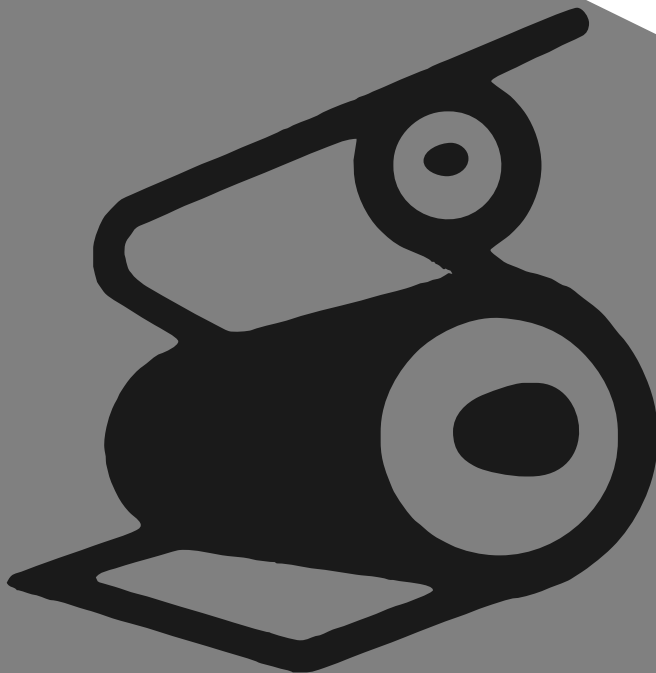


SUPERTEX
INDUSTRIES
LIMITED

33rd
ANNUAL REPORT
2018-2019





BOARD OF DIRECTORS

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

COMPANY SECRETARY

VAISHALI NAIK

AUDITORS

S M GUPTA & CO.
Chartered Accountants

COST AUDITORS

NNT & CO.
Cost Accountants

SECRETARIAL AUDITORS

VIKAS R CHOMAL & ASSOCIATES
Practicing Company Secretaries

SOLICITORS

CRAWFORD BAYLEY & COMPANY
RAJANI ASSOCIATES

BANKERS

AXIS BANK
PUNJAB NATIONAL BANK

REGISTERED OFFICE

Plot No. 45/46, Phase II
Piperia Industrial Estate
Silvassa 396 230, Dadra & Nagar Haveli

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 396 230, Dadra & Nagar Haveli
2. Unit III : 213, Kharvel
Behind Kharvel Sub-Station
Dharampur 396 050
Dist. Valsad, Gujarat

REGISTRAR AND SHARE TRANSFER AGENT

SHAREX DYNAMIC (INDIA) PVT. LTD.
C 101, 247 Park, LBS Marg
Vikhroli - West, Mumbai 400 083

**NOTICE**

Notice is hereby given that the 33rd Annual General Meeting of members of SUPERTEX INDUSTRIES LIMITED will be held on Monday, the 30th day of September, 2019 at 10.30 a.m., at the Registered Office of the Company at Plot No. 45-46, Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli) to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. R. K. Mishra, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT, in accordance with the provisions of Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, the remuneration of M/s NNT & Co., Cost Accountants, (Firm Registration No. 100911) appointed by the Board of Directors of the Company as the Cost Auditor to conduct audit of Cost Records maintained by the Company in respect of Polyester Yarn for the financial year 2019-20, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only), and reimbursement of out-of-pocket expenses, as may be incurred in the course of audit, be and is hereby ratified"
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, Mr. Harshvardhan Mishra (DIN 02819207) who was appointed as an Additional Director in the meeting of the Board of Directors held on 11th February, 2019 and in respect of whom the Company has received a notice in writing proposing his candidature, be and is hereby appointed as Director of the Company.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."
5. To consider and, if thought fit, to pass the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 and Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment thereof for the time being in force), the consent of the Company, be and is hereby accorded to the appointment of Mr. Harshvardhan Mishra (DIN 02819207) as a Whole Time Director of the Company with effect from the conclusion of this Annual General Meeting for a period of three years till the conclusion of the Thirty Sixth Annual General Meeting of the Company, liable to retire by rotation, on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."
6. To consider and, if thought fit, to pass the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P R Kapadia (DIN: 03332411), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 01st April, 2019 to 31st March, 2024".
7. To consider and, if thought fit, to pass the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force),



Mr. M A Sharma (DIN: 02309138), who has already attained the age of 75 years and who has submitted a declaration that he meets the criteria for independence as provided in the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 01st April, 2019 to 31st March, 2024”.

8. To consider and, if thought fit, to pass the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. G R Toshniwal (DIN: 00217071), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of three consecutive years with effect from 01st April, 2019 to 31st March, 2022”.

By Order of the Board

R K Mishra

Chairman & Managing Director

Mumbai, 8th August, 2019

Registered Office

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

Notes:

1. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Corporate members intending to authorise its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members holding shares in electronic form are required to submit the PAN and bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are required to submit their PAN and bank account details to M/s. Sharex Dynamic (India) Pvt. Ltd., Share Transfer Agent of the Company.
5. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
6. The Notice of AGM, Annual Report, Proxy Form and Attendance Slip is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2019 is being sent in the permitted mode.



7. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.supertex.in and also on website of the Bombay Stock Exchange. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days upto and including the date of the Annual General Meeting.
8. Details under Regulation 36 (3) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 in respect of the Directors seeking appointment/ reappointment at the Annual General Meeting, forms integral part of the notice.
9. M/s. Sharex Dynamic (India) Pvt. Ltd., C 101, 247 Park, LBS Marg, Vikhroli – West, Mumbai – 400083, 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.
10. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 23rd September, 2019 to Monday, the 30th September, 2019 (both days inclusive).
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
12. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.
13. **Voting through electronic means:**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. Mr. Vikas Chomal of M/s Vikas R. Chomal and Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - V. The process and manner for remote e-voting is as under:

The instructions for shareholders voting electronically are as under:

 - (i) The voting period begins on Friday, 27th September, 2019 at 9.00 am and ends on Sunday, 29th September, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



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

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

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company for which you choose to vote i.e. Supertex Industries Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the



Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Declaration of Results:

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**ITEM 3**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s NNT& Co., Cost Accountants (Firm Registration No. 100911), to conduct the audit of the cost records of the Company for the FY 2019-20.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020 by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at Item No.3.

ITEM 4 & 5

The Board of Directors of the Company in their meeting held on 11th February, 2019, on the recommendation of the Nomination and Remuneration Committee ('the Committee'), approved the appointment of Mr. Harshvardhan Mishra as an Additional Director of the Company and further at the Board meeting held on 08th August, 2019, on the recommendation of the Nomination & Remuneration Committee, appointed him as a Whole Time Director of the Company from the conclusion of this Annual General Meeting for a period of three years till the conclusion of the Thirty Sixth Annual General Meeting, on the following terms and conditions:

(A) Remuneration:

- (1) Salary:
Rs.36,500/- per month in the scale of Rs.36,500-2,500-41,500 per month.
- (2) Commission:
Commission as may be decided by the Board of Directors based on the net profit of the Company in each year, not exceeding 1% of Net Profits.
- (3) Perquisites:
 - a) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad for self and family.
 - b) House Rent Allowance of Rs. 3,500/- per month in the scale of Rs.3,500-1,500-6,500 per month.
 - c) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
 - d) Personal Accident Insurance for which Premium shall not exceed Rs. 7,000/- per annum.
 - e) Company's contribution towards Provident Fund, Superannuation Fund or annuity as per the Rules of the Company.

**SUPERTEX INDUSTRIES LIMITED**

- f) Gratuity, not exceeding one half month's salary for each completed year of service.
- g) Provision of car for use on Company's business and telephone at residence which will not be considered as perquisites. However, the use of office car for personal purpose and personal long distance calls on telephone will be billed by the Company to the director.
- h) Mediclaim Policy: For self and family, premium not exceeding Rs.50,000/- per annum.
- i) Life insurance policy including Unit Linked/ Keyman Insurance Policy, premium not exceeding Rs. 3,00,000/- per annum.

(B) Minimum Remuneration:

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profit in any financial year, during the terms of office of the Whole Time Director, the remuneration by way of salary, perquisites, commissions and other benefits shall not, without the permission of Central Government (if required) exceed the limits prescribed under the Act including Section II of Part II of Schedule V thereof and rules made hereunder or any amendment, modification, variation or re-enactment thereof.

(C) Leave :

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

(D) The appointment will be subject to termination by three months notice in writing by either side.**(E) Subject to such approval(s) as may be required, the terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit, within the limits specified and in accordance with the provisions of the Companies Act, 2013 or otherwise as may be permissible at law.**

Except Mr Harshvardhan Mishra, being an appointee, and Mr R K Mishra and Mr S K Mishra, being relatives, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No.4 and 5. The Board recommends the resolution set out at Item 4 as Ordinary Resolution and the resolution set out at Item 5 as Special Resolution for your approval.

ITEM 6 to 8

The Members of the Company on 26th September, 2014 approved the appointment of Mr. P R Kapadia, Mr. MA Sharma and Mr. G R Toshniwal as Independent Directors of the Company for a period of five years with effect from 01st April, 2014.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by members of the Company.

Based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 11th February, 2019, subject to approval of the Members at the Annual General Meeting, Mr. P R Kapadia and Mr. MA Sharma re-appointed as Independent Directors of the Company for a period of five years with effect from 01st April 2019 and Mr. G R Toshniwal re-appointed as an Independent Director of the Company for a period of three years with effect from 01st April 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, as set out in the Resolutions relating to their respective re-appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. P R Kapadia, Mr. MA Sharma and Mr. G R Toshniwal, their continued association would benefit the Company. Declarations have been received from Mr. P R Kapadia, Mr. MA Sharma and Mr. G R Toshniwal that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. P R Kapadia, Mr. MA Sharma and Mr. G R Toshniwal have been received by the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. P R Kapadia, Mr. MA Sharma and Mr. G R Toshniwal in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of re-appointment, Mr. MA Sharma already attained the age of seventy five years on 13th December, 2018. The Special Resolutions under Item Nos. 7, once passed, shall also be deemed as your approval under the Listing Regulations 2015, for continuation of Mr. MA Sharma as an Independent Director beyond the age of seventy five years.

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions. The Board recommends these Special Resolutions for your approval.



ANNEXURE - I

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

| Name of the Director | Re-Appointment Mr R K Mishra | Appointment Mr Harshvardhan Mishra | Re-Appointment Mr P R Kapadia | Re-Appointment Mr MA Sharma | Re-Appointment Mr G R Toshniwal |
|--|--|--|---|--|---|
| DIN | 00245600 | 02819207 | 03332411 | 02309138 | 00217071 |
| Age | 60 years | 29 years | 61 years | 75 years | 52 years |
| Date of Appointment on the Board | 30/04/1987 | 11/02/2019 | 23/11/2010 | 22/03/2005 | 22/03/2005 |
| Qualification, nature of expertise in functional areas | Mr R K Mishra is B COM, FCA, ACS and M B I M (LOND). He has 39 years of varied experience of having worked in very senior positions in the Company and is well versed in corporate finance, law and business administration. | Mr Harshvardhan Mishra is M Com from Mumbai University and completed P. G. Entrepreneurial Management from Welingkar Institute of Management, Mumbai. He has taken training in the Company and thereafter is working from last 7 years in various capacities in the Company. | Mr P R Kapadia is B.com and FCA. He is a Practicing Chartered Accountant and practices in Direct and Indirect taxes. He is also involved with the educational committee of the Institute of Chartered Accountants of India. He is a member of Managing Committee of The Goods & Services Tax Practitioners' Association of Maharashtra. | Mr MA Sharma is M.Sc. and a fellow of the Institute of Environmental Engineers (India). He has varied experience of teaching textile chemistry and allied subjects at the Victoria Jubilee Technical Institute for eight years. He has served with Century Textile & Industries Ltd., Mumbai in senior positions for more than twenty years. | Mr. G. R. Toshniwal, is a B.com and FCA. He is a Practicing Chartered Accountant having more than 20 years of experience in the area of finance and taxation. |
| Directorships held in other public Companies [excluding foreign and private Companies] | Super Polyester Yarns Limited | Super Polyester Yarns Limited | Nil | Nil | Nil |
| Memberships / Chairmanships of Committees of other Public Companies | Nil | Nil | Nil | Nil | Nil |
| Number of shares held in the Company | 761225 | 4211 | 2250 | 200 | Nil |

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

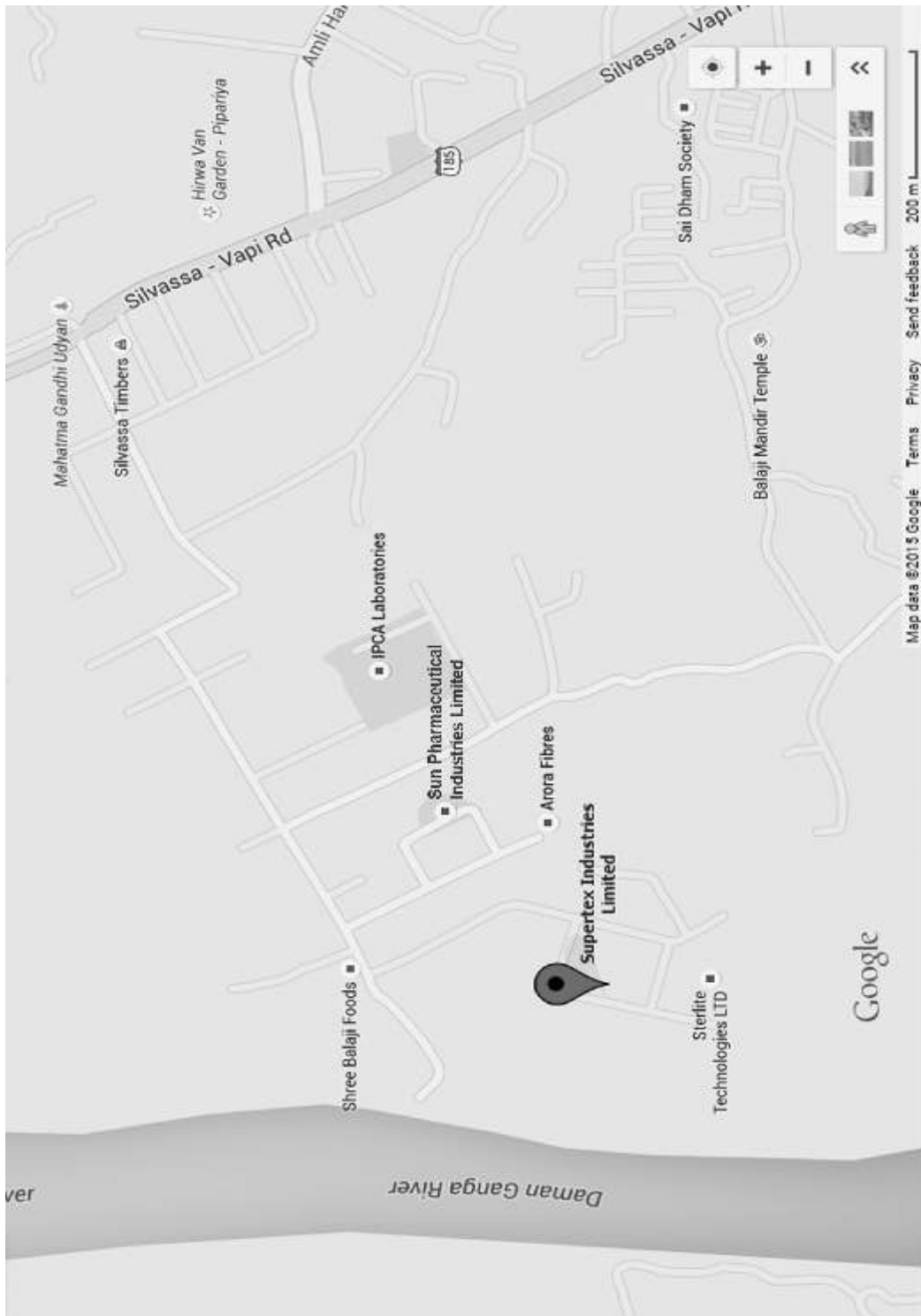
By Order of the Board

R K Mishra
Chairman and Managing Director

Mumbai, 8th August, 2019



ROUTE MAP TO THE VENUE OF AGM





DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present herewith the thirty-third Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2019.

FINANCIAL RESULTS

| | Year ended 31.03.2019 in lakhs | Year ended 31.03.2018 in lakhs |
|---|---|---|
| Turnover | 9617.78 | 11394.48 |
| Other Income | 16.77 | 24.84 |
| Profit before Interest and Depreciation | 372.47 | 377.96 |
| Interest | 210.10 | 221.66 |
| Profit before Depreciation | 162.37 | 156.30 |
| Depreciation | 56.32 | 54.17 |
| Profit Before Tax | 106.05 | 102.13 |
| Deferred Tax | (118.08) | (40.37) |
| Profit After Tax | (12.03) | 61.76 |
| Other Comprehensive Income | (1.39) | (1.35) |
| Total Comprehensive Income | (13.41) | 60.41 |

Due to unavailability of distributable profits your Directors are unable to recommend any dividend for the year under report. During the year under review, no amount has been transferred to General Reserves.

WORKING

The production during the year was 6053 MT as against 6384 MT last year and the turnover was Rs. 9617.78 lakhs as against Rs. 11394.48 lakhs last year. Exports constitute 47% of total sales made during the year as against 38% last year. The exports are recorded on CIF basis, sans duties and taxes. The processing charges increased by 109% to Rs. 114.25 lakhs from Rs 54.74 lakhs, last year.

The export turnover was higher at Rs. 4487 lakhs as against Rs. 4396 lakhs last year and the quantity exported is 3743 MT as against 3921 MT in the last year. The net profit before taxation increased to Rs 106.05 lakhs as against Rs. 102.13 lakhs in the past year. The management is focusing on improving the capacity utilization further.

EXPORTS

There was a setback in the first half of the year as many markets were in a bad shape. However then the exports picked up and the Company marginally improved exports of its products. It has exported about 47% (as against 38% last year), of the total sales during the year. The Company is selling its developments to many global markets and is receiving positive response from international customers.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No company has become/ceased to be a joint venture partner or associate of the Company during the financial year 2018-19.

EXTRACT OF ANNUAL RETURN

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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



The current terms of Mr P R Kapadia, Mr M A Sharma and Mr G R Toshniwal as Independent Directors of the Company expired on 31st March, 2019. The Board of Directors at its meeting held on 11th February, 2019, after considering the recommendations of the Nomination and Remuneration Committee, subject to the approval of members in Annual General Meeting by way of Special Resolution, approved the reappointment of Mr M A Sharma, Mr P R Kapadia for a second term of five years from 1st April, 2019 to 31st March, 2024 and that of G R Toshniwal for a second term of three years from 1st April, 2019 to 31st March, 2022 as Independent Directors on the Board of the Company.

In compliance of Regulation 17(1A) of the Listing Regulations, consent of the Members for the reappointment of Mr M A Sharma, who has attained the age of seventy five years, has also been sought by way of a Special Resolution.

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Harshvardhan Mishra as an Additional Director with effect from 11th February, 2019. In terms of Section 161 of the Act, Mr. Harshvardhan Mishra holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Harshvardhan Mishra's name for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Harshvardhan Mishra as a Whole Time Director of the Company with effect from the conclusion of this Annual General Meeting for a period of three years till the conclusion of the Thirty Sixth Annual General Meeting of the Company, for the approval by the members of the Company.

BOARD EVALUATION

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

MEETINGS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

REMUNERATION POLICY

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

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

The Company has constituted Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. During the financial year 2018-19, the Company has not received any complaints on sexual harassment.

FIXED DEPOSITS

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

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards.



CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the related party transactions policy of the company. All Related Party Transactions are placed before the Audit Committee for its approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website. Your Directors draw attention of the members to Note 29 to the financial statement which sets out related party disclosures.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

RISK MANAGEMENT

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

CORPORATE GOVERNANCE

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

INTERNAL CONTROL SYSTEM

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

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

PARTICULARS OF EMPLOYEES

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

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

| Non-Executive Independent Directors | Ratio to median remuneration |
|---|-------------------------------------|
| Mr G R Toshniwal | 0.14 |
| Mr M A Sharma | 0.14 |
| Mr P R Kapadia | 0.14 |
| Mrs Meeta Shingala | 0.14 |
| Executive Directors | |
| Mr R K Mishra, Chairman and Managing Director | 11.64 |
| Mr S K Mishra, Director and CFO | 9.59 |



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

| Directors, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|---|
| Non-Executive Independent Directors | |
| Mr G R Toshniwal | - |
| Mr MA Sharma | - |
| Mr P R Kapadia | - |
| Mrs Meeta Shingala | - |
| Executive Directors and KMPs | |
| Mr R K Mishra, Chairman and Managing Director | 6.00 |
| Mr S K Mishra, Director and CFO | 5.92 |
| Ms Vaishali Naik, Company Secretary | 13.04 |

- c. The percentage increase in the median remuneration of employees in the financial year: 10 %**
d. The number of permanent employees on the rolls of Company: 70
e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
 - Average increase in the remuneration of all employees excluding KMPs: 7 %
 - Average increase in the remuneration of KMPs: 7 %
f. Affirmation that the remuneration is as per the remuneration policy of the Company:
 The Company affirms remuneration is as per the remuneration policy of the Company.
g. The information required pursuant to Section 197 read with Rule 5 (2) and rule 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:
 a) Employed throughout the year- NIL
 b) Employed for part of the year- NIL

AUDITORS

A) Statutory Auditor:

M/s. S.M. Gupta & Co., Chartered Accountants, were appointed as Auditors of the Company for a period of five years from the conclusion of the Annual General Meeting held on 29th September, 2017.

There is no audit qualification, reservation or adverse remark for the year under review.

B) Cost Auditor:

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed M/s NNT & Co., Cost Accountants, (Firm Registration Number 100911) as Cost Auditor to audit the cost records of the Company for the Financial Year 2019-20. As required under the Companies Act, 2013, a resolution seeking members approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

C) Secretarial Auditor:

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with



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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars with respect to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019 are annexed to this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion & Analysis Report is attached and forms a part of this Report.

ACKNOWLEDGEMENT

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

For and on behalf of the Board,

R K Mishra
Chairman and Managing Director

Mumbai, 30th May, 2019

**ANNEXURE TO THE DIRECTORS REPORT****Section 134(3)(m) of the Companies Act, 2013.**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information is given below :

(A) Conservation of energy

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

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

- a) Optimisation of production facilities.
- b) Limiting the use of air-conditioning in the plants to need based minimum. Installation of Air Ventilators for proper ventilation with minimal energy consumption.
- c) The Company ensures minimal power consumption at its plant by constantly maintaining the power factor within the specified limits. The power factor has been improved by installing necessary capacitors, thereby reducing energy losses.

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

The Company has taken various initiatives for utilizing alternate energy efficient sources.

(iii) The capital investment on energy conservation equipments:

The efforts for conservation of energy are on an ongoing basis throughout the year. The measures taken have resulted in savings in the cost of production.

(B) Technology absorption**(i) Efforts in brief, made towards technology absorption:**

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

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

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

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

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

(iv) The expenditure incurred on Research and Development: NIL**(C) Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings – Rs. 4370.08 Lacs (Previous Year – Rs. 4119.39 Lacs)

Foreign Exchange Outgo – Rs. 163.23 Lacs (Previous Year – Rs. 157.39 Lacs)

For and on behalf of the Board,

R K Mishra
Chairman and Managing Director

Mumbai, 30th May, 2019



Annexure - I

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|----|---|---|
| 1. | CIN | L99999DN1986PLC000046 |
| 2. | Registration Date | 18th July, 1986 |
| 3. | Name of the Company | Supertex Industries Limited |
| 4. | Category/Sub-Category of the Company | Public Company limited by shares |
| 5. | Address of the Registered Office and contact details | Plot No. 45/46, Piperia Industrial Estate, Phase-II, Silvassa-396230, Dadra & Nagar Haveli Tel:- +91-22-22095630 Email: rkm@supertex.in |
| 6. | Whether listed Company | Yes |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent | M/s. Sharex Dynamic (India) Pvt. Ltd., C 101, 247 Park, LBS Marg, Vikhroli - West, Mumbai 400 083 Tel No.: +91-22-28515606/ 28515644 Fax: +91-22-28512885 Email: support@sharexindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of Main Product/Services | NIC Code of the Product | % to total turnover of the Company |
|---------|---|-------------------------|------------------------------------|
| 1. | Polyester/ Nylon Filament Yarn | 2030 | 87% |
| 2. | Fabrics | 1312 | 13% |

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

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



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

i. Category-wise Share Holding

| Category of Shareholders | Shareholding at the beginning of the year - 1st April, 2018 | | | | Shareholding at the end of the year - 31st March, 2019 | | | | % Change during the year |
|--|---|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a. Individual/ HUF | 1137703 | 180 | 1137883 | 10.033 | 1137528 | 180 | 1137708 | 10.032 | -0.001 |
| b. Central Govt. | - | - | - | - | - | - | - | - | - |
| c. State Govt. | - | - | - | - | - | - | - | - | - |
| d. Bodies Corporate | 492509 | - | 492509 | 4.343 | 492509 | - | 492509 | 4.343 | - |
| e. Bank/FI | - | - | - | - | - | - | - | - | - |
| f. Any Other | - | - | - | - | - | - | - | - | - |
| Sub Total A-(1) | 1630212 | 180 | 1630392 | 14.375 | 1630037 | 180 | 1630217 | 14.374 | -0.001 |
| 2. Foreign | - | - | - | - | - | - | - | - | - |
| a. NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b. Other Individuals | - | - | - | - | - | - | - | - | - |
| c. Body Corporate | - | - | - | - | - | - | - | - | - |
| d. Bank/FI | - | - | - | - | - | - | - | - | - |
| e. Any Others | - | - | - | - | - | - | - | - | - |
| Sub Total- A (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoters (1+2) | 1630212 | 180 | 1630392 | 14.375 | 1630037 | 180 | 1630217 | 14.374 | -0.001 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institution | | | | | | | | | |
| a. Mutual Funds | 0 | 280 | 280 | 0.002 | 0 | 280 | 280 | 0.002 | - |
| b. Bank/ FI | 3593 | - | 3593 | 0.032 | 3593 | - | 3593 | 0.032 | - |
| c. Cent. Govt. | - | - | - | - | - | - | - | - | - |
| d. State Govt. | - | - | - | - | - | - | - | - | - |
| e. Venture Capital | - | - | - | - | - | - | - | - | - |
| f. Insurance Co. | - | - | - | - | - | - | - | - | - |
| g. FIs | - | 20 | 20 | - | - | 20 | 20 | - | - |
| h. Foreign Portfolio Corporate | - | - | - | - | - | - | - | - | - |
| i. Foreign Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| j. Others | - | - | - | - | - | - | - | - | - |
| Sub-Total-B (1) | 3593 | 300 | 3893 | 0.034 | 3593 | 300 | 3893 | 0.034 | - |
| 2. Non- Institution | | | | | | | | | |
| a. Body Corp. | 681887 | 4560 | 686447 | 6.052 | 672103 | 4560 | 676663 | 5.966 | -0.086 |
| b. Individual | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto Rs. 1 lakh | 5487122 | 125068 | 5612190 | 49.484 | 5554031 | 123048 | 5677079 | 50.056 | 0.572 |



| Category of Shareholders | Shareholding at the beginning of the year - 1st April, 2018 | | | | Shareholding at the end of the year - 31st March, 2019 | | | | % Change during the year |
|--|---|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1Lakh | 3241712 | - | 3241712 | 28.583 | 3244721 | - | 3244721 | 28.610 | 0.027 |
| c. Others | | | | | | | | | |
| (i) Any other-clearing member | 128374 | - | 128374 | 1.132 | 55984 | - | 55984 | 0.494 | -0.638 |
| (ii) OCB | - | - | - | - | - | - | - | - | - |
| (iii) NRI | 30002 | 8310 | 38312 | 0.338 | 44453 | 8310 | 52763 | 0.465 | 0.127 |
| Sub-Total-B (2) | 9569097 | 137938 | 9707035 | 85.590 | 9571292 | 135918 | 9707210 | 85.591 | 0.001 |
| Net Total (1+2) | 9572690 | 138238 | 9710928 | 85.624 | 9574885 | 136218 | 9711103 | 85.625 | 0.001 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| Public | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 11202902 | 138418 | 11341320 | 100.00 | 11204922 | 136398 | 11341320 | - | - |

ii. Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 1st April, 2018 | | | Shareholding at the end of the year - 31st March, 2019 | | | % change in share-holding during the year |
|---------|---------------------------|---|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Ramesh Kumar Mishra | 761225 | 6.712 | - | 761225 | 6.712 | - | - |
| 2 | Ramesh Kumar Mishra HUF | 19025 | 0.168 | - | 19025 | 0.168 | - | - |
| 3 | Sanjay Kumar Mishra | 1390 | 0.012 | - | 1390 | 0.012 | - | - |
| 4 | Sanjay Kumar Mishra (HUF) | 55100 | 0.486 | - | 55100 | 0.486 | - | - |
| 5 | Shyam Sundar Mishra | 555 | 0.005 | - | - | - | - | -0.005 |
| 6 | Shyam Sundar Mishra (HUF) | 2400 | 0.021 | - | 2400 | 0.021 | - | - |
| 7 | Sarladevi Mishra | 2084 | 0.018 | - | 2639 | 0.023 | - | 0.005 |
| 8 | Ramswaroop Mishra HUF | 27500 | 0.242 | - | 27500 | 0.242 | - | - |
| 9 | Alka Ramesh Mishra | 1695 | 0.015 | - | 1695 | 0.015 | - | - |
| 10 | Harshvardhan Mishra | 4386 | 0.038 | - | 4211 | 0.037 | - | -0.001 |
| 11 | Radhika Sharma | 3800 | 0.034 | - | 3800 | 0.034 | - | - |
| 12 | Renu S Mishra | 2493 | 0.022 | - | 2493 | 0.022 | - | - |
| 13 | Gomatidevi Mishra | 21690 | 0.191 | - | 21690 | 0.191 | - | - |
| 14 | Narottamlal Mishra | 81234 | 0.716 | - | 97574 | 0.860 | - | 0.144 |
| 15 | Pushpa N Mishra | 128986 | 1.137 | - | 128986 | 1.137 | - | - |
| 16 | Vijay Kumar Mishra | 7800 | 0.069 | - | 7800 | 0.069 | - | - |
| 17 | Amit Mishra | 16340 | 0.144 | - | - | - | - | -0.144 |
| 18 | Ajay Mishra | 180 | 0.001 | - | 180 | 0.001 | - | - |
| 19 | Super Infincon Pvt Ltd | 492509 | 4.343 | - | 492509 | 4.343 | - | - |



iii. Change in Promoter's Shareholding:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 1st April, 2018 | | | Date wise increase/decrease in shareholding during the year | | | Shareholding at the end of the year - 31st March, 2019 | | | % change in shareholding during the year |
|---------|---------------------|---|----------------------------------|--|---|--------------------------------------|--------------|--|--|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | Date | Increase / Decrease in share holding | Reason | No. of Shares | % of total Shares of the company holding | % of Shares Pledged / encumbered to total shares | |
| 1 | Shyam Sunder Mishra | 555 | 0.005 | - | 20/06/18 | -555 | Transmission | - | - | - | -0.005 |
| 2 | Sarladevi Mishra | 2084 | 0.018 | - | 20/06/18 | 555 | Transmission | 2639 | 0.023 | - | 0.005 |
| 3 | Narottamlal Mishra | 81234 | 0.716 | - | 11/07/18 | 16340 | Transfer | 97574 | 0.860 | - | 0.144 |
| 4 | Amit Mishra | 16340 | 0.144 | - | 11/07/18 | -16340 | Transfer | - | - | - | -0.144 |
| 5 | Harshvardhan Mishra | 4386 | 0.038 | - | 30/01/19 | -175 | Sale | 4211 | 0.037 | - | -0.001 |

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

| Sr. No. | Top Ten Shareholders | Shareholding at the beginning of the year - 1st April, 2018 | | Shareholding at the end of the year - 31st March, 2019 | |
|---------|--------------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Amrit L. Gandhi | 999999 | 8.817 | 999999 | 8.817 |
| 2 | Seema A. Gandhi | 500004 | 4.409 | 500004 | 4.409 |
| 3 | Amrit L Gandhi (HUF) | 376653 | 3.321 | 376653 | 3.321 |
| 4 | Mahendra Girdharilal | 320516 | 2.826 | 321618 | 2.836 |
| 5 | Ace Housing and Construction Limited | 273468 | 2.411 | 273468 | 2.411 |
| 6 | Arfat Mohdmdali Merchant | 217378 | 1.917 | 217378 | 1.917 |
| 7 | Vikaskumar S Singhanian | 190899 | 1.683 | 190899 | 1.683 |
| 8 | Jitendra L. Gandhi | 155000 | 1.367 | 155000 | 1.367 |
| 9 | Vishwanath M Pujari | 135200 | 1.192 | 135200 | 1.192 |
| 10 | Aatif Javed Merchant | 121392 | 1.070 | 121262 | 1.069 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year - 1st April, 2018 | | Shareholding at the end of the year - 31st March, 2019 | |
|---------|-------------------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr R K Mishra | 761225 | 6.712 | 761225 | 6.712 |
| 2 | Mr S K Mishra | 1390 | 0.012 | 1390 | 0.012 |
| 3 | Mr Harshvardhan Mishra | 4386 | 0.038 | 4211 | 0.037 |
| 4 | Mr M A Sharma | 200 | 0.001 | 200 | 0.001 |
| 5 | Mr P R Kapadia | 2250 | 0.019 | 2250 | 0.019 |
| 6 | Mr G R Toshniwal | Nil | Nil | Nil | Nil |
| 7 | Mrs Meeta Shingala | Nil | Nil | Nil | Nil |
| | Name of the KMP | | | | |
| 1 | Ms Vaishali Naik, Company Secretary | Nil | Nil | Nil | Nil |



V. INDEBTEDNESS

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

(` in lakhs)

| PARTICULARS | SECURED LOANS EXCLUDING DEPOSITS | UNSECURED LOANS | DEPOSITS | TOTAL INDEBTEDNESS |
|---|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year - 01.04.2018 | | | | |
| 1) Principal Amount | 1276.74 | 423.03 | - | 1699.77 |
| 2) Interest due but not paid | - | - | - | - |
| 3) Interest accrued but not due | - | - | - | - |
| Total of (1+2+3) | 1276.74 | 423.03 | - | 1699.77 |
| Change in Indebtedness during the financial year | | | | |
| + Addition | 570.72 | - | - | 570.72 |
| -Reduction | 151.67 | 121.08 | - | 272.75 |
| Net change | 419.05 | 121.08 | - | 297.97 |
| Indebtedness at the end of the financial year - 31.03.2019 | 1695.79 | 301.95 | - | 1997.74 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(` in lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD | | Total Amount |
|---------|---|----------------|---------------|--------------|
| | | Mr R K Mishra | Mr S K Mishra | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 16.89 | 13.20 | 30.09 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 1.43 | 1.95 | 3.38 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - |
| 5 | Others, please specify Contribution to Provident Fund | 1.66 | 1.30 | 2.96 |
| | Total | 19.98 | 16.45 | 36.43 |
| | Ceiling as per the Act* | 42.00 | 42.00 | 84.00 |

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



B. Remuneration to Key Managerial Personnel:

(` in lakhs)

| Sr. No. | Particulars of Remuneration | Name of KMP |
|---------|---|--|
| | | Ms Vaishali Naik, Company Secretary |
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4.38 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - as % of profit - others, specify | - |
| 5 | Others, please specify Contribution to Provident Fund | 0.30 |
| | Total | 4.68 |

C. Remuneration of other directors:

I. Non-Executive Independent Directors

(Rupees)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total |
|---------|---|-------------------|----------------|---------------|--------------------|--------|
| | | Mr G R Toshniwal | Mr P R Kapadia | Mr M A Sharma | Mrs Meeta Shingala | Amount |
| 1 | Fees for attending board & committee meetings | 18000 | 26000 | 12000 | 18000 | 74000 |
| 2 | Commission | - | - | - | - | - |
| 3 | Others | - | - | - | - | - |
| | Total | 18000 | 26000 | 12000 | 18000 | 74000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

**Annexure-II****SECRETARIAL AUDIT REPORT****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31.03.2019**

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

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

Plot No. 45/46, Piperia Industrial Estate

Phase-II, Silvassa -396230

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Supertex Industries Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during Audit Period);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during Audit Period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during Audit Period as the Company has not issued any Debt Instruments/Securities);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period as delisting of securities did not take place); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period as the Company has not bought back its Securities);
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; ;(Except clause 4.1.1 of the Secretarial Standard - 2 with regards to presence of Chairman of Audit committee and Nomination and Remuneration committee or their representative in the Annual General meeting were not complied.)
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

We further report that

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

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

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

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

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

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

WE FURTHER REPORT THAT with regards to maintaining of hundred percent holding of promoters in dematerialized format as per Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, out of 16,30,217 Shares held by the promoters 180 shares are in physical form.

For Vikas R. Chomal & Associates

Vikas R. Chomal

(Proprietor)

ACS No. 24941

C P No.: 12133

Place: Thane

Date: 30th May, 2019

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



Annexure A

To,

The Members

SUPERTEX INDUSTRIES LIMITED

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

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

For Vikas R. Chomal & Associates

Vikas R Chomal

Proprietor

ACS No. 24941

CP No.: 12133

Place: Thane

Date: 30th May, 2019



MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

It is heartening to note that in terms of ease of doing business, India has moved up to the 77th rank from 100th due to Government's policy initiatives. The government has remained most proactive with industry but other factors also affected the year. The global economic growth was lower at 3.6% in 2018 as compared to 3.8% in 2017 due to the weakening performance of the European Union and China. The restrictions imposed by US kept the trade under pressure. The trade growth was affected in the first half but later it gradually started easing out.

India is one of the fastest growing economies in the world and expanded at 7.1% as against 6.7% last year. It is the 7th largest economy in real terms backed by strong demand, rising disposable income and positive consumption pattern.

TEXTILE INDUSTRY SCENARIO

The Company is engaged in synthetic yarn segment of the textile industry producing polyester and nylon filament yarn. Textile is the most important segment after agriculture in the country. It is the largest employer of people due to its labour-intensive nature and it contributes 4% to the nation's GDP.

The Company manufactures polyester and nylon filament yarn catering to the apparel industry including suitings, shirtings, sarees, dress material, socks, etc. It also makes yarn for technical textiles, tapestry, upholstery, etc.

The first half of the last year was partially affected by restrictions on international trade by the US on countries like China, Turkey and Iran. This had its effect on India's trade also. However, the second half improved gradually as the restrictions tapered out. The fluctuating crude prices and decline in various industries like automobiles, real estate, etc, have their impression on the year's performance.

This is soon expected to improve as the government is also considering and assuring announcements of measures to boost both, export and domestic trade.

The prices continuously fluctuated during the year as per the crude oil price cycle and removal of anti-dumping duty on NFY affected nylon prices considerably.

COMPANY REVIEW

The Company's higher power cost in its Unit III is an area of concern. The poor market demand is likely to improve more, as seen in the last quarter of the year. The markets are stabilizing soon. The Company has been able to improve exports in these trying times. Many of its new yarns have received good response from the markets. It is also developing fabrics that are expected to pick up with the season.

COMPANY OUTLOOK

The Company has made many new yarn developments that are likely to generate appreciable demand in the current year. The yarn developments are also capturing the market fancy well.

SEGMENT-WISE PERFORMANCE

(Rs./Lakhs)

| Sr. | Particulars | Year Ended | |
|-----|--|------------|-----------|
| | | 31-Mar-19 | 31-Mar-18 |
| 1 | Segment Revenue | | |
| | (a) Domestic | 5,131 | 6,998 |
| | (b) International | 4,487 | 4,396 |
| | Total (Net Sales/Income from Operations) | 9,618 | 11,394 |
| 2 | Segment Results | | |
| | (a) Domestic | 184 | 106 |
| | (b) International | 131 | 218 |
| | Total | 315 | 324 |
| | Less : Finance cost | 210 | 222 |
| | Total Profit before Tax | 105 | 102 |



RISK MANAGEMENT

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE AND INDUSTRIAL RELATIONS

As on March 31, 2019 the Company had 70 permanent employees at its manufacturing plants and administrative office. The Company recognises the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. The Industrial Relations in the Company are satisfactory and cordial.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights

(Rs./Lakhs)

| | 2018-19 | 2017-18 |
|---|----------------|----------------|
| Revenue from operations | 9617.78 | 11394.48 |
| Profit before Finance Cost, Depreciation, Exceptional items and Tax | 372.47 | 377.96 |
| Finance Cost | 210.10 | 221.66 |
| Depreciation | 56.32 | 54.17 |
| Deferred Tax | (118.08) | (40.37) |
| Profit After Tax | (12.03) | 61.76 |
| Earnings per share | (0.11) | 0.54 |

Significant Changes in Key Financial Ratios:

During the year, there was significant change in the following key financial ratio as compared to the previous year:

| Ratio | 2018-19 | 2017-18 | % change | Reason for change |
|-------------------------------|----------------|----------------|-----------------|--------------------------|
| Operating Profit Margin Ratio | 0.93 | 0.67 | 37 % | better realisations |

Forward Looking Statements

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



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

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

1. Board of Directors

Composition:

The Board of Directors consists of seven members as on the date of this report, comprising four non-executive Independent Directors, one non-executive director and two executive Directors.

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

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2019, are given below:-

| Name of Director | Category of Director | No. of Shares held in the company | Other Directorship | No. of Membership/ Chairmanship of Committees of other companies |
|---|---|-----------------------------------|--------------------|--|
| Mr R K Mishra* | Chairman and Managing Director (Executive and Promoter) | 761225 | 1 | - |
| Mr S K Mishra* | Executive and Promoter | 1390 | 1 | - |
| Mr Harshvardhan Mishra* (appointed w.e.f. 11/02/19) | Non-Executive and Promoter | 4211 | 1 | - |
| Mr P R Kapadia | Independent | 2250 | - | - |
| Mr MA Sharma | Independent | 200 | - | - |
| Mr G R Toshniwal | Independent | - | - | - |
| Mrs Meeta Shingala | Independent | - | - | - |

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

Number of Board Meetings and Attendance Record of Directors:

The dates of the meeting and attendance are as follows:

| Date of Meeting | No. of Directors present |
|-----------------|--------------------------|
| 30.05.2018 | 5 |
| 04.08.2018 | 5 |
| 14.11.2018 | 4 |
| 11.02.2019 | 6 |



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

| Sr. No. | Name of Director | Board Meetings attended | Whether attended last AGM |
|---------|--|-------------------------|---------------------------|
| 1 | Mr R K Mishra | 4 | Yes |
| 2 | Mr S K Mishra | 4 | Yes |
| 3 | Mr. Harshvardhan Mishra (appointed w.e.f. 11/02/19) | 1 | Yes |
| 4 | Mr P R Kapadia | 4 | No |
| 5 | Mr MASHarma | 2 | No |
| 6 | Mr G R Toshniwal | 2 | No |
| 7 | Mrs Meeta Shingala | 3 | No |

Meeting of Independent Directors and Attendance Record:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 11th February, 2019 to review the performance of Non-independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The appointment letters of Independent Director and familiarization program for Independent Directors has been placed on the Company's website at www.supertex.in.

2. Audit Committee

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

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

Composition of the Committee:

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

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|----------------------|--------------------------|
| Mr P R Kapadia (Chairman) Non-Executive and Independent Director | 4 | 4 |
| Mr G R Toshniwal Non-Executive and Independent Director | 4 | 2 |
| Mr MASHarma Non-Executive and Independent Director | 4 | 2 |
| Mrs Meeta Shingala Non-Executive and Independent Director | 4 | 3 |

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

Besides, the committee members, the Managing Director and the Director and CFO, have also been attending the meetings



but have no right to vote. The representatives of the statutory auditors and internal auditors have also been attending the audit committee meetings as and when required.

3. Nomination and Remuneration Committee

Composition of the Committee:

The Committee consists of four Independent Directors. Mr G R Toshniwal is the Chairman of the Committee. The Secretary of the Company is to act as the Compliance Officer.

The attendance of each Committee Member is as under:

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|-----------------------------|---------------------------------|
| Mr G R Toshniwal (Chairman) Non-Executive and Independent Director | 2 | 2 |
| Mr P R Kapadia Non-Executive and Independent Director | 2 | 2 |
| Mr M A Sharma Non-Executive and Independent Director | 2 | 1 |
| Mrs Meeta Shingala Non-Executive and Independent Director | 2 | 1 |

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

Remuneration Policy:

Remuneration to Non-Executive Independent Directors:

The Non-Executive Independent Directors are paid remuneration by way of Sitting Fees. The Non-Executive Independent Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Independent Directors during the Financial Year 2018-19 was Rs.0.74 lakhs. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Remuneration to Executive Directors:

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

Details of the remuneration of directors for 2018-19 are as follows:

(Amount in `)

| Sr. No. | Name of Director | Salary | Perquisites | Contribution to PF | Sitting Fees | Total | Service Contract |
|----------------|-------------------------|------------------|--------------------|---------------------------|---------------------|------------------|-------------------------|
| 1 | Mr R K Mishra | 16,88,690 | 1,42,699 | 1,66,643 | NIL | 19,98,032 | 5 years |
| 2 | Mr S K Mishra | 13,20,000 | 1,94,995 | 1,29,600 | NIL | 16,44,595 | 5 years |
| 3 | Mr G R Toshniwal | - | - | - | 18,000 | 18,000 | Independent |
| 4 | Mr M A Sharma | - | - | - | 12,000 | 12,000 | Independent |
| 5 | Mr P R Kapadia | - | - | - | 26,000 | 26,000 | Independent |
| 6 | Mrs Meeta Shingala | - | - | - | 18,000 | 18,000 | Independent |
| | TOTAL | 30,08,690 | 3,37,694 | 2,96,243 | 74,000 | 37,16,627 | |



4. Stakeholders Relationship Committee

Composition of the Committee:

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

The attendance of each Committee Member is as under:

| Name of Committee Member | No. of Meetings held | No. of Meetings attended |
|---|-----------------------------|---------------------------------|
| Mr MA Sharma (Chairman) Non-Executive and Independent Director | 2 | 1 |
| Mr GR Toshniwal Non-Executive and Independent Director | 2 | 2 |
| Mr PR Kapadia Non-Executive and Independent Director | 2 | 2 |
| Mrs Meeta Shingala Non-Executive and Independent Director | 2 | 1 |

The primary function of the Committee is to address investors' and stakeholders' complaints pertaining to transfers/transmission of shares and to look into various aspects of interest of security holders of the Company. The company received six complaints during the year, which were redressed in time.

5. General body Meetings

Details of last three Annual General Meetings are as under:

| Year | Date | Whether Special Resolution passed | Time | Location |
|-------------|-------------|--|-------------|---|
| 2015-16 | 23.09.2016 | No | 10.30 AM | Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 396 230 (D&NH) |
| 2016-17 | 29.09.2017 | Yes | | |
| 2017-18 | 29.09.2018 | Yes | | |

For the year ended March 31, 2019 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

6. Disclosures

Related Party Transaction:

There are no materially significant related party transactions with promoters, directors or management that may have potential conflict with the interest of the Company at large. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Related Party Transaction policy as approved by the Board is available on the website of the Company at www.supertex.in. In terms of IND-AS 24, details of related party transactions during the year have been set out under Note No. 29 to the Balance Sheet and the Statement of Profit and Loss Account.

Whistle blower policy:

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

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

Code of Conduct:

The Company has in place Code of Conduct for its Directors and Senior Management Personnel of the Company. The same has been disclosed on the website of the Company www.supertex.in. All members of the Board of Directors affirm on annual basis the compliance with the code of conduct.



Reconciliation of Share Capital Audit:

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

Certificate of non-disqualification of directors:

A certificate has been received from M/s Vikas R. Chomal and Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

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.

Recommendation of Committees:

All recommendations/ submissions made by various Committees of the Board during the financial year 2018-19 were accepted by the Board of the Company during the year under review.

Disclosure in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder:

The Company has constituted Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also has a policy and framework for employees to report sexual harassment cases at workplace. During the financial year 2018-19, no complaint has been received by the Company with allegations of sexual harassment.

Insider Trading Regulations:

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31st December, 2018 the Company has amended the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and Code of Conduct for Trading by Insiders for regulating, monitoring and reporting trading by employees and other connected persons. This Code of Conduct is applicable to all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) is available on the website of the Company www.supertex.in.

Accounting treatment in preparation of Financial Statements:

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

Details of utilisation of funds:

The Company has not raised any funds through preferential allotment or qualified institutions placement.

Payment made to the Statutory Auditors:

During the financial year ended March 31, 2019, the total fees paid by the Company to M/s. S M Gupta & Co., Chartered Accountants, the Statutory Auditors, on a consolidated basis towards the services availed by the Company aggregates to Rs. 1.97 Lakhs.

7. Means of Communication

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

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

8. General shareholders information

Annual General Meeting:

| | | |
|--------------|---|--|
| Day and Date | : | Monday, the 30th September, 2019 |
| Time | : | 10.30 a.m. |
| Venue | : | Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 396 230 (D&NH) |


Financial Calendar:

Financial reporting for the quarter ending 30th June, 2019 : On or before 14th August, 2019
 Financial reporting for the quarter ending 30th September, 2019 : On or before 14th November, 2019
 Financial reporting for the quarter ending 31st December, 2019 : On or before 14th February, 2020
 Financial reporting for the quarter ending 31st March, 2020 : On or before 30th May, 2020

Date of book closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 23rd September, 2019 to Monday, the 30th September, 2019 (both days inclusive) in connection with the 33rd Annual General Meeting of the Company.

Listing:

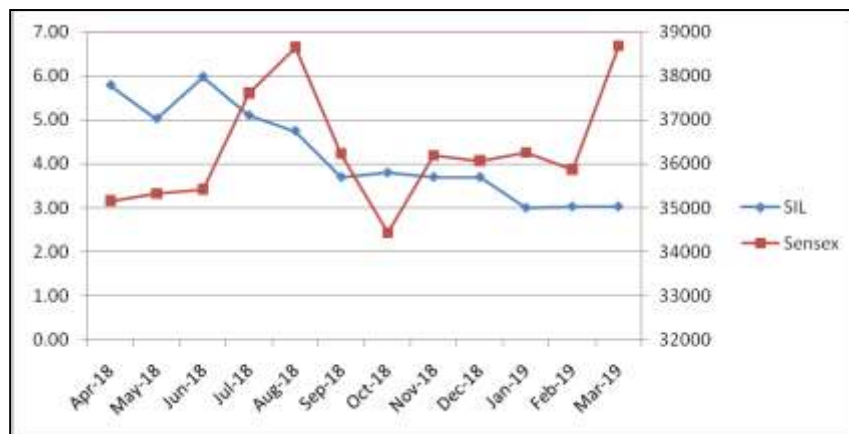
The Company's shares are listed at The Bombay Stock Exchange, Mumbai. Annual Listing fees for Financial Year 2018-19 has been paid to BSE.

Stock code:

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

Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2018-19:

| Month | High Price (`) | Low Price (`) |
|----------------|------------------|-----------------|
| April 2018 | 6.97 | 5.30 |
| May 2018 | 5.51 | 4.19 |
| June 2018 | 6.00 | 4.52 |
| July 2018 | 5.69 | 4.90 |
| August 2018 | 5.35 | 4.39 |
| September 2018 | 4.75 | 3.70 |
| October 2018 | 4.05 | 3.69 |
| November 2018 | 3.80 | 3.61 |
| December 2018 | 3.70 | 3.21 |
| January 2019 | 3.52 | 3.00 |
| February 2019 | 3.03 | 2.70 |
| March 2019 | 3.20 | 2.65 |

Stock Performance in BSE Sensex:


Note: Based on monthly closing price on BSE (April 2018 to March 2019)


Share Transfers Agents:

M/s. Sharex Dynamic (India) Private Limited, C 101, 247 Park, LBS Marg, Vikhroli – West, Mumbai – 400083.

Share transfer system:

All the applications for transfer / transmission / consolidation etc., are received, verified and passed by M/s. Sharex Dynamic (India) Pvt. Ltd., Share Transfer Agents of the Company. Share transfers approved by the delegated authorities are placed before Stakeholders Relationship Committee/Board for its review.

In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

Distribution Schedule of shareholding as the close of the year 2018-19 :

| Equity Shares | Number of Holders | (%) of Holders | Total No. of Shares | % of Total |
|------------------|-------------------|----------------|---------------------|---------------|
| Upto 5000 | 11795 | 98.11 | 2801459 | 24.70 |
| 5001 To 10000 | 113 | 0.94 | 835788 | 7.37 |
| 10001 To 20000 | 52 | 0.43 | 774163 | 6.83 |
| 20001 To 30000 | 19 | 0.16 | 468985 | 4.14 |
| 30001 To 40000 | 6 | 0.05 | 227524 | 2.01 |
| 40001 To 50000 | 7 | 0.05 | 315740 | 2.78 |
| 50001 To 100000 | 15 | 0.13 | 1016752 | 8.97 |
| 100001 And Above | 15 | 0.13 | 4900909 | 43.20 |
| Total | 12022 | 100.00 | 11341320 | 100.00 |

Shareholding pattern as on 31st March, 2019:

| | Category | No. of Shares Held | % of Share-Holding |
|-----------|---|--------------------|--------------------|
| A. | Promoter(s) Holding | | |
| 1 | Promoter(s) | | |
| | - Indian Promoters | 16,30,217 | 14.374 |
| | - Foreign Promoters | - | - |
| | Sub-Total | 16,30,217 | 14.374 |
| B. | Non-Promoters Holding | | |
| 2 | Institutional Investors | | |
| a | Mutual Funds & UTI | 280 | 0.002 |
| b | Banks, FIs, Insurance Company | 3,593 | 0.032 |
| | (Central / State Govt. Inst. / Non-govt. Inst.) | | |
| c | FII(s) | 20 | - |
| | Sub-Total | 3,893 | 0.034 |
| 3. | Others | | |
| a | Private Corporate Bodies | 6,76,663 | 5.966 |
| b | Indian Public | 89,21,800 | 78.666 |
| c | NRI / OCBs | 52,763 | 0.465 |
| d | Any-Other (Foreign Companies) | - | - |
| e | Clearing Members | 55,984 | 0.495 |
| | Sub-Total | 97,07,210 | 85.592 |
| | Grand-Total | 1,13,41,320 | 100.000 |

Dematerialisation position of Company's Equity shares:

As on March 31, 2019, 98.80 % of shares were held in dematerialized form and the rest in physical form.



Outstanding GDRs/ADRs/Warrants or any convertible instruments:

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

Commodity price risk or foreign exchange risk and hedging activities:

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

Credit Rating:

During the year under review, the Rating agency, CARE assigned the "BB-; Stable" rating for the Company's long term and short term borrowings.

Plant locations:

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

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

Investor Correspondence:

M/s. Sharex Dynamic (India) Pvt. Ltd., Registrar and Transfer Agent

C 101, 247 Park, LBS Marg, Vikhroli – West, Mumbai - 400083

Tel No.: +91-22-28515606/ 28515644

Fax: +91-22-28512885, Email: support@sharexindia.com

**CEO/CFO CERTIFICATION**

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

- a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For Supertex Industries Limited

R K Mishra
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2019

For Supertex Industries Limited

S K Mishra
Director and CFO

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, 2019.

For and on behalf of the Board

R K Mishra
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2019



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To The Members of
Supertex Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Supertex Industries Limited, for the year ended March 31, 2019 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.M. Gupta & Co.
Firm Regn.No. 310015E
Chartered Accountants**

**Neena Ramgarhia
Partner
Membership No. 67157**

Place : Mumbai
Date : 30th May 2019



INDEPENDENT AUDITORS' REPORT

**To the Members of
Supertex Industries Limited**

Report on the Audit of the standalone financial statements

Opinion

We have audited the standalone financial statements of Supertex Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('IndAS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|--|
| 1 | <p><u>Capitalisation of Property, plant and equipment</u></p> <p>As part of expansion at Dharampur plant, the Company has incurred Capital expenditure by addition of various machines including Sizing, Warping and Boiler, etc. The project had partially completed and balance is under progress as at 31st March, 2019. Accordingly, level of judgement was involved to ensure that capitalisation of property, plant and equipment meet the recognition criteria of IND AS-16. This is specifically in relation to determination of costs upto the date of commissioning of the respective machines. As a result the aforesaid matter was determined to be a key audit matter.</p> | <p><u>Principal Audit Procedures</u></p> <p>Our audit procedures included and were not limited to the following:</p> <ol style="list-style-type: none"> Assessing the nature of the cost incurred as to whether it pertains to the property, plant and equipment added. Whether such costs are incurred specifically for trial run/commissioning and meet the recognition criteria as set out in Para 16 to 22 of INDAS-16. |
| 2 | <p><u>Valuation of Inventories</u></p> <p>The Inventory of the Company comprises raw materials, work-in-process, finished goods and goods in transit. These are mostly stored in the</p> | <p><u>Principal Audit Procedure</u></p> <p>Assessed the appropriateness of the Company's Inventory valuation accounting policy by comparing with applicable accounting standards.</p> |



| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|--------------------|
| | <p>factory premises of the Company. These inventories are physically counted at each month-end and the valuation done monthly. The Company manufactures synthetic filament yarns including polyester and nylon on paper tubes as well as beams. The Company caters to the domestic as well as the international markets against specific orders.</p> <p>In compliance with the accepted accounting policies the valuation of the inventories is done as mentioned in Note No. 1 (f) Significant accounting policies.</p> | |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report including Annexures to Board's Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with IndAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2019 from being appointed as a



director in terms of section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) In our opinion, the managerial remuneration for the year ended 31st March, 2019 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 31(I) to the financial statements;
 - ii. The company has not entered into any long term contract including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S M Gupta & Co.

Chartered Accountants

(Firm's Registration No.310015E)

Neena Ramgarhia

Partner

(Membership No.67157)

Place : Mumbai

Date : 30th May, 2019



ANNEXURE A TO INDEPENDENT AUDITOR'S REPORTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Supertex Industries Limited of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management as per the program of verification covering all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- iii. According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanation given to us the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments guarantees and security.
- v. The Company has not obtained deposits from public as defined according to the provisions of Section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder
- vi. We have broadly reviewed the books of accounts maintained by the company in pursuance to the rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, for certain products of the company and are of the opinion that prima facie prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c. Details of dues of Income Tax, which have not been deposited as at March 31, 2019 on account of dispute are given below:

| Name of the Statute | Nature of Dues | Amount (' lakhs) | Period to which the amount relates (F.Y.) | Forum where the dispute is pending |
|---------------------|----------------|------------------|---|--|
| Income Tax Act 1961 | Income Tax | 48.44 | 2012-13 | Commissioner of Income Tax (Appeals), Mumbai |
| Income Tax Act 1961 | Income Tax | 137.82 | 2013-14 | Commissioner of Income Tax (Appeals), Mumbai |

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank.
- ix. In our opinion and according to the information and explanations provided by the management, the Company has taken and utilised the moneys raised by way of term loan for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.



- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S M Gupta & Co.

Chartered Accountants

(Firm's Registration No.310015E)

Neena Ramgarhia

Partner

(Membership No.67157)

Place: Mumbai

Date: 30th May, 2019

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

We have audited the internal financial controls over financial reporting of Supertex Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S M. Gupta & Co.

Chartered Accountants

(Firm's Registration No.310015E)

Neena Ramgarhia

Partner

(Membership No.67157)

Place : Mumbai

Date : 30th May, 2019



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BALANCE SHEET AS AT 31ST MARCH, 2019

(` in Lakhs)

| | Note | As At 31st March, 2019 | As At 31st March, 2018 |
|--------------------------------------|------|---------------------------|---------------------------|
| I ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 2 | 1,082.39 | 931.70 |
| (b) Other Intangible Assets | 3 | 2.13 | 2.13 |
| (c) Financial Assets | | | |
| (i) Investments | 4 | - | 14.13 |
| (ii) Loans | 5 | 86.99 | 100.95 |
| (d) Deferred Tax Assets (net) | 6 | 264.95 | 383.03 |
| Total Non Current Assets | | <u>1,436.46</u> | <u>1,431.94</u> |
| 2 Current Assets | | | |
| (a) Inventories | 7 | 734.42 | 903.83 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 8 | 3,642.15 | 4,250.06 |
| (ii) Cash and Cash Equivalents | 9 | 59.41 | 40.99 |
| (iii) Loans | 5 | 638.18 | 718.59 |
| (c) Other Current Assets | 10 | 252.87 | 215.01 |
| Total Current Assets | | <u>5,327.03</u> | <u>6,128.48</u> |
| Total Assets | | <u>6,763.49</u> | <u>7,560.42</u> |
| II EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Share Capital | 11 | 1,134.13 | 1,134.13 |
| (b) Other Equity | 12 | 1,691.07 | 1,704.47 |
| Total Equity | | <u>2,825.20</u> | <u>2,838.60</u> |
| LIABILITIES | | | |
| 1 Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 594.87 | 47.28 |
| (b) Provisions | 14 | 48.00 | 40.83 |
| Total Non Current Liabilities | | <u>642.87</u> | <u>88.11</u> |
| 2 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 1,402.87 | 1,647.87 |
| (ii) Trade Payables | 15 | 1,633.61 | 2,646.12 |
| (b) Other Current Liabilities | 16 | 228.73 | 300.61 |
| (c) Provisions | 14 | 30.21 | 39.11 |
| Total Current Liabilities | | <u>3,295.42</u> | <u>4,633.71</u> |
| Total Liabilities | | <u>3,938.29</u> | <u>4,721.82</u> |
| Total Equity and Liabilities | | <u>6,763.49</u> | <u>7,560.42</u> |

The accompanying Notes 1 to 35 are an integral part of the Financial Statements

As per our attached report of even date

For S M Gupta & Co.

Chartered Accountants

Neena Ramgarhia

Partner

Mumbai : 30th May, 2019

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director

S K Mishra - Director & CFO

Vaishali Naik - Company Secretary

Mumbai : 30th May, 2019



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | Note | Current Year Ended 31st March, 2019 | Previous Year Ended 31st March, 2018 |
|--|------|--|---|
| I Revenue from Operations | 17 | 9,617.78 | 11,394.48 |
| II Other Income | 18 | 16.77 | 24.84 |
| III Total Income | | 9,634.55 | 11,419.32 |
| IV EXPENSES | | | |
| Cost of Materials Consumed | 19 | 6,920.77 | 6,672.90 |
| Purchase of Stock-in-Trade | 20 | 1,237.18 | 3,672.35 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 21 | 190.75 | (278.34) |
| Employee Benefits Expense | 22 | 229.34 | 267.44 |
| Finance Costs | 23 | 210.10 | 221.66 |
| Depreciation and Amortisation Expense | 2 | 56.32 | 54.17 |
| Other Expenses | 24 | 684.04 | 707.01 |
| Total Expenses | | 9,528.50 | 11,317.19 |
| V Profit before Exceptional items and Tax | | 106.05 | 102.13 |
| Exceptional Items | | - | - |
| Profit Before Tax | | 106.05 | 102.13 |
| VI Tax Expense | | | |
| Current Tax | | - | - |
| Deferred Tax | 6 | (118.08) | (40.37) |
| VII Profit After Tax | | (12.03) | 61.76 |
| VIII Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to Profit and Loss | | | |
| (a) Remeasurement of the Defined Benefit Plans | | (1.39) | (1.35) |
| (ii) Items that will be reclassified to Profit and Loss | | - | - |
| Total Other Comprehensive Income | | (1.39) | (1.35) |
| IX Total Comprehensive Income | | (13.41) | 60.41 |
| X Earnings per equity share of face value Rs 10 each (Rupees) | | | |
| Basic & Diluted | 28 | (0.11) | 0.54 |

The accompanying Notes 1 to 35 are an integral part of the Financial Statements

As per our attached report of even date

For S M Gupta & Co.

Chartered Accountants

Neena Ramgarhia

Partner

Mumbai : 30th May, 2019

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director

S K Mishra - Director & CFO

Vaishali Naik - Company Secretary

Mumbai : 30th May, 2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | Note | Current Year Ended 31st March, 2019 | Previous Year Ended 31st March, 2018 |
|--|------|--|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit Before Tax | | 106.05 | 102.13 |
| Adjusted for : | | | |
| Income tax of earlier year | | - | - |
| Fair valuation items OCI other adjustments | | (1.39) | (1.35) |
| Fair value of Investments | | - | (0.80) |
| Depreciation and Amortisation Expense | | 56.32 | 54.17 |
| Finance Costs | | 210.10 | 221.66 |
| | | 265.04 | 273.69 |
| Operating Profit Before Working Capital Changes | | 371.09 | 375.82 |
| Adjusted for : | | | |
| Trade and Other Receivables | | 650.46 | (376.21) |
| Inventories | | 169.41 | (299.34) |
| Trade and Other Payables | | (1,093.29) | 250.92 |
| | | (273.41) | (424.63) |
| Cash Generated from Operations | | 97.68 | (48.81) |
| Less : Taxes Paid | | - | - |
| Net Cash from Operating Activities | | 97.68 | (48.81) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment | | (166.71) | (10.27) |
| Capital Work-in-Progress | | (40.32) | - |
| Sale of Investments | | 14.13 | - |
| Net Cash used in Investing Activities | | (192.90) | (10.27) |
| | | (95.22) | (59.08) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Borrowings | | 554.76 | 17.52 |
| Loans | | 13.96 | 3.48 |
| Short Term Borrowings (net) | | (245.00) | 187.59 |
| Finance Cost | | (210.10) | (221.66) |
| Net Cash generated in Financing Activities | | 113.63 | (13.07) |
| Net Increase in Cash and Cash Equivalents | | 18.42 | (72.16) |
| Opening Balance of Cash and Cash Equivalents | | 40.99 | 113.15 |
| Closing Balance of Cash and Cash Equivalents | | 59.41 | 40.99 |
| | | 18.42 | (72.16) |

The accompanying Notes 1 to 35 are an integral part of the Financial Statements

As per our attached report of even date

For S M Gupta & Co.

Chartered Accountants

Neena Ramgarhia

Partner

Mumbai : 30th May, 2019

For and on behalf of the Board,

R K Mishra - Chairman & Managing Director

S K Mishra - Director & CFO

Vaishali Naik - Company Secretary

Mumbai : 30th May, 2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

(` in Lakhs)

| | No. of Shares | Amount |
|---|----------------------|----------------|
| A. Equity Share Capital | | |
| Balance as at 1st April, 2018 | 1,13,41,320 | 1134.13 |
| Changes in equity share capital during the year | NIL | NIL |
| Balance as at 31st March, 2019 | 1,13,41,320 | 1134.13 |

(` in Lakhs)

B. Other Equity

| | Reserves and Surplus | | | |
|--|-----------------------------------|------------------------|--------------------------|-----------------|
| | Securities Premium Reserve | Capital Reserve | Retained Earnings | Total |
| As At 1st April, 2018 | 348.66 | 1,452.85 | (97.03) | 1,704.47 |
| Profit for the Year | - | - | (12.03) | (12.03) |
| Other Comprehensive Income | - | - | (1.39) | (1.39) |
| Total Comprehensive Income for the Year | 348.66 | 1,452.85 | (110.44) | 1,691.08 |
| As At March 31, 2019 | 348.66 | 1,452.85 | (110.44) | 1,691.08 |

The accompanying Notes 1 to 35 are an integral part of the Financial Statements

As per our attached report of even date

For S M Gupta & Co.
Chartered Accountants
Neena Ramgarhia
Partner

Mumbai : 30th May, 2019

For and on behalf of the Board,
R K Mishra - Chairman & Managing Director
S K Mishra - Director & CFO
Vaishali Naik - Company Secretary

Mumbai : 30th May, 2019



Note No 1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. (a) Corporate Information: Supertex Industries Limited was formed in 1986 is a Company limited by shares incorporated and domiciled in India. It is engaged in the manufacture of draw warped and sized yarn beams of polyester and nylon. It also manufactures textured and twisted yarns of polyester and nylon. The Company also exports these yarns and trades in textile fabrics.

1. (b) Significant Accounting Policies:

(a) Basis of Preparation of Financial Statements:

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 1. Financial instruments measured at fair value through profit and loss
 2. Defined benefit plans – plan asset value through other comprehensive income

(b) Classification of Assets and Liabilities as Current and Non-Current: All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current/non-current classification of assets and liabilities.

(c) Basis of measurement: The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

(i) Measurement of Fair Values: The Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgments in selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.

(ii) Use of estimates and judgments: The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment and fair value of financial assets/liabilities.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



- (iii) **Useful lives of property, plant and equipment:** The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

(d) Revenue Recognition:

- (i) **Sales revenue** is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as Revenue are net of GST, trade discounts and rebates.

- (ii) **Interest income** is recognized using effective interest rate method and on time proportion basis taking into account the amount outstanding and the interest rate applicable.

- (e) **Borrowing Costs:** Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the asset is ready for their intended use. All other borrowing costs are recognised in the Profit and Loss in the year in which they are incurred.

- (f) **Inventories:** Raw material is valued at weighted average cost, stock in process at manufacturing cost based on weighted average cost of raw material and overhead upto relevant stage of completion, stores and spares at cost and finished goods at lower of cost of production and net realisable value. Purchased finished goods are valued at cost and by-products and waste are valued at net realisable value. Obsolete, defective, slow moving and unserviceable inventories, if any, are duly provided for.

- (g) **Property, Plant and Equipment:** Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(i) The estimated useful lives are as follows:

| Asset Category | No. of Years |
|--------------------------------|--------------|
| Buildings | 30-60 |
| Plant and equipment | 5-25 |
| Plant and equipment– Computers | 3-5 |
| Furniture and fixtures | 10 |
| Office Equipment | 3-5 |
| Vehicles | 8-10 |

- (ii) **De-recognition:** An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

- (h) **Intangible assets:** Identifiable intangible assets are recognized when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortization and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of Intangible assets as follows:

- i) Softwares: are amortized over the period of license, generally not exceeding five years.

- (i) **Financial instruments:** A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(j) Investment and other financial assets:

- a) **Initial recognition and measurement:** All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

- b) **Subsequent measurement:** For purposes of subsequent measurement, financial assets are classified in three categories:



SUPERTEX INDUSTRIES LIMITED

- i. Financial assets measured at amortised cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)
- i. A financial asset that meets the following two conditions is measured at amortized cost:-
 - Business Model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- ii. A financial asset that meets the following two conditions is measured at fair value through OCI:-
 - Business Model test: The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
 - Cash flow characteristics test: The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- iii. All other financial assets are measured at fair value through profit and loss.

- c) **Equity Instruments:** All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

- d) **Derecognition:** A financial asset is primarily derecognised (i.e. removed from the Company's balance sheet) when:
 - a) The contractual rights to receive cash flows from the asset have expired, or
 - b) The Company has transferred substantially all the risks and rewards of the asset, or
 - c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

- e) **Impairment of financial assets:** In accordance with Ind AS 109, the Company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-
 - 12 months expected credit losses, or
 - Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) **Financial liabilities:**

- a) **Initial recognition and measurement:** All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
- b) **Subsequent measurement:** All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
- c) **Financial liabilities at fair value through profit or loss:** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.
- d) **Derecognition:** A financial liability is derecognised when the obligation under the liability is discharged or



cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

e) Derivative financial instruments:

Initial recognition and subsequent measurement: The Company uses derivative financial instruments, such as forward currency contracts and options to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(k) Leases:

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

(l) Income tax:

a) Current Income Tax: Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Tax: Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(m) Foreign currency transactions: Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in the consolidated income statement in the period in which they arise.

When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

(n) Cash and cash equivalents: Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and Fixed deposits. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and fixed deposits, as defined above.

(o) Earnings per Share: A 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.



(p) **Employees benefits:**

(i) **Defined benefit plans:** The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

(ii) **Short-term and other long-term employee benefits:** A liability is recognised for benefits accruing to employees in respect of wages and salaries, and casual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

(iii) **Defined contribution plans:** The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

(q) **Impairment of Assets:**

(i) **Impairment of financial assets:** The Company applies the Expected Credit Loss (ECL) model for recognizing Impairment Loss on financial Assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

(ii) **Impairment of non-financial assets:** The carrying amounts of the Company's PPE and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

In respect of other asset, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(r) **Provisions, contingent liabilities and contingent assets:**

(i) **Provision:** is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value.

(ii) **Contingent Liabilities:** are not recognized but are disclosed in the financial statements. Claims against the Company where the possibility of materialization is remote are not considered as contingent liabilities.

(iii) **Contingent Assets:** are neither recognized nor disclosed in the financial statements.

(s) **Segment Reporting:** The Company deals in only one product i.e. "Textiles". The Company has identified and reported two reportable operating segments, "Domestic" and "International" in accordance with the requirements of Ind-AS 108.

Operating Segment: Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is

**SUPERTEX INDUSTRIES LIMITED**

evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products/services.

- i) Segment revenue includes sales and other income directly identifiable with the segment including intersegment revenue.
- ii) Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- iii) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- iv) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
- v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

(t) Recent Accounting pronouncements:

- i) **Ind AS 115 Revenue from Contracts with Customers:** On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- **Retrospective approach:** Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors
- **Retrospectively with cumulative effect:** of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company has adopted the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 have not been retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

- (ii) **Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment came into force from April 1, 2018. The Company expects the impact of this on the financial statements to be insignificant.

- (iii) **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses:** The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are expected to have insignificant impact on the Company.

- (iv) **Transfers of Investment Property — Amendments to Ind AS 40:** The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.



The amendments are effective for annual periods beginning on or after 1 April 2018. The Company has applied the amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.



2 Property, Plant and Equipment

in Lakhs

| Sr. No. | Description | Land Freehold | Land Leasehold | Buildings | Plant and Machinery | Furniture & Fixtures | Office Equipment | Vehicles | Total | Capital Work-In-Progress | Total |
|---------|---|---------------|----------------|-----------|---------------------|----------------------|------------------|----------|----------|--------------------------|----------|
| (i) | Cost | | | | | | | | | | |
| | Balance as at 1st April, 2018 | 28.57 | 3.50 | 305.60 | 2,257.93 | 25.28 | 37.96 | 44.57 | 2,703.41 | | |
| | Additions during the Year | - | - | - | 165.46 | - | 1.25 | - | 166.71 | | |
| | Balance as at 31st March, 2019 | 28.57 | 3.50 | 305.60 | 2,423.39 | 25.28 | 39.21 | 44.57 | 2,870.12 | | |
| (ii) | Balance as at 1st April, 2017 | 28.57 | 3.50 | 305.60 | 2,248.94 | 25.17 | 36.79 | 44.57 | 2,693.14 | | |
| | Additions during the Year | - | - | - | 8.99 | 0.11 | 1.17 | - | 10.27 | | |
| | Balance as at 31st March, 2018 | 28.57 | 3.50 | 305.60 | 2,257.93 | 25.28 | 37.96 | 44.57 | 2,703.41 | | |
| | Accumulated Depreciation | | | | | | | | | | |
| | Balance at 1st April, 2018 | - | - | 246.19 | 1,486.96 | 23.90 | 34.10 | 24.94 | 1,816.09 | | |
| | Depreciation/Amortisation exp. for the Year | - | - | 9.03 | 41.38 | - | 1.52 | 4.39 | 56.32 | | |
| | Balance as at 31st March, 2019 | - | - | 255.22 | 1,528.34 | 23.90 | 35.62 | 29.33 | 1,872.41 | | |
| | Balance as at 1st April, 2017 | - | - | 235.70 | 1,448.08 | 23.90 | 33.13 | 21.11 | 1,761.92 | | |
| | Depreciation/Amortisation exp. for the Year | - | - | 10.49 | 38.88 | - | 0.97 | 3.83 | 54.17 | | |
| | Balance as at 31st March, 2018 | - | - | 246.19 | 1,486.96 | 23.90 | 34.10 | 24.94 | 1,816.09 | | |
| | Net Carrying Amount (I - II) | | | | | | | | | | |
| | Balance as at 31st March, 2019 | 28.57 | 3.50 | 69.91 | 864.28 | 1.93 | 5.76 | 23.74 | 997.69 | 84.70 | 1,082.39 |
| | Balance as at 31st March, 2018 | 28.57 | 3.50 | 59.41 | 770.97 | 1.38 | 3.86 | 19.63 | 887.32 | 44.38 | 931.70 |



Notes:

- i) Buildings include cost of 30 shares of Rs.50/- each in Balkrishna Krupa Co-operative Hsg. Soc.Ltd
- ii) In respect of Fixed Assets acquired on finance lease on or after 1st April, 2001, the minimum lease rentals outstanding as on 31st March, 2019 are as follows :

(` in Lakhs)

| | Total Minimum Lease Payments Outstanding | | Future Interest on Outstanding Lease Payments | |
|---|--|------------------|---|------------------|
| | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 |
| Within one year | - | 4.64 | - | 0.35 |
| Later than one year and not later than five years | - | 1.22 | - | 0.04 |
| Later than five years | - | - | - | - |
| Total | - | 5.86 | - | 0.39 |

3 Other Intangible Assets

(` in Lakhs)

| Sr | Particulars | Software Licences | Total |
|------|--|-------------------|-------------|
| (I) | Cost | | |
| | Balance as at 1st April, 2018 | 2.13 | 2.13 |
| | Additions during the Year | - | - |
| | Deductions/Adjustments during the Year | - | - |
| | Balance as at 31st March, 2019 | 2.13 | 2.13 |
| | Balance as at 1st April, 2017 | 2.13 | 2.13 |
| | Additions during the Year | - | - |
| | Balance as at 31st March, 2018 | 2.13 | 2.13 |
| (II) | Accumulated Depreciation | | |
| | Balance as at 1st April, 2018 | - | - |
| | Depreciation expense for the Year | - | - |
| | Balance as at 31st March, 2019 | - | - |
| | Balance as at 1st April, 2017 | - | - |
| | Additions during the Year | - | - |
| | Balance as at 31st March, 2018 | - | - |
| | Net Carrying Amount (I - II) | | |
| | Balance as at 31st March, 2019 | 2.13 | 2.13 |
| | Balance as at 31st March, 2018 | 2.13 | 2.13 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | As At 31st March, 2019 | As At 31st March, 2018 |
|--|-----------------------------------|-----------------------------------|
| 4 Non Current Investments | | |
| Investments in Mutual Funds (At Cost)(Unquoted) | | |
| Units of SBI Life Smart Elite Plan : | | |
| 31,515 Equity Elite Fund II - 30% | - | 4.24 |
| 18,460 Bond Fund - 30% | - | 4.24 |
| 23,639 Balanced Fund - 40% | - | 5.65 |
| (NAV Nil, Previous Year Rs 18,36,037/-) | | |
| Total | <u>-</u> | <u>14.13</u> |
| 5 Loans (Unsecured, Considered Good) | | |
| A Non-Current: | | |
| Security Deposits | 19.24 | 19.25 |
| Tax Deducted at Source | 21.31 | 22.50 |
| Balance with Revenue Authorities | 16.97 | 30.48 |
| Other Loans and Advances | 29.47 | 28.72 |
| Total | <u>86.99</u> | <u>100.95</u> |
| B Current: | | |
| Advance to Suppliers | 352.57 | 382.00 |
| Advance for Capital Goods | 8.56 | - |
| Others | 277.06 | 336.59 |
| Total | <u>638.18</u> | <u>718.59</u> |
| 6 Deferred Tax Assets (net) | | |
| Deferred Tax Assets | 277.20 | 377.08 |
| Deferred Tax Liability | 12.25 | 5.95 |
| Deferred Tax Asset (net) | <u>264.95</u> | <u>383.03</u> |
| 7 Inventories | | |
| Stores and Spares | 94.23 | 83.42 |
| Raw Materials | 227.30 | 216.79 |
| Work-in-Progress | 83.20 | 58.65 |
| Finished Goods | 272.18 | 218.04 |
| Goods in Transit | 57.51 | 326.94 |
| Total | <u>734.42</u> | <u>903.83</u> |
| 8 Trade Receivables (Unsecured) | | |
| Over Six Months | | |
| -Considered Good | 291.07 | 294.94 |
| -Considered Doubtful | 217.40 | 236.31 |
| Less : Provision for ECL | (54.37) | (48.46) |
| | 163.03 | 187.85 |
| Others | 3,188.05 | 3,767.27 |
| Total | <u>3,642.15</u> | <u>4,250.06</u> |
| 9 Cash and cash equivalents | | |
| Balances with Banks | 3.65 | 4.70 |
| Cash on Hand | 42.99 | 24.22 |
| Margin Money with Bank | 12.78 | 12.07 |
| Total | <u>59.41</u> | <u>40.99</u> |
| 10 Other Current Assets | | |
| Export Incentives Receivable | <u>252.87</u> | <u>215.02</u> |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|-----------------------------------|-----------------------------------|
| 11 SHARE CAPITAL | | |
| Authorised : | | |
| 5,00,00,000 Equity Shares of ` 10/- each (5,00,00,000 Equity Shares of ` 10/- each) | <u>5,000.00</u> | <u>5,000.00</u> |
| Issued, Subscribed and Fully Paid up : | | |
| 1,13,41,320 Equity Shares of ` 10/- each (1,13,41,320 Equity Shares of ` 10/- each) | 1,134.13 | 1,134.13 |
| Total | <u>1,134.13</u> | <u>1,134.13</u> |

11.1 Reconciliation of number of shares

| | AsAt 31st March, 2019 No. of Shares | AsAt 31st March, 2019 ` in Lakhs | AsAt 31st March, 2018 No. of Shares | AsAt 31st March, 2018 ` in Lakhs |
|------------------------|--|---|--|---|
| Equity shares | | | | |
| Opening balance | 1,13,41,320 | 1,134.13 | 1,13,41,320 | 1,134.13 |
| Issued during the year | - | - | - | - |
| Closing balance | 1,13,41,320 | 1,134.13 | 1,13,41,320 | 1,134.13 |

11.2 Rights attached to shares

Equity shares

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

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

| Name | As At 31st March, 2019 No. of Shares | % of Holding | As At 31st March, 2018 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 |

12 OTHER EQUITY

Securities Premium Account

As per last Balance Sheet

348.66

348.66

Capital Reserve

As per last Balance Sheet

1,452.85

1,452.85

Profit and Loss Account

As per last Balance Sheet (Debit)

(97.03)

(157.44)

Add : Transfer from Statement of Profit and Loss

(13.41)

60.41

(110.44)

(97.03)

Total

1,691.07

1,704.47



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | As At 31st March, 2019 | As At 31st March, 2018 |
|--|-----------------------------------|-----------------------------------|
| 13 Borrowings | | |
| A Non-Current: | | |
| Secured Loans | | |
| Loans from Punjab National Bank | | |
| -OD Loan against Immovable Property | 493.49 | - |
| -Term Loan | 77.23 | - |
| Loans for Auto Finance from Banks | - | 1.23 |
| Unsecured Loans | | |
| Intercompany Deposits | 24.15 | 46.05 |
| Total | 594.87 | 47.28 |
| 13.1 The term loan from Punjab National Bank is secured by hypothecation of machines financed from the term loan and both the Term Loan and Overdraft facility from Punjab National Bank are secured by Registered mortgage of land and building on Plot No.213, Kharvel, Behind Kharvel Sub-Station, Taluka-Dharampur, District-Valsad, Gujarat and personal guarantee of some of the Directors of the Company. | | |
| B Current: | | |
| Secured Loans | | |
| Working Capital Loan -From Axis Bank | | |
| Cash Credit facility | 931.59 | 920.82 |
| EPC/PSC facility | 193.48 | 350.07 |
| | 1,125.07 | 1,270.89 |
| Unsecured Loans | | |
| Loans from Directors | 106.18 | 83.16 |
| Intercompany Deposits | 171.62 | 293.82 |
| | 277.80 | 376.98 |
| Total | 1,402.87 | 1,647.87 |
| 13.2 Working Capital loan from Axis Bank is secured by Registered mortgage of Plot No. 45 & 46, Phase II, Piperia Indl. Estate, Silvassa, Office premises at Balkrishna Krupa CHS, 45/49 Babu Genu Road, Kalbadevi, Mumbai-2. Hypothecation on the entire current assets and exclusive first charge on some of the movable fixed assets of the Company, both present and future and personal guarantee of some of the Directors of the Company. | | |
| 14 Provisions | | |
| A Non-Current: | | |
| Provision for Employee Benefits: | | |
| Provision for Gratuity | 48.00 | 40.83 |
| Total | 48.00 | 40.83 |
| B Current: | | |
| Provision for employee benefits: | | |
| Leave Salary | 30.21 | 39.11 |
| Total | 30.21 | 39.11 |
| 15 Trade Payables | | |
| Micro, Small and Medium Enterprises | - | - |
| Others | 1,633.61 | 2,646.12 |
| Total | 1,633.61 | 2,646.12 |
| 15.1 The Company has not received any declarations from its suppliers regarding their registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence the information required to be given in accordance with Section 22 of the said Act is not ascertainable and therefore not given. | | |
| 16 Other Current Liabilities | | |
| Loans for Auto Finance | - | 4.62 |
| Creditors for Capital Expenditure | 1.27 | 9.91 |
| Other Payables* | 227.46 | 286.08 |
| Total | 228.73 | 300.61 |
| 16.1 * includes Statutory dues and advance received from customers | | |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|--|--|--|
| 17 Revenue from Operations | | |
| Sale of Products | 9,303.11 | 11,232.71 |
| Processing Charges | 114.25 | 54.74 |
| Export Incentives | 50.04 | 69.74 |
| Gain on foreign currency transactions/translation | 150.38 | 37.29 |
| Total | 9,617.78 | 11,394.48 |
| 18 Other Income | | |
| Interest | 11.05 | 23.98 |
| Other income | 5.72 | 0.86 |
| Total | 16.77 | 24.84 |
| 19 Cost of Materials Consumed | | |
| Indegenous | 6,920.77 | 6,672.90 |
| Total | 6,920.77 | 6,672.90 |
| 20 Purchase of Stock-in-Trade | | |
| Fabrics | 1,237.18 | 3,672.35 |
| Total | 1,237.18 | 3,672.35 |
| 21 Changes in Inventories of Finished Goods and Work-in-Progress Inventories (at close) | | |
| Finished Goods | 329.68 | 544.98 |
| Work-in-Progress | 83.20 | 58.65 |
| Total | 412.88 | 603.63 |
| Less : Inventories (at commencement) | | |
| Finished Goods | 544.98 | 272.68 |
| Work-in-Progress | 58.65 | 52.61 |
| Total | 603.63 | 325.29 |
| Increase/(Decrease) | (190.75) | 278.34 |
| 22 Employee Benefits Expense* | | |
| Salaries and Wages | 207.69 | 225.96 |
| Contribution to Provident and Other Funds | 12.43 | 11.89 |
| Gratuity | 6.28 | 5.59 |
| Staff welfare Expenses | 17.39 | 24.00 |
| | 243.79 | 267.44 |
| Less : Capitalised during the Year | 14.45 | - |
| Total | 229.34 | 267.44 |
| *(Refer Note No. 30 for Disclosures as per IND-AS 19) | | |
| 23 Finance Costs | | |
| Interest Expenses | 202.36 | 205.75 |
| Other Borrowing Costs | 37.16 | 15.91 |
| | 239.52 | 221.66 |
| Less : Capitalised during the Year | 29.42 | - |
| Total | 210.10 | 221.66 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(` in Lakhs)

| | Year Ended 31st March, 2019 | Year Ended 31st March, 2018 |
|--|--|--|
| 24 Other Expenses | | |
| 24.1 Manufacturing Expenses | | |
| Consumption of stores and spares | 139.41 | 142.95 |
| Power and Fuel | 155.45 | 128.04 |
| Rent, Rates and Taxes | 5.85 | 3.75 |
| Repairs to Building | 4.53 | 0.32 |
| Repairs to Machinery | 4.70 | 6.12 |
| Repairs to Others | 1.31 | 1.36 |
| Other Manufacturing Expenses | 13.00 | 12.48 |
| Total | 324.25 | 295.02 |
| 24.2 Selling and Distribution Expenses | | |
| Carriage Outward | 207.42 | 217.95 |
| Brokerage and Commission | 61.37 | 84.22 |
| Provision for Expected Credit Loss | 5.91 | 8.52 |
| Total | 274.70 | 310.69 |
| 24.3 Establishment Expenses | | |
| Insurance | 5.48 | 6.53 |
| Travelling and Conveyance | 53.90 | 47.08 |
| Communication | 5.89 | 5.47 |
| Printing and Stationery | 4.20 | 3.10 |
| Legal and Professional | 7.76 | 12.97 |
| Payment to Auditors | 1.77 | 1.77 |
| Other Establishment Expenses | 18.35 | 24.38 |
| Total | 97.35 | 101.30 |
| Less : Capitalised during the Year | 12.26 | - |
| Total | 684.04 | 707.01 |
| 25 Payment to Auditors | | |
| Statutory Audit fees | 1.77 | 1.77 |
| Total | 1.77 | 1.77 |
| 26 Earnings in Foreign Currency | | |
| FOB value of exports | 4,370.08 | 4,119.39 |
| 27 Expenditure in Foreign Currency | | |
| Foreign travelling expenses | 3.60 | 5.52 |
| Freight on Export Sales | 155.90 | 129.47 |
| Commission | 3.73 | 22.40 |
| Total | 163.23 | 157.39 |
| 28 Earnings Per Share | | |
| i Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | (12.03) | 61.76 |
| ii Weighted Average number of Equity Shares | 1,13,41,320 | 1,13,41,320 |
| iii Basic and Diluted Earnings per Share | (0.11) | 0.54 |
| iv Face value per Equity Share | 10.00 | 10.00 |



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

29 Related Party Disclosures

As per IND - AS 24, the disclosures of transactions with related parties (with whom transactions exist) are given below:

i Related Party relationships :

a Where control exists

Super Infincon P. Ltd
Super Polyester Yarns Ltd.

b Key Management Personnel

R K Mishra - Managing Director
S K Mishra - Director & CFO
H V Mishra - Director (Appointed as a Director w.e.f.11/02/2019)
Vaishali Naik - CS

c Relatives of Key Management Personnel

Y V Mishra - Son of S K Mishra

ii Transactions with Related Parties

(` in Lakhs)

| Sr. No. | Nature of Transaction | Type of Related Party | Year Ended 31st March, 2019 Volume of Transactions | As At 31st March, 2018 Volume of Transactions | As At 31st March, 2019 | As At 31st March, 2018 |
|---------|-----------------------------|---|---|--|------------------------|------------------------|
| 1 | Unsecured Loan and Interest | Where control exists | 5.23 | 5.61 | 73.30 CR | 70.47 CR |
| 2 | Managerial remuneration | Key Management Personnel | 41.23 | 40.09 | 19.48 CR | 32.68 CR |
| 3 | Remuneration | Relatives of Key Management Personnel | 2.24 | 5.61 | - | - |
| 4 | Unsecured Loan | Key Management Personnel/ Relatives of Key Management Personnel | 71.65 | 16.74 | 106.18 CR | 78.18 CR |

30 Disclosures as per IND-AS 19 "Employee Benefits" are as under :

(` in Lakhs)

| | Year Ended 31st March, 2019 | As At 31st March, 2018 |
|--|-----------------------------|------------------------|
| Defined Contribution Plans : | | |
| Employer's contribution to Provident Fund/Pension Fund | 11.51 | 10.81 |
| Employer's contribution to ESIC | 0.92 | 1.08 |
| Total | <u>12.43</u> | <u>11.89</u> |

Defined Benefit Plan :

Group Gratuity Scheme of LIC of India

Assumptions used for Acturial valuation (Gratuity) : Discount Rate : 7.65 %, Salary Escalation Rate : 5%

Assumptions used for Acturial valuation (Leave) : Discount Rate : 7.65 %, Salary Escalation Rate : 5%, Retirement Age :65 Yrs.



(` in Lakhs)

| | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|--|-------------------|---------|-----------------------------|---------|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| I) Reconciliation of opening and closing balances of Defined Benefit Obligation | | | | |
| Defined Benefit Obligation at beginning of year | 41.55 | 36.40 | 26.89 | 22.01 |
| Interest cost | 3.26 | 2.68 | 1.91 | 1.62 |
| Current Service cost | 3.06 | 17.08 | 3.55 | 3.63 |
| Benefits paid | (0.10) | (1.29) | (2.83) | (0.93) |
| Actuarial (Gain)/Loss | 0.56 | (13.32) | 0.69 | 0.56 |
| Defined Benefit Obligation at year end | 48.33 | 41.55 | 30.21 | 26.89 |
| II) Reconciliation of opening and closing balances of fair value of Plan Assets | | | | |
| Fair value of Plan Assets at beginning of year | 0.53 | 0.06 | - | - |
| Adjustment to Opening balance | - | 1.19 | - | - |
| Expected return on Plan Assets | 0.04 | 0.07 | N.A. | N.A. |
| Contributions | - | 0.50 | - | - |
| Benefits paid | (0.10) | (1.29) | - | - |
| Actuarial (Gain)/Loss | (0.14) | - | - | - |
| Fair value of Plan Assets at year end | 0.33 | 0.53 | - | - |
| III) Amount recognised in Balance Sheet | | | | |
| Fair value of obligations | 48.33 | 41.55 | 30.21 | 26.89 |
| Fair value of Plan Assets | 0.33 | 0.53 | - | - |
| Funded Status | 48.00 | 41.02 | 30.21 | 26.89 |
| Net Liability recognised in Balance Sheet | 48.00 | 40.83 | - | 23.11 |
| IV) Expenses recognised during the year | | | | |
| Current Service cost | 3.06 | 17.08 | 3.55 | 3.63 |
| Interest cost | 3.26 | 2.68 | 1.91 | 1.62 |
| Expected return on Plan Assets | (0.04) | (0.07) | N.A. | N.A. |
| Actuarial (Gain)/Loss | 0.70 | (13.32) | 0.69 | 0.56 |
| Net Cost | 6.98 | 6.37 | 6.15 | 5.81 |
| Expenses recognised in current year Profit & Loss A/c | 6.98 | 6.37 | 6.15 | 6.01 |

| | | As At 31st March, 2019 in Lakhs | As At 31st March 2018 in Lakhs |
|---|--|---------------------------------------|--------------------------------------|
| 31 Contingent Liabilities and Commitments | | | |
| I Contingent Liabilities | | | |
| A Claims against the Company/disputed liabilities not acknowledged as debt nor provided for : | | | |
| i Excise duty appeal before the Gujarat High Court* | | 792.11 | 792.11 |
| ii Disputed demand in respect of income tax of AY 2013-14, appealed by the Company | | 48.44 | 48.44 |
| iii Disputed demand in respect of income tax of AY 2014-15, appealed by the Company | | 137.82 | 137.82 |
| Total | | 978.37 | 978.37 |
| * Excise duty of Rs 792.11 lacs relating to certain sales made from 4/7/1995 to 22/10/1996, was demanded by the Commissionerate, Daman alongwith equal penalty, interest thereon and a fine of Rs 21 lacs. The Company appealed against the said order with the CESTAT, Ahmedabad. The CESTAT has decided in favour of the Company. The Excise department has appealed before the Gujarat High Court. | | | |
| II Commitments | | | |
| i Estimated amount of contracts remaining to be executed on capital account and not provided for | | 110.00 | 200.00 |
| Less : Provided | | 8.56 | 0.25 |
| Total | | 101.44 | 199.75 |
| 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. | | | |
| 32 The Sales Tax assessments at Silvassa and Dharampur are both completed upto F.Y. 2013-14. The income tax assessment of the Company is completed upto A.Y. 2014-15. | | | |



33 Segment Information Operating Segments

The reportable segments of the Company are Domestic and International. The segments are largely organised and managed separately. Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chairman and Managing Director (CMD) regarded as the Chief Operating Decision Maker ("CODM") Description of each of the reportable segments for all periods presented is as under :

- (a) Domestic Segment comprises of sale of manufactured products being textured yarns and draw warped and sized beams of Polyester and Nylon. It also comprises the sale of traded goods being the finished fabrics.

Segmentwise Revenue, Results and Capital Employed

(` in Lakhs)

| Sr | Particulars | Year Ended | |
|----|--|--------------|-----------|
| | | Audited | Audited |
| | | 31-Mar-19 | 31-Mar-18 |
| 1 | Segment Revenue | | |
| | (a) Domestic | 5,131 | 6,998 |
| | (b) International | 4,487 | 4,396 |
| | Total (Net Sales/Income from Operations) | 9,618 | 11,394 |
| 2 | Segment Results | | |
| | (a) Domestic | 184 | 106 |
| | (b) International | 131 | 218 |
| | Total | 315 | 324 |
| | Less : Finance cost | 210 | 222 |
| | Total Profit/(Loss) before Tax | 105 | 102 |
| 3 | Capital Employed (Segment Assets - Liabilities) | | |
| | (a) Unallocated | 2,825 | 2,854 |
| | Total | 2,825 | 2,854 |

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

35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit



undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables:

Around 47% of the sales are export sales. For major part of the sales, customer credit risk is managed by export sales on CAD basis and requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

(iv) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(v) Currency risk:

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company.

The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are USD.

From time to time, the Company uses forward exchange contracts to hedge its currency risk.

The Company, as per its risk management policy, uses foreign exchange forward contract primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.



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SUPERTEX INDUSTRIES LIMITED

CIN : L99999DN1986PLC000046

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

Website: www.supertex.in, E-mail: rkm@supertex.in, Tel: +91-22-22095630

PROXY FORM

Name of the Member(s):

Registered address:

E-mail Id :

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

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

1. Name:

Address:

E-mail Id: Signature: or failing him

2. Name:

Address:

E-mail Id: Signature: or failing him

3. Name:

Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company, to be held on Monday, the 30th day of September 2019 at 10.30 a.m. at the registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. Adoption of Financial Statements and Reports of the Board of Directors and Auditors thereon for the year ended 31st March, 2019.
2. Re-Appointment of Mr R K Mishra, who retires by rotation, as a Director of the Company.

Special Business

3. Ordinary Resolution for ratification of remuneration payable to M/s NNT & Co., Cost Auditors for the financial year ending March 31, 2020.
4. Ordinary Resolution for appointment of Mr Harshvardhan Mishra as a Director of the Company.
5. Special Resolution for appointment of Mr Harshvardhan Mishra as a Whole Time Director of the Company.
6. Special Resolution for re-appointment of Mr P R Kapadia (DIN: 03332411) as an Independent Director of the Company for a second term of five consecutive years with effect from 01st April, 2019 to 31st March, 2024.
7. Special Resolution for re-appointment of Mr. M A Sharma (DIN: 02309138) as an Independent Director of the Company for a second term of five consecutive years with effect from 01st April, 2019 to 31st March, 2024.
8. Special Resolution for re-appointment of Mr. G R Toshniwal (DIN: 00217071) as an Independent Director of the Company for a second term of three consecutive years with effect from 01st April, 2019 to 31st March, 2022.

Signed this day of 20

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 33rd Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

SUPERTEX INDUSTRIES LIMITED

CIN: L99999DN1986PLC000046

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

ATTENDANCE SLIP 33rd Annual General Meeting

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

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

I hereby record my presence at the 33rd Annual General Meeting of the Company to be held at Plot No. 45/46, Phase II, Piperia Industrial Estate, Silvassa-396230, Dadra & Nagar Haveli on Monday, 30th September, 2019 at 10.30 a.m.

Member's/ Proxy's Signature

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

ELECTRONIC VOTING PARTICULARS

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

Note: Please read the complete instructions given under the Note 13 (The instructions for shareholders voting electronically) to the Notice of 33rd Annual General Meeting. The remote e-voting time starts on September 27, 2019 at 9 a.m. and ends on September 29, 2019 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.

BOOK - POST



If undelivered, please return to :

SUPERTEX INDUSTRIES LIMITED

CIN : L99999DN1986PLC000046

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

Tel.: 2209 5630 / 2206 9034

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Website: www.supertex.in

