

**SUPERTEX
INDUSTRIES
LIMITED**

**TWENTY-THIRD
ANNUAL REPORT
2008-2009**



BOARD OF DIRECTORS

S.S. MISHRA	..	Chairman & Company Secretary
N.N. PURI	..	Director
M.A. SHARMA	..	Director
G.R. TOSHNIWAL	..	Director
V.K. MISHRA	..	Director
R.K. MISHRA	..	Managing Director
S.K. MISHRA	..	Director Finance

AUDITORS

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

SOLICITORS

CRAWFORD BAYLEY & CO.

BANKERS

BANK OF INDIA
DENA BANK
HDFC BANK LTD.
STATE BANK OF INDIA
TAMILNAD MERCANTILE BANK LTD.
UNION BANK OF INDIA

REGISTERED OFFICE

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

HEAD OFFICE

Balkrishna Krupa, 2nd floor
45/49 Babu Genu Road
Princess Street, Mumbai 400 002

WORKS

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

BRANCH

601, Taxshila Apartments
Majura Gate, Ring Road, Surat

REGISTRARS AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit No1, Luthra Industrial Premises
Andheri Kurla Road, Safed Pool
Andheri(E), Mumbai 400 072



SUPERTEX INDUSTRIES LIMITED

NOTICE

The Twenty-third Annual General Meeting of members of **SUPERTEX INDUSTRIES LTD** will be held on Saturday, the 22nd day of August, 2009 at 10.30 A.M. at the Registered Office of the Company at Plot No. 45-46 Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli) to transact the following business:

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2009 and the Audited Profit & Loss Account for the year ended as on that date along with the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Shri. M.A. Sharma, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri. V.K. Mishra, who retires by rotation and is eligible for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs Only) Equity Shares of Rs.10/- (Rupees Ten) each by creation of 1,00,00,000 (One Crore Only) additional Equity Shares of Rs. 10/-each and that Clause V of the Memorandum of Association of the Company be altered accordingly."

6. **To consider, and if thought fit to pass with or without modification(s) the following Special Resolution:**

"RESOLVED THAT in accordance with the provisions of section 81 (1A) and other applicable provisions if any, of the Companies Act, 1956 (the said Act) and in terms of the provisions of the Articles of Association of the Company and subject to the approval of Government of India (GOI), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Stock Exchange and other authorities , if any, and subject to the consents , permissions and sanctions of all concerned authorities, if any to the extent required to such conditions and modifications as may be prescribed or as may be imposed while according such consents, which may be considered appropriate by the Board of Directors of the Company or any authorized committee thereof, (hereinafter referred to as "the Board") in its absolute discretion, consent of the Company be and is hereby accorded to the Board to create, offer, issue, allot, and deliver in one or more tranches, on a preferential basis upto 1,00,00,000 (One Crore) convertible warrants ("Warrants") to prospective investors of the Company or any of its nominees or affiliates, details of which are given below, each warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment into 1 (One) fully paid up Equity share of the company of Rs 10/- each,

List of Allottees

Sr. No.	Name of the Allottees	No of warrants
1	Mr. Ramesh Kumar Mishra Mrs. Alka R. Mishra	5,90,000
2	Mr. Sanjay Kumar Mishra Mrs. Renu S. Mishra	3,90,000
3	P & R Mercantile Private Limited	28,40,000
4	Prajapati Mercantile P. Ltd.	28,40,000
5	P & M Distributions P. Ltd.	28,40,000
6	Alkamit Trading Company P. Ltd.	5,00,000

at an exercise price decided by the Board of Directors which is not lower than minimum price specified as per Clause 13.1.1.1 of Chapter XIII of SEBI Guidelines as stated below and 25% shall be payable before the allotment of warrants and balance on or before 18 months from the date of allotment or else the money received for the allotment shall be forfeited by the Company:



SUPERTEX INDUSTRIES LIMITED

- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during six months preceding the relevant date or
- Average of weekly high and low of closing prices of the related shares quoted on the stock exchange during two weeks preceding the relevant date and at any other price above Exercise price, as may be finalized by the Board on the following terms and conditions.
 - (a) The warrants shall be converted within 18 months from the date of allotment. The Equity shares so issued on conversion shall be subject to the Memorandum and Articles of Association.
 - (b) The amount to be paid up on the warrants at the time of allotment shall not be less than 25% of the exercise price, and the rights to be attached to them, and other such terms and conditions of the warrants may be decided in accordance with SEBI Guidelines and other provisions of applicable law, by the "Board".
 - (c) The relevant date for the purpose of calculating the minimum exercise price for the Warrant under Chapter XIII of SEBI Guidelines is 23rd July, 2009 being 30 days prior to 22nd August, 2009 (i.e., 30 days prior to the date on which Meeting of General body of shareholders is held in terms of Sec. 81(1A) of the Companies Act, 1956, to consider this proposed issue.)
 - (d) The Equity Shares allotted on conversion shall rank *pari passu* in all respects with the other existing Equity Shares of the Company.
 - (e) The Warrants shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock in provided under SEBI Guidelines except to the extent and in manner permitted thereunder."

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

7. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 16, and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Securities and Exchange Board of India (Disclosure and Investors Protection Guidelines, 2000), Listing Agreement entered into by the Company, guidelines issued by competent authorities in this behalf and the provisions of Article 55 of the Articles of Association of the Company and other applicable provisions if any and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the consent of the members be and is hereby accorded for Sub-Division of Authorized Equity Share capital of the company consisting of 2,50,00,000 Equity Shares of Rs. 10/- each be Sub-divided into 25,00,00,000 equity shares of Re. 1/- each **AND THAT** Clause V (being Capital Clause) of the Memorandum of Association of the Company relating to Equity Shares be altered accordingly."

"RESOLVED FURTHER THAT each issued Equity Share of face value of Rs. 10/- each be Sub-divided into 10 equity shares of the face value of Re. 1/- each and the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and are hereby authorized to issue new Share Certificates representing the sub-divided Equity Shares with new distinctive numbers, consequent to the subdivision of shares as aforesaid and/or credit the shareholders' accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise and modify the terms and conditions for issue of shares on sub-division as mentioned above and all matters relating to the same, to agree to such conditions or modifications that may be imposed, required or suggested by the Securities and Exchange Board of India (SEBI), Stock Exchange and other competent authorities, without being required to seek any further consent or approval of the Members in General Meeting and to settle all questions or difficulties that may arise with regard to the aforesaid in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matters, and things as may be required, necessary and expedient to give effect to this resolution. "



8. To consider and, if thought fit, to pass with or without modifications the following resolution as a Ordinary Resolution:

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

V “The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Twenty Five Crores) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- each with power to increase and reduce its capital and to divide its shares in the Capital, for the time being into several classes and to attach thereto any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulation of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be, for the time being, provided by the regulation of the Company.”

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

“RESOLVED THAT in supersession of the Resolution(s) earlier passed in this behalf, the Company do hereby accord its consent under provisions of section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors to borrow monies, for the purpose of the Company from time to time on such terms and conditions as the Board may think fit and proper, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, that is to say reserves not set apart for any specific purposes, provided, however that the total amount so borrowed at any time shall not exceed a sum of Rs.100 crores (Rupees One hundred crores only)”.

By Order of the Board

S.S. Mishra

Chairman & Company Secretary

Mumbai, 17th July, 2009

Registered Office:

Plot No. 45-46, Phase II

Piperia Industrial Estate

Silvassa, Dadra & Nagar Haveli.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 17th August, 2009 to Saturday, the 22nd August, 2009 (both days inclusive).
3. M/s. Sharex Dynamic (India) Pvt. Ltd., Unit – I, Luthra Indl. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 are the Share Transfer Agents of the Company for transfer of shares. You are requested to forward all your share transfer applications or any correspondence relating to the shares of the Company to them directly at the aforesaid address.
4. Members are requested to notify any change in their address to the Share Transfer Agents.
5. Vide SEBI Circular No. SMDRP/POLICY/CIR-23/2000 dated 20th May, 2000, it has been made mandatory for all investors in your Company to settle the trade in demat form with effect from 25th September, 2000.
6. In terms of provision of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write the Company's Share Transfer Agent, M/s. Sharex (Dynamic) India Pvt. Ltd., for nomination form quoting their folio number. Shareholders holding shares in dematerialized form should write to their Depository Participant for the purpose.



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

1. Shri M.A. Sharma (65) is an M.Sc. from Mumbai University and has FTA fellowship of Textile Association (India). He is also a fellow of the Institute of Environmental Engineers (India). He has varied experience of teaching Textile Chemistry and allied subjects at Victoria Jubilee Technical Institute for 10 years. He had also served with Century Textile & Industries Ltd., Mumbai, for a number of years as Manager (Chemical Technology).
2. Shri V.K. Mishra is a commerce graduate from the University of Mumbai and an associate member of the Institute of Cost and Works Accountants of India, besides being an MBA (USA). He started his career as Sales Executive of the Company in 1987, till 2003, when he ventured in his independent business of textiles, etc. He is well versed in Finance, Foreign Exchange and Commodity market.

By Order of the Board

**S.S. Mishra
Chairman & Company Secretary**

Mumbai, dated 17th July, 2009

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

ITEM NO. 5

The Board of Directors in order to accommodate Preferential issue and also to undertake various future plans like expansion, diversification, merger etc related to the industry, has proposed to increase the Authorised Share Capital.

The present Authorised Share Capital of the Company is Rs.15,00,00,000/-. It is proposed to increase the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) at Rs. 10/- each indicating total increase of Rs. 10,00,00,000/- (Rupees Ten Crores Only). The Board of Directors at their meeting held on 17th July, 2009 approved the proposal for increase in Authorised Share Capital of the Company and consequent amendments to the Memorandum of Association of the Company.

Increase in Authorised Share Capital would necessitate amendment to Clause V of the Memorandum of Association of Company and would require member's approval by passing an Ordinary Resolution.

A copy of a Memorandum and Article of Association of the Company is open for inspection by any member of the Company between 4:30 P.M. to 6:30 P.M. at the Registered Office of the Company.

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

ITEM NO. 6

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

In terms of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI Guidelines") the following disclosures are being made:-

• **Object of the Issue:**

The object of the proposed Preferential Issue of Warrants is to permit strategic investment in the Company which would pave the way for addressing the business opportunities presented before the Company. The Company is undertaking an expansion programme, by looking for prospective Merger's/ Acquisition, promoting companies in the textile and in textile related industries, etc.

• **Pricing of the issue:**

The equity shares of the Company are traded on the Stock Exchange where the shares of the Company are listed during six months or two weeks preceding the relevant date i.e. 23rd July, 2009 as arrived in accordance with the provisions of SEBI (Disclosure and Investor Protection) Guidelines.

The conversion price of Rs.60/- per Equity Share of the proposed issue of warrants is well above the provisions of SEBI (Disclosure and Investor Protection) Guidelines and is calculated by taking 23rd July, 2009 as the Relevant Date.



SUPERTEX INDUSTRIES LIMITED

- Intention of the Promoters, Directors, Management personnel to subscribe to the offer:**

The Promoters/ Promoter's Group of the Company are taking convertible warrants to the tune of 9,80,000 warrants at Rs.60/- per warrant, to be converted into one Equity share of Rs. 10/- each at a premium of Rs. 50/- per share.

Details of the subscription are appended below.

- Share holding pattern:**

Sr. No.	Category of Shareholders	Pre-issue Shareholding (as on 30th June, 2009)		Post- issue Shareholding (assuming full conversion)	
		Number	%	Number	%
1	Promoters/Promoters' Group				
	Promoters/promoters Group				
i)	Individuals/HUF				
	Mr. Ramesh Kumar Mishra	881401	4.44	1471401	7.42
	Mrs. Alka R. Mishra				
	Mr. Sanjay Kumar Mishra	228402	2.32	618402	3.12
	Mrs. Renu S. Mishra				
	Other Individual	1479940	15.04	1479940	7.46
ii)	Body Corporate	2424372	24.63	2424372	12.22
	Total of (i) and (ii)	5014135	50.95	5994135	30.21
2	Public Holding				
i)	Institutions	1260	0.01	1260	0.01
ii)	Non - Institutions				
a)	Individuals/HUF	2766020	28.11	2766020	13.94
b)	Body Corporate	1783930	18.12	1783930	9.00
	P & R Mercantile Private Limited	NIL	NIL	2840000	14.31
	Prajapati Mercantile P. Ltd.	NIL	NIL	2840000	14.31
	P & M Distributions P. Ltd.	NIL	NIL	2840000	14.31
	Alkamit Trading Company P. Ltd.	NIL	NIL	500000	2.52
	Total of (i) and (ii)	4551210	46.24	13571210	68.40
3	Any Other				
i)	Clearing Member	247733	2.52	247733	1.25
ii)	NRIs	28242	0.29	28242	0.14
	Total of (i) and (ii)	275975	2.81	275975	1.39
	Total of 1+2+3	9841320	100	19841320	100

- Proposed time within which allotment will be completed:**

The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their allotment. Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval.

- Consequential changes if any in the Board of Directors and the voting rights and the shareholding pattern:**

There will be no change in the Board of Directors and Management as a consequence of the preferential issue of warrants. *The Equity shares arising out of conversion of warrants shall have the same voting rights as available to the existing Equity Shareholders.*



SUPERTEX INDUSTRIES LIMITED

- **Whether there will be a change in control over the Company:**

The preferential issue will not result in change in the control of the Company. The promoters who already have control over the Company will continue to have control over the Company.

- **Identity of allottee with percentage of expanded capital to be held by them :**

The allottees in the proposed preferential issue are as follow:-

Sr. no.	Name of the prospective investors	No of warrants	Post- issue Shareholding (assuming full conversion)	
			Number	%
1	Mr. Ramesh Kumar Mishra Mrs. Alka R. Mishra	5,90,000	14,71,401	7.42
2	Mr. Sanjay Kumar Mishra Mrs. Renu S. Mishra	3,90,000	6,18,402	3.12
3	P & R Mercantile Private Limited	28,40,000	28,40,000	14.31
4	Prajapati Mercantile P. Ltd.	28,40,000	28,40,000	14.31
5	P & M Distributions P. Ltd.	28,40,000	28,40,000	14.31
6	Alkamit Trading Company P. Ltd.	5,00,000	5,00,000	2.52

- 1,00,00,000 Warrants are proposed to be issued and allotted to the aforesaid prospective investors as specified in Explanatory Statement, (or its nominees/affiliates) each Warrant convertible at the sole option of the holder, any time before the expiry of 18 months from its allotment, into 1 (One) fully paid up Equity Share of the Company of Face Value Rs. 10/-
- A Copy of certificate issued by the Statutory Auditors of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in the SEBI Guidelines shall be laid before the Annual General Meeting.
- Any of the warrants issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other.
- The consent of the Shareholders in terms of the Special resolution of the accompanying notice is required under Section 81(1A) of the Companies Act, 1956.

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

The Directors recommend this Resolution for your approval.

ITEM NO.7

The management of your company has believed that whether big or small, living in metros or villages, all of them should partake of the value process at Supertex Industries Limited. High value denomination of the shares may deter small shareholders from acquiring the piece of wealth-share of your company. It is in this context that we feel splitting of face value of shares into smaller denomination, would enhance its access to small investors.

In view of this, your Board has proposed that face value of equity shares of the Company be fixed at Re.1/- per share. To give effect to change in nominal value of equity shares, the capital Clause in memorandum of the Company is to be altered. Resolution set out at item No. 7 of this notice are to make changes in Memorandum of Association of the Company.

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

A copy of a Memorandum and Article of Association of the Company is open for inspection by any member of the Company between 4:30 P.M. to 6:30 P.M. at the Registered Office of the Company.

None of the Director of the Company is in any way interested in the said resolution, except to the extent of their shareholding in the Company.

ITEM NO. 8

Consequent to the sub-division of the face value of the Equity Shares of the Company and Increase in the Authorised Share Capital of the Company (as per item no. 5 and 7 of the notice), it is necessary to alter the Capital Clause of the Memorandum of Association of the Company.



Section-16 read with Section-94 of the Companies Act, 1956, provides inter alia, that subject to the provision of the Companies Act, 1956 and the conditions contained in its Memorandum, the Company may, alter its Memorandum by passing an Ordinary Resolution, at a general meeting. Accordingly, the Ordinary Resolution for item no. 7 is placed before the meeting to approve the corresponding amendments in clause V of the Memorandum of Association in the manner set out in the text of the respective resolutions, so as to reflect the alteration in the Authorized Share Capital of the Company.

The Board of Directors of the Company accordingly, recommends the resolution for approval by the members.

A copy of a Memorandum and Article of Association of the Company is open for inspection by any member of the Company between 4:30 P.M. to 6:30 P.M. at the Registered Office of the Company.

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

ITEM NO. 9

By an earlier resolution passed in 2003 the Company had already empowered the Board to borrow upto Rs.40 crores over and above the Company's paid up Capital and Free Reserves. In order to expand the present activity, the Directors are in negotiations with various parties including financial institutions and financial companies and may have to make further borrowings which together with the existing borrowings may at some point of time exceed the said sanctioned limit of Rs.40 crores. With a view to facilitate implementation of the above projects, the borrowing powers of the Board need to be enhanced by another Rs.60 crores so that the Board may, if necessary, borrow up to Rs.100 crores as proposed in the resolution placed for approval.

The Board, therefore, requests that the resolution now proposed be approved and passed.

None of the Directors of the Company is in any way concerned or interested in this resolution.

By Order of the Board

S.S. Mishra

Chairman & Company Secretary

Mumbai, 17th July, 2009

Registered Office :

Plot No. 45-46, Phase II

Piperia Industrial Estate

Silvassa, Dadra & Nagar Haveli.



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SUPERTEX INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors are pleased to present herewith the twenty-third Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2009.

Financial Results

	Year ended 31.03.2009 Rs. in lacs	Year ended 31.03.2008 Rs. in lacs
Turnover	3024.50	2781.65
Income from Operations	152.72	123.75
Interest written back	731.15	-
Total Income	883.87	123.75
Bad Debts	106.32	-
Profit before interest and Depreciation	777.55	123.75
Interest	19.53	14.16
Profit before Depreciation	758.02	109.59
Depreciation	104.46	101.79
Profit Before Tax	653.56	7.80
Deferred Tax	626.22	-
Fringe Benefit Tax	2.00	1.75
Net Profit for the year	1277.78	6.05
Equity Share Reduction	529.78	-
Profit & Loss Account	1807.56	6.05
Loss brought forward	2300.11	2306.16
Loss carried forward	492.55	2300.11

The directors are unable to recommend any dividend due to the carried forward losses.

Working

The year under review started with a lot of stress and strain for the management. However, the situation took a dramatic turn as soon as the revival and restructuring scheme for the Company submitted by the Operating Agency (OA) was approved by the Hon'ble Board for Industrial and Financial Reconstruction. As per the Scheme, the unsecured loans of Rs. 850 lacs inducted by promoters and strategic investors to meet the cost of rehabilitation and for expeditious revival of the Company was converted into equity shares. The amount was utilized for the purpose of clearing the institutional and bank loans and resulted in making your Company completely debt free. Further, the existing paid up capital of Rs. 672 lacs was reduced to Rs. 134 lacs and the reduction in value was appropriated against accumulated losses. The promoters were issued coupons of Rs. 150 lacs to be converted into equity shares at par to take care of future liquidity requirements. All these measures resulted not only in clearing and strengthening the Company's balance sheet but also served as a corner-stone for Company's future growth and expansion.

During the year, the production started picking up towards the year end and the year showed improvement over the past year. Production increased by 4 % only but income from operations rose by 24 %. The sizing division lying almost idle for many years has been activated this year. While the capacity utilization is improving, the product quality has been much appreciated and well received by the market. The overall performance is likely to improve this year as management tries to maximize the capacity utilization.

The Management has been looking forward to expanding and balancing the Company's manufacturing operations and has various proposals under active consideration for the same. It is considering various ways and means to raise further capital for the Company for the same. For this purpose, various resolutions are being placed for your consideration at the ensuing annual general meeting.

Directors

Shri M.A. Sharma and Shri V.K. Mishra, Directors of the Company retire by rotation and being eligible offer themselves for reappointment. Shri V. Chandrasekhar Iyer, a Director of the Company resigned with effect from 30th January, 2009. The Board records its appreciation for the valuable contribution made by him during his tenure as Director of the Company.



SUPERTEX INDUSTRIES LIMITED

Auditors

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

Cost Auditors

The Cost Account records maintained by the Company are subject to yearly audit. M/s. Talati & Associates, the existing Cost Accountant retired. Your Company has appointed M/s. N. Ritesh & Associates, Cost Auditors for the year 2009-10.

Corporate Governance

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

Industrial relations

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

Directors' Responsibility Statement

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

- i) that in the preparation of the annual accounts for the year ended 31st March, 2009 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies as mentioned in Note 1 of the Notes on Account have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profit of the Company for the year ended on that date ;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the accounts have been prepared on a going concern basis.

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

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

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

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

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.

	31.03.2009	31.03.2008
Purchased Units (Kwh)	26,15,154	25,34,873
Amount (Rs.)	1,21,92,816	1,01,51,204
Rate / Unit (Rs./p.)	4.66	4.00

Listing with Stock Exchanges

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

Information in Compliance of Clause 49 of the Listing Agreement with the Stock Exchange is annexed to the Report.

Acknowledgement

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

For and on behalf of the Board,

S.S. Mishra
Chairman

Mumbai, 23rd June, 2009



ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Review

In the year under review and particularly in the latter half, the global economy suffered a high degree of uncertainty and rapid slow down. The global recession had affected the fortunes of corporates across the world. The Indian economy is also not isolated from the global scenario. However, the Indian economy is not entirely export dependent since it is supported by its large domestic consumption demand. This would help prop up its GDP growth rates. It is expected by many that once the global economies stabilize and show some signs of recovery, the Indian economy would be amongst the first few economies that would lead the world on the path of an economic turnaround.

The international crude prices during the year remained highly volatile and rose very alarmingly creating panic in the polyester industry as it is its basic raw material. Due to the same the raw material availability for some months was considerably reduced due to the closure of some of the MEG suppliers.

However, in the last quarter the slowdown effected a significant fall in the crude and petroleum prices, which consequently lowered the raw material prices, which is likely to provide the momentum to generate domestic demand in the industry.

Industry Outlook

Textiles is the second largest employer of workforce in the country. It is also one of the chief foreign exchange earners and has a high growth rate in the domestic market inspite of the ongoing slow down in the entire world. The demand for polyester yarns is growing at an appreciable rate which gives the necessary boost to the industry to sustain growth in the long run. The year 2009-10 is witnessing a substantial increase in capacity of chips, POY and FDY. This would ease the procurement of raw material for your Company.

The Government of India has taken several steps to stimulate the economy. Excise duty has been lowered on the company's product from 8 % to 4 %. The levy of anti dumping duties on cheap material from China and Belarus is a very favorable step and the combined effect of all this has reflected positively on the industry and the demand is picking up..

The demand pick up and the prospects of the entire industry appear, in general, to be improving. The expansion and modernization plans which were deferred for some time due to the recession are now seeing the light of the day. Many big players of the industry have started investing to hike their production capacities. Your Company is also positioning itself to take advantage of the growth in the industry and is looking at investment in projects that are likely to strengthen its current operations and improve the long term prospects.

Threats

The crude oil prices which have a direct bearing on the industry have an unpredictable trend causing price uncertainty in the market. Uncertainty of availability, in the domestic market, of inputs like MEG which go for making the raw material of the Company may be affected due to shortages.

Slowing down of the economy caused by the global events.

Falling cotton prices due to inadequate international demand may adversely affect the polyester prices due to inter fibre competition and shrinking margins.

Opportunities

Impressive, over 5 % growth of the Indian economy in the present circumstances is likely to improve even further, once the global scenario stabilizes.

India's large and growing population provides stable market for the products. This is supported by the growing GDP and the increase in per capita income of the country.

The polyester consumption per capita in India is less than 3 kgs which has a vast scope to improve and catch up with the global per capita consumption of 10.3 kgs.

The low raw material prices may boost the demand of polyester.

The growing application of synthetic yarns in the day to day life and new areas of fabric for apparels, technical textiles, furnishing and other home textiles will more than absorb the ongoing expansions in the industry.



Risk Management

The market led business risks are managed by securing supplies of raw materials and other inputs by entering into various tie-ups and agreements to ensure continuous supply of the same alongwith inventory control.

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

Safety, health and environmental risk is controlled by formulating a clear policy for environmental conservation, safety and health.

The other uncertainties are minimized as far as possible by monitoring the same and vigilantly taking corrective action by the management.

Internal Control System

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

Human Relations, Industrial Relations, etc.

There were cordial industrial relations during the year under review. The management feels that the same situation should follow this year also.

Cautionary Statement

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



REPORT ON CORPORATE GOVERNANCE

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

Board of Directors

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

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

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

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

Shri V.Chandrasekhar Iyer, an independent non-executive Director resigned with effect from 30th January, 2009 due to his pre-occupations.

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

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

Audit Committee

The Audit Committee constituted by the Board has three members as on 31st March, 2009 and has been functioning well and discharges its duties as required by Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange.

The Audit Committee comprises of the following Directors :

	Name of Director	Status
1	Shri N.N. Puri	Chairman – Non Executive & Independent
2	Shri M.A. Sharma	Member – Non Executive & Independent
3	Shri Ganesh Toshniwal	Member – Non Executive & Independent

All members are financially literate and one is a Chartered Accountant by profession.

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

	Date of Meeting	No. of Members present
1	30.06.2008	3
2	31.07.2008	2
3	25.10.2008	2
4	30.01.2009	3

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

**Remuneration Committee**

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

	Name of Director	Status
1	Shri N.N. Puri	Chairman – Non Executive & Independent
2	Shri M.A. Sharma	Member – Non Executive & Independent
3	Shri Ganesh Toshniwal	Member – Non Executive & Independent

The committee met once during the year and decided the remuneration of all Executive Directors and recommended to the Board of Directors based on criteria such as Company's performance, track record of Executive Directors etc. The Company pays remuneration by way of salary, perquisites and allowances etc.

Details of the remuneration of Directors for 2008-09 are as follows :

(Amount in Rupees)

	Name of Director	Salary	Perquisites	Contribution to PF	Sitting Fees	Total	Service Contract
1	Shri S.S. Mishra	5,70,677	2,01,652	68,481	Nil	8,40,810	3 Years
2	Shri R.K. Mishra	6,30,678	1,96,068	75,681	Nil	9,02,427	3 Years
3	Shri S.K. Mishra	4,20,000	1,30,943	50,400	Nil	6,01,343	3 Years
4	Shri M.A. Sharma	-	-	-	19,500	19,500	Non Executive
5	Shri Ganesh Toshniwal	-	-	-	7,500	7,500	Non Executive
6	Shri V.K. Mishra	-	-	-	15,000	15,000	Non Executive
7	Shri N.N. Puri	-	-	-	15,000	15,000	Non Executive
	TOTAL	16,21,355	5,28,663	1,94,562	57,000	24,01,580	

Share Transfers & Shareholders' Grievance Committee

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

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

The committee comprises of the following Directors :

	Name of Director	Status
1	Shri V.K. Mishra	Chairman – Non Executive
2	Shri M.A. Sharma	Member – Non Executive & Independent
3	Shri S.S. Mishra	Member – Executive

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

General body Meetings

During the last three years, the Annual General Meetings were held on 19th August, 2006, 18th August, 2007 and 22nd December, 2008. All the meetings were held at the Registered Office of the Company at Plot No.45-46, Phase-II, Piperia Industrial Estate, Silvassa – 394 230 (D&NH).

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

		Number of Special Resolution(s)
1	20th Annual General Meeting	Nil
2	21st Annual General Meeting	1
3	22nd Annual General Meeting	4

All the aforesaid Special Resolutions were regarding appointment and remuneration of Executive Directors.



Disclosures

There are no materially significant related party transactions with promoters, directors or management that may have potential conflict with the interest of the Company at large. There are no strictures or penalties etc. imposed by the SEBI or the Stock Exchange.

Means of Communication

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

General shareholder information

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

Distribution Schedule of shareholding as at the close of the year 2008-09 :-

Equity Shares	Number of Holders	(%) of Holders	Total Shares	% of Total
Upto 100	8,619	82.05	3,24,303	3.30
101 to 200	933	8.88	1,63,179	1.66
201 to 500	505	4.81	1,77,399	1.80
501 to 1000	174	1.66	1,37,667	1.40
1001 to 5000	165	1.57	3,81,477	3.88
5001 to 10000	38	0.36	2,96,091	3.01
10001 to 100000	54	0.51	18,50,180	18.80
100001 And Above	16	0.15	65,11,024	66.16
TOTAL	10,504	100.00	98,41,320	100.00

Shareholding pattern as on 31st March, 2009 :-

	Category	No. of Shares Held	% of Share-Holding
A	Promoter(s) Holding		
1	Promoter(s)		
	- Indian Promoters	26,14,763	26.569
	- Foreign Promoters	-	-
2	Persons Acting In Concert	21,94,221	22.296
	Sub-Total	48,08,984	48.865
B	Non-Promoters Holding		
3	Institutional Investors		
A	Mutual Funds & UTI	360	0.004
B	Banks, FIs, Insurance Company (Central / State Govt. Inst. / Non-govt. Inst.)	880	0.009
C	FII(s)	20	-
	Sub-Total	1,260	0.013



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	Category	No. of Shares Held	% of Share-Holding
4	Others		
A	Private Corporate Bodies	14,81,144	15.050
B	Indian Public	3,46,65,827	35.217
C	NRI / OCBs	30,496	0.310
D	Any-Other (Foreign Companies)	-	-
E	Clearing Members	53,609	0.545
	Sub-Total	50,31,076	51.122
	Grand-Total	98,41,320	100.000

Monthly high and low prices of equity shares of the Company at Bombay Stock Exchange during the year 2008-09:

Month	High Price (Rs)	Low Price (Rs)
April, 2008	1.03	0.87
May, 2008	1.20	0.88
June, 2008	0.98	0.70
July, 2008	0.85	0.66
August, 2008	0.99	0.68
September, 2008	0.99	0.72
October, 2008	0.76	0.45
December, 2008	35.00	1.25
January, 2009	28.90	13.30
February, 2009	21.50	12.50
March, 2009	23.40	13.50

Note: The Company's equity shares of Re.1 each were consolidated in shares of Rs.10/- each with effect from 8th November, 2008.

Stock Code : 526133
ISIN allotted to Equity shares (Rs.10/- Face Value) : INE881B01039

Listing

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

Sub division of shares

The Company's shares of Re.1/- each were consolidated in shares of Rs.10/- each with effect from 8th November, 2008.

Dematerialisation position of Company's Equity shares

Out of the total, 98.30% of the Company's shares have been dematerialised till 31st March, 2009 leaving a balance of 1.70% in physical form.

Report on Corporate Governance

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



SUPERTEX INDUSTRIES LIMITED

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 31st March, 2009.

For and on behalf of the Board,

S.S. Mishra
Chairman

Mumbai, 23rd June, 2009

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SUPERTEX INDUSTRIES LIMITED

1. We have reviewed the implementation of Corporate Governance procedures by SUPERTEX INDUSTRIES LIMITED during the year ended 31st March, 2009, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respects by the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee.

For N.G.THAKRAR & CO.
CHARTERED ACCOUNTANTS

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

N.G. Thakrar
Proprietor
Membership No. 36213

Sanjay Lunkad
Partner
Membership No. 48229

Place : Mumbai
Dated : 23rd June, 2009

Place : Mumbai
Dated : 23rd June, 2009



SUPERTEX INDUSTRIES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF SUPERTEX INDUSTRIES LIMITED.

We have audited the attached Balance Sheet of **SUPERTEX INDUSTRIES LIMITED**, as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1 We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2 As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 3 Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and,
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For N.G. THAKRAR & CO.
CHARTERED ACCOUNTANTS

Proprietor
Membership No.36213
Mumbai, 23rd June, 2009

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

Partner
Membership No.48229
Mumbai, 23rd June, 2009



ANNEXURE TO THE AUDITORS' REPORT

(referred to in paragraph 2 of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the assets have been physically verified by the management during the year as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- ii. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii. (a) The Company has granted unsecured advance to one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 380.38 lacs and the year-end balance of such advance was Rs NIL.
- (b) In our opinion and according to the information and explanations given to us, the advance granted to the party listed in the register maintained under Section 301 of the Companies Act, 1956, was an interest-free advance for facilitating the Company's Revival Scheme and, as such, is not *prima-facie* prejudicial to the interest of the Company.
- (c) The Company had taken unsecured loans from 15 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 394.53 lacs and the year-end balance of such loan was Rs 6.67 lacs. The amount was not due for repayment during the year.
- (d) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not *prima facie* prejudicial to the interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- v. (a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under sections 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956, for the products of the Company, and are of the opinion that *prima- facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to *determine whether they are accurate or complete*.



SUPERTEX INDUSTRIES LIMITED

- ix. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating to Rs 27.10 lacs, that have not been deposited on account of matter pending before appropriate authorities are as under :-

Name of Statute	Nature of Dues	Amount (Rs lacs)	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Interest & Penalty	27.10	2003-04 to 2005-06	Dy.Commissioner, Surat

- x. The Company was registered with the Board for Industrial and Financial Reconstruction and declared a sick industrial company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985, on 9.02.2005. The Company has earned a profit during the financial year covered by our audit and had earned a profit in the immediately preceding financial year.
- xi. The Company has implemented the Sanctioned Scheme of the BIFR and has paid off the dues to all the banks and Financial Institutions.
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii. In our opinion, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi. The Company has not raised any term loans during the year.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has made a preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 in terms of the Sanctioned Scheme.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. The Company has not raised any money by way of public issue, during the year.
- xxi. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For N.G. THAKRAR & CO.
CHARTERED ACCOUNTANTS

For M.B. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

Proprietor
Membership No.36213
Mumbai, 23rd June, 2009

Partner
Membership No.48229
Mumbai, 23rd June, 2009



SUPERTEX INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	9,99,13,200		6,71,33,236
Reserves and Surplus	B	12,70,51,310		5,55,68,579
			22,69,64,510	12,27,01,815
Loan Funds				
Secured Loans	C	—		19,20,73,019
Unsecured Loans	D	6,66,751		3,48,25,796
			6,66,751	22,68,98,815
Total			22,76,31,261	34,96,00,630
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	22,03,34,881		21,92,60,459
Less : Depreciation		15,27,13,386		14,22,67,087
Net Block			6,76,21,495	7,69,93,372
Deferred Tax Asset (Net)			6,26,22,134	—
Current Assets, Loans and Advances				
Inventories	F	1,55,74,168		79,77,213
Sundry Debtors		7,02,08,936		6,41,67,160
Cash and Bank Balances		12,87,768		9,84,722
Loans and Advances		3,92,49,700		3,61,49,515
		12,63,20,572		10,92,78,610
Less: Current Liabilities and Provisions				
Liabilities	G	7,57,27,220		6,46,76,611
Provisions		24,61,069		20,06,069
		7,81,88,289		6,66,82,680
Net Current Assets			4,81,32,283	4,25,95,930
Miscellaneous Expenditure				
(to the extent not written off or adjusted)				
Profit and Loss Account			4,92,55,349	23,00,11,328
Total			22,76,31,261	34,96,00,630
Notes forming part of Account	L			

As per our attached report of even date

For N.G.Thakrar & Co.
Chartered Accountants

N.G. Thakrar
Proprietor

Membership No.36213
Mumbai, 23rd June, 2009

For M.B.Agrawal & Co.
Chartered Accountants

Sanjay Lunkad
Partner

Membership No.48229
Mumbai, 23rd June, 2009

For and on behalf of the Board,
S. S. Mishra - Chairman & Company Secretary
R. K. Mishra - Managing Director
G. R. Toshniwal - Director
S. K. Mishra - Director-Finance

Mumbai, 23rd June, 2009



SUPERTEX INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees	Current Year Rupees	Previous Year Rupees
INCOME				
Sales			29,98,21,648	27,47,58,419
Processing Charges			26,28,135	34,07,324
Other Income	H		7,45,69,951	5,59,040
Accretion to Stocks	I		56,21,549	35,18,514
			38,26,41,283	28,22,43,297
EXPENDITURE				
Cost of materials consumed				7,05,457
Opening Stock		13,52,124		
Add : Purchases		25,26,22,479		24,26,00,437
		25,39,74,603		24,33,05,894
Less :Closing Stock		18,11,273		13,52,124
			25,21,63,330	24,19,53,770
Manufacturing and Other Expenses	J		4,20,90,874	2,79,14,137
Bad Debts	K		1,06,32,106	—
Interest			19,52,725	14,16,196
Depreciation			1,04,46,299	1,01,79,428
			31,72,85,334	28,14,63,531
Profit Before Tax			6,53,55,949	7,79,766
Add : Deferred Tax			6,26,22,134	—
Less : Fringe Benefit Tax			2,00,000	1,75,000
Profit After Tax			12,77,78,083	6,04,766
Equity Share Capital Reduction (See Note 12 Schedule L)			5,29,77,896	—
Less : Loss brought forward			(23,00,11,328)	(23,06,16,094)
Balance Carried to the Balance Sheet			(4,92,55,349)	(23,00,11,328)
Basic Earning Per Share	L		6.88	0.09*
Diluted Earnings Per Share (F. V. Rs. 10/-) (*P. Y. Re 1/-)			5.79	0.09*
Notes forming part of Account	L			

As per our attached report of even date

For N.G. Thakrar & Co.
Chartered Accountants
N.G. Thakrar
Proprietor

For M.B. Agrawal & Co.
Chartered Accountants
Sanjay Lunkad
Partner

For and on behalf of the Board,
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Membership No.36213
Mumbai, 23rd June, 2009

Membership No.48229
Mumbai, 23rd June, 2009

Mumbai, 23rd June, 2009



SUPERTEX INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009 Rs. In Lacs	2007-2008 Rs. In lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	653.56	7.80
ADJUSTMENT FOR:		
Depreciation	104.46	101.79
Interest paid	19.52	14.16
(Profit)/Loss on sale of Fixed Asset	—	(0.33)
Balances written back	<u>(731.15)</u>	<u>—</u>
	(607.17)	115.62
OPERATING PROFIT BEFORE EXCEPTIONAL ITEM	46.39	123.42
Exceptional item - Balances written back	<u>731.15</u>	<u>—</u>
	777.54	123.42
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
ADJUSTMENT FOR:		
Trade and Other Receivables	(91.41)	(364.45)
Inventories	(75.97)	(51.73)
Trade Payables	<u>115.06</u>	<u>215.33</u>
	(52.32)	(200.85)
CASH GENERATED FROM OPERATIONS	725.22	(77.43)
Fringe Benefit Tax	<u>(2.00)</u>	<u>(1.75)</u>
	723.22	(79.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10.75)	(80.57)
Sale of Fixed Assets	—	0.30
Expenses on Restructuring	<u>(6.75)</u>	<u>—</u>
	(17.50)	(80.27)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	850.00	—
Share Warrants	15.00	—
Repayment of Bank Borrowings	(1,920.73)	—
Interest paid	(19.52)	(14.16)
Write back of Bank Borrowings	714.16	—
Proceeds from Unsecured Loans	<u>(341.60)</u>	<u>180.63</u>
	(702.69)	(166.47)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3.03	7.02
CASH AND CASH EQUIVALENTS AS AT 01.04.2008 (Opening Balance)	9.85	2.83
CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (Closing Balance)	<u>12.88</u>	<u>9.85</u>

As per our attached report of even date

For N.G.Thakrar & Co.
Chartered Accountants
N.G. Thakrar
Proprietor

For M.B.Agrawal & Co.
Chartered Accountants
Sanjay Lunkad
Partner

For and on behalf of the Board,
S. S. Mishra - Chairman & Company Secretary
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Membership No.36213
Mumbai, 23rd June, 2009

Membership No.48229
Mumbai, 23rd June, 2009

Mumbai, 23rd June, 2009



SUPERTEX INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rupees	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
SCHEDULE A			
SHARE CAPITAL			
AUTHORISED			
1,50,00,000 Equity Shares of Rs. 10/- each (10,00,00,000 Equity Shares of Re 1/- each)		<u>15,00,00,000</u>	<u>10,00,00,000</u>
ISSUED SUBSCRIBED AND PAID UP			
6,72,00,000 Equity Shares of Re 1/- each	6,72,00,000		6,72,00,000
Calls in Arrears (Other than Directors)	66,764		66,764
1,34,000 Shares Forfeited	67,236		—
6,70,66,000	6,70,66,000		6,71,33,236
6,57,24,680 Reduction and Consolidation	5,36,52,800		—
13,41,320 Equity Shares of Rs. 10/- each	1,34,13,200		6,71,33,236
Equity Shares of Rs. 10/- each			
85,00,000 Issued during the year	8,50,00,000		—
98,41,320 Equity Shares of Rs. 10/- each	9,84,13,200		6,71,33,236
— Equity Share Warrants (See Note 13 Schedule L)	15,00,000		—
Total		<u>9,99,13,200</u>	<u>6,71,33,236</u>
SCHEDULE B			
RESERVES AND SURPLUS			
Share Premium Account :			
Balance brought forward	3,49,33,236		3,49,33,236
Shares Forfeited	67,236		—
		3,48,66,000	3,49,33,236
Capital Reserve I :			
Gujarat State Subsidy under '90-'95 Scheme on fixed investments made at the Dharampur Plant		25,00,000	25,00,000
Central Investment Subsidy on fixed Investments made at the Silvassa Plant in 1987-88		23,35,514	23,35,514
Capital Reserve II :			
Balance brought forward	1,57,99,829		1,57,99,829
Additions during the year (See Note 11 - Schedule L)	7,14,15,967		—
Capital Reserve III :			
		1,34,000	—
Total		<u>12,70,51,310</u>	<u>5,55,68,579</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
SCHEDULE C		
SECURED LOANS		
1. Term Loans :		
a From State Bank of India	—	1,63,35,000
Interest accrued and due	—	86,84,948
b From Others	—	2,65,21,395
Interest accrued and due	—	3,84,83,140
2. Working Capital Loan :		
Cash Credit Account	—	7,53,70,967
Interest accrued and due	—	2,66,77,569
Total	—	19,20,73,019
SCHEDULE D		
UNSECURED LOANS		
Loans		
- from Directors	—	70,83,771
- from Relatives	6,66,751	1,17,40,403
- from Others	—	1,60,01,622
Total	6,66,751	3,48,25,796



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E

FIXED ASSETS

(Amount in Rupees)

Sr. No.	Description	Gross Block As at 31.03.2008	Additions during the Year	Deduction during the Year	Gross Block As at 31.03.2009	Depreciation upto 31.03.2008	Ajustments	Depreciation for the Year	Total Depreciation	Net Block As at 31.03.2009	Net Block As at 31.03.2008
1	a. Leasehold land	3,49,753	-	-	3,49,753	-	-	-	-	3,49,753	3,49,753
	b. Freehold land	28,57,462	-	-	28,57,462	-	-	-	-	28,57,462	28,57,462
2	Buildings	3,29,92,845	93,248	-	3,30,86,093	1,45,29,730	-	10,26,306	1,55,56,036	1,75,30,057	1,84,63,115
3	Plant & Machinery	15,34,71,314	5,23,482	-	15,39,94,796	10,64,34,255	-	81,22,188	11,45,56,443	3,94,38,353	4,70,37,059
4	Electrical Installation	1,72,34,294	-	-	1,72,34,294	1,26,26,140	-	8,49,061	1,34,75,201	37,59,093	46,08,154
5	Tools, Gadgets and Equipments	73,10,447	3,80,450	-	76,90,897	51,35,295	-	2,50,873	53,86,168	23,04,729	21,75,152
6	Furniture & Fixtures	23,31,566	-	-	23,31,566	20,74,928	-	66,973	21,41,901	1,89,665	2,56,638
7	Vehicles	27,12,778	77,242	-	27,90,020	14,66,739	-	1,30,898	15,97,637	11,92,383	12,46,039
	Total	21,92,60,459	10,74,422	-	22,03,34,881	14,22,67,087	-	1,04,46,299	15,27,13,386	6,76,21,495	7,69,93,372
	Previous Year	21,14,40,306	80,60,753	2,40,600	21,92,60,459	13,23,28,259	2,40,600	1,01,79,428	14,22,67,087	7,69,93,372	-

Note : Building include cost of 30 shares of Rs. 50/- each in Balkrishna Krupa Co-operative Hsg. Soc. Ltd

SCHEDULE F

CURRENT ASSETS, LOANS AND ADVANCES

Inventories

(As taken, valued and certified by the management)

Stores and Spares	41,37,482	26,21,225
Raw Materials	18,11,273	13,52,124
Stock in process	34,63,298	10,44,240
Finished Goods	61,62,115	29,59,624

1,55,74,168 79,77,213

Sundry Debtors

(Unsecured)

Outstanding for a period exceeding six months

- considered good	63,35,625	32,77,503
- considered doubtful	39,93,269	1,46,54,617
Less : Provision for doubtful debts	39,93,269	39,93,269

Others

6,38,73,311 5,02,28,309

7,02,08,936 6,41,67,160

Carried forward

8,57,83,104 7,21,44,373



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
SCHEDULE F (Cont'd)		
Brought forward	8,57,83,104	7,21,44,373
Cash and Bank Balances		
Cash on Hand	12,01,187	9,53,965
Balances with Scheduled Banks : In Current Accounts	86,581	30,757
	12,87,768	9,84,722
Loans and Advances		
(Unsecured, considered good)		
TDS and FBT	7,59,127	3,99,884
Sundry Deposits	22,45,181	22,44,470
Excise duty refundable	28,61,567	28,61,567
Others	3,33,83,825	3,06,43,594
	3,92,49,700	3,61,49,515
Total	12,63,20,572	10,92,78,610

SCHEDULE G

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

Sundry Creditors : (See Notes)
- Micro, Small and Medium Enterprises
- Others

Other Liabilities

Total

6,79,73,991	5,29,08,446
77,53,229	1,17,68,165
7,57,27,220	6,46,76,611

Provisions

Provision for Gratuity
Provision for Fringe Benefit Tax

Total

17,84,069	15,29,069
6,77,000	4,77,000
24,61,069	20,06,069

Total

7,81,88,289	6,66,82,680
--------------------	-------------

Notes :

1. [includes Rs Nil (Previous Year -Nil) due to small scale industrial undertakings, exceeding Rs 1 lac, each outstanding for more than 30 days, within the agreed terms.]
2. The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006." Hence the information required to be given in accordance with Section 22 of the said Act is not ascertainable and therefore not given.
3. Current Liabilities include cheques overdrawn Rs. 30.50 lacs (Previous Year Rs. 9.18 lacs)



SUPERTEX INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE H			
OTHER INCOME			
a. Interest (Gross)			
From others		12,87,198	2,69,149
(Tax Deducted at Source Rs. 2,55,983/- Previous Year Rs 59,419/-)			
b. Leave license fees		98,000	2,36,304
c. Balances written back		7,31,14,800	—
(See Note 11 - Schedule L)			
d. Others		69,953	53,587
Total		<u>7,45,69,951</u>	<u>5,59,040</u>
SCHEDULE I			
ACCRETION / (DECRETION) TO STOCKS			
Closing Stock			
Stock in process		34,63,298	10,44,240
Finished goods		61,62,115	29,59,624
Total		<u>96,25,413</u>	<u>40,03,864</u>
Less: Opening Stock			
Stock in process		10,44,240	4,37,023
Finished goods		29,59,624	48,327
Total		<u>40,03,864</u>	<u>4,85,350</u>
Accretion to Stocks		<u>56,21,549</u>	<u>35,18,514</u>
SCHEDULE J			
MANUFACTURING AND OTHER EXPENSES			
Manufacturing Expenses			
Stores Consumed	61,71,962		31,46,756
Power and Fuel	1,23,14,742		90,53,565
Packing Expenses	17,84,873		14,25,226
Security Charges	4,41,693		3,92,208
Rent, Rates and Taxes	4,23,989		1,51,584
Other Expenses	18,511		25,305
		<u>2,11,55,770</u>	<u>1,41,94,644</u>
Carried forward		<u>2,11,55,770</u>	<u>1,41,94,644</u>



SUPERTEX INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE J (Cont'd)			
Brought forward		2,11,55,770	1,41,94,644
Repairs and Maintenance			
Buildings	13,654		1,07,064
Plant and Machinery	3,02,799		1,94,344
Others	97,271		15,596
		4,13,724	3,17,004
Employees' remuneration and benefits			
Salaries, Wages and Bonus	75,39,463		46,47,082
Gratuity	2,55,000		2,24,545
Staff and Labour Welfare	7,10,895		6,60,493
Contribution to Provident and other Funds	5,01,320		4,45,863
		90,06,678	59,77,983
Sales and Distribution Expenses			
Carriage Outward	24,15,970		12,56,209
Brokerage and Commission	24,65,749		13,76,767
		48,81,719	26,32,976
Establishment Expenses			
Insurance	3,10,632		3,57,279
Travelling and Conveyance (including Directors' Travelling Rs.78,200/- Pr. Year Rs.36,479/-)	18,69,623		10,50,845
Printing and Stationery	2,60,300		2,35,854
Communication	4,93,495		5,28,697
Directors' Remuneration	19,21,354		10,91,678
Legal and Professional	6,78,117		7,22,668
Auditors' Remuneration	55,150		56,180
Bank Charges	2,09,881		30,473
Other Expenses	8,34,431		7,17,856
		66,32,983	47,91,530
Total		4,20,90,874	2,79,14,137
SCHEDULE K			
INTEREST			
Others		19,52,725	14,16,196
Total		19,52,725	14,16,196



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

SCHEDULE L

NOTES ON ACCOUNTS

1. Significant Accounting Policies :

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

2. Contingent liabilities :

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

	31.03.2009 Rs. Lacs	31.03.2008 Rs. Lacs
i. Claims raised by the Sales Tax department in respect of earlier years disputed by the Company and appealed against	35.03	35.03
Less : Paid/(Provided) for out of the above	7.93	7.93
	<u>27.10</u>	<u>27.10</u>

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



SUPERTEX INDUSTRIES LIMITED

3. The Sales tax assessment at Silvassa and Dharampur is completed upto 31st March, 2004. The Income tax assessment of the Company is completed upto 31st March, 2006.

4. Payment to Auditors :	31.03.2009	31.03.2008
	Rupees	Rupees
Audit Fees	55,150	56,180
Tax Audit Fees	22,060	44,944
Cost Audit Fees	16,545	15,000
Total	<u>93,755</u>	<u>1,16,124</u>

5. The Company is not required to obtain any licence under the Industrial Development and Regulations Act. Therefore the details of licenced capacity are not applicable. The installed capacity could not be worked out due to complexity of different deniers used. However, the Company has registered itself with the Textile Commissioner as a medium scale unit for Texturising, Twisting and Doubling of Art Silk yarns at Silvassa. The Company is also registered with the Secretariat of Industrial Approvals for its unit at Dharampur.

6. Quantitative information in respect of Opening Stock, Closing Stock, Sales and Consumption of Raw Material and Stores :

			31.03.2009	
	Unit	Quantity		Value Rupees
a Opening Stock :				
Finished Stocks	M.T.	23.234		29,59,624
	M.T.	<i>(0.705)</i>		<i>(48,327)</i>
b Closing Stock :				
Finished Stocks	M.T.	66.763		61,62,115
	M.T.	<i>(23.234)</i>		<i>(29,59,624)</i>
c Sales (Yarn)	M.T.	1765.279		19,01,17,549
	M.T.	<i>(1690.193)</i>		<i>(16,82,26,317)</i>
d Raw Material Consumed :				
Indigenous	100.00%	M.T.	1852.793	14,27,93,952
	<i>(100.00%)</i>	M.T.	<i>(1884.313)</i>	<i>(13,57,31,225)</i>
e Stores Consumed :				
Imported	%		-	-
	<i>(-)</i>		<i>(-)</i>	<i>(-)</i>
Indigenous	100.00%		-	61,71,962
	<i>(100.00%)</i>		<i>(-)</i>	<i>(31,46,756)</i>
Total	100.00%		-	61,71,962
	<i>(100.00%)</i>		<i>(-)</i>	<i>(31,46,756)</i>
f Goods traded in :				
Purchases	Mtrs.	13,44,804		10,93,69,378
		<i>(12,37,174)</i>		<i>(10,62,22,545)</i>
Sales	Mtrs.	13,44,804		10,97,04,099
		<i>(12,37,174)</i>		<i>(10,65,32,102)</i>
7. Actual Production :				
Texturised, Twisted, Warped and Sized Yarn	M.T.	*2096.487		
	M.T.	<i>*(2013.337)</i>		

* Includes Jobwork Production **287.679 M.T** (*300.615 M.T.*)



8. CIF value of imports by the Company :

	31.03.2009	31.03.2008
	Rs.lacs	Rs.lacs
Capital Goods	Nil	Nil

9. Earning/expenditure in foreign currency :

(a) Earning in foreign currency :		
FOB value of exports	Nil	Nil
(b) Expenditure in foreign currency :		
Foreign travelling expenses	Nil	Nil
Stores and Spares	Nil	Nil

10. The Company was declared sick under section 3(1)(o) of the SIC Act on 09.02.2005. The restructuring scheme sanctioned by the Board for Industrial and Financial Reconstruction on 16.09.2008 has been implemented.
11. Other Income includes Rs. 731.15 lacs being the interest no longer payable pursuant to the sanctioned scheme. The principal amount no longer payable Rs. 714.16 lacs has been credited to Capital Reserve II.
12. Pursuant to the Sanctioned Scheme, the Company has done reduction, and consolidation of its equity share capital on 8.11.2008. As a result, Rs. 529.78 lacs (net) has been adjusted towards brought forward accumulated losses.
13. The promoters/strategic investors have introduced Rs. 15.00 lacs against Share Warrants of Rs. 1,50,00,000/- issued to them, convertible into equity shares at par within 18 months from sanctioned scheme.
14. In terms of the sanctioned scheme, the Company has converted unsecured loans infused by promoters and strategic investors of Rs. 850.00 lacs into equity share capital at par to meet the cost of rehabilitation for expeditious revival of the Company.
15. Previous Year's figures have been regrouped/rearranged wherever necessary. Figures in brackets relate to the previous year.

16. Managerial remuneration paid to the Directors :

	Current Year	Previous Year
	Rupees	Rupees
Salaries	16,21,355	11,49,678
Perquisites	5,28,663	3,20,665
Contribution to Provident Fund	1,94,562	1,37,961
Total	23,44,580	16,08,304

17. Loans and advances include housing loan of Rs. 4.44 lacs (Previous Year Rs. 6.11 lacs) due from a director (approved by the Central Government). Maximum balance during the year Rs. 6.11 lacs (Previous Year Rs. 7.78 lacs).

18. Related party Disclosure (as identified by the Management) :

- (i) Related party relationships :
- a) Where control exists
 Super Infincon Pvt. Ltd.
 Super Polyester Yarns. Ltd.
- b) Key Management Personnel :
 Shri. S. S. Mishra
 Shri. R. K. Mishra
 Shri. S. K. Mishra
- c) Relatives of Key Management Personnel :
 Shri. B. K. Mishra (Son-in-law of Shri S. S. Mishra)



(ii) Transactions with Related Parties :

Rs in lacs

Type of related party	Description of the nature of the transactions	Volume of transaction during the Year	Amount Outstanding as on 31st March, 2009	
			Receivable	Payable
Where Control Exists	Purchase bills financing	683.86	—	49.66
	Advance	380.38	—	—
	Unsecured loan	181.85	—	—
Key Management Personnel	Managerial Remuneration (Including perquisites)	23.45	—	4.64
	Housing Loan given	—	4.44	—
Relatives of Key Management Personnel	Remuneration (Including perquisites)	2.07	—	0.11
	Unsecured loan	212.68	—	6.67

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

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

	31.03.2009	31.03.2008
(a) Net Profit after tax (Rs Lacs)	1,277.78	6.05
Extraordinary items	731.15	—
Net Profit after tax for equity shareholders	546.63	6.05
(b) Number of Equity Shares as on April 1, 2008 (Calculated at Paid-up Rs/- per share)	67,06,600	6,70,66,000
Reduction of shares on November 8, 2008	13,41,320	—
Shares issued during the year	85,00,000	—
Number of Equity Shares as on March 31, 2009	98,41,320	6,70,66,000
Weighted average no. of equity shares	79,43,311	6,70,66,000
(c) Basic Earnings per share (Rs)	6.88	0.01
Face Value Rs 10 (Previous year Re 1/-)		
(d) Potential shares on exercise of options	15,00,000	—
Weighted average no. of equity shares	94,43,311	6,70,66,000
Diluted Earnings per share (Rs)	5.79	0.01
Face Value Rs. 10 (Previous year Re 1/-)		

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

22. **Deferred Tax :** As per Accounting Standard 22 issued by the Institute of Chartered Accountants of India, the Company has, in the current year, created deferred tax asset on unabsorbed depreciation and carried forward business losses for past years, as it expects to recoup with reasonable certainty, the same in the future years. The break-up of net deferred tax asset is as under :

	As on 31.03.2009 (Rs. Lacs)	
	Deferred Tax Asset	Deferred Tax Liability
Unabsorbed Depreciation	383.22	
Accumulated Business Losses	256.58	
Disallowances u/s 43B of I.T. Act	6.01	
Difference in books and tax Depreciation		19.58
Total	<u>645.81</u>	<u>19.58</u>
Net Deferred Tax Asset		<u>626.23</u>

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

24. In view of brought forward losses no provision for taxation is considered necessary as per the Income Tax Act, 1961.



SUPERTEX INDUSTRIES LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I) Registration Details:

Registration No.	54-00046
State Code	04
Balance Sheet Date	31.03.2009

II) Capital raised during the year

(Amount in Rs. Thousands)

Public Issue	Nil
Preferential Issue	85,000
Bonus Issue	Nil
Private Placement	Nil

III) Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	2,27,631
Total Assets	2,27,631
Sources of Funds:	
Paid-up Capital	99,913
Reserves & Surplus	1,27,051
Secured Loans	-
Unsecured Loans	667
Application of Funds:	
Net Fixed Assets	67,622
Deferred Tax Asset (Net)	62,622
Net Current Assets	48,132
Miscellaneous Expenditure	-
Accumulated Losses	49,255

IV) Performance of Company

(Amount in Rs. Thousands)

Turnover	3,82,641
Total Expenditure	3,17,285
Profit Before Tax	65,356
Profit After Tax	1,27,778
Basic Earning Per Share (Rs)	6.88
Diluted Earning Per Share (Rs)	5.79
Dividend Rate %	Nil

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

(As per Monetary terms)

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

Signatures to Schedule A to L

As per our attached report of even date

For N.G.Thakrar & Co.
Chartered Accountants

For M.B.Agrawal & Co.
Chartered Accountants

For and on behalf of the Board,
S. S. Mishra - Chairman & Company Secretary
R. K. Mishra - Managing Director
G. R. Toshniwal - Director
S. K. Mishra - Director-Finance

N.G. Thakrar
Proprietor

Sanjay Lunkad
Partner

Membership No.36213
Mumbai, 23rd June, 2009

Membership No.48229
Mumbai, 23rd June, 2009

Mumbai, 23rd June, 2009

FORM OF PROXY



SUPERTEX INDUSTRIES LIMITED

Regd. Office :

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

I/We

of in the district of

being a member / members of the above-named Company, hereby appoint

..... of

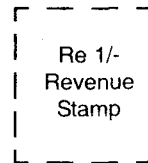
..... in the district of

or failing him of

as my / our proxy to vote for me / us on my / our behalf at 23rd Annual General Meeting of the Company, to be held on Saturday, 22nd August, 2009 at 10.30 a.m. and at any adjournment thereof.

Signed this day of2009

Signature



Reference Folio

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

BOOK - POST



If undelivered, please return to :

SUPERTEX INDUSTRIES LIMITED

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