being further strengthened commensurate with the size of the growing operations.

### **Human Relations, Industrial Relations, etc.**

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

### **Forward Looking Statements**

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



**REPORT ON CORPORATE GOVERNANCE**

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

**Board of Directors**

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

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

The dates of the meeting and attendance are as follows:

Date of Meeting	No. of Members present
29.05.2013	5
12.08.2013	5
31.08.2013	5
11.11.2013	5
30.01.2014	6

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

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

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

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

**Audit Committee**

The Audit Committee constituted by the Board has four members as on 31st March, 2014 and has been functioning well and discharging its duties as required by Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange.





The Audit Committee comprises of the following Directors :

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

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

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

<b>Date of Meeting</b>	<b>No. of Members present</b>
29.05.2013	3
12.08.2013	3
11.11.2013	3
30.01.2014	4

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

#### **Remuneration Committee**

The Remuneration Committee comprises of following four Directors:

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

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

Details of the remuneration of directors for 2013-14 are as follows :

(Amount in Rupees)

	<b>Name of Director</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Contribution to PF</b>	<b>Sitting Fees</b>	<b>Total</b>	<b>Service Contract</b>
1	Shri S. S. Mishra	-	-	-	16,500	16,500	Non Executive
2	Shri R. K. Mishra	11,11,500	3,24,960	1,23,120	NIL	15,59,580	5 years
3	Shri S. K. Mishra	8,58,000	2,26,549	95,040	NIL	11,79,589	5 years
4	Shri Ganesh Toshniwal	-	-	-	13,500	13,500	Non Executive
5	Shri M. A. Sharma	-	-	-	9,000	9,000	Non Executive
6	Shri P. R. Kapadia	-	-	-	15,000	15,000	Non Executive
	<b>TOTAL</b>	<b>19,69,500</b>	<b>5,51,509</b>	<b>2,18,160</b>	<b>54,000</b>	<b>27,93,169</b>	

#### **Share Transfers & Shareholders' Grievance Committee**

The Board has appointed a committee to look into the shareholders' grievance and to approve the share transfer and



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

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

There was one meeting of the Share Transfers & Shareholders' Grievance Committee held during the year.

The committee comprises of the following three Directors :

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

The company received one complaint during the year, which was redressed in time.

### **General body Meetings**

During the last three years, the Annual General Meetings were held on 23rd August, 2011, 26th September, 2012 and 28th September, 2013. All the meetings were held at the Registered Office of the Company at Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 394 230 (D&NH).

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

		<b>No. of Special Resolutions</b>
1	25 <sup>th</sup> Annual General Meeting	0
2	26 <sup>th</sup> Annual General Meeting	1
3	27 <sup>th</sup> Annual General Meeting	0

### **Disclosures**

There are no materially significant related party transactions with promoters, directors or management that may have potential conflict with the interest of the Company at large. In terms of Accounting Standard AS-18, details of related party transactions during the year have been set out under Note 29 to the Balance Sheet and Profit and Loss Account.

### **Any Non-compliance, Penalties or Strictures imposed :**

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

### **Directors' interest in the Company**

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

### **Means of Communication**

The Board of Directors of the Company consider and take on record the quarterly unaudited financial results of the Company which are published in two daily newspapers viz. Free Press Journal and Nav Shakti as per clause 41 of the listing agreement. The website of the Company is : [www.supertex.in](http://www.supertex.in)



**General shareholder information**

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

**Distribution Schedule of shareholding as at the close of the year 2013-14 :**

Equity Shares	Number of Holders	(%) of Holders	Total Shares	% of Total
Upto 5000	13,160	98.33	31,41,792	27.70
5001 To 10000	113	0.84	8,47,491	7.47
10001 To 20000	50	0.37	7,46,137	6.58
20001 To 30000	16	0.12	4,03,385	3.56
30001 To 40000	6	0.05	2,13,869	1.89
40001 To 50000	10	0.07	4,55,764	4.02
50001 To 100000	13	0.10	9,28,267	8.18
100001 And Above	15	0.12	46,04,615	40.60
<b>Total</b>	<b>13,383</b>	<b>100.00</b>	<b>1,13,41,320</b>	<b>100.00</b>

**Shareholding pattern as on 31st March, 2014 :**

	Category	No. of Shares Held	% of Share-Holding
A.	Promoter(s) Holding		
1	Promoter(s)		
	- Indian Promoters	16,30,820	14.379
	- Foreign Promoters	-	-
	<b>Sub-Total</b>	<b>16,30,820</b>	<b>14.379</b>
B.	Non-Promoters Holding		
2	Institutional Investors		
a	Mutual Funds & UTI	360	0.003
b	Banks, FIs, Insurance Company (Central / State Govt. Inst. / Non-govt. Inst.)	880	0.008
c	FII(s)	20	-
	<b>Sub-Total</b>	<b>1,260</b>	<b>0.011</b>
3.	Others		
a	Private Corporate Bodies	13,85,295	12.215
b	Indian Public	82,70,655	72.925
c	NRI / OCBs	43,532	0.384
d	Any-Other (Foreign Companies)	-	-
e	Clearing Members	9,758	0.086
	<b>Sub-Total</b>	<b>97,09,240</b>	<b>85.609</b>
	<b>Grand-Total</b>	<b>1,13,41,320</b>	<b>100.000</b>



**Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2013-14 :**

Month	High Price (₹)	Low Price (₹)
April 2013	3.20	1.80
May 2013	3.72	1.52
June 2013	2.60	2.50
July 2013	2.67	2.43
August 2013	2.38	2.09
September 2013	2.09	1.44
October 2013	1.65	1.23
November 2013	1.66	1.23
December 2013	1.80	1.18
January 2014	2.50	1.23
February 2014	2.59	2.36
March 2014	2.45	1.70

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

**Listing**

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

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

Out of the total, 98.83% shares of the Company have been dematerialised till 31st March, 2014 leaving a balance of 1.17% in physical form.

**Report on Corporate Governance**

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

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

The Company has framed a specific code of conduct for members of the Board of Directors and senior members of its staff. All the members of the Board and senior management personnel of the Company have affirmed the observance of the said code of conduct during the year ended March 31, 2014.

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

**S S Mishra**  
Chairman

Place : Mumbai  
Dated : 30th May, 2014



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To The Members of  
Supertex Industries Limited**

1. We have reviewed the implementation of Corporate Governance procedures by SUPERTEX INDUSTRIES LIMITED during the year ended 31st March, 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respects by the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee.

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

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

Place : Mumbai  
Dated : 29th May, 2014

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

**Sanjay Lunkad**  
Partner  
Membership No. 48229

Place : Mumbai  
Dated : 29th May, 2014



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
SUPERTEX INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of SUPERTEX INDUSTRIES LIMITED (the Company), which comprise the Balance Sheet as at 31st March, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13/09/2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies(Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

**We draw attention to Note No.30(II)ii regarding non provision for Minimum Alternate Tax (MAT) under the Income tax Act, 1961 as the Company has obtained a legal opinion for non provision of the same.**

As required by Section 227(3) of the Act, we further report that :

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;



- (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13/09/2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the Directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Section 274(1)(g) of the Act.

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

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

Place : Mumbai  
Dated : 30th May, 2014

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

**Sanjay Lunkad**  
**Partner**  
**Membership No. 48229**

Place : Mumbai  
Dated : 30th May, 2014



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" section of our report of even date)

1. In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the assets have been physically verified by the management during the year as per a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off, in our opinion, do not constitute a substantial part of its fixed assets and such disposal has, in our opinion, not affected the going concern status of the Company.

2. In respect of inventories:

- (a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancy noticed on physical verification of inventories as compared to the book records.

3. In respect of loans:

- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loans from 14 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 356.64 lacs and the year-end balance of such loan was Rs 313.67 lacs. The amount was not due for repayment during the year.
- (c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:

- (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of para 4 of the Order are not applicable to the Company.

7. In our opinion, the Company has an internal audit system. However, the same needs to be further strengthened to make it commensurate with size and the nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the products of the Company, and are of the opinion that prima- facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and any other material statutory dues





applicable to it.

- (b) There were no undisputed amounts payable in respect of income-tax, wealth tax, service tax, customs duty, excise duty and cess which were in arrears, as at March 31, 2014 for a period of more than six months from the date they became payable. The disputed statutory dues aggregating to Rs 792.11 lacs, that have not been deposited on account of matter pending before appropriate authorities are as under :-

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

10. The Company does not have any accumulated losses at the end of the financial year in excess of fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks. In our opinion and according to information and explanations given to us, the Company did not have any amount due to financial institutions or debenture holders.
12. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. According to information and explanations given to us, the Company has not raised any term loans during the year.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that prima facie, no funds raised on short-term basis have been used for long term investment.
18. The Company has not made any preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issue, during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

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

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

Place : Mumbai  
Dated : 30th May, 2014

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

**Sanjay Lunkad**  
Partner  
Membership No. 48229

Place : Mumbai  
Dated : 30th May, 2014



**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Notes	As At 31st March, 2014 Rupees	As At 31st March, 2013 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	11,34,13,200	11,34,13,200
Reserves and Surplus	2	15,04,02,830	15,20,70,649
		26,38,16,030	26,54,83,849
<b>Non-Current Liabilities</b>			
Long term Borrowings	3	-	3,30,441
Long Term Provisions	4	20,23,626	19,73,626
		20,23,626	23,04,067
<b>Current Liabilities</b>			
Short Term Borrowings	5	7,92,79,540	2,10,73,297
Trade Payables	6	18,58,72,390	20,23,23,866
Other Current Liabilities	7	3,04,55,609	3,14,28,289
		29,56,07,539	25,48,25,452
<b>Total</b>		<b>56,14,47,195</b>	<b>52,26,13,368</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets - Tangible Assets	8	4,25,30,831	4,84,92,472
- Capital Work-in-Progress	8	1,04,96,890	1,04,96,890
Investments	9	12,50,843	12,50,843
Deferred Tax Assets (net)	10	4,62,81,902	5,55,64,396
Long Term Loans and Advances	11	86,59,969	79,52,463
		10,92,20,435	12,37,57,064
<b>Current Assets</b>			
Inventories	12	2,19,09,818	2,24,22,162
Trade Receivables	13	25,90,58,805	24,13,02,926
Cash and cash equivalents	14	71,33,821	46,37,192
Short Term Loans and Advances	15	14,54,69,018	12,62,04,925
Other Current Assets	16	1,86,55,298	42,89,099
		45,22,26,760	39,88,56,304
<b>Total</b>		<b>56,14,47,195</b>	<b>52,26,13,368</b>
<b>Notes and Significant Accounting Policies on Financial Statements</b>	<b>1 to 32</b>		

As per our attached report of even date

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

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

For and on behalf of the Board,

R K Mishra - Managing Director  
S K Mishra - Director Finance  
G R Toshniwal - Director

**N. G. Thakrar**  
Proprietor  
Membership No. 36213  
Mumbai : 30th May, 2014

**Sanjay Lunkad**  
Partner  
Membership No. 48229  
Mumbai : 30th May, 2014

Mumbai : 30th May, 2014



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Notes	Current Year Ended 31st March, 2014 Rupees	Previous Year Ended 31st March, 2013 Rupees
<b>INCOME</b>			
Revenue from Operations	17	65,33,85,066	71,50,15,240
Other Income	18	60,49,894	75,33,791
<b>Total Revenue</b>		<b>65,94,34,960</b>	<b>72,25,49,031</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	42,42,82,622	25,43,47,580
Purchase of Stock-in-Trade	20	15,00,80,853	39,22,25,680
Changes in Inventories of Finished Goods and Work-in-Progress	21	27,08,397	(30,59,300)
Employee Benefits Expense	22	1,39,92,832	1,61,39,400
Finance Costs	23	56,58,378	35,79,039
Depreciation and Amortisation Expense		38,60,097	77,06,098
Other Expenses	24	4,82,54,421	4,33,92,284
<b>Total Expenses</b>		<b>64,88,37,600</b>	<b>71,43,30,781</b>
Profit before tax		1,05,97,360	82,18,250
<b>Tax Expense</b>			
Deferred Tax		(92,82,494)	(53,19,337)
<b>Profit for the Year before exceptional item</b>		<b>13,14,866</b>	<b>28,98,913</b>
Loss on Sale of Fixed Assets (net)		(29,82,685)	-
<b>Profit / (Loss) for the Year</b>		<b>(16,67,819)</b>	<b>28,98,913</b>
Earnings per equity share of face value Rs. 10 each			
Basic	₹ /p	(0.15)	0.26
Diluted	₹ /p	(0.15)	0.26
<b>Face Value</b>	₹	<b>10</b>	<b>10</b>
<b>Notes and Significant Accounting Policies on Financial Statements</b>	<b>1 to 32</b>		

As per our attached report of even date

**For N. G. Thakrar & Co.**  
Firm Regn. No. 110907W  
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Membership No. 36213  
Mumbai : 30th May, 2014

**Sanjay Lunkad**  
Partner  
Membership No. 48229  
Mumbai : 30th May, 2014

Mumbai : 30th May, 2014



**CASH FLOW STATEMENT FOR THE YEAR 2013-14**

	Rupees	Current Year 2013-14 Rupees	Rupees	Previous Year 2012-13 Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		1,05,97,360		82,18,250
Adjusted for :				
Loss on Sale of fixed asset (net)	(29,82,685)		-	
Depreciation	38,60,097		77,06,098	
Finance Costs	56,58,378		35,79,039	
		65,35,790		1,12,85,137
<b>Operating Profit before Working Capital Changes</b>		1,71,33,150		1,95,03,387
Adjusted for :				
Trade and Other Receivables	(5,20,93,677)		(7,12,13,056)	
Inventories	5,12,344		(76,62,831)	
Trade and Other Payables	(1,74,24,157)		6,23,99,840	
		(6,90,05,490)		(1,64,76,047)
<b>Cash Generated from Operations</b>		(5,18,72,340)		30,27,340
Less : Taxes Paid		-		-
Net Cash from Operating Activities		(5,18,72,340)		30,27,340
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(14,36,141)		(7,86,215)	
Capital Work-in-Progress	-		(2,11,814)	
Purchase of Investments	-		(12,50,843)	
Reversal of excess write-off in Plant/Buildings	35,37,685		1,377	
Net Cash used in Investing Activities		21,01,544		(22,47,495)
		(4,97,70,796)		7,79,845
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings	(2,80,441)		(4,05,465)	
Short Term Borrowings (net)	5,82,06,244		63,09,081	
Finance Cost	(56,58,378)		(35,79,039)	
Net Cash generated in Financing Activities		5,22,67,425		23,24,577
Net Increase in Cash and Cash Equivalents		24,96,629		31,04,422
Opening Balance of Cash and Cash Equivalents		46,37,192		15,32,769
Closing Balance of Cash and Cash Equivalents		71,33,821		46,37,192
<b>Notes and Significant Accounting Policies on Financial Statements</b>	<b>1 to 32</b>			

As per our attached report of even date

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

**For M. B. Agrawal & Co.**  
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Mumbai : 30th May, 2014

**Sanjay Lunkad**  
Partner  
Membership No. 48229  
Mumbai : 30th May, 2014

Mumbai : 30th May, 2014



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**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 textiles fabrics.

**2 Significant Accounting Policies :**

- (a) **Basis of Preparation of Financial Statements :** The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles, the Accounting Standards and the relevant provisions of the Companies Act, 1956.
- (b) **Use of estimates :** The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.
- (c) **Revenue Recognition :** Sales are recognized on despatch to customers and are net of returns, discounts and sales tax but includes freight in case of CIF export contracts. Other Income and Expenditure are recognized and accounted on accrual basis.
- (d) **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 Statement of Profit and Loss in the year in which they are incurred.
- (e) **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.
- (f) **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.
- (g) **Leases :** In respect of assets taken on lease by the Company, where the Company has substantially all the risks and rewards of ownership, are classified as finance lease. Such a lease is capitalised at the lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised as revenue expenses.
- (h) **Depreciation :** Depreciation on fixed assets other than freehold land and capital work-in-progress is being provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (i) **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.
- (j) **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.
- (k) **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.



- (l) **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.
- (m) **Employees benefits** : (i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and loss account of the year in which the related service is rendered. These benefits include compensated absences such as paid annual leave and performance incentives. (ii) Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Liability in respect of gratuity to employees is covered under the group gratuity scheme with the Life Insurance Corporation of India and premium paid is debited to the Profit and Loss Account.
- (n) **Impairment of Assets** : An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.
- (o) **Provisions, Contingent Liabilities and Contingent Assets** : Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.
- (p) **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.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
<b>1 SHARE CAPITAL</b>		
<b>Authorised :</b>		
5,00,00,000 Equity Shares of ₹ 10/- each (5,00,00,000 Equity Shares of ₹ 10/- each)	<u>50,00,00,000</u>	<u>50,00,00,000</u>
<b>Issued, Subscribed and Fully Paid up :</b>		
1,13,41,320 Equity Shares of ₹ 10/- each (1,13,41,320 Equity Shares of ₹ 10/- each)	11,34,13,200	11,34,13,200
<b>Total</b>	<u>11,34,13,200</u>	<u>11,34,13,200</u>

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

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

Name	31st March, 2014		31st March, 2013	
	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

	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
<b>2 RESERVES AND SURPLUS</b>		
<b>Securities Premium Account</b>		
As per last Balance Sheet	3,48,66,000	3,48,66,000
<b>Capital Reserve</b>		
As per last Balance Sheet	14,52,85,310	9,21,85,310
Add: Forfeiture of Share warrants	-	<u>5,31,00,000</u>
	14,52,85,310	14,52,85,310
<b>Profit and Loss Account</b>		
As per last Balance Sheet (Debit)	(2,80,80,661)	(3,09,79,574)
Add : Transfer from Statement of Profit and Loss	<u>(16,67,819)</u>	<u>28,98,913</u>
	<u>(2,97,48,480)</u>	<u>(2,80,80,661)</u>
<b>Total</b>	<u>15,04,02,830</u>	<u>15,20,70,649</u>
<b>3 Long Term Borrowings</b>		
<b>Secured Loans</b>		
Long Term maturities of Finance Lease Obligations		
Loans for Auto Finance	-	3,30,441
<b>Total</b>	<u>-</u>	<u>3,30,441</u>

3.1 Finance lease obligations are secured against leased Assets.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31st March, 2014 Rupees		As at 31st March, 2013 Rupees	
<b>4 Long Term Provisions</b>				
Provision for Gratuity		20,23,626		19,73,626
<b>Total</b>		<u>20,23,626</u>		<u>19,73,626</u>
<b>5 Short Term Borrowings</b>				
<b>Secured Loans</b>				
<b>Working Capital Loan -From Bank</b>				
Cash Credit facility from Axis Bank		3,63,23,574		-
Overdraft facility from Bank of Baroda		-		46,49,251
<b>Unsecured Loans</b>				
Loans and advances from Related parties	84,52,233		1,01,91,032	
Loans (Intercompany)	<u>3,45,03,733</u>	<u>4,29,55,966</u>	<u>62,33,014</u>	<u>1,64,24,046</u>
<b>Total</b>		<u>7,92,79,540</u>		<u>2,10,73,297</u>
5.1 Working Capital loan from Axis Bank is secured by equitable mortgage of Plot No. 45/46, Phase II, Piperia Indl. Estate, Silvassa, and exclusive charge on all stock in trade, both present and future, Book Debts and Cash and other Current Assets, as also personal guarantees of some of the Directors.				
<b>6 Trade Payables</b>				
Micro, Small and Medium Enterprises		-		-
Others		18,58,72,390		20,23,23,866
<b>Total</b>		<u>18,58,72,390</u>		<u>20,23,23,866</u>
6.1 The Company has not received any declarations from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence the information required to be given in accordance with Section 22 of the said Act is not ascertainable and therefore not given.				
<b>7 Other Current Liabilities</b>				
Current maturities of Finance Lease Obligations				
Loans for Auto Finance		3,30,440		4,05,465
Creditors for Capital Expenditure		55,613		2,32,415
Bill Payable		97,69,177		-
Other Payables*		2,03,00,379		3,07,90,409
<b>Total</b>		<u>3,04,55,609</u>		<u>3,14,28,289</u>
7.1 *includes Statutory dues and advances received from customers				





**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**8. FIXED ASSETS**

Amount in Rupees

Sr. No.	Description	Gross Block As At 01.04.2013	Additions/ Adj. during the Year	Deduction/ Adj. during the Year	Gross Block As At 31.03.2014	Depreciation upto 31.03.2013	Adjustments	Depreciation for the Year	Total Depreciation	Net Block As At 31.03.2014	Net Block As At 31.03.2013
1 a.	Leasehold Land	3,49,753	-	-	3,49,753	-	-	-	-	3,49,753	3,49,753
b.	Freehold Land	28,57,462	-	-	28,57,462	-	-	-	-	28,57,462	28,57,462
2	Buildings	3,05,60,293	-	-	3,05,60,293	1,89,35,116	-	10,09,604	1,99,44,720	1,06,15,573	1,16,25,177
3	Plant and Machinery	15,42,89,953	12,93,599	1,45,73,019	14,10,10,533	12,60,25,335	(1,10,35,333)	19,80,596	11,69,70,598	2,40,39,935	2,82,64,618
4	Electrical Installation	1,72,67,304	-	-	1,72,67,304	1,63,10,024	-	2,53,357	1,65,63,381	7,03,923	9,57,280
5	Tools, Gadgets and Equipment \$	87,69,568	1,42,542	-	89,12,110	69,02,502	-	2,36,463	71,38,965	17,73,145	18,67,066
6	Furniture and Fixtures	25,16,863	-	-	25,16,863	23,27,365	-	6,870	23,34,235	1,82,628	1,89,498
7	Vehicles	40,06,315	-	-	40,06,315	16,24,697	-	3,73,207	19,97,904	20,08,411	23,81,618
	<b>Total</b>	<b>22,06,17,511</b>	<b>14,36,141</b>	<b>1,45,73,019</b>	<b>20,74,80,633</b>	<b>17,21,25,039</b>	<b>(1,10,35,333)</b>	<b>38,60,097</b>	<b>16,49,49,803</b>	<b>4,25,30,831</b>	<b>4,84,92,472</b>
	Previous Year	22,08,82,253	7,86,215	10,50,957	22,06,17,511	16,54,68,521	(10,49,580)	77,06,098	17,21,25,039	4,84,92,472	
8	Capital Work in Progress									1,04,96,890	
	<b>Total</b>									<b>5,30,27,721</b>	



- 8.1 Buildings include cost of 15 shares of ₹ 50/- each in Balkrishna Krupa Co-operative Hsg. Soc. Ltd.  
8.2 \$ includes Office Equipments  
8.3 In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2014 are as follows :

	Total Minimum Lease Payments outstanding		Future Interest on Outstanding Lease Payments	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Within one year	<b>3,30,440</b>	4,05,465	<b>13,887</b>	93,763
Later than one year and not later than five years	-	3,30,441	-	55,334
Later than five years	-	-	-	-
<b>Total</b>	<b>3,30,440</b>	7,35,906	<b>13,887</b>	1,49,097

- 8.3.1 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, 2014**

	As at 31st March, 2014 Rupees		As at 31st March, 2013 Rupees	
<b>9 Non Current Investments</b>				
<b>Other Investments (At Cost) (Unquoted-NAV based)</b>				
Units of SBI Life Smart Elite Plan :				
31,515 Equity Elite Fund II - 30%	3,75,255		3,75,255	
18,460 Bond Fund - 30%	3,75,255		3,75,255	
23,639 Balance Fund - 40%	5,00,333	12,50,843	5,00,333	12,50,843
<b>Total</b>		<b>12,50,843</b>		<b>12,50,843</b>
<b>10 Deferred Tax Assets (net)</b>				
<b>Deferred Tax Assets</b>				
Unabsorbed Depreciation		3,55,60,063		2,93,85,891
Accumulated Business Losses		98,69,930		2,45,89,670
Difference in Books and Tax Depreciation		-		8,25,456
Disallowance u/s 43B of Income Tax Act, 1961		11,76,402		8,59,514
<b>Total</b>		<b>4,66,06,395</b>		<b>5,56,60,531</b>
<b>Less : Deferred Tax Liability</b>				
Difference in Books and Tax Depreciation		1,78,429		-
Allowable u/s 43B of Income Tax Act, 1961		1,46,064		96,135
<b>Deferred Tax Asset (net)</b>		<b>4,62,81,902</b>		<b>5,55,64,396</b>
<b>11 Long Term Loans and Advances</b>				
(Considered Good)				
Security Deposits		20,70,868		20,50,868
Margin Money with Bank		10,00,000		-
Other Loans and Advances		55,89,101		59,01,595
<b>Total</b>		<b>86,59,969</b>		<b>79,52,463</b>
<b>12 Inventories</b>				
Stores and Spares		59,39,175		74,99,237
Raw Materials		1,05,17,395		67,61,280
Stock-in-Process		22,07,451		17,76,961
Finished Goods		32,45,797		63,84,684
<b>Total</b>		<b>2,19,09,818</b>		<b>2,24,22,162</b>
<b>13 Trade Receivables</b>				
(Unsecured)				
Over Six Months				
-Considered Good		2,79,39,374		2,39,19,918
-Considered Doubtful	39,93,269	-	39,93,269	-
Less : Provision for doubtful debts	(39,93,269)	-	(39,93,269)	-
Others		23,11,19,431		21,73,83,008
<b>Total</b>		<b>25,90,58,805</b>		<b>24,13,02,926</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>As at 31st March, 2014 Rupees</b>	<b>As at 31st March, 2013 Rupees</b>
<b>14 Cash and cash equivalents</b>		
Balances with Banks	57,29,636	35,49,212
Cash on Hand	14,04,185	10,87,980
<b>Total</b>	<b><u>71,33,821</u></b>	<b><u>46,37,192</u></b>
<b>15 Short Term Loans and Advances</b>		
Tax Deducted at Source	22,07,033	22,52,925
Others	14,32,61,985	12,39,52,000
<b>Total</b>	<b><u>14,54,69,018</u></b>	<b><u>12,62,04,925</u></b>
<b>16 Other Current Assets</b>		
Export Incentives Receivable	1,86,55,298	42,89,099
<b>Total</b>	<b><u>1,86,55,298</u></b>	<b><u>42,89,099</u></b>
	<b>Year Ended 31st March, 2014 Rupees</b>	<b>Year Ended 31st March, 2013 Rupees</b>
<b>17 Revenue from Operations</b>		
Sale of Products	62,32,00,801	69,81,51,066
Processing Charges	78,49,183	63,42,594
Export Incentives	2,23,35,082	1,05,21,580
<b>Total</b>	<b><u>65,33,85,066</u></b>	<b><u>71,50,15,240</u></b>
<b>17.1 Particulars of Sale of Products :</b>		
Textured and Twisted yarn	36,87,76,765	9,68,09,556
Draw Warped and Sized Yarn	10,40,13,024	20,83,59,354
Traded Fabrics	15,04,11,012	39,13,27,727
Traded Yarn	-	16,54,429
<b>Total</b>	<b><u>62,32,00,801</u></b>	<b><u>69,81,51,066</u></b>
<b>18 Other Income</b>		
Interest	60,05,935	74,14,467
Other non operating income	43,959	1,19,324
<b>Total</b>	<b><u>60,49,894</u></b>	<b><u>75,33,791</u></b>
<b>19 Cost of Materials Consumed</b>		
Indegenous	42,42,82,622	25,43,47,580
<b>Total</b>	<b><u>42,42,82,622</u></b>	<b><u>25,43,47,580</u></b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	Year Ended 31st March, 2014 Rupees	Year Ended 31st March, 2013 Rupees
<b>19.1 Particulars of Materials Consumed :</b>		
Partially Oriented Yarn	6,34,73,177	15,48,32,490
Textured Yarn	36,08,09,445	9,95,15,090
<b>Total</b>	<b><u>42,42,82,622</u></b>	<b><u>25,43,47,580</u></b>
<b>20 Purchase of Stock-in-Trade</b>		
Fabrics	15,00,80,853	39,06,50,048
Jumbo Yarn Beams	-	15,75,632
<b>Total</b>	<b><u>15,00,80,853</u></b>	<b><u>39,22,25,680</u></b>
<b>21 Changes in Inventories of Finished Goods and Work-in-Progress</b>		
<b>Inventories (at close)</b>		
Finished Goods	32,45,797	63,84,684
Work-in-Progress	22,07,451	17,76,961
<b>Total</b>	<b><u>54,53,248</u></b>	<b><u>81,61,645</u></b>
<b>Less : Inventories (at commencement)</b>		
Finished Goods	63,84,684	37,44,596
Work-in-Progress	17,76,961	13,57,749
<b>Total</b>	<b><u>81,61,645</u></b>	<b><u>51,02,345</u></b>
Increase/(Decrease)	<b><u>(27,08,397)</u></b>	<b><u>30,59,300</u></b>
<b>22 Employee Benefits Expense</b>		
Salaries and Wages	1,20,58,533	1,40,82,187
Contribution to Provident and Other Funds	6,62,251	6,52,000
Gratuity	2,00,000	2,00,000
Staff welfare Expenses	10,72,048	12,05,213
<b>Total</b>	<b><u>1,39,92,832</u></b>	<b><u>1,61,39,400</u></b>
<b>22.1 Disclosures as per Accounting Standard 15</b>		
<b>"Employee Benefits" are as under :</b>		
<b>Defined Contribution Plans :</b>		
Employer's contribution to Provident Fund/Pension Fund	6,16,871	6,01,520
Employer's contribution to ESIC	45,380	50,480
<b>Total</b>	<b><u>6,62,251</u></b>	<b><u>6,52,000</u></b>
<b>Defined Benefit Plan :</b>		
Group Gratuity Scheme of LIC of India		
<b>Assumptions used for Acturial valuation (Gratuity) :</b> Discount Rate : 8%, Salary Escalation Rate : 5%, Rol on PA : 7.28% <b>Assumption used for Acturial valuation (Leave) :</b> Discount Rate : 8%, Salary Escalation Rate : 5%, Retirement Age : 65 Yrs, Withdrawal Rates 1% p.a., Mortality Table (LIC1994-96) Ultimate, Projected Unit Credit Method		



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

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

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14 Rupees	2012-13 Rupees	2013-14 Rupees	2012-13 Rupees
Defined Benefit Obligation at beginning of year	21,78,957	16,88,661	15,84,810	12,77,931
Interest cost	1,74,317	1,35,093	1,26,785	1,02,234
Current Service cost	1,32,165	1,40,496	93,762	1,01,645
Benefits paid	(2,43,461)	(2,00,000)	(92,511)	(97,572)
Actuarial (Gain)/Loss	(38,827)	4,14,707	(7,99,468)	2,00,572
Defined Benefit Obligation at year end	22,03,151	21,78,957	9,13,378	15,84,810
<b>II) Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
Fair value of Plan Assets at beginning of year	2,74,519	3,01,752	-	-
Expected return on Plan Assets	18,461	21,962	N.A	N.A
Contributions	-	-	-	-
Benefits paid	(93,461)	(49,195)	-	-
Actuarial (Gain)/Loss	-	-	-	-
Fair value of Plan Assets at year end	1,99,519	2,74,519	-	-
<b>III) Amount recognised in Balance Sheet</b>				
Fair value of obligations	22,03,151	21,78,957	9,13,378	15,84,810
Fair value of Plan Assets	1,99,519	(2,74,519)	-	-
Funded Status	20,03,632	19,04,438	9,13,378	15,84,810
Net Liability recognised in Balance Sheet	20,23,626	19,73,626	15,44,141	15,22,176
<b>IV) Expenses recognised during the year</b>				
Current Service cost	1,32,165	1,40,496	93,762	1,01,645
Interest cost	1,74,317	1,35,093	1,26,785	1,02,234
Expected return on Plan Assets	(18,461)	(21,962)	N.A	N.A
Actuarial (Gain)/Loss	(38,827)	4,14,707	(7,99,468)	2,00,572
Net Cost	2,49,194	6,68,334	(5,78,921)	4,04,451
Expenses recognised in current year Profit & Loss A/c	2,00,000	2,00,000	2,49,895	4,00,993

	Year Ended 31st March, 2014 Rupees	Year Ended 31st March, 2013 Rupees
<b>23 Finance Costs</b>		
Interest Expenses	41,89,376	31,49,113
Other Borrowing Costs	14,69,002	4,29,926
<b>Total</b>	<b>56,58,378</b>	<b>35,79,039</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>Year Ended 31st March, 2014 Rupees</b>	<b>Year Ended 31st March, 2013 Rupees</b>
<b>24 Other Expenses</b>		
<b>24.1 Manufacturing Expenses</b>		
Consumption of Stores and Spares	56,44,412	1,03,24,091
Power and Fuel	81,21,530	1,19,01,607
Packing Expenses	3,58,784	4,85,177
Security Charges	6,40,143	8,02,145
Rent, Rates and Taxes	5,63,763	4,94,780
Repairs to Building	13,830	35,038
Repairs to Machinery	5,17,251	4,29,141
Repairs to Others	46,663	1,12,329
Other Manufacturing Expenses	21,264	44,812
<b>Total</b>	<b>1,59,27,640</b>	<b>2,46,29,120</b>
<b>24.2 Selling and Distribution Expenses</b>		
Carriage Outward	1,98,25,162	76,07,075
Brokerage and Commission	25,56,788	31,39,961
Participation Expenses	3,27,252	-
<b>Total</b>	<b>2,27,09,202</b>	<b>1,07,47,036</b>
<b>24.3 Establishment Expenses</b>		
Insurance	6,84,159	4,99,516
Travelling and Conveyance	56,00,412	46,27,384
Communication	5,80,659	5,26,455
Printing and Stationery	3,79,151	4,54,455
Legal and Professional	10,88,686	8,99,178
Payment to Auditors	2,60,676	1,68,540
Other Establishment Expenses	10,23,836	8,40,600
<b>Total</b>	<b>96,17,579</b>	<b>80,16,128</b>
<b>Total</b>	<b>4,82,54,421</b>	<b>4,33,92,284</b>
<b>25 Value of Stores Consumed</b>		
Indegenous	56,44,412	1,03,24,091
<b>Total</b>	<b>56,44,412</b>	<b>1,03,24,091</b>
<b>26 Payment to Auditors</b>		
Statutory Audit fees	1,68,540	1,68,540
Tax Audit fees	44,944	44,944
Certification fees	13,484	19,102
Cost Audit fees	33,708	33,708
<b>Total</b>	<b>2,60,676</b>	<b>2,66,294</b>
<b>27 Earnings in Foreign Currency</b>		
FOB value of exports	<b>35,86,51,887</b>	<b>9,08,23,499</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>Year Ended 31st March, 2014 Rupees</b>	<b>Year Ended 31st March, 2013 Rupees</b>
<b>27.1 Expenditure in Foreign Currency</b>		
Foreign travelling expenses	10,10,867	6,22,227
Ocean Freight	1,20,79,674	54,26,553
Commission	-	84,107
<b>Total</b>	<b><u>1,30,90,541</u></b>	<b><u>61,32,887</u></b>
<b>28 Earnings Per Share</b>		
i Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹	(16,67,819)	28,98,913
ii Weighted Average number of Equity Shares	1,13,41,320	1,13,41,320
iii Basic Earnings per Share ₹/p	<b>(0.15)</b>	<b>0.26</b>
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	<b>(0.15)</b>	<b>0.26</b>
vii Face value per Equity Share ₹	10	10





**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**29 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  
S K Mishra

**c Relatives of Key Management Personnel**

S S Mishra    S B Sharma    R S Dhandh    R S Mishra    U K Sharma    S D Sharma  
B K Sharma    R A Sharma    A R Mishra    S D Mishra    H V Mishra

**ii Transaction with Related Parties**

Sr. No.	Nature of Transaction	Type of Related Party	Volume of Transactions Rupees	As At 31st March, 2014 Rupees	As At 31st March, 2013 Rupees
1	Purchase bills financing	Where control exists	1,97,12,333	1,05,23,031 CR	39,99,707 CR
2	Managerial remuneration	Key Management Personnel	18,18,000	3,42,6,441 CR	23,82,763 CR
3	Remuneration	Relatives of Key Management Personnel	2,14,857	-	-
4	Unsecured Loan	Relatives of Key Management Personnel	2,54,71,121	3,13,66,759 CR	1,01,91,032 CR
5	Interest on loan	Relatives of Key Management Personnel	2,85,812	2,81,179 CR	2,20,567 CR

	As At 31st March, 2014 Rupees in Lacs	As At 31st March, 2013 Rupees in Lacs
<b>30 Contingent Liabilities and Commitments</b>		
<b>I Contingent Liabilities</b>		
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
<b>Total</b>	<b>792.11</b>	<b>996.04</b>

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



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	<b>As at 31st March, 2014 Rupees in Lacs</b>	<b>As at 31st March, 2013 Rupees in Lacs</b>
<b>II Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	<u>0.00</u>	<u>12.00</u>
ii) No provision for Minimum Alternate Tax(MAT) under section 115JB of the Income Tax Act, 1961 has been made in view of legal opinion received by the Company.		
<b>31</b> The Sales Tax assessments at Silvassa and Dharampur are completed upto F.Y. 20011-12 and F.Y. 2009-10. The income tax assessments of the Company are completed upto A.Y.2011-12.		
<b>32</b> Previous Year's figures have been re-grouped/re-arranged wherever necessary.		

# SUPERTEX INDUSTRIES LIMITED

Registered Office : Plot No. 45-46 Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli).

E-mail: supertex@vsnl.com

CIN :L99999DN1986PLC000046

## FORM NO. MGT - 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered address: .....

E-mail Id : .....

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

I / We, being the member(s) of ..... Shares of Supertex Industries Limited 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: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Eighth Annual General Meeting of members of SUPERTEX INDUSTRIES LTD. to be held on Friday, the 26th day of September 2014 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. Adoption of Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2014 and the Auditors' and Directors' Report thereon;
2. Appointment of Director in place of Mr. S. S. Mishra who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of auditors and fixing their remuneration.
4. Appointment of Mr. M. A. Sharma as an Independent Director, for a term of 5 consecutive years not liable to retire by rotation.
5. Appointment of Mr. G. R. Toshniwal as an Independent Director, for a term of 5 consecutive years not liable to retire by rotation.
6. Appointment of Mr. P. R. Kapadia as an Independent Director, for a term of 5 consecutive years not liable to retire by rotation."

Signed this ..... day of ..... 2014

Signature of shareholder.....

Signature of Proxy holder.....

### NOTES:

1. Proxy form to be submitted at Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

Affix  
Revenue  
Stamp

BOOK - POST



*If undelivered, please return to :*

**SUPERTEX INDUSTRIES LIMITED**

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

Tel.: 2209 5630 / 2206 9034

E-mail: [supertex@vsnl.com](mailto:supertex@vsnl.com)