



**BOARD OF DIRECTORS**

S. S. MISHRA	..	<i>Chairman &amp; Company Secretary</i>
N. N. PURI	..	<i>Director</i>
M. A. SHARMA	..	<i>Director</i>
G. R. TOSHNIWAL	..	<i>Director</i>
R. K. MISHRA	..	<i>Managing Director</i>
S. K. MISHRA	..	<i>Director Finance</i>

**AUDITORS**

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

**SOLICITORS**

CRAWFORD BAYLEY & COMPANY

**BANKERS**

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

**REGISTERED OFFICE**

Plot No 45/46, Phase II,  
Piperia Industrial Estate,  
Silvassa - 394230, D & N H.

**HEAD OFFICE**

Balkrishna Krupa, 2<sup>nd</sup> 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 - 394 230.  
Dadra & Nagar Haveli.
2. Unit III : 213, Kharvel,  
Behind Kharvel Sub-station  
Taluka Dharampur - 396 050.  
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 Phool  
Andheri (E), Mumbai - 400 072.

**NOTICE**

The Twenty- fourth Annual General Meeting of members of **SUPERTEX INDUSTRIES LTD.** will be held on Friday the 13th August, 2010 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, 2010 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. G.R.Toshniwal, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. S.K.Mishra, who retires by rotation but being eligible offers himself 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. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re. 1/- (Rupee One) each to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One) each by creation of 25,00,00,000 (Twenty Five Crore) additional Equity Shares of Re. 1/- 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 the following resolution with or without modification(s) as a Special Resolution.**

“RESOLVED that pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into with the stock exchanges where the Equity Shares of the Company are listed (the “Stock Exchanges”), Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009 (“ICDR Regulations”), Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by the Resolution) is hereby authorized to accept, the Board be and hereby authorized on behalf of the Company to create, issue, offer and allot (including the provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted) in the course of one or more public or private offerings in domestic and/or one or more international market(s) with or without a Green Shoe option, Equity Shares (including Qualified Institutions Placement (“QIP”) under ICDR Regulations) and/or Equity Shares through depository receipts and/or convertible bonds and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities including non-convertible debentures with warrants or other securities with or without warrants, which may either be detachable or linked, and which warrant has a right exercisable by the warrant holder to subscribe for the Equity Shares and/or warrants with an



option exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares (including the issue and allotment of Equity Shares pursuant to a Green Shoe Option, if any), (all of which are hereinafter collectively referred to as 'Securities') to eligible investors under applicable laws, regulations and guidelines (whether residents and/or non-residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds and Indian and/or multi-lateral financial institutions and/or individuals and/or trustees and/or stabilizing agents or otherwise, and whether or not such investors are members of the Company), through prospectus and/or letter of offer or circular and/or on public and/or private/preferential placement basis, such issue and allotment to be made at such time/times, in one or more tranches, for cash, at such price or prices, in such manner and where necessary, in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of Securities provided that the total amount raised through the issuance of such Securities shall not exceed Rs.60 crore or its equivalent in one or more currencies, including premium if any as may be decided by the Board, to investors as mentioned above.

**"RESOLVED FURTHER** that without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc.

**"RESOLVED FURTHER** that the Company and/or any agency or body or person authorized by the Board, may issue depository receipts representing the underlying Equity Shares in the capital of the Company or such other Securities in negotiable, registered or bearer form (as may be permissible) with such features and attributes as may be required and to provide for the tradeability and free transferability thereof as per market practices and regulations (including listing on one or more stock exchange(s) in or outside India).

**RESOLVED FURTHER THAT** the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or Securities issued pursuant to a QIP shall be the date on which the Board of the Company (including Committee of the Board) decides to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with Equity Shares at a later date becomes entitled to apply for the said Equity Shares, as the case may be ("Relevant Date").

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such Equity Shares ranking pari passu inter se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions in that behalf contained in the Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors.

**By Order of the Board**

**S.S.Mishra**

**Chairman & Company Secretary**

Mumbai, 13th July, 2010  
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 Friday the 6th August, 2010 to Friday 13th August, 2010 (both days inclusive)
3. M/s. Sharex Dynamic (India) Pvt. Ltd. (formerly known as Sharex (India) Pvt. Ltd., Unit – I, Luthra Industrial Premises, Andheri Kurla Road, Safed Phool, Mumbai – 400 072 are the Share Transfer Agents of the Company for transfer of shares. Members are requested to forward their 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.
7. The Explanatory statement in respect of special Business is annexed hereto.

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

1. Shri Ganesh Toshniwal (43) is a B.Com from Rajasthan University and a Fellow of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant and is partner in NGS & Co., Chartered Accountants. The Board commends his re-appointment.
2. Shri S.K. Mishra (43) is a B.Com from Mumbai University and a Chartered Accountant, and has been working with the Company as Sr. Executive - Finance since 1991. Since then he has worked in various positions and at present he is working as Whole-time Director - Finance and looks after the financial accounts and taxation of the Company. He is well versed in Corporate Finance, Taxation and office administration. Looking to his vast experience in various fields, the Board commends his re-appointment.  
Shri S.K. Mishra himself, Shri S.S. Mishra and Shri R.K. Mishra being relatives are interested/concerned in the resolution.

**ANNEXURE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 :****ITEM NO. 5**

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

The present Authorised Share Capital of the Company is Rs.25,00,00,000/-. It is proposed to increase the Share Capital of the Company from Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) at Re. 1/- (Rupee One) each indicating a total increase of Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only). The Board of Directors at their meeting held on 17th July, 2010 approved the proposal for increase in the 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 the Company and would require member's approval by passing an Ordinary Resolution.

A copy of a Memorandum and Articles 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**

As the Company intends to raise additional long term finance by issue of securities in the domestic/international market and utilize the proceeds for capital expenditures/ acquisition of working capital in the Company, the Board of Directors at its meeting held on 13th July 2010 had approved subject to the approval of the members, raising of funds to the tune of Rs. 60 crores, in Indian Rupees or equivalent in any foreign currency, in one or more tranches in international/ domestic market through issue of QIP/ADRs/GDRs, etc. as per the guidelines of Government of India/ Reserve Bank Of India / SEBI ( Issue of Capital and Disclosure Requirement ) Regulations 2009.

The said resolution is an enabling resolution conferring the authority on the Board to do all acts and deeds which may be required to issue/ offer securities of appropriate nature at appropriate time including the size, structure, place and time of the issue. The detailed terms and conditions for the international offering will be determined in consultation with the lead managers, merchant bankers, underwriters and such other intermediaries as may be appointed for the issue/ offer. Whenever necessary and applicable the pricing of the issue/ offer will be finalized in accordance with applicable guidelines in force.

Section 81 of the Companies Act 1956, inter alia provides that whenever it is proposed to increase the subscribed capital of the company by further issue/offer and allotment of shares, such shares shall be offered to the existing share holders of the Company in the manner laid down in section 81 unless the shareholders decide otherwise by a special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreement executed by the Company with the Stock Exchange authorizing the Board to issue securities as stated in the resolution which may result in issuance of further securities of the Company to persons other than the existing members of the Company in accordance with the terms and nature of the securities.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution except in their capacity as shareholders of the Company.

The Board recommends the resolution for approval of the Members as a special resolution.

**By order of the Board**

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

Mumbai, dated 13th July, 2010



**DIRECTORS' REPORT**

**TO THE MEMBERS**

The Directors are pleased to present herewith the Twenty-Fourth Annual Report together with the audited statement of accounts of your Company for the year ended 31st March, 2010.

**Financial Results**

		<b>Year ended 31.03.2010 Rs. in lacs</b>	<b>Year ended 31.03.2009 Rs. in lacs</b>
Turnover	..	4845.09	3024.50
Income from Operations	..	149.88	152.72
Interest written back	..	-	731.15
Total Income	..	149.88	883.87
Bad Debts	..	-	106.32
Profit before Interest and Depreciation	..	149.88	777.55
Interest	..	22.98	19.53
Profit before Depreciation	..	126.90	758.02
Depreciation	..	107.07	104.46
Profit Before Tax	..	19.83	653.56
Deferred Tax	..	48.27	626.22
Fringe Benefit Tax	..	-	2.00
Net Profit for the year	..	68.10	1277.78
Equity Share Reduction	..	-	529.78
Profit & Loss Account	..	68.10	1807.56
Loss brought forward	..	492.55	2300.11
Loss carried forward	..	424.45	492.55

The directors regret their inability to recommend any dividend on account of inadequacy of profits.

**Working**

After having redeemed all debts and liabilities due to the Banks and Financial Institutions, and completing the capital restructuring program, the Management has been engaged with the other consolidating activities in relation to production program during the year under review. Old and obsolete machines which are no longer cost and quality competitive have been charted to be replaced by modern and cost competitive machines of texturising and twisting. Sales tax exemption in Silvassa has ended and therefore there is a need to redraw its manufacturing process so as to remain as a quality source of material in the premium textile markets.

Sizing and fabric activity have picked up during the year and are likely to grow as there is a lot of capacity build-up in this segment. The management is trying to maximize its setup for the same and look into the possibility to build more capacity of the same. Bank finance has been applied for the purpose. Other preparatory and ancillary activities also need to be built up or outsourced, and the management is engaged with the same.

The production in texturising and twisting activity was marginally lower this year as the machines are being upgraded and the capacity is being enhanced by about 22 %. The draw warping and sizing activity remained steady and enhancement of the capacity of the same alongwith improving capacity utilization of existing plants is being attempted.

Rs.135 lacs, being the amount due on share warrants were received during the year and fully paid equity shares were issued to the warrant holders against the same.

The management is considering acquiring an associate company to augment and diversify its objects.

**Directors**

Shri G.R. Toshniwal and Shri S.K. Mishra, Directors of the Company retire by rotation and being eligible offer themselves for reappointment. Shri V.K. Mishra, a Director of the Company resigned with effect from 27th May, 2010. The Board records its appreciation for the valuable contribution made by him during his tenure as Director of the Company.

**Auditors**

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

**Cost Auditors**

The Cost Account records maintained by the Company are subject to yearly audit. M/s. N. Ritesh & Associates, the existing Cost Accountant retired. Your Company has re-appointed M/s. N. Ritesh & Associates, Cost Auditors for the year 2010-11.

**Corporate Governance**

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

**Industrial relations**

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

**Directors' Responsibility Statement**

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

- i) that in the preparation of the annual accounts for the year ended March 31, 2010 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 March 31, 2010 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.

	31.03.2010	31.03.2009
Purchased Units (Kwh)	25,63,116	26,15,154
Amount (Rs.)	1,27,76,808	1,21,92,816
Rate / Unit (Rs./p.)	4.98	4.66

**Listing with Stock Exchanges**

The Company continues to remain listed with The Bombay 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 acknowledge 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, 29th May, 2010

**ANNEXURE TO THE DIRECTORS REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****Overall Review**

The year under review started with a note of optimism as the news of economic recovery were pouring all around. The demand of PTY/PFY was rather volatile and therefore the buying of consumers was need based and on a cautious note. The stand alone texturisers and processors were impacted although integrated units with POY spinning capacity were able to absorb the chain volatility.

The timely government intervention helped the industry to overcome the slowdown effect by announcing a series of stimulus packages that supported the industry. However, some of the stimulus package was partially rolled back by raising the excise duty on polyester yarn from 4% to 8% in July 2009 and thereafter, further increasing by 2 % in the Union Budget 2010-11 which took the overall excise duty to 10 %. The downstream industry however enjoys the exemption option and fall outside the excise net.

India still lags behind in the per capita consumption of polyester. The global per capita consumption of all synthetic fibres is 10.4 kg while in India it is at 5 kg. It is 16 kgs in China, 31 kgs in the North America and 22 kgs in Europe. This shows the encouraging untapped potential in the Indian market.

PFY is expected to lead the domestic demand growth in the overall textile scenario. The current demand is 19 Lac MT which is up by 14% from last year.

**Corporate Overview**

In the year under review, the management has taken up the task of identifying and consolidating its existing set up and upgrading its manufacturing facilities. It is modernising its texturising and twisting facilities whereas consolidating the sale in draw warping and sizing activities. The last quarter was considerably dull as the Company's sales tax exemption in Silvassa ended and many of the manufacturing facilities are being restructured. However, things are likely to improve once the same is complete. The Company has applied for the necessary bank finances for the same.

In order to achieve better economics, many polyester texturisers went in for backward integration by installing POY production facilities and in some cases by also installing polymerization plants. The same trend is expected to continue in the following year also and by doing so the texturisers and processors become more economical and cost competitive.

There is a remarkable increase of water jets and other high quality weaving units in Gujarat and Maharashtra. This has provided a good demand for sized beams and high quality yarns. The new fibre policy is expected to improve the situation of polyester yarns vis-à-vis natural fibres.

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 availability of POY which is the main raw material of the Company continued to remain irregular and this can continue in the current year although, now, there are numerous new manufacturers of the same. The other competitive manufacturers in the industry are integrated with the raw material available captively. This secures and enhances their profitability significantly. The Company is addressing this issue on top priority with various alternatives.

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 of inputs, in the domestic market, which go for making the raw material of the Company may be affected by shortages.

The global events have a direct effect on the performance and profitability of the industry as immunity from global happenings is diminishing continuously. However in this current slowdown the Government could appreciably save the economy from hostile circumstances abroad.



### **Opportunities**

Impressive, over 9 % average growth of the Indian economy in the current circumstances is likely to improve the textile industry even further, as 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 shortfall in per capita consumption of polyester in India provides a vast scope for improvement in order to catch up with the global per capita consumption levels.

The low raw material prices, as compared to cotton, 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 timely 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 last year. The management feels that the situation should remain accordingly this year.

### **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.