



**LEADERSHIP THROUGH  
CAPABILITY**

71st Annual Report 2012-13

**Supreme**<sup>©</sup>  
People who know plastics best

**THE SUPREME INDUSTRIES LIMITED**



**THE SUPREME INDUSTRIES LIMITED**

## **FRONTLINE PERFORMANCE**

AT SUPREME, QUALITY CONSCIOUSNESS AND CUSTOMER SATISFACTION ARE THE TWIN KEY PILLARS OF ITS CORPORATE MISSION.

ONE FOCUSES ON THE CONTINUAL ASSIMILATION OF NEWER, MORE ADVANCED TECHNOLOGIES TO ACHIEVE EVER GREATER LEVELS OF HIGH PRECISION MANUFACTURE AND PRODUCT IMPROVEMENT.

THE OTHER DELVES INTO AREAS OF CUTTING EDGE TECHNOLOGY AND THE DYNAMIC PURSUIT OF DEVELOPING INNOVATIVE PRODUCTS WITH NEW CAPABILITIES FOR DEMANDING APPLICATIONS – MUCH TO THE DELIGHT OF SUPREME CUSTOMERS.

COMPLEMENTING THESE TWO ASPECTS OF THE COMPANY'S CORPORATE MISSION IS THE SUPREME LEGACY OF GROWTH THROUGH CONSISTENCY, HARD WORK AND INTEGRITY. OUR TURNOVER HAS RISEN STEADFASTLY OVER THE YEARS, INCLUDING CHALLENGING PERIODS OF GLOBAL ECONOMIC DOWNTURN.

AS ONE OF THE FRONT-LINERS OF THE INDIAN PLASTICS INDUSTRY, SUPREME SEES ITSELF AS A BEACON AND AN EXPLORER.

BY REGULARLY ADDING NEW PRODUCTS TO OUR OWN PORTFOLIO AND BY REACHING OUT TO NEW TERRITORIES – BOTH WITHIN THE COUNTRY AND ABROAD – WE LAY THE ROAD TO AN EVER EXPANDING NETWORK OF BUSINESS ALLIANCES. WE STRIVE FOR MATCHLESS EFFORTS.

## Performance Highlights

(₹ in Lacs)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Polymers Processed (MT)	100053	95439	118115	130547	139239	172746	191704	224673	245700	281452
Sales	90925.15	93150.04	113067.09	132963.00	149882.45	180900.03	217159.45	266553.08	318461.92	374607.92
Less: Excise Duty	11297.96	11740.33	14860.69	16796.94	18860.35	15707.16	16585.69	22979.68	29532.17	38795.70
Net Sales	79627.19	81409.71	98206.40	116166.06	131022.10	165192.87	200573.76	243573.40	288929.75	335812.22
Other Income	242.14	1003.30	466.61	666.76	893.91	904.53	1621.55	4294.66	4917.25	4884.38
Total Income	79869.33	82413.01	98673.01	116832.82	131916.01	166097.40	202195.31	247868.06	293847.00	340696.60
Operating Profit	8908.42	9008.77	10193.24	13629.66	15272.04	24698.97	30556.28	36709.23	48281.54	53939.82
Interest	2560.43	2508.59	2696.04	3300.57	3897.92	5456.03	3302.71	4250.19	5479.67	5234.61
Gross Profit	6347.99	6500.18	7497.20	10329.09	11374.12	19242.94	27253.57	32459.04	42801.87	48705.21
Depreciation	4139.01	3929.84	4134.10	4024.59	3951.04	5251.74	5292.03	6284.52	7246.28	8170.67
Profit Before Tax & Exceptional Items	2208.98	2570.34	3363.10	6304.50	7423.08	13991.20	21961.54	26174.52	35555.59	40534.54
Tax & Exceptional Items	110.09	205.00	-656.08	-1291.36	-2310.88	-4251.24	-7489.00	-8773.42	-11504.00	-13299.35
Profit after Tax	2098.89	2365.34	4019.18	5013.14	5112.20	9739.96	14472.54	17401.10	24051.59	27235.19
Prior Years Adjustments	7.99	-0.85	-23.37	2.22	-1.37	-1.35	10.48	95.90	-	-0.20
Net Profit	2106.88	2364.49	3995.81	5015.36	5110.83	9738.61	14483.02	17497.00	24051.59	27234.99
Paid up Equity Capital (Face Value of ₹ 2)	1339.08	1339.08	1381.08	2762.17	2762.17	2540.54	2540.54	2540.54	2540.54	2540.54
Reserves and Surplus*	18446.36	19409.84	18352.36	19576.27	22004.49	25990.94	35136.56	46278.92	61472.49	77580.97
Shareholders' Funds	19785.44	20748.92	19733.44	22338.44	24766.66	28531.48	37677.10	48819.46	64013.03	80121.51
Total Loans	20446.01	24653.54	23748.68	32717.48	44482.04	41571.19	38736.42	51123.74	34835.43	46737.98
Long Term Loans	16365.85	19780.84	12909.06	19975.37	28954.15	29141.93	18570.26	24600.32	18248.75	28684.61
Deferred Tax Liability (Net)			4283.20	4733.20	5228.09	6428.09	6984.39	7953.80	8325.83	9065.18
Capital Employed**	36235.29	40613.76	36925.70	47047.01	58948.90	64101.50	63231.75	81373.58	90587.61	117871.30
Net Fixed Assets***	28164.46	29759.72	32367.14	33356.68	46113.78	54024.26	56118.37	74027.37	73804.86	102645.43
Earning Per Equity Share (₹)	3.15	3.53	5.79	3.63	3.70	7.67	11.40	13.77	18.93	21.44
Cash Earning Per Equity Share (₹)	9.32	9.40	11.81	6.54	6.56	11.80	15.56	18.65	24.64	27.87
Book Value (₹)	29.55	30.99	28.58	16.17	17.93	22.46	29.66	38.43	50.39	63.07
Dividend (%)	90.00	90.00	100.00	75.00	80.00	120.00	180.00	215.00	300.00	375.00
ROACE (%)****	10.82	10.33	12.11	19.37	19.27	27.83	38.09	39.80	44.69	41.46
PBIT / Average Capital Employed										
ROANW (%)	11.00	11.67	19.86	23.83	21.71	36.55	43.72	40.24	42.63	37.79
(PAT / Average Net Worth)										
Debt : Equity	0.83	0.95	0.65	0.89	1.17	1.02	0.49	0.50	0.29	0.36
(Long Term Debt / Total Net worth)										
Debt: Equity	1.03	1.19	1.20	1.46	1.80	1.46	1.03	1.05	0.54	0.58
(Total Debt / Total Net Worth)										

\* excluding revaluation reserves.

\*\* Shareholders' Funds + Long Term Loans + Deferred Tax Liability.

\*\*\* excluding revaluation reserves & Capital work in Progress & Assets held for disposal

\*\*\*\* ROACE = PBIT(Interest is excluding interest on working capital loans & unsecured loans) / Avg Capital Employed



## BOARD OF DIRECTORS

B. L. Taparia, Chairman  
M. P. Taparia, Managing Director  
S. J. Taparia, Executive Director  
V. K. Taparia, Executive Director  
B. V. Bhargava, Director  
H. S. Parikh, Director  
N. N. Khandwala, Director  
S. R. Taparia, Director  
Y. P. Trivedi, Director

## BANKERS

Central Bank of India  
Axis Bank Ltd.  
BNP Paribas  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Standard Chartered Bank  
State Bank of India  
Vijaya Bank

## AUDITORS

M/s. Chhogmal & Co.,  
Chartered Accountants

## REGISTERED OFFICE

612, Raheja Chambers, Nariman Point,  
Mumbai 400 021.  
Tele: 022-2285 1656 Fax: 022-2285 1657  
Website: <http://www.supreme.co.in>  
Email: [investor@supreme.co.in](mailto:investor@supreme.co.in)

## CORPORATE OFFICE

1161 & 1162 Solitaire Corporate Park,  
167, Guru Hargovindji Marg,  
Andheri Ghatkopar Link Road, Andheri (E), Mumbai 400 093  
Tele: 022-4043 0000 Fax: 022-4043 0099  
Website: <http://www.supreme.co.in>  
Email: [supreme@supreme.co.in](mailto:supreme@supreme.co.in)

## WORKS

1. Derabassi (Punjab)
2. Durgapur (West Bengal)
3. Gadegaon (Maharashtra)
4. Guwahati (Assam)
5. Halol - Unit I (Gujarat)
6. Halol - Unit II (Gujarat)
7. Halol - Unit III (Gujarat)
8. Halol - Unit IV (Gujarat)
9. Hosur Unit I (Tamil Nadu)
10. Hosur Unit II (Tamil Nadu)
11. Jalgaon - Unit I (Maharashtra)
12. Jalgaon - Unit II (Maharashtra)
13. Kanhe (Maharashtra)
14. Kanpur (Uttar Pradesh)
15. Khopoli (Maharashtra)
16. Khushkheda (Rajasthan)
17. Malanpur - Unit I (Madhya Pradesh)
18. Malanpur - Unit II (Madhya Pradesh)
19. Noida (Uttar Pradesh)
20. Puducherry (Union Territory)
21. Silvassa (Union Territory)
22. Sriperumbudur (Tamil Nadu)
23. Urse (Maharashtra)

## OFFICES

- |              |              |               |
|--------------|--------------|---------------|
| 1. Ahmedabad | 5. Hyderabad | 9. Mumbai     |
| 2. Bangalore | 6. Indore    | 10. New Delhi |
| 3. Chennai   | 7. Kanpur    | 11. Pune      |
| 4. Cochin    | 8. Kolkata   |               |

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NOTICE is hereby given that the Seventy First Annual General Meeting of the Company will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Tuesday the 17th September, 2013 at 4.00 p. m. to transact with or without modification(s), as may be permissible, the following business :-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended 30th June, 2013.
2. To declare final dividend on Equity Shares for the Financial year ended 30th June, 2013 and to confirm the payment of Interim Dividend on Equity Shares by the Board of Directors of the Company.
3. To appoint a Director in place of Shri H. S. Parikh, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Y. P. Trivedi, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

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

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri M. P. Taparia, as Managing Director, for a further period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz :-

(1) Salary

Monthly salary of ₹ 7,50,000/- (Rupees Seven Lacs Fifty Thousands only) in the Grade of ₹ 7,50,000/- ₹ 75,000/- ₹ 15,00,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Managing Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
- ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- iii. Medical and Personal Accident Insurance.
- iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
- v. Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Managing Director.

vi. Communication : The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Managing Director.

- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Managing Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Managing Director in the course of business of the Company.

- (5) Commission

In addition to the above, the Managing Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Managing Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Managing Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Managing Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Managing Director shall not as long as he continues to be Managing Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

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

“RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 10th September 2009 and pursuant to sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri S. J. Taparia, as Executive Director, for a period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

(1) Salary

Monthly salary of ₹ 7,25,000/- (Rupees Seven Lacs Twenty Five Thousands only) in the Grade of ₹ 7,25,000- ₹ 75,00,000- ₹ 14,75,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
- ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- iii. Medical and Personal Accident Insurance.
- iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
- v. Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Executive Director.
- vi. Communication : The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Executive Director.

- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Executive Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.

(5) Commission

In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Executive Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Executive Director shall not as long as he continues to be Executive Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

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

“RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 17th September 2012 and pursuant to sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri V.K. Taparia, as Executive Director, for a period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

(1) Salary  
Monthly salary of ₹ 7,00,000/- (Rupees Seven Lacs only) in the Grade of ₹ 7,00,000- ₹ 75,000- ₹ 14,50,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
- Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- Medical and Personal Accident Insurance.
- Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
- Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Executive Director.
- Communication : The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Executive Director.

C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Executive Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

(3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

(4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.

(5) Commission

In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Executive Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Executive Director shall not as long as he continues to be Executive Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

#### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item No. 6 to 8 of the above Notice is annexed.
- Register of Members and the Share transfer books of the Company will remain closed from Tuesday, 10th September, 2013 to Tuesday, 17th September, 2013 (both days inclusive).
- The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 17th September, 2013 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on Monday, the 9th September, 2013 as per details furnished by the Depositories for this purpose.
- Pursuant to provisions of Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2006 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie in respect thereof.
- Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of / change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

By order of the Board

**R. J. Saboo**

Sr. General Manager (Corporate Affairs)  
& Company Secretary

#### Registered Office

612, Raheja Chambers,  
Nariman Point, Mumbai 400 021

Dated : 18th July, 2013



## ITEM NO. 6

The existing term of the office of Shri M. P. Taparia, Managing Director, expires on 6th January, 2014. Since the year 1967, Shri M. P. Taparia is at the helm of the management and administration of the Company under the overall supervision, control and direction of the Board of Directors. Ever since his stewardship the Company has made tremendous strides as reflected by the present prosperous position of the Company. Accordingly, subject to the approval of the members, financial institutions and such other sanctions and approval as may be necessary, the Board of Directors have proposed the re-appointment of Shri M. P. Taparia as Managing Director, for a further period of five years commencing from 7th January, 2014 upon the terms and conditions as set out in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the tremendous growth in the operations of the Company during his tenure and compared to the remuneration payable to other comparable personnel of other Corporates in the country, the terms of his re-appointment and remuneration as set out in the resolution, and which may also be deemed to be a part of this explanatory statement, are considered to be quite just, fair and reasonable. The Resolution is accordingly commended for your approval.

A brief profile of Shri M. P. Taparia, is given in the particulars of Directors under Corporate Governance and member's attention is also invited thereto. The above may also be treated as an abstract of the terms of the re-appointment of Shri M. P. Taparia, as Managing Director, pursuant to Section 302 of the Companies Act, 1956.

Shri M. P. Taparia, is himself interested in the Resolution. Shri B.L. Taparia, Chairman, of the Company, is also interested being his Brother. Shri S. J. Taparia and Shri V. K. Taparia, Executive Directors are also related to Shri M. P. Taparia.

The Directors commend the same for your approval.

## ITEM NO. 7 & 8

At the Annual General Meeting of the Company held on 10th September, 2009, Shri S.J. Taparia was reappointed as Executive Director for a further period of 5 years w.e.f. 15th June, 2010 to 14th June, 2015, as per the Resolution passed at the said Annual General Meeting and on the terms as to remuneration set out in the said Resolution.

At the Annual General Meeting of the Company held on 17th September, 2012, Shri V.K. Taparia was reappointed as Executive Director for a further period of 5 years w.e.f. 1st July, 2013 to 30th June, 2018, as per the Resolution passed at the said Annual General Meeting and on the terms as to remuneration set out in the said Resolution.

To bring the period of re-appointment and remuneration of Executive Directors in sync with that of the Managing Director, the

period of reappointment of the Executive Directors is proposed for a period of five years effective from 7th January, 2014 to 6th January, 2019 and the remuneration as stated in the Resolution.

Considering the inflationary trend and the likely considerable increase in the business activities of the Company in the coming years, resulting in increase in the workload and responsibilities of these Executive Whole time Directors of the Company, as also the amount of remuneration payable to the managerial personnel occupying similar positions in other companies, the Board of Directors have thought it appropriate to revise the monthly remuneration as payable to them and as also the perquisites as set out in the relevant resolutions in the relevant items of the Notice

The aforesaid revisions in the monthly salary may also result in some indirect increase in other perquisites to which the said Directors are entitled and approved by the members at the aforesaid Annual General Meetings of the Company. The other terms and conditions of their respective appointments will remain the same. Accordingly, the resolutions as set out in these items of the Notice are commended for your acceptance.

A brief profile of Shri S. J. Taparia and Shri V. K. Taparia is given in the particulars of Directors under Corporate Governance and member's attention is also invited thereto. The above may also be treated as an Abstract of the terms of the re-appointment of Shri S. J. Taparia as Executive Director and Shri V. K. Taparia as Executive Director, pursuant to section 302 of the Companies Act, 1956. Although not strictly necessary, copies of the resolutions passed at the respective Annual General Meetings of the Company referred to above are available for inspection of the members at the Registered Office of the Company between 10.30 a.m. to 1.00 p.m. on all working days upto the date of the ensuing Annual General Meeting.

Both the Executive Directors referred to in the resolutions are interested in the resolution.

Shri B. L. Taparia, Chairman is also interested in the resolution being the father of Shri V. K. Taparia, Executive Director. It may be mentioned that Shri S. J. Taparia is the nephew of Shri B. L. Taparia and Shri M. P. Taparia.

By order of the Board

**R. J. Saboo**  
Sr. General Manager (Corporate Affairs)  
& Company Secretary

**Registered Office**  
612, Raheja Chambers,  
Nariman Point,  
Mumbai 400 021

Dated : 18th July, 2013

The Directors have great pleasure in presenting the 71st Annual Report together with the Audited Financial Statements for the financial year ended 30th June, 2013.

### 1. FINANCIAL RESULTS

	(₹ in lacs)	
	Current Year	Previous Year
Total Income (net)	<b>340696.61</b>	293847.01
Profit before interest, depreciation and tax	<b>53939.82</b>	48281.54
Interest and financial charges	<b>5234.61</b>	5479.67
Depreciation, Amortization and Impairment	<b>8170.88</b>	7246.28
<b>Profit Before Tax</b>	<b>40534.33</b>	35555.59
Provision for Current Tax	<b>12560.00</b>	11131.98
Deferred Tax	<b>739.35</b>	372.02
Net Profit available for Appropriation	<b>27234.98</b>	24051.59
<b>Appropriation:</b>		
Interim Dividend	<b>2540.54</b>	1905.40
Proposed (final) Dividend	<b>6986.48</b>	5716.21
Tax on Dividend	<b>1599.49</b>	1236.41
Transferred to General Reserve	<b>16108.47</b>	15193.57
	<b>27234.98</b>	24051.59

### 2. DIVIDEND

	₹	₹
(i) Dividend on 12,70,26,870 Equity Shares of ₹ 2.00 each @ 375% i.e. ₹ 7.50 per share (Previous year on 12,70,26,870 Equity Shares of ₹ 2.00 each @ 300% i.e. ₹ 6.00 per share) as under:		95,27,01,525
(a) Interim Dividend @ 100 % i.e. ₹ 2.00 per share (already paid in February 2013),	25,40,53,740	
(b) Final Dividend recommended @ 275% i.e. ₹ 5.50 per share	69,86,47,785	
(ii) Corporate Dividend Tax as applicable (including ₹ 4,12,13,868/- paid on Interim Dividend)		15,99,49,059
		<b>1,11,26,50,584</b>

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

The management 's Discussion and Analysis of operations for the year under review, as stipulated under clause 49 of the listing agreement with the stock exchanges, is provided in annexure attached to this report.

### 4. FIXED DEPOSITS

The amount of Fixed Deposits has decreased from ₹ 1745.41 lacs to ₹ 365.19 lacs. Out of deposits which matured during the year, 135 deposits amounting to be ₹ 22.75 lacs remained unclaimed as on 30th June, 2013 of which ₹ 1.30 lacs have since been renewed / refunded.

### 5. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors to the best of their knowledge and belief confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2013 and of the Profit of the Company for that period;
- 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;
- The annual accounts have been prepared on a going concern basis.

## 6. CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreement forms part of this Annual Report.

## 7. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to 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 is annexed hereto and forms part of this report.

## 8. PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

## 9. SUPREME PETROCHEM LTD (SPL)

SPL - jointly promoted by your Company and the R Raheja Group - has reported revenues and net profits of ₹ 2968.18 crores and ₹ 72.82 crores respectively for the year ended June 30, 2013. Its Board of Directors has recommended a dividend of ₹ 2.50 per equity share of ₹10 each.

The first phase of debottlenecking of the Polystyrene (PS) plant to increase the proportion of value added grades by 40,000 TPA with the overall PS installed capacity of 2,72,000 TPA was completed in August 2012 while the gas based Captive Power Plant of 4000 KVA was commissioned in September 2012.

## 10. SUBSIDIARY COMPANY

The Supreme Industries Overseas FZE, Sharjah, UAE, a wholly owned subsidiary, has completed seventh year of operation recording net profit of AED 73,342/- equivalent to ₹ 11.92 lakhs during the year 2012-13.

Principal activity of this enterprise is to promote globally Plastics piping Systems manufactured by the Company.

During the year 2012-13 export of Plastics piping division has continued to grow scaling US\$ 4.51 million in spite of dull business climate in the overseas market.

Recessionary trends in Europe during the whole of last year, depreciation of US\$ during the last quarter, political disturbances in upper Gulf has dampened the growth.

In the year 2012-13 company managed to secure projects in Sri-Lanka while added new customer to its fold. Currently products are exported to fifteen prime countries covering GCC, Africa, Australia, UK, Germany & Indian sub-continent.

Company has secured product licenses to sale product in overseas market & initiated a process to obtain valuable product certification through internationally recognized certifying bodies. This reflects company's commitment towards the supply of quality products while improving the brand image.

During the year 2013-14 company is projecting to achieve export over of US\$ 6.0 Million by increasing the client base as well expanding the geographical reach. Company has decided to exhibit the products in various international exhibitions to spread the brand name & in turn improve the export volume.

## 11. CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements form part of this Annual Report.

The Ministry of Corporate Affairs (MCA) vide its Circular No. 51/12/2007-CL-III dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries, in their annual reports subject to fulfillment of certain conditions prescribed. Accordingly the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary company is not being attached with the Balance Sheet of the Company. The summary of the key financials of the Company's subsidiary is included in this annual report.

The Annual Accounts of the subsidiary company are open for inspection by any Member and the Company will make available a copy of these documents / details upon request by any Member of the Company interested in obtaining the same.

## 12. DIRECTORS

Shri H. S. Parikh and Shri Y. P. Trivedi, Directors of the Company retire by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

## 13. AUDITORS

M/s. Chhogmal & Co., Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

#### 14. COST AUDITORS

The Board of Directors at their meeting held on 17th September, 2012, has appointed M/s. Kishore Bhatia & Associate, as the Cost Auditors, to conduct the audit of cost records in respect of plastics products for the year 2012-13.

The Cost Audit Report for the financial year 2012-13 would be filed by the Company with the Central Government within a prescribed time.

#### 15. ACKNOWLEDGEMENT

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, co-operation and support received by the Company from the local authorities, bankers, customers, suppliers and business associates. The directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 18th July, 2013

### Annexure to the Director's Report

Additional information given as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### 1. CONSERVATION OF ENERGY

Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. Various investments in reducing the consumption of energy have helped the company to reduce the overall electricity bill. Further study is on to see various alternative sources of energy or alternative fuels for electricity generation.

Continuous study and analysis for energy conservation, installation of energy efficient equipments resulted into "lower units" of power consumption for per kg production of finished products.

#### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

##### A. RESEARCH & DEVELOPMENT (R&D)

Ongoing study in the following areas to reduce cost of conservation and improve the quality.

Evaluation of the alternative materials or additives to reduce the cost of raw material.

Improving the output / input ratio to gain maximum finished products from per kg. raw material.

Modify the mould and dies to improve the cycle time to get higher production from the same machine.

To modify the process parameters to improve the quality.

Expenditure on R & D: Not significant.

##### B. TECHNOLOGY ABSORPTION

The Company has renewed its agreement with M/s. Wavin Overseas B.V., Netherlands for its Plastic Piping Division.

The Company has taken technical knowhow for manufacture of Cross Laminated films and products from Mr. Ole-Bendt Rasmussen, Switzerland and the technology is fully absorbed. The exclusive rights granted to the company to manufacture and sell XF products in entire South Asia and whole of Africa have now been extended to include entire East Asia (except Moongolia).

The company's collaborator has developed Cross line Bonded Film and Cross Plastics Film, which are next generation Film having superior properties. The exclusive rights granted to the Company to manufacture and sell products developed from new technologies in India and SAARC countries have now been extended to include entire South Asia and East Asia (except Japan and Mongolia).

The company has entered into technical license agreement with Lomold of South Africa to receive and absorb its technology for production of various Glass Fibre Composite Products and to begin with the initiation of the project for Composite Plastic Pallets.

The company has also entered into Technical License Agreement with Kumi Kasai Co of Japan for Auto Components manufacturing for Honda Motors.

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned and used	₹ In lacs
Foreign Exchange Earned	7653.83
Foreign Exchange Used	90158.55

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 18th July, 2013

## 1. OVERVIEW

The World economy continues to remain in a low growth mode. One can see some silver lining in the prospects of US economy. Chinese and Indian Economy are also going through a lower GDP growth phase. Government has recently taken several measures to kick start the investment process in our country. Government is also seized with the issues to remove constraints from export initiative. The Company believes that some positive signals may emerge in near term from both the investment and export direction.

In such a bleak economic climate encompassing the Developed Countries and emerging markets, it was expected that the commodity prices may fall with the lead given by crude oil prices.

However, the same has not happened. Crude prices continue to hover above 100 USD per barrel. Plastics prices have seen some rebound trend since May this year. The prices have further pulled up due to steep depreciation of INR to USD parity since beginning of May.

It is forecasted that country's economy may grow sub 6% GDP in the year 2013-14 also.

## 2. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is engaged in the plastics products manufacturing business. In the given overview of the world and Indian economy, the growth in consumption of Plastics has been reasonably better with consumption having reached double of GDP growth in the year 2012-13. Overall consumption of plastics raw material in the country grew by around 12% in the year 2012-13. This shows resilience of plastics raw material. Plastics are making inroads in more and more applications. With this innovative wonder material, several new frontiers will be available to exploit in the years to come. The total plastics consumption in the year 2012-13 was 8.8 Million tons. It is expected that in the current year the same may reach around 10 million tons by maintaining similar consumption growth trend as observed in 2012-13.

Apart from consumption by the local convertors, the imports of plastics products have seen dramatic jump in the year 2012-13 compared to 2011-12. Imports of Plastics products have grown by around 20% and now close to 1 Million tons of products are being imported in the country.

Plastic Convertors in our country are both in organized and Un-Organized sector. The overall consumption of Plastics however is growing at a faster pace with the players in the organized sector due to their capability to offer more value and varieties of quality products which can service part of the market which is being hijacked due to an influx of imported products.

A new plant for producing Polymers set up by HPCL - Mittal Energy Ltd. has commenced production at Bhatinda, Punjab. It is expected that within next 3 to 4 years, an additional capacity of 3 million tons of Polymers will be available in our country on commencement of production at several new plants.

Implementation of Goods and Service Tax (GST) continues to be delayed. As on today, best scenario seems to be that it may be in place by 1st April 2015. This delay will definitely harm the growth potential of our economy.

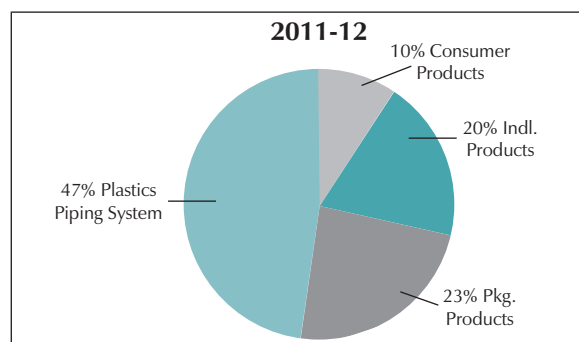
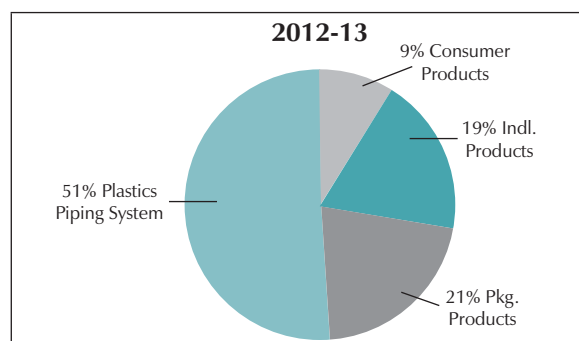
Central and State Governments continue to allocate large sums of money into JNNURM scheme to improve the potential of water supply & sewerage facilities. More monies are invested by the Governments to give boost to agriculture. These initiatives will continue to boost consumption of Plastics in the Country.

## 3. PRODUCT GROUPS

The product groups of the Company have been recast as follows:

Group	Products
Plastics Piping System	uPVC Pipes, Injection Moulded fittings and handmade fittings, Polypropylene Random Copolymer pipes and fittings, HDPE Pipe Systems, CPVC Pipes Systems, LLDPE Tube and Inspection Chambers and manholes.
Consumer products	Furniture
Industrial Products	Industrial products, Material handling System and Pallets
Packaging Products	Flexible packaging film products, Protective Packaging Products, Cross Laminated Film products
Composite Products	LPG Gas Cylinders, Composite Pipes and Composite Pallets.

### PRODUCT GROUP WISE SHARE IN TURNOVER FOR THE LAST TWO YEARS (% OF VALUE)





The net turnover (including other income) of the Company under review was ₹ 3406.97 crores (including ₹ 113.80 Crores by way of trading in other related products and ₹ 16.00 crores from sale of premises) as against ₹ 2938.47 crores (including ₹ 88.03 crores by way of trading in other related products and ₹ 69.16 crores from sales of premises) of the previous year.

The Company during the year processed 2,81,452 tons of Polymers as against 2,45,700 tons of Polymers in the previous year, reflecting a growth of 14.55% in Polymer consumption.

The Company exported goods worth US \$ 14.32 million as against US \$ 13.49 million (excluding discontinued business of PP Mats) in the previous year registering a growth of 6.15%.

Profit before interest, depreciation and exceptional items and taxes during the year under review have gone up by ₹ 56.58 crores from ₹ 482.82 crores to ₹ 539.40 crores during the year.

## 4. COMPANY'S STRENGTH AND GROWTH DRIVERS

### 4.1 Manufacturing Sites

The Company continues to increase its reach in the country by putting more new investments at different locations. For the fiscal ended 30th June, 2013, the Company has 22 manufacturing sites in production. 23rd plant to manufacture LPG Gas Cylinders and Composite Pipes is ready. It may go into production in the third quarter of this year after getting regulatory approvals.

The Company has plans to put up another manufacturing unit in Eastern India during the current year, subject to getting all clearances from State Governments on the land owned by the Company at Kharagpur.

Company avoids making products which are affected adversely due to large imports of such products.

The Company is not fully active in the export market due to inbuilt infrastructure bottlenecks in the country. In spite of which the Company now intends to boost the exports of several of its products as it sees newer opportunities. To achieve this objective, Company has invested in certain segments which have large export potential.

Company anticipates that LPG Gas Cylinders, Composite Pipes and Composite Pallets may also be available for exports. All the planned composite products of the Company have good potential not only in domestic market but also in the world market.

Company continues to remain focused in the manufacturing of Plastics products. Your Company sees several opportunities to exploit in manufacturing various other innovative products not only for India but for world market, in the years to come.

### 4.2 Distribution Network

The Company's business is catered to all its consumers by its strong distributor network which is spread throughout the country. The Company is exploring the possibility of E-retailing some of its products.

The Company is working to improve its distribution network by offering better service to the end users with speed and at lower cost.

### 4.3 Growth Drivers

The Company has committed an investment of ₹ 415 crores in the year 2012-13. Part of the investments may be on the ground in first half of the current year. Entire investments made on the ground have not gone into full production in the year 2012-13. It is expected that barring Composite products, the entire committed investments will go into commercial production in First quarter of this year.

The Company aims to further invest a sum of ₹ 250 crores in the current year. The investment will be made to put up a Plastics complex at Kharagpur in West Bengal plus investments at several of its other sites as detailed in the Capex programme.

The investments will be made to acquire own offices at some of the cities where the Company has a mix of own and rented premises in the same cities, currently. This will improve efficiency and meet its growing requirements.

## 5. OPERATIONAL PERFORMANCE

### 5.1 Plastics Piping Systems

The Company manufactures this system using PVC, CPVC, PPR & HDPE raw materials. Principal material used in this Division is PVC.

PVC resin consumption in the country grew by 13.91% during the year 2012-2013 requiring larger volume of imports since there was marginal increase in local production. The industry is expecting similar growth during the year 2013-2014.

The recovery of housing segment in USA and overall improvement in American economy will increase the consumption of PVC raw materials there, thereby reducing the supply to India. For several other countries, Government is studying imposition of Anti Dumping Duty on import of PVC. Thus the cost of imported resin is expected to remain at a higher level. Import percentage of PVC in total requirement for the current year will be higher than local supply. There is a possibility of local production of PVC resin increase only to the extent of around 50,000 MT during the current year.

During the year under review, your Company sold 197.32 million pcs of fittings and 203.06 million meters of pipes registering a growth of 37.68% in quantities. In volume term the Company achieved a growth of 15.74% tonnage over previous year.

There was considerable delay in the startup of Malanpur plant because of delay in supply of equipments and teething troubles in start-up of the new unit. The Company's business was affected during the peak demand period of April & May'2013 due to non-supply of products from that unit which was budgeted in business plan. The Company's capacity at Gadegaon and Kanpur plants were fully sold out.

The Malanpur plant is stabilized from June 2013 onwards. Entire capacity of that unit will be available for the year 2013-2014. The company is in the process of expanding the depot storage capacity at Malanpur so that entire North India and Madhya Pradesh can be serviced from Malanpur plant and Malanpur Depot. This will enable the company to improve the logistics and supply chain. The customers have appreciated the quality of products produced at Malanpur plant. With delivery time getting reduced nearly to half, the customer will be able to rotate the inventory faster. This will boost the business of the Company and its customers from that region.

Apart from pipe production, the Malanpur plant is equipped to produce PVC and CPVC fittings. Your Company has established Malanpur plant as one of the most modern and automated plant reducing dependency on man power while producing consistent good quality products.

The installed capacity of Malanpur plant is 50,000 Tons of PVC Pipes, 12000 Tons of PVC Fittings and 1500 Tons of CPVC Fittings on annual basis.

During the first quarter of 2013-2014 your Company is planning to introduce more than 100 new fitting products which will include Hi-tech Low Noise SWR series for use in High rise Apartments, full range of SCH 40 products making Aqua Gold range affordable for Mass housing and rural areas. Many specialty products like Valves and Floor Traps are also added to the range which will make range of our products further wider. This will enable the Company to serve the critical functional requirements of upcoming housing and other infrastructure projects.

The Company's plan to introduce varieties of Bath Room Fittings got delayed due to delay in moulds supply. However, this range is nearly ready for production. The Company expects to launch the same during September' 2013.

The Company has added 169 new products in the range during 2012-2013 taking total product portfolio to 5682 nos.

The company is establishing a depot at Gadegaon for products manufactured at Malanpur so that customers of Maharashtra, Gujarat and South India will have access to products of Malanpur range. Thus the company will be able to deliver large range of piping products to their customers cost effectively through their existing plants and supported by Depots at Gadegaon, Malanpur and Kanpur.

Enthused by the growing demand for Supreme branded products, the company is planning to start manufacturing of piping products in East India. The Company is in the process of getting clearances from West Bengal Government to put up a plant at its site at Kharagpur. The Company may commission the plant in one year time after the approval is received from the State Government. This will enable it to serve the consumers of those regions in cost effective manner.

The demand for CPVC Piping system has grown rapidly in the country. During the year 2012-2013 the demand has grown overall by 40%. Your company has grown

@ 37% in these products during 2012-2013 by volume. It expects to maintain a similar growth during 2013-2014. The Company is well supplied for raw material from its suppliers for the growth plan in the current year.

Your company is exploring the possibility of entering into Industrial applications as well as Fire Sprinkler segment of CPVC business. The company has entered into an understanding for technical tie-up with leading world brands in that segment. Necessary trial production is expected during first half of this year. Although these applications are very new to Indian market, once established, the company expects that this segment will enjoy reasonable growth in the coming years.

With various JNNURM projects in many metro and tier I & II cities, growth is happening in Underground Sewage and Drainage System replacing piping materials made from conventional materials. The Company's Eco-Drain pipes have gained good acceptance and Company's capacity to produce Eco-drain pipes may be fully sold out during the current year.

The Company has developed many varieties in its Inspection Chamber segment to suit the various flow patterns depending on the customer requirements. The Company is now fully equipped to provide customized solutions to various housing and Infrastructure Company's/ SEZ's for their sewage and drainage requirement.

Our 1000 mm and 1200 mm Manhole products are fully developed with various variants and can be used upto an inward depth of 6 meters. The Company has installed Manhole products in couple of projects with complete satisfaction of the customers.

The Company's 1.2 meter Manhole received Jury Award for "New Innovative Product" at Acetech Exhibition during November'2012 at Mumbai.

The Company has added a new plumbing gallery at its Knowledge Centre at Gadegaon. Those who visited this gallery have expressed satisfaction over the benefits and knowledge they derived from the same. The Company continues to train large number of plumbers throughout the country so that the Plastics Piping Systems are installed in right manner which may give a very long life to the product.

The Company's focus remains to increase the sale of Value Added Products. As a result, the overall percentage of sale of Value Added Products to total sale increased to 26.47% against 24.24% of last year. The company expects to further increase the share in years to come.

However, the Kanpur unit operations are running satisfactorily. Erratic power supply has dampened the initiative to increase capacity at that location substantially. The Company aims to increase its current capacity substantially from present annual capacity of 17000 Tons once the power supply quality improves.

The company's High Density Polyethylene Pipe segment saw a growth of 30% during the year under review. The Company expects to achieve a similar growth during the current year.

With the increase in use of CPVC products in plumbing sector, the PPRC market appears to have stagnated in India. However, your company is working on accreditation of its PPRC products with international certification to move actively in overseas market.

The Exports continued to remain sluggish. The overall growth during the year has been around 5% only in \$ terms. The Company aims to boost its' export business by getting International accreditation of its various systems, increasing the product portfolio required in export markets, participating in more international exhibitions and increasing customers base in more countries. Company is currently exporting to 15 countries for its Piping System

## 5.2 Consumer Products

### 5.2.1 Furniture

The Company has its furniture manufacturing activity at 5 locations viz: Pondicherry (UT), Durgapur (West Bengal), Lalru (Punjab), Gadegaon (Maharashtra) and Guwahati (Assam) to cater effectively to different geographical regions of the country.

Turnover of own manufactured Furniture Products has gone up from ₹ 283 Crores to ₹ 297 Crores, thereby registering a growth of 5% in value terms. The Company continues its strategy to minimize participation in commodity furniture business. Many of the commodity products were contributing negative margins. The overall business grew in volume by 3%.

The business of traded items has gone down from ₹ 10 crores to ₹ 3 crores. The Company has decided to discontinue this business.

The Company has re-casted it's investment plan to increase the range of value added products further. Moulds for few new products have already reached the respective plants for launch during July / August'13. It will broaden the range of value added furniture products. Thus they would be available for servicing the market for most of the year. This will further build the superior brand image of Company's products for its aesthetics and durability.

The launch of Designer Chair 'DIVA' and 'TEXAS' are well received by the market for its uniqueness, strength and aesthetic beauty. The channel partners and consumers have well appreciated the launches of these Gas Moulded Chairs. Another Gas moulded Chair will be launched at the beginning of the year itself.

Company introduced few more models in painted upholstered Plastics Chair. New Paint shop planned at Durgapur for catering to East market with newer Painted and Upholstered Plastic Chairs models was put in operation during June'13.

The Company had success with its strategic initiative that has paved the way for its furniture business to grow profitably. The Company's business in Premium Products sales has increased from a level of 38% in 2011-12 to 40% of overall sales in the year 2012-13. The Company expects to further increase share of Premium Products

sales by another 4% plus in value during next Twelve months.

The Company has more than 303 Exclusive Franchise Show Rooms on All-India basis displaying entire range of Supreme Furniture to the customer in a nice ambience.

The Company's furniture products enjoy good acceptance in the market for its quality, design, color and range. "Supreme" brand is perceived as a premium brand in the country in plastics furniture. It enjoys a reputation of bringing many products and concepts first time in the country. With the increase in discretionary spending power of large population over the years, the Company will occupy space at more retail counters as established brand, to fulfill the aspiration of this segment of customers.

The Company has also decided to develop footprints on Exports of Plastic Furniture Items. Necessary actions to develop the business are being initiated. The Company expects that this may deliver promising returns in the future.

## 5.3 Industrial Products

### 5.3.1 Industrial Components

In spite of slump in demand which was observed both in Auto and Consumer Durable Sector during the later part of the year 2011-12, the division embarked on aggressive growth in revenue with a target of 25% for FY 12-13, riding high on the widened customer base and product portfolio for which Division worked aggressively during the previous year. In spite of continued slowdown in automotive sector coupled with slow demand in Consumer Durables, the Division achieved overall growth of 16% in its revenue during the year.

Although there was heavy demand recession in general, company managed growth of 21% in Automotive sector and 12% in Consumer Durables, against its planned target of 30% and 18% respectively.

Focused drive at Noida Plant to widen customer and product portfolio to counter vulnerability due to dependence on one customer, yielded considerable results. The plant started supplies to two major Japanese companies in Consumer Durable sector and a few other customers in the same and Auto sector. These opportunities have added considerable revenue growth for Noida.

Revenue growth at Talegaon Plant was badly affected due to demand recession in Automotive sector. The business for Automotive Models, which were acquired during previous years, did not actually take off as envisaged, due to low demand for these Models. The initial trial run for the Cockpit Assembly for one of the prestigious projects of our customer has been completed at the Plant. Company expects supplies to start towards later part of this year. Supplies stabilized for the parts of Two Wheeler 'Vespa' being made by Piaggio. Both these projects are expected to improve revenue of the Plant significantly, once Auto sector starts recovering. Company is planning re-engineering exercise at Talegaon plant to optimize usage of all resources and cutting down costs to stay competitive. Company utilized this low demand period



to consolidate and improve operational efficiency of the plant.

Khushkhera plant, where Company added capacity during the previous year, improved its capacity utilization. It has achieved revenue growth at CAGR basis in excess of 46% consecutively for the last 4 years. It supported two prestigious product launches of Maruti that is a LUV and a small Car during last year. The plant has successfully started supplies to Honda Car for its first order in recently launched Sedan which has become a market hit. Development is in progress for the next model of Car which is scheduled to be launched during early 2014. Further Company has bagged order for one more model of Car in mid-size range scheduled to be on road by mid-2014. Company expects good long term prospects with Honda Motors. Focused drive has been taken to consolidate the operations for future growth sustenance of the unit.

Chennai plant got affected due to demand recession during the first half of the year. The demand started picking up during second half. A large MNC in Consumer Durable sector had selected this plant as a Supplier Partner during previous year. This customer is in the process of launching Washing Machines in India by next year. The company has acquired this business to supply the plastic parts and sub-assemblies for this product. The regular supplies are expected to start during the later part of this year. Company expects good growth with this customer in the years to come.

Chennai plant continued to be adversely affected due to continuous power shortage in Tamil Nadu. However, the Company could ensure trouble free supplies to all its customers, by running the plant with expensive captive power. Although, power situation is improving, it is still not satisfactory.

Pondy plant suffered marginal de-growth due to low demand of washing Machine parts from our main customer. Emphasis was given to automate the plant for man- power rationalization, Consistency in quality and Productivity improvements. Plant has achieved fairly good optimization of man power utilisation due to this initiative. Continuous improvements in operational parameters are taking place with a steady work through TPM journey.

At Durgapur and Gadegaon plants, the facilities installed during previous year for one of the major customers from Consumer Durable sector remained largely un-utilized during first half of the year. There is a steady pick up in the demand for the product during last few months. The Company expects this business to pick up again during this year and years ahead. It is expected to fetch considerable revenue in future.

Company has decided to put more efforts and investments in automation during FY 13-14 and ensuing 2-3 years. The new machines and equipments which are being added are equipped with latest energy efficient technologies. This initiative coupled with automation will ensure better Quality, Productivity, Safety, Energy conservation and Cost reduction. With these measures, Company hopes to negate the impact of lowering of margin caused due

to various cost increases and remain competitive. This year company has also managed to get price corrections from some of its customers. Company is also planning to take Lean Management initiatives at its couple of plants. Like Pondy plant, Noida plant has also initiated journey towards TPM last year. Company plans to extend this initiative gradually to other plants as well.

Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. This initiative of the company, apart from cost reduction will support Environment and Green Initiatives.

As a part of continuous up-gradation and further stabilizing Quality Management Systems, all plants are re-certified with up-graded versions of the system, as & when required.

Company has taken several HR initiatives at all its locations. Structured approach to bridge the Competency Gap and Performance Management System is being put in place. Training and Development of Human resource is being monitored to enhance Human Capital.

Overall rating of the company by its customers meets or exceeds their expectations. Company is considered a highly dependable and valuable supplier. Company received various Awards and Recognitions from time to time from its customers for its support in Quality, Cost, Delivery and New product development, Overall Support etc.

The Journey towards excellence is being cultivated as a culture and will be continuous. Efforts are being accelerated to increase customer and product base, bring in new technology, Automation, Effective cost management to ensure sustained profitable growth.

### 5.3.2 Material Handling Products

This division caters to Industrial and Agricultural sectors. With manufacturing index down during last year most of manufacturing sectors suffered. The company was successful in retaining all major customers with excellent service and reliable supplier reputation. The company achieved a value growth of approx. 10% and succeeded in achieving positive volume growth, though meager 3%, during last year. The company continues to service its client with least lead-time at economical cost by manufacturing at its six manufacturing sites spread across the country.

Anticipating our customer's future needs, the Company has now moved to giving heavy duty Industrial crates by developing several models with superior product design moulds to cater to quality conscious customers in automobile, appliance and logistics industry. The company's products for heavy-duty requirement in Fishery Industry have also been well accepted. Company also developed a few new moulds to cater to specialized applications.

The company has planned to increase the channel partner strength for this business to service the market. At present the strength of Channel partner is at a level of 118 nos.

The plan is for vigorously increasing the Channel partners throughout the country during this year.

The company's business to soft drink customers fared well. Business prospects for coming year are also promising, as per indication received from the major customers.

Company has upgraded fabrication facilities with automation and usage of newer materials for developing tailor made crates to meet specific requirement of applications with different industrial customers. This is helping to replace conventional material usage while handling products at customers end. These are value added products for your Company.

The Roto Moulding facility of company at Gadegaon is functioning well. It has also been strengthened with PU facility to meet specific heavy-duty requirement with supply of PU filled Roto Moulded items. The company now has a range of Roto Moulded Pallets. The Company continues to be leader in the Injection Moulded Pallet business in India. It has further enhanced product portfolio with unique application focused products. Range of Cargo Pallets for Exports application has been well accepted in the market. The company's enhanced Injection Moulding Pallet making capacity at Gadegaon is functioning well. The plans have been drawn to further enhance the manufacturing capacity of Pallet production.

BIS has gazetted the necessary Plastic Pallet specification for "Bags storage in godown" application. It should facilitate various Grain Storage federations, Central as well as State, to increase the usage of Plastic Pallets. We have the suitable Pallet with these specifications in our range. We expect good business prospect for this application.

## 5.4 Packaging Products

### 5.4.1 Packaging Films

#### Performance Films Division

The Performance films business had a sluggish year. Sales were 3854 tons against 3790 tons in the previous year thus there was 64 tons growth in sales by volume. The turnover in value terms has gone up by around 6.5 %.

Several new players have entered this business making the market highly competitive and therefore price sensitive. Oil films, which are highly competitive, continue to be the major segment of sales of this division.

The Company does job work for others in this business to utilize the capacity. Such business in tonnage has gone down to 1210 tons from 1766 tons in the previous year.

The company has been concentrating on development and sale of higher value-added products. Some speciality films have been developed this year which may contribute to improved performance next year.

Exports were 636 tons against 660 tons last year. Due to sluggish demand from existing customers, exports were lower than expected. The Company has added new customers this year and has set an export target of over 750 tons.

The Company expects a growth of around 12% in its sales volume in the current year.

### 5.4.2 Protective Packaging Products

Overall business of division grew by 7% in Volume and 12% in Value over last year. Amongst the 3 verticals, the construction product business registered almost no growth. Many approved civil projects were delayed as also contracting firms were delaying payments. The payment problems also hindered the desired growth of insulation business. The growth in the packaging vertical was achieved mainly from the new applications of foam as mattress filler.

The first phase of Unit II of Hosur started since Oct'2012. The third Cross link polyethylene plant of saleable capacity of 550 MTPA was commissioned during the year and is running successfully. However due to acute shortage of Power in Tamil Nadu State, the Electricity board has not given power connection to the unit. Due to non availability of power, the unit ran intermittently on DG power for a long time. This not only affected production, but the cost also was very high, impacting profitability. Besides, the capcell operations could not be shifted to the new plant for efficient operations. Also the 4th press could not be installed to increase further production. TNEB has now given us 54% of our demand. The Tamil Nadu government has taken several measures to make more power available to industries. We are confident of getting the balance power in the course of this year.

#### Packaging Vertical

There was a negative growth in the computer & automobile industry, due to lack of demand, which has resulted less intake of packaging material against projected level. The growing competition from the local manufacturers for some of the commodity products was high. This impacted demand as well as profitability. The division has managed to control the costs of products by introducing several technological improvements to counter competition in the trade market. Reach is now a focus area of the division. Distributors and Dealers network for all variety of products is now being created in B class growing towns as well, to achieve desired growth.

Growth achieved was 6.7% in Volume and 12% in Value against last year. There was a significant growth observed in the Eastern Zone (79% in volume and 67% in value). The supply was being made from Malanpur plant. However due to logistic issues many business opportunities were lost. It is proposed to start a new plant with adequate capacity of Foam for processing (3600 MTPA) along with other products during the next year. It is expected that due to new opportunities, sales in the East Zone will grow significantly on start up of the new plant. The customer base has already been put in most places. Reach will be further strengthened this year. The new plant may commence by the end of this financial year, giving your company logistic advantage, which will improve sale as well as profits.

The division has & will continue to focus on new product & application development. This activity keeps the division ahead of its competitors. Efforts are on to automate our conversion facilities in all locations to improve our offerings to our customers as well as increase



productivity & reduce costs. This will help us retain our Institutional customers, as well as help us in getting many more customers.

### Construction Vertical

Growth achieved was only 1.8% in Value. As mentioned above there was a big drop in demand from contracting firms, as many projects were put on hold. Also unbranded cheaper products were introduced by the competitors for some applications in this sector, which has also restricted growth to some extent. The division has taken a two prong approach to tackle the same.

- a. The marketing team is now working towards convincing customers about the efficacy of our product. Success is being achieved.
- b. The division also introduced economical grades for those customers whose specification requirements are lower than our existing products. Both these initiatives will ensure proper growth of this business. We also expect that there will be a growth in this segment as several infrastructure projects are expected to be approved in this year. Several products have been introduced in this year. The division has also started the process of creating a distribution network for most of the products. This will ensure that business will be less affected by lack of large projects.

Water proofing membrane which was launched nearly 3 years ago had not picked up due to application related issues. This has been now addressed. The membrane is now adhesive backed & ready to apply. We have also developed an economical m/c for laying this product efficiently. This has helped to solve all application related bottlenecks. The division is expecting significant sale of this product in this year.

### Insulation Vertical

The growth achieved in this vertical has been 18% in Volume and 24% in value vis-a-vis last year. Our brands Insushield and Insureflector, both are now well established in the market. Locally made sub-standard products are also introduced by the competitors, which has affected the growth to some extent. A new range of products has been introduced with lower service life but having suitability in the application to counter the competition in this segment.

The opportunity of business growth is high in this sector as in many areas Green building concept is picking up. Our products are already used in Green buildings in many areas.

Saleable capacity of cross linked extruded foam has been increased to 1620 tons against 1070 tons last year

NBR PVC hose which was introduced last year has achieved significant growth vis-a-vis last year. The brand is now well established in the market and quality is comparable with other competing domestic & international brands. The market is looking for some additional sizes which cannot be manufactured presently. To overcome this bottleneck, the division has decided to

modify the line for manufacturing higher sizes of tubes and also increase the productivity during the coming year to become more competitive. We expect a substantial growth of this product this year.

Product has been successfully tested for BS 476, Part 6 & 7 (class O), which is an important requirement for certification of product in any projects. Institutional customers have also started taking NBR hose kit, which is supplied along with their Air conditioner units.

### Technological Development

Major focus was on productivity, some of the old foam extruders are re-engineered with inhouse technology which has resulted in 12% increase in the production level from the earlier capacity.

The old Sentinel extruder which is almost 27 years old and one of its kind in India is reconditioned and the plant is now running with original hardware standards.

A new product has been developed which is air filled Cross link poly ethylene foam having a higher insulation value against standard product. The product has also been tested successfully. The product will be introduced in the market soon.

Many new varieties of cross link polyethylene foam have been developed for gasket and acoustic applications. The products are under testing. These products will replace many imported products in these application areas.

The development of IXPE (Physical cross link foam) has started. We hope to start offering this product in the first half of this financial year. The product is advantageous in many applications, such as automobile, medical, sports etc.

The division expects to grow by over 10% in volume this year.

### 5.4.3 Cross Laminated Film

Business for Cross Laminated film and products grew by 4% in volume terms and by 11% in Value terms. The Company sold 17725 tons of products against 16999 tons during the previous year. Exports grew by 9% to 2004 tons from 1836 tons.

Business was sluggish mainly due to irregular and delayed monsoon during the year 2012 which resulted in large carryover stocks of Tarpaulins with our distributors. However due to timely arrival of monsoon in the current year, demand for the product picked up towards the end of the year under review. The Company registered record sale in the month of June'13. Now with MET department predicting more than average monsoon during the current year, the Company foresees adequate demand for its products during the current year.

As per plan, the first phase of expansion to install capacity by 12000 tons was successfully completed at the new unit in Halol. It became fully operational by April-13. The second phase of capacity expansion by another 8000 tons, as planned earlier, to be in place by April-14 has been deferred for the time being.

The capacity at the earlier two units was also enhanced from 18000 tons to 19000 tons annually by de-bottlenecking.

The Company decided to widen its market base by launching new product in roll form in 35 GSM towards the end of the year under review. This is likely to meet the requirement of separate segment of market called the traditional 'BARSATI' market which has huge potential. The Company expects to sell about 2000 tons of these products in the current year. Further the Company also decided to fabricate made-up products viz. vehicle cover, furniture cover, flower bed cover and other similar value added products. The Company has introduced these products in last quarter of the year under review. Initial feedback is encouraging and the Company foresees a good portion of its capacity utilization in these products.

On export front, the Company is also succeeding in North American and African Markets where there is huge potential for Tarpaulin and other specialized fabricated products. The Company has already executed trial orders received from African markets. It expects continued growth in business in these countries. In European and Asian market, Company's products namely Tarpaulin and furniture cover are already established. Demand for other specialized products is being explored in these countries as well.

The Company is eying to export 3000 Tons during the current year.

The Company has been computing its production capacity till date by considering the weighted average of thickness of product manufactured ranging from 70 GSM to 300 GSM. However due to the shift in market demand towards lower GSM and also due to introduction of new product in further lower 35 GSM and 55GSM, the Company has decided to revisit its production capacity. The Company has arrived at 27000 tons Annual Capacity based on the current product mix.. With this capacity, the Company expects to sell around 23000 tons in the current year.

The Company sold 261 tons of Cross line bonded film product during the year under review. It is expected to improve in the current year as several made up products to cover various types of vehicles have been launched with this material..

Cross plastic film technology is in advanced stage of perfection at our collaborator's end.. The Company is committed to put up a plant to manufacture this product when the technology is perfected. The same may happen in 2014/15.

## 5.5 Construction Business

"Supreme Chambers" a Corporate Green Park which has been awarded Platinum Certificate under " LEED India Core & Shell Rating System" by Indian Green Building Council (IGBC) is fully ready and Occupation certificate received by the company. All the infrastructure facilities & utilities including club house have already been operational. Five members / owners are all operating their business activities from their respective premises in

the Supreme Chambers for quite some time smoothly & satisfactorily.

Many enquiries are being received by the company on regular basis. The prospective buyers whoever have visited the premises have shown great admiration for the building for its fine looking design & layout its eco-friendly features & amenities, its lavish landscape area and peaceful surrounding. The prospective buyers have shown genuine interest in the property. However these inquiries could not get materialized due to one or the other reason.

Slower economic growth has led to decline in the expansion by companies due to prevailing cautious sentiments and as a result the real estate market remained sluggish particularly in the segment of commercial premises. It still remains subdued.

Your Company is pleased to inform that after a gap of almost 18 months, some sale has taken place. The company sold 10,950 sq ft and realized ₹ 16 crores. It has further negotiated sale of 25,656 sq. ft. at an aggregate consideration of ₹ 37.62 crores against which advance of ₹ 4.25 crores has already been received .The balance consideration is scheduled to be received during first quarter / half of the current year.

Out of the total saleable area available of about 2,79,529 sq. ft., Company has till now realized net ₹ 143.05 Crores against sale of 92,632 sq. ft. and after fructifying the negotiated sale mentioned above, remaining area to be sold would be about 1,61,241 sq. ft.

Your Company's project "Supreme Chambers" has the location advantage since it is well connected to upcoming metro junction, railway station & domestic & international airport and the surrounding location has already become a hub for Media, Entertainment and Pharma Industry. More and more corporates are moving their offices into suburban districts for better space availability, convenience and cost affordability. As such "Supreme Chambers" would be a good venue for commercial establishments.

In view of prevailing situation, the Company has thought of selling only a part of the inventory at prevailing prices and to wait for the opportune time for market conditions to improve to fetch desired valuations for the remaining blocks.

## 5.6 New Initiatives

### 5.6.1 Composite LPG Cylinder

Our cylinders were approved by EN and ISO Standards produced at our supplier's place before shipment of the plant. However, it is mandatory to test once again for EN and ISO Standards on the cylinders produced at our site.

Our samples, produced at our plant, have been submitted for testing. All the tests should be completed by Oct'2013 as some of the tests are of long duration.

Your Company has received some encouraging enquiries for exports. It hopes to start production in Jan / March 2014 against those orders.

Company is equipped to make six different sizes of Cylinders ranging from 5 to 14 kg. of LPG.

### 5.6.2 Composite Pipes

Installation of Company's small size plant was completed in the month of Feb'2013. Company encountered some technical problems during trial run which has led to some difference of opinion with its technology provider M/s. NBL Corporation of Japan.

Discussions are going on to resolve the issues. In view of this, start of production at this plant at Halol will be delayed.

### 5.6.3 Composite Pallets

Company has entered into a Technical tie-up with LOMOLD of South Africa to manufacture lightweight but heavy duty Plastic Pallets reinforced with Glass Fibers. LOMOLD has the patent for the technology and process for the same.

All the necessary equipments to produce these products at Gadegaon are likely to be at our site in January / March 2014 quarter. Commercial production to commence in the last quarter of this year. This will be good addition to our existing range of products. Light weight pallets have a capacity of carrying heavy weight at much lower weight. This will be the unique feature of these pallets.

The Company intends to introduce other products from these equipments including some auto parts. Company expects to utilize this capacity at optimal level in the year 2014-15

## 6. FINANCE

The Total Borrowing level as on 30.06.2013 is ₹ 469.85 Crores as compared to ₹ 351.10 Crores as on 30.06.2012. The year under review saw a volatile Rupee vis a vis Dollar and fluctuating crude prices which forced the Company to keep higher inventory levels throughout the year. This has resulted in increase in average borrowing levels for most part of the year. Company continued its planned capital expenditure and most of the committed capex is now on the ground. The Company has incurred capex of ₹ 374.35 Crores during the year under review, including commitments made in previous year, mainly on the following segments.

- To set up new Manufacturing Unit to produce Cross Laminated Film and Products at Halol (Gujarat), this has commenced production between October, 2012 to April, 2013 progressively.
- To set up production of Plastic Piping system facility at its existing location at Malanpur (M.P.) which has commenced commercial production from April, 2013
- To set up new manufacturing facility of Protective packaging Products at Hosur (Tamilnadu) which became operational during 1st quarter of the year under review.
- To set up a state of the art facility to manufacture Composite Cylinders and Composite pipe at Halol (Gujarat). Trials have already commenced and awaiting statutory approval of the product for commercial launch.

- To manufacture new product range of Bath Fittings. It is scheduled to commence production during the first quarter of current year.
- To add several new varieties of products in Plastic Piping System and increase production capacity at Gadegaon (Maharashtra).
- To augment additional capacities & Product Range and to install automation and balancing equipments at all its existing sites and product groups.

The Company has repaid Term Loan installments and fixed deposits aggregating ₹ 97.44 crores and also availed fresh foreign currency (fully hedged) and Rupee Term Loans aggregating to ₹ 188.20 Crores during the year under review to meet its ongoing Capex Plan.

Company has discontinued offering immovable properties as security for any fresh term loans which has been well accepted by the lenders.

Company has realized ₹ 16 Crores from sale of its commercial premises and further negotiated sale worth ₹ 37.62 Crores against which an advance of ₹ 4.25 Crores has been received. The balance consideration is likely to be received during first quarter / half year of the current year.

The Interest and Financial Cost for operations in absolute terms have come down to ₹ 52.35 Crores during financial year 2012-13 from ₹ 54.80 Crores during financial year 2011-12, despite increase in average borrowing levels as mentioned earlier, principally due to judicious mix of total borrowings between commercial papers, Buyers' credit and availing of Rupee and Foreign Currency Loans at competitive rates. Company continued its policy to keep all its foreign exchange exposures fully hedged.

The Company enjoys excellent relationship with all its Bankers, Lenders and Suppliers which enables the Company to negotiate best possible terms on all its borrowings. The outstanding Interest bearing liabilities as on 30-06-2013 bears Interest rate of 9.31 % p.a. vis-à-vis 9.50% p.a. as on 30-06-2012. Company's focus shall remain to closely monitor and reduce its borrowing level & also to bring down total interest cost below 1% of the total turnover in the coming year/s.

During the year 2013-14, the Company envisages total Capex of ₹ 250 Crores including existing commitments, mainly on the followings.

- To put up a Plastic Piping System plant at Kharagpur in West Bengal
- To put up Protective Packaging System unit at Kharagpur Complex
- To replace some capacity of Moulding Machines with energy efficient machines including additional new products in furniture business.
- To increase Pipe production capacity at Gadegaon and introducing several new varieties of fittings at Jalgaon & Malanpur.

- e) Investment in Automation in several of its existing units
- f) To buy office premises at Delhi, Ernakulam, Hyderabad, Kolkata, Chennai and Indore. This will consolidate the office activities at one location in these cities wherein mix of several ownerships & rented premises subsisting today, in some cities.
- g) Investment in equipments for Composite Pallets.

In view of Company's potential to continuously generate healthy cash flows from its operations together with better management of Working Capital, the Company is reasonably confident to fund its capex plan for 2013-14, from Internal Accruals and Suppliers' Credit. Moreover the sale proceeds from "Supreme Chambers" will provide additional comfort to meet its future Capex requirements

The financial parameters of the Company continued to strengthen on y-o-y over a period of last five years from 2008-09 to 2012-13. As on the close of the year under review, the Debt Equity Ratio of the Company is 0.58 times. The Interest Cover is 10.3 times and Net Worth is 801.21 Crores, as compared to 1.46 times, 4.53 times, and ₹ 285.31 crores respectively as on 30th June, 2009 which reflects substantial improvement in the key financials of the Company.

Due to the excellent performance of the Company backed by strong financial parameters, achieved year after year, CRISIL has improved long term Rating of the Company from AA-/Stable to AA-/Positive which signifies high degree of safety and reaffirmed Short Term Debt programme Rating A1+ which signifies very strong degree of safety backed by sustained improvement in Company's business risk profile, increase in contribution from value added products, improved profitability and prudent Working Capital management.

## 7. INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units / locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements. The Company has undertaken a detailed exercise to revisit its control systems in technical and other non financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance

against fraud and errors will continue to remain central point of the entire control systems.

## 8. HUMAN RESOURCES

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning within the country and abroad. Industrial relations at all the units and locations are cordial.

## 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company, as a responsible citizen believes in meaningful contribution to community welfare, enriching country's environmental capital & building sustainable future for the society by opening livelihood opportunities.

In line with it's objectives, company's Gadegaon unit had initiated following activities during the year 2012-2013

### a) Rural Health Improvement Program

The company's rural health improvement mission has now entered third year since its inception in January 2011 and has shown positive impact on the health parameter of the tribal masses of Tal- Dhadgaon in the District of Nandurbar, Maharashtra State.

The mobile medical service unit has one Ambulance van manned with a qualified medical officer, a nurse, a lady counsellor who provide medical aid to the tribal people dwelling at remote and un-accessible locations.

Other activities under this campaign include health check-ups for students studying at Ashramshala's and Aanganwadi's, health check-up camps for villagers, health awareness programs through examinations and workshops. Also, counseling sessions are conducted for female students.

These services are rendered to as many as 28 villages in this tribal belt of Maharashtra.

This year, this service has benefited 3143 nos of patient. Health camps conducted in Ashramshala's & Aanganwadi's have benefited 797 students. There was very encouraging response to the workshops which were conducted throughout the year. As many as 452 female students in their adolescence participated in these workshops. The examinations conducted with a aim to create health awareness amongst student fraternity received overwhelming response with a record 1625 number of participants.

### b) Rural Sanitation Program

In furtherance to it's earlier goal, company has provided 3rd unit of ladies public toilet with capacity of 8 blocks for 200 ladies of Gadegaon village.

This innovative model of public toilet has been well appreciated by the women population. A large number of office bearers of Grampanchayat's from nearby districts have paid study visits to this project and were



highly inspired to undertake similar initiative in their own villages.

**c) Rural Water Supply**

The village of Gadegaon and many villages in the district of Jalgaon of Maharashtra State faced acute water shortage due to scanty rainfall in last 2 years.

The Company took initiative to mitigate this calamity by providing drinking water through tankers to the villages viz. Nandra & Sanghvi Tal - Jamner, Dist - Jalgaon during the period of 1st April to 15th June 2013. A population of around 3000 villagers was benefited by this service.

Company has provided 20 nos of Plastic water storage tanks each of 2000 Ltr Capacity to 10 villages in Tal- Pachora, Dist - Jalgaon. The tanks were used for storing water supplied by Govt. agencies during the period of crisis.

**d) Environment**

The mankind today faces a threat of irreversible damage to the eco- system. The climate change, the loss of bio-diversity which has altered nature's balance, severe water stress that impacts food security and basic human needs and alarming rate of natural resource depletion are severely threatening the future.

The company's commitment towards cleaner and greener environment encapsulates strategies for integrated water management and reduction in energy consumption.

**Energy Conservation**

Company's Gadegaon unit has bagged prestigious and most coveted 8th State level award for Excellence in Energy Conservation and Management for the year 2011-12. This award recognizes company's performance in Energy conservation, use of innovative technologies, employee awareness and participation besides futuristic approach.

The award is constituted by Maharashtra Energy Development Agency (A Govt. of Maharashtra Institute)

**Water Conservation**

Company's Gadegaon unit has reduced its specific water consumption by almost 40 % over the previous year under consideration. This was achieved by adopting philosophy of "Reduce-Reuse-Recycle"

Company's model of water conservation is applauded by other industries as well and this knowledge sharing will certainly help in achieving water conservation by industrial sector as a whole.

**e) Grant / Contribution for Educational and Healthcare Facilities**

The Company generously contributes towards various philanthropic activities particularly for education grant to students in need and to various Institutions / Trusts carrying out exemplary work in the field of education, healthcare and benefits of underprivileged in rural India.

Company has decided to undertake programs for the improvement of educational quality in village schools. The plan includes providing basic infrastructure, computer awareness, training of the teachers, etc. Company remains committed to contribute for various philanthropic causes particularly in the field of education, healthcare and benefits of underprivileged.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include cost of raw materials, tax laws, interest and power cost and economic developments and such other factors within the country and the international economic and financial developments.



## PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Good Governance ensures adoption of best business practices, and accountability of the people in-charge of the company's operations. Your Directors are committed to good Governance practices and the company has been sharing all important information about its various business segments and operations of the company through Directors report, Quarterly Results, Chairman's Statement and Annual Reports. Further as required by the listing agreement, report on Corporate Governance is given below:

### 1. BOARD OF DIRECTORS

#### a) As at 30th June, 2013 the Board comprised of 9 Directors.

##### *Composition and Categories of Board of Directors:*

Name of the Directors	Category	No. of outside Directorship		No. of Committees Chairpersonship / Membership held including SIL *	
		Public	Private	Chairperson	Members
Shri B. L. Taparia	Promoter / Non Executive Chairman	2	1	—	—
Shri M. P. Taparia	Promoter / Managing Director	4	1	1	—
Shri S. J. Taparia	Promoter / Executive Director	4	1	—	3
Shri V. K. Taparia	Promoter / Executive Director	—	1	—	—
Shri S. R. Taparia	Independent / Non Executive Director	1	4	—	2
Shri H. S. Parikh	Independent / Non Executive Director	3	—	3	8
Shri B. V. Bhargava	Independent / Non Executive Director	7	—	5	6
Shri N. N. Khandwala	Independent / Non Executive Director	—	—	1	2
Shri Y. P. Trivedi	Independent / Non Executive Director	6	1	1	5

\* "Audit Committee", "Remuneration Committee" and the "Shareholders / Investors Grievances Committee" are considered

#### b) During the Financial Year 2012 - 2013 the Board met on Five occasions i.e. on 20th July, 2012, 17th September 2012, 29th October, 2012, 23rd January, 2013 & 25th April 2013 :

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B. L. Taparia	Promoter / Non Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	5	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	5	Yes
Shri S. R. Taparia	Independent / Non Executive Director	5	5	Yes
Shri H. S. Parikh	Independent / Non Executive Director	5	5	Yes
Shri B. V. Bhargava	Independent / Non Executive Director	5	4	Yes
Shri N. N. Khandwala	Independent / Non Executive Director	5	5	Yes
Shri Y. P. Trivedi	Independent / Non Executive Director	5	3	No

### 2. AUDIT COMMITTEE

The Company has an independent Audit Committee. The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 1956 as well as those of the listing agreement. The brief terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

**Composition and Attendance of Members at the Meetings of the Audit Committee held during 2012 - 2013**

Members	Category	Meetings held	Meetings attended
Shri H S Parikh - Chairman	Independent	7	7
Shri S R Taparia	Independent	7	7
Shri N N Khandwala	Independent	7	7

**3. REMUNERATION COMMITTEE**
**a) Brief Terms of reference:**

To recommend to the Board, remuneration payable to whole time Directors and to decide the amount of salary, perquisites and commission to be paid to the Managing Director and Executive Directors within the overall ceiling fixed by the shareholders.

**b) Composition**

Members	Category	Meetings held	Meetings attended
Shri H. S. Parikh -Chairman	Independent	1	1
Shri B. V. Bhargava	Independent	1	1
Shri N. N. Khandwala	Independent	1	1

**4. SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE**

The company has constituted Shareholders / Investors' Grievances Committee of the Board of Directors to look into the specific complaints received from the share holders of the Company

**Composition:**

Members	Category	Meetings Held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent	1	1
Shri S. R. Taparia	Independent	1	1

During the year, the company received 130 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which have been duly resolved in time.

**5. A. REMUNERATION PAID TO DIRECTORS DURING 2012 - 13**

Sr No.	Names	Category	Sitting Fees (₹)	Salary & Perquisites (₹)	Commission (₹)	Total (₹)
1	Shri B L Taparia	Promoter / Non Executive Chairman	90,000	–	–	90,000
2	Shri M P Taparia	Promoter / Managing Director	–	1,04,80,754	4,21,26,117	5,26,06,871
3	Shri S J Taparia	Promoter / Executive Director	–	1,36,18,038	4,21,26,117	5,57,44,155
4	Shri V K Taparia	Promoter / Executive Director	–	86,80,737	4,21,26,117	5,08,06,854
5	Shri S R Taparia	Independent / Non Executive Director	2,30,000	–	–	2,30,000
6	Shri H S Parikh	Independent / Non Executive Director	2,30,000	–	–	2,30,000
7	Shri B V Bhargava	Independent / Non Executive Director	85,000	–	–	85,000
8	Shri N N Khandwala	Independent / Non Executive Director	2,45,000	–	–	2,45,000
9	Shri Y P Trivedi	Independent / Non Executive Director	50,000	–	–	50,000
	<b>Total</b>		<b>9,30,000</b>	<b>3,27,79,529</b>	<b>12,63,78,351</b>	<b>16,00,87,800</b>

**B. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 30TH JUNE 2013:**

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	377398
2)	Shri S. R. Taparia	2630
3)	Shri H. S. Parikh	125300
4)	Shri B. V. Bhargava	17500
5)	Shri N. N. Khandwala	260750
6)	Shri Y. P. Trivedi	20010

## 6. CEO / CFO CERTIFICATION

Shri M. P. Taparia, Managing Director and Shri P. C. Somani, Executive Vice-President heading the finance function have certified to the Board that :

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated to the Auditors and the Audit Committee
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

The above Certificate was placed before the Board Meeting held on 18th July, 2013.

## 7. GENERAL BODY MEETINGS

Location and time of last Three AGM's held:

Year	Location	Date	Time
2010 - 68th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai - 400 020	14th Sep, 2010	4.00 p.m.
2011 - 69th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	14th Sep, 2011	4.00 p.m.
2012 - 70th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	17th Sep, 2012	4.00 p.m.

## 8. COMMUNICATION TO SHAREHOLDERS

The Quarterly results of the company are published in widely circulated newspapers such as The Economic Times (English), Business Standard & Maharashtra Times (Marathi). The results are also displayed on the company's website: <http://www.supreme.co.in>

Ministry of Corporate Affairs as a 'Green Initiative in the Corporate Governance' has issued a Circular no. 17/2011 on 21st April 2011, permitting companies to service delivery of documents electronically on the registered members' / shareholders' email addresses under section 53 of Companies Act, 1956. The company is accordingly proposing to send documents, such as Notice calling the general meeting, audited financial statements, directors' report, auditors' report, etc. in electronic form on the email ids provided by the shareholders & made available by them to the company through the depositories. Shareholders desiring to receive the said documents in physical form will continue to get the same in physical form.

## 9. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of Insider Trading, the Company has adopted a code of conduct for its Directors and designated employees. The code lays down guidelines which include procedures to be followed and disclosures to be made while dealing into the shares of the Company.

## 10. MANAGEMENT DISCUSSION AND ANALYSIS

The management discussion and analysis is a part of the Annual report and annexed separately.

## 11. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS

During the financial year 2012-13, there was no other change in the composition of the Board of the Company.

Particulars of Directors as required under clause 49 IV (G), of the listing Agreement, seeking re-appointment is given here in below:

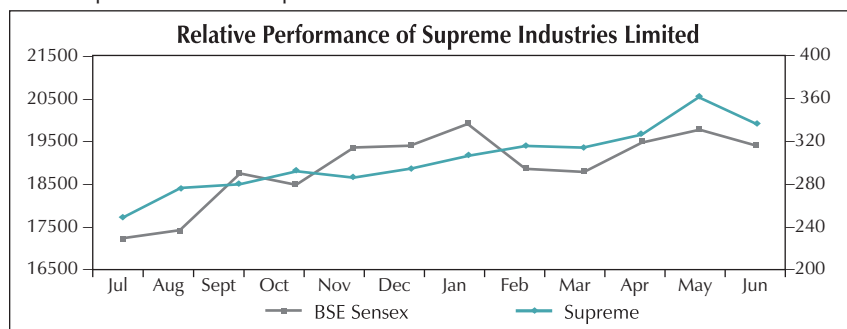
Name of the Directors	Shri M. P. Taparia	Shri S. J. Taparia	Shri V. K. Taparia	Shri H. S. Parikh	Shri Y. P. Trivedi
Date of Birth	22/10/1937	07/08/1945	26/10/1955	16/03/1927	06/01/1929
Date of Appointment	02/08/1966	15/06/1977	29/10/1984	29/06/1982	30/08/2003
Expertise in specific functional area	Industrialist having rich Business experience	Industrialist having rich Business experience	Industrialist having rich Business experience	Practicing Chartered Accountant	Legal and Tax Expert
Qualifications	B.A.	B.E.	B. Com.	Chartered Accountant	B. Com, L.L.B.
Chairman / Director of other companies	1. Supreme Petrochem Ltd. 2. Supreme Capital Management Ltd. 3. The West Coast Papers Mills Limited. 4. Kabra Extrusion Technik Limited 5. Jovial Investment and Trading Co. Pvt. Ltd. 6. Polystyrene Producers Association (India)	1. Supreme Petrochem Limited 2. Supreme Capital Management Ltd. 3. Oricon Enterprises Limited 4. Boon Investment & Trading Co. Pvt. Ltd. 5. Bharat Business Channel Limited	1. Venkatesh Investment & Trading Co. Pvt. Ltd. 2. World Presidents' Organization	1. Elecon Engineering Co. Ltd. 2. Simplex Castings Ltd. 3. Eimco Elecon (I) Ltd.	1. Reliance Industries Ltd. 2. Zodiac Clothing Co. Ltd. 3. Seksaria Biswan Sugar Factory Ltd. 4. Emami Ltd. 5. New Consolidated Construction Ltd. 6. Sai Services Station Ltd. 7. Trivedi Consultants Pvt. Ltd.
No. of Equity Shares held in the Company	814186	703816	344890	125300	20010

## 12. DISCLOSURES

The Company did not have any related party transactions which may have potential conflict with the interests of Company. Nature and other particulars of such transactions have been disclosed and are forming part of the notes to the accounts.

## 13. GENERAL SHAREHOLDER INFORMATION

- Registered Office : 612, Raheja Chambers, Nariman Point, Mumbai 400 021.
- Book Closure Date : From 10th September, 2013 to 17th September, 2013. (Both days inclusive)
- AGM Date & Venue : On Tuesday the 17/09/2013 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai -400 020.
- Dividend payment : Within the statutory time limit.
- Listing on Stock Exchanges : (i) Bombay Stock Exchange (BSE),  
(ii) National Stock Exchange of India Ltd., (NSE),
- Listing Fees : Annual Listing Fees for the year 2013 - 2014 have been paid to both the Stock Exchanges.
- Trading Group : (i) BSE : "B-1" Group,  
(ii) NSE: "Other Securities"
- Stock Codes : (i) BSE : 509930  
(ii) NSE: SUPREMEIND
- Relative performance of Supreme Share Price v/s. BSE Sensex :



- j) Key Financial Reporting Dates F.Y. 2013 - 2014.
- Unaudited Results for the First Quarter ended September 30, 2013. : On or before 15th November, 2013
  - Unaudited Results for the Second Quarter ended December 31, 2013. : On or before 15th February, 2014
  - Unaudited Results for the Third Quarter ended March 31, 2014. : On or before 15th May, 2014
  - Audited Results for the F.Y. 2013 - 2014 : On or before End August, 2014
- k) Shareholders Assistance : Shares Department
- Investors Service Department : The Supreme Industries Limited,  
Regd. Office : 612, Raheja Chambers, Nariman Point,  
Mumbai 400 021.
- Phone Nos. : 22820072, 22851656, 22851159-60
- Fax No. : 22851657
- E-mail : investor@supreme.co.in

#### 14. DISTRIBUTION OF SHAREHOLDING (AS ON 30TH JUNE, 2013)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	21115	77.50	2516633	1.98
501 - 1000	2172	7.97	1801251	1.42
1001 - 2000	1687	6.19	2536438	2.00
2001 - 3000	695	2.55	1768063	1.39
3001 - 4000	315	1.16	1122504	0.88
4001 - 5000	277	1.02	1308776	1.03
5001 - 10000	491	1.80	3578181	2.82
Over 10001	492	1.81	112395024	88.48
<b>Total</b>	<b>27244</b>	<b>100.00</b>	<b>127026870</b>	<b>100.00</b>

#### CATEGORIES OF SHAREHOLDERS (AS ON 30TH JUNE, 2013)

Category	No. of Shareholders	Voting Strength (Percentage)	Number of Shares held
Promoters	12	49.64	63057345
Non Residents Individuals / OCB	596	0.54	688333
Companies	474	6.58	8364345
FII's / FI's / Mutual Fund / Bank	107	22.89	29070454
Individuals	26055	20.35	25846393
<b>Total</b>	<b>27244</b>	<b>100.00</b>	<b>127026870</b>

#### 15. REGISTRAR & TRANSFER AGENT: (FOR PHYSICAL & DEMAT SHARES)

**M/s. Bigshare Services Pvt.Ltd**

E-2/3 Ansa Industrial Estate Saki Vihar Road, Sakinaka, Andheri (E) Mumbai 400 072.

Tel No. 28470652, 40430200 • Fax No. 28475207

E-mail : investor@bigshareonline.com

Our RTA, M/s. Bigshare Services Pvt. Ltd. recently launched Gen-Next Investor Interface Module "I'Boss" the most advanced tool to interact with investors. Please login in to I'Boss (www.bigshareonline.com) and help them to serve you better.

#### 16. DEMATERIALISATION OF SHARES

124021875 Shares are Dematerialised (as on 30.06.2013) (97.63 % of total Shares viz. 127026870 shares)



## 17. ADDITIONAL INFORMATION REGARDING THE COMPANY IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE AT

<http://www.supreme.co.in>

## 18. MARKET PRICE DATA: HIGH / LOW / CLOSE DURING EACH MONTH IN THE LAST FINANCIAL YEAR

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
July - 2012	251.10	215.00	250.05	251.00	215.10	250.40
August - 2012	288.95	245.00	278.90	292.90	244.30	280.50
September - 2012	289.50	276.30	282.30	289.30	275.00	282.95
October - 2012	301.50	270.00	291.20	302.00	269.50	291.85
November - 2012	296.95	279.05	286.20	296.90	278.70	287.80
December - 2012	298.90	285.00	294.50	298.40	285.35	295.75
January - 2013	314.90	281.55	305.80	315.00	289.90	306.10
February - 2013	331.00	298.00	315.25	325.00	298.20	316.70
March - 2013	323.95	301.00	314.30	322.00	301.50	312.70
April - 2013	328.95	303.00	326.80	327.85	303.00	327.20
May - 2013	365.00	321.00	361.30	366.05	324.00	362.25
June - 2013	377.00	320.00	337.60	378.00	312.00	337.05

## 19. CODE OF CONDUCT

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director to this effect is given below. Code of Conduct has also been posted on the Company's Website. [www.supreme.co.in](http://www.supreme.co.in)

## Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 30th June, 2013.

For The Supreme Industries Limited

**M. P. Taparia**  
Managing Director

Mumbai, 18th July, 2013

To the Members of  
M/s. The Supreme Industries Limited

We have examined the compliance of conditions of corporate governance by M/s. The Supreme Industries Limited for the year ended on 30th June, 2013, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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.

For **CHHOGMAL & CO.,**  
FRN- 101826W  
*Chartered Accountants*

**Chintan Shah**  
*Partner*  
M.No.: 107490

Mumbai, 18th July, 2013

## 1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of THE SUPREME INDUSTRIES LTD. (the "Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

## 2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) section 211 of the Companies Act, 1956("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

## 4. OPINION

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- a) As required by the Companies (Auditor's Report) Order, 2003 as amended by The Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956; we give in the annexure attached hereto our comments on the matters specified in the paragraphs 4 and 5 of the said Order.
- b) As required by Section 227(3) of the Companies Act, 1956, we report that:
  - i) 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. The reports on the accounts of Branches audited under Section 228 of the Companies Act, 1956 by persons other than ourselves, have been forwarded to us, as required by Clause (c) Sub - Section(3) of the said section and that we have taken due notice of material observations, in our report of the points raised by the said Branch Auditors.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- iii) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- v) On the basis of the written representations received from the directors as on 30th June, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2013 from being appointed as a director in terms of Section 274 (1) (g) of the Act.

For **CHHOGMAL & CO.,**  
FRN- 101826W  
Chartered Accountants

**Chintan Shah**  
Partner  
M.No.: 107490

Mumbai, 18th July, 2013

## Annexure to the Auditors' Report

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us the Company has a phased program for physical verification of the fixed assets of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. During the year there is no disposal of substantial part of fixed assets, affecting going concern assumption.
2. a. The stock of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks 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 inventory, no material discrepancies were noticed on physical verification of stocks as compared to book records and the discrepancies noticed have been properly dealt with in the books of account.
3. According to the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4(iii) (a) to 4(iii) (g) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services, As per the information given to us, no major weaknesses in internal control system have been identified by the management or the internal auditors of the company during the year. During the course of audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.
5. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions with Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or other relevant provision of the Act and the rules framed there under, for acceptance of public deposits. Since the company has not defaulted in complying with section 58AA, passing any order from the company law board, National Company Law Tribunal or RBI or any other court or tribunal, does not arise.
7. On the basis of the internal audit reports reviewed by us, we are of the opinion that, the company has an internal audit system commensurate with size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of Sub-section (1) of section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a. According to the records of the Company and information and explanations given to us, Provident Fund, Investor Education and Protection Fund, Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues have been deposited regularly during the year with the appropriate authorities.  
According to the records of the Company and information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues were in arrears as at 30th June, 2013 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of, Sales Tax, Custom Duty, Excise Duty and Entry tax and other statutory dues as at the last day of the financial year are as follows.

Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	448.47 2.05	1994 to 2010 1999-2000	CESTAT Commissioner (Appeals)
The Central Sales Tax Act, 1956	Sales Tax	16.83 35.47 7.10 5.51	1995-1996 2003-2004 2005-2006 2004-2005	Revisionary Board, West Bengal Jt. Commissioner (ST, Appeals), West Bengal Addl. Commissioner (ST, Appeals), West Bengal Addl. Comm. Commercial Tax Gwalior
West Bengal Sales Tax Act, 1994	Sales Tax	20.28 34.63	2003-2004 2005-2006	Jt. Commissioner (ST, Appeals), West Bengal Addl. Commissioner (ST, Appeals), West Bengal
U.P Trade Tax Act	Entry Tax Entry Tax Sales Tax Sales Tax	23.97 12.11 10.61 3.64	2000-2001 2002-2003 2002-2007 2004-2005	Hon' ble High Court Tribunal Tribunal Jt. Commissioner, Appeal



Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
M.P Commercial Tax Act	Entry Tax VAT	11.92	2008-2009	Tribunal
		2.51	1999-2000	Hon' ble High Court
		34.53	1999-2000	Hon' ble High Court
		11.66	2001-2002	Hon' ble High Court
Tamil Nadu tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	188.27	2003 to 2013	Hon'ble High Court Madras
Employee State Insurance Act, 1948	ESIC	13.71	Prior to 1989-1990	ESIC Court, Mumbai
Local Authority - Asansol Durgapur Development Authority	Development Fee	74.51	2009-2010	Asansol Durgapur Development Authority- Durgapur
Punjab Vat Act 2005 & CST Act, 1956	Vat & CST	4.75	2007-2008	Asst. Commissioner (Appeals) Patiala
	Vat & CST	172.15	2008-09 to 2009-10	Tribunal
The Entry of Goods into Local Area Act, 2000	Entry Tax	10.61	2012-2013	High Court, Punjab
Profession Tax Act	Profession Tax	0.78	2009-2010	Deputy Commissioner Profession Tax (DGP) WB
Maharashtra Land Revenue Code 1966	Royalty	21.72	2006-2007	Pune Collector
Maharashtra Value Added Tax	MVAT	59.72	2006-2007	Joint Commissioner of Sales Tax, Nasik
	<b>TOTAL</b>	<b>1227.51</b>		

10. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash loss during the current and immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and NBFC.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the company.
13. As the provisions of any Special Statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the company is not a dealer in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the term loan have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for stated use.
17. According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Sec 301 of the Companies Act, 1956 during the year. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any secured debenture during the year, Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company
20. The Company has not raised any money by public issue during the year. Accordingly, the provisions of Clause 4(xx) of the order are not applicable to the Company.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For **CHHOGMAL & CO.,**  
 FRN- 101826W  
 Chartered Accountants

**Chintan Shah**  
 Partner  
 M.No.: 107490

Mumbai, 18th July, 2013

## Balance Sheet as on 30th June, 2013

	Note	As At 30-Jun-13		₹ in lacs As At 30-Jun-12	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	2	2540.54		2540.54	
Reserves and surplus	3	77709.61	80250.15	61605.59	64146.13
<b>NON - CURRENT LIABILITIES</b>					
Long-term borrowings	4	23176.28		10487.60	
Deferred tax liabilities (net)	5	9065.18		8325.83	
Other long-term liabilities	6	116.35		132.43	
Long-term provisions	7	1183.04	33540.85	1089.30	20035.16
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	8	17710.93		14884.64	
Trade payables	9	34592.10		21712.84	
Other current liabilities	10	18699.79		18886.10	
Short-term provisions	7	10779.44	81782.26	7996.79	63480.37
<b>TOTAL EQUITY AND LIABILITIES</b>			195573.26		147661.66
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	11	101998.41		73881.58	
Intangible assets	11	775.66		56.38	
Capital work-in-progress	11	3304.56		3380.96	
Non-current investments	12	3364.12		3364.12	
Long-term loans and advances	13	4751.76		6147.01	
Other non-current assets	14	19.21	114213.72	21.82	86851.87
<b>CURRENT ASSETS</b>					
Inventories	15	46680.37		31401.28	
Trade receivables	16	20391.85		17167.94	
Cash and bank balances	17	2275.53		1386.50	
Short-term loans and advances	13	11840.61		10572.57	
Other current assets	14	171.18	81359.54	281.50	60809.79
<b>TOTAL ASSETS</b>			195573.26		147661.66

Significant Accounting Policies.

1

The accompanying notes are an integral part of the financial statements

 As per our report of even date  
 For **CHHOGMAL & CO.**  
 FRN - 101826W  
 Chartered Accountants

**Chintan Shah**  
 Partner  
 M. No. 107490

**B. L. Taparia**  
 Chairman

**S. J. Taparia**  
 Executive Director

**R. J. Saboo**  
 Sr. General Manager (Corporate Affairs)  
 & Company Secretary

For and on behalf of the board

**M. P. Taparia**  
 Managing Director

**V. K. Taparia**  
 Executive Director

**H. S. Parikh**
**N. N. Khandwala**
**B. V. Bhargava**
**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013

# Statement of Profit and Loss for the year ended on 30th June, 2013

**Supreme**  
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ANNUAL REPORT  
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	Note	2012 - 2013	2011 - 2012
<b>INCOME</b>			
Revenue from operations	18	340307.43	292755.50
Other income	19	389.18	1091.51
		<u>340696.61</u>	<u>293847.01</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	224105.56	184486.49
Purchases of Traded Goods	21	12265.35	10341.12
Changes in inventories of finished goods, work-in-progress and traded goods	22	(6287.06)	1316.74
Employee benefits expenses	23	12699.18	11205.20
Other expenses	24	43973.76	38215.92
		<u>286756.79</u>	<u>245565.47</u>
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>		<b>53939.82</b>	<b>48281.54</b>
Finance costs	25	5234.61	5479.67
Depreciation and amortisation expenses	26	8170.68	7246.28
Depreciation for Earlier Years Provided for/(-) Written Back		0.20	-
<b>PROFIT BEFORE TAX</b>		<b>40534.33</b>	<b>35555.59</b>
<b>TAX EXPENSES</b>			
Current tax		12560.00	11131.98
Deferred Tax		739.35	372.02
		<u>13299.35</u>	<u>11504.00</u>
<b>PROFIT AFTER TAX</b>		<b>27234.98</b>	<b>24051.59</b>
<b>EARNINGS PER SHARE</b>			
Basic & Diluted Earning Per Share (₹)	35	21.44	18.93
(Face value of ₹ 2 each)			
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date  
For **CHHOGMAL & CO.**  
FRN - 101826W  
Chartered Accountants

**Chintan Shah**  
Partner  
M. No. 107490

**B. L. Taparia**  
Chairman

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Executive Director

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Managing Director

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**B. V. Bhargava**

**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013

## Cash Flow Statement for the year ended on 30th June, 2013

	2012 - 2013		2011 - 2012	
			₹ in Lacs	
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax	40534.33		35555.59	
Adjustments For :				
Add :				
Depreciation	8170.88		7246.28	
Leasehold Assets Premium W/off	13.35		13.35	
Interest (Net)	5234.61	13418.84	5479.67	12739.30
		53953.17		48294.89
Less :				
Dividend Received	405.33		813.86	
Profit / (Loss) on sale of Investments	13.51		79.93	
Profit / (Loss) on sale of Assets	(29.66)	389.18	182.25	1076.04
Operating Profit before working capital changes		53563.99		47218.85
Adjustments for :				
Less:				
Inventories	15279.09		(3139.22)	
Trade & Other Receivable	2983.79		3543.97	
Trade & Other Payable	(16243.22)	2019.66	(10.73)	394.02
Cash Generated from Operations		51544.33		46824.83
Direct Taxes Paid		(11139.72)		(11668.24)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		40404.61		35156.59
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		37435.18		8103.76
Sale of Fixed Assets		(457.15)		(484.99)
Sale of Investments (Net)		(13.51)		(80.30)
Interest Received		(284.59)		(296.07)
Dividend Received		(405.33)		(813.86)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		36274.60		6428.54
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings		9771.87		7261.16
Proceeds from Long Term Borrowings		(18820.00)		—
(Increase)/Decrease in Short Term Borrowings		(2826.29)		9056.47
Interest Paid		5519.20		5775.74
Dividend & Corporate Dividend Tax paid		9596.20		6643.51
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		3240.98		28736.88
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>		889.03		(8.83)
Opening Balance at beginning of the year		1386.50		1395.33
Closing Balance at end of the year		2275.53		1386.50

As per our report of even date  
 For **CHHOGMAL & CO.**  
 FRN - 101826W  
 Chartered Accountants

**Chintan Shah**  
 Partner  
 M. No. 107490

**B. L. Taparia**  
 Chairman

**S. J. Taparia**  
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**B. V. Bhargava**

**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013



## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS OF ACCOUNTING

- a) The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, the Companies Accounting Standards Rules, 2006 and relevant provisions of Companies Act, 1956. The accounting is on the basis of a going concern concept.
- b) The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.
- c) All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

### B. REVENUE RECOGNITION

- a) Sales & Services are accounted for net of excise duty, service tax, returns & claims etc.
- b) The Company adopts the accrual concept in the preparation of the accounts. Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement.
- c) Benefit on account of entitlement to import duty-free raw materials under any Scheme as announced by the government, is estimated and accounted for in the year of export.
- d) Industrial promotion subsidy / government grants are recognized on accrual basis on compliance of stipulated conditions as notified under the respective scheme.

### C. FIXED ASSETS

- a) Certain Land, Buildings, Plant & Machinery and Moulds & Dies are stated at revalued amounts as a result of their revaluation less depreciation.
- b) Other fixed assets are stated at cost less accumulated depreciation and amortization.
- c) Interest on borrowings and incidental expenses incurred during the period of construction / installation and till the acquired assets are ready to use are added to the cost of fixed assets.
- d) Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.
- e) The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### D. CAPITAL WORK-IN-PROGRESS AND PREOPERATIVE EXPENSES DURING CONSTRUCTION PERIOD

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

### E. DEPRECIATION & AMORTISATION

#### Tangible Assets

- a) Depreciation on Building, Plant & Machinery and Moulds & Dies is provided on Straight Line Method and on other assets on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except certain specific assets on which depreciation is provided at higher rates based on useful life of the assets estimated by the management.
- b) Certain class of assets acquired after 1-7-2009 / 1-7-2010 have been depreciated at rates higher than as specified in Schedule XIV of the Companies Act, 1956, the details thereof are as under :-
  - Injection moulding machines- 8.33% on SLM basis.
  - Ancillary Equipments & utilities -14.28% on SLM basis
  - Electronic equipments: - 60% on WDV basis
  - Computers:- 60% on WDV basis
  - Depreciation on additions to the assets during the year is being provided on pro-rata basis from the date of acquisition / installation.
- c) Depreciation on assets sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are sold or discarded.
- d) Leasehold Land is amortised over the period of lease.
- e) Assets costing up to ₹ 5,000/- each are depreciated fully in the year of purchase.

## Notes to the Financial Statements for the year ended 30th June, 2013

### Intangible Assets

Intangible assets developed or acquired are amortised on straight line basis at the rates specified below:

- a) Computer Software and Licenses - 25%.
- b) Technical License / Know-how Fee - 20%
- c) Right To Use - 20%

### F. INVESTMENTS

- a) All long term investments are stated at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary, in the opinion of the management.
- b) Current investments are carried at the lower of cost and fair value, determined on a category-wise basis.

### G. INVENTORIES

Inventories of plastic goods are valued as under:-

- a) Raw Material & Components - at cost using identified lot basis / First in first out (FIFO) or net realizable value whichever is lower.
- b) Finished Goods - at cost using weighted average cost basis or net realisable value whichever is lower.
- c) Stores, Spare Parts, Packing Materials etc. - at cost using FIFO basis except obsolete and non-moving items stated at net realisable value.
- d) Goods for Resale - at cost using FIFO basis or net realisable value whichever is lower.
- e) Inter divisional transfers are valued at works / factory costs of the transferor unit / division, plus transport and other charges.

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their respective present location and condition.

### H. ASSETS TAKEN ON LEASE

In respect of operating leases, lease rentals are recognized as an expense in the Statement of Profit & Loss on an accrual basis over the leased term.

In respect of assets obtained on finance leases, assets are recognized at their fair value at the date of acquisition or if lower, at the present value of minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a Finance Lease obligation. The excess of lease payments over the recorded lease obligations are treated as Finance charges which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations. The assets are depreciated as owned depreciable assets.

### I. FOREIGN CURRENCY TRANSACTIONS

#### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit & Loss of the year.

#### b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit & Loss.

#### c) Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

The Company uses foreign currency forward contracts to hedge its actual underlying exposures and not for trading or speculation purpose. The use of these forward contracts reduces the risk and / or cost to the company.

### J. EMPLOYEE BENEFITS

- a) Short Term Benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which related service is rendered.
- b) Post Employment Benefits:-
  - Defined Contribution Plan

Company's contribution to the superannuation scheme and State Governed Provident Fund Scheme is recognised during the year in which related service is rendered.

- Defined Benefit Plan :-

#### Gratuity

The present value of obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the statement of profit and loss. The Gratuity Funds for the employees are administered by Life Insurance Corporation of India under Group Gratuity Scheme.

#### Provident Fund

For selected employees, monthly contributions are made to a trust administered by the company. The interest rate payable to the beneficiaries shall not be lower than the statutory rate of interest notified by the government. The company has obligation to make good shortfall, if any, between return on investment of the Trust and rates notified by the Government.

For those employees not covered by above, monthly contributions are deposited with Government.

- c) Leave Liability:-

The liability on account of leave encashment is accounted for on accrual basis.

- d) Other benefits comprising of discretionary long service awards are recognized as and when determined.

## **K. RESEARCH & DEVELOPMENT EXPENDITURE**

Revenue expenditure on research and development is charged to the statement of profit and loss. Expenditure, which results in creation of capital asset, is capitalised in the year in which it is incurred and depreciation is provided on such assets as applicable.

## **L. SHARE / DEBENTURE ISSUE EXPENSES AND DEBENTURE REDEMPTION RESERVE**

Issue expenses are adjusted against the Securities Premium Account.

Debenture Redemption Reserve is created pursuant to SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Premium paid / payable on redemption is adjusted against the Securities Premium Account.

## **M. TAXES ON INCOME**

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending 30th June.

Deferred tax is recognised, subject to consideration of prudence, 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. Deferred tax assets, are recognized only to the extent there is virtual certainty supported by convincing evidence of its realization.

Wealth tax is provided in accordance with the provisions of Wealth Tax Act, 1957.

## **N. PROVISIONS AND CONTINGENT LIABILITIES**

Provisions involving substantial degree of estimation in measurement are recognized when there is a permanent obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes.

## **O. CONSTRUCTION BUSINESS**

The company had ventured into real estate development business and thus the accounting policies relevant specifically in relation to construction business areas under:-

- a) Revenue recognition

Income from real estate sales is recognized on the transfer of all significant risk and rewards of ownership to the buyers and is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

- b) Cost recognition

Proportionate cost including estimated cost of completion of real estate sold is recognized in statement of profit and loss and shown separately under the head "Cost of materials".

- c) Valuation of inventory

Finished / under construction inventory of real estate is stated at cost or net realizable value whichever is lower.

Construction work-in-progress includes cost of land, premium for development rights, construction cost, materials, services and allocated interest and expenses incidental to the construction business.

Other accounting policies, wherever applicable, are same as followed in normal course of business.

## Notes to the Financial Statements for the year ended 30th June, 2013

₹ in Lacs

### 2. SHARE CAPITAL

	As at 30-Jun-13	As at 30-Jun-12
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	3000.00	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	1120.00	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	3380.00	3380.00
	<u>7500.00</u>	<u>7500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	2540.54	2540.54
<b>TOTAL SHARE CAPITAL</b>	<u>2540.54</u>	<u>2540.54</u>

The company bought back & extinguished 22,11,300 numbers of Equity Shares of ₹ 10 each during the year 2008-09

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As on 30-Jun-2013		As on 30-Jun-2012	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt. Ltd.	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt. Ltd.	19847082	15.62%	19847082	15.62%
Venkatesh Investment and Trading Company Pvt. Ltd.	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%
HDFC Mutual Fund*	—	—	9589848	7.55%

\*Shares held less than 5% as on 30-Jun-2013

#### The reconciliation of the number of equity shares outstanding is set out below :

	As at 30-June-13		As at 30-June-12	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

#### Terms / rights attached to Equity shares :

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



# Notes to the Financial Statements for the year ended 30th June, 2013

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₹ in Lacs

## 3. RESERVES AND SURPLUS

	As at 30-June-13		As at 30-June-12	
<b>REVALUATION RESERVE</b>				
As per last Balance Sheet	133.09		137.55	
Less: Transferred to Statement of Profit and Loss	4.39		4.40	
Transferred to Leasehold Land	0.06	128.64	0.06	133.09
<b>CAPITAL RESERVE</b>		244.59		244.59
<b>SECURITIES PREMIUM ACCOUNT</b>		4748.52		4748.52
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	56257.76		41064.19	
Add : Transferred from Statement of Profit and Loss	16108.47	72366.23	15193.57	56257.76
<b>CAPITAL REDEMPTION RESERVE</b>		221.63		221.63
<b>STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet	—		—	
Add: Profit for the year	27234.98		24051.59	
Less : Appropriations				
Interim Dividend paid on Equity Shares	2540.54		1905.40	
[Dividend per share ₹ 2.00 (Previous Year ₹ 1.50)]				
Corporate Dividend Tax Paid	412.14		309.10	
Proposed Dividend on Equity Shares	6986.48		5716.21	
[Dividend per share ₹ 5.50 (Previous Year ₹ 4.50)]				
Provision for Corporate Dividend Tax	1187.35		927.31	
Transferred to General Reserve	16108.47	—	15193.57	—
<b>TOTAL RESERVES AND SURPLUS</b>		<b>77709.61</b>		<b>61605.59</b>

## 4. LONG TERM BORROWINGS

	Non-Current		Current	
	30-June-13	30-June-12	30-June-13	30-June-12
<b>SECURED</b>				
Rupee Loans from Banks	8000.00	—	—	2500.00
Foreign Currency Loans from Banks	13540.60	6355.40	3634.80	3328.60
	21540.60	6355.40	3634.80	5828.60
From Others (Rupee Loans)	1250.00	3509.20	2259.20	2555.56
Total Secured	22790.60	9864.60	5894.00	8384.16
<b>UNSECURED</b>				
Fixed Deposits	160.83	377.69	181.61	1324.35
Deferred payment liabilities	218.97	236.27	17.30	24.23
(Under Sales Tax Deferral Scheme)				
Long term maturities of finance lease obligations	5.88	9.04	4.65	5.38
Total Unsecured	385.68	623.00	203.56	1353.96
Amount included under the head	—	—	(6097.57)	(9738.12)
"Other Current Liabilities" (Refer note 10)				
<b>TOTAL LONG TERM BORROWINGS</b>	<b>23176.28</b>	<b>10487.60</b>	<b>—</b>	<b>—</b>

### NOTES :

Term Loans from banks and financial institutions are secured on first pari passu charge basis as under:

- Immovable properties of the company, situated at certain locations of the company.
- Movable fixed assets of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

Term Loans availed during the year are secured on first pari passu charge basis, only on the assets referred to in clause (b) above.

Maturity Profile and Interest Range of Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	10.71 - 11.98	2485.00	2460.00	4305.00
Foreign Currency Loans	8.40 - 9.13	6048.83	3328.23	4163.54
Fixed Deposits	8.75 - 9.25	157.23	3.60	—
Deferred Payment Liabilities	Interest Free	—	0.51	218.46
Finance Lease Obligations	15.18	5.88	—	—

## Notes to the Financial Statements for the year ended 30th June, 2013

₹ in Lacs

### 5 DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar 31, 2013 (Previous Year Mar 31, 2012)

	As at 30-June-13	As at 30-June-12
<b>Deferred Tax Liabilities on account of timing differences</b>		
Depreciation	9073.28	8399.48
<b>Deferred Tax Assets on account of timing differences</b>		
Amount to be claimed on payment basis	(8.10)	(73.65)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>9065.18</b>	<b>8325.83</b>

### 6 OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	30-June-13	30-June-12	30-June-13	30-June-12
Trade / security deposits received	57.13	58.26	105.54	87.36
Others	59.22	74.17	—	—
Amount included under the head "Other Current Liabilities (Refer Note 10)	—	—	(105.54)	(87.36)
<b>TOTAL OTHER LONG TERM LIABILITIES</b>	<b>116.35</b>	<b>132.43</b>	<b>—</b>	<b>—</b>

### 7. PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-13	30-June-12	30-June-13	30-June-12
Provision for employee benefits:	994.77	926.23	735.63	903.57
<b>Provision - Others:</b>				
Provision for Income Tax	—	—	1863.79	444.48
Proposed Dividend	—	—	6,986.48	5716.21
Provision for Corporate Dividend Tax	—	—	1,187.35	927.31
Provision for Wealth Tax	—	—	6.19	5.22
Others	188.27	163.07	—	—
<b>TOTAL PROVISIONS</b>	<b>1183.04</b>	<b>1089.30</b>	<b>10779.44</b>	<b>7996.79</b>

### 8 SHORT TERM BORROWINGS

	As at 30-June-13	As at 30-June-12
<b>SECURED</b>		
Working Capital Loans:		
From Banks (Cash Credit Accounts)	2251.52	830.42
Foreign currency Loans - Buyer's Credit	1326.22	5109.13
	3577.74	5939.55
<b>UNSECURED</b>		
Rupee Loans from Banks	2098.04	—
Foreign Currency Loans - Buyer's Credit	12035.15	8945.09
<b>TOTAL SHORT TERM LIABILITIES</b>	<b>17710.93</b>	<b>14884.64</b>

#### NOTES :

Working Capital Loans from Banks mentioned as above are secured against:

First pari passu charge by way of hypothecation of stocks and Book Debts, both present and future

Second / subservient charge on all movable fixed assets of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

Second / subservient charge on some of the immovable properties of the company, situated at certain locations of the company.

# Notes to the Financial Statements for the year ended 30th June, 2013

## 9. TRADE PAYABLES

	As at 30-June-13	As at 30-June-12
Micro, Small and Medium Enterprises	865.14	559.89
Others	33726.96	21152.95
<b>TOTAL TRADE PAYABLES</b>	<b>34592.10</b>	<b>21712.84</b>

There are no Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company on unitwise basis. This has been relied upon by the Auditors.

## 10. OTHER CURRENT LIABILITIES

	As at 30-June-13	As at 30-June-12
Current maturities of long-term debt	6092.91	9732.74
Current maturities of finance lease obligations } (Refer Note 4)	4.65	5.38
Current Portion of Other long-term liabilities (Refer Note 6)	105.54	87.36
Interest accrued but not due on borrowings	416.73	534.38
Items covered by Investor Education and Protection Fund (Refer Note 48)	191.94	194.59
Statutory Dues	3043.75	3304.64
Payables - Capital Goods	5675.92	1746.20
Advances from customers	2935.29	3082.37
Other payables	233.06	198.44
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>18699.79</b>	<b>18886.10</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 30th June 2013 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.64 lacs (Previous year ₹ 0.50 lacs).

## 11. FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As At 1-July-12	Additions During the Year	Deductions/ Adjustment During The Year	As At 30-June-13	As At 1-July-12	For The Year	Deductions/ Adjustment During The Year	As At 30-June-13	As At 30-June-13	As At 30-June-12
A. Tangible assets										
Freehold Land	2237.77	312.68	–	2550.45	–	–	–	–	2550.45	2237.77
Leasehold Land	1100.17	–	13.41	1086.76	–	–	–	–	1086.76	1100.17
Buildings	26439.74	7765.99	57.89	34147.84	5871.80	856.15	9.56	6718.39	27429.45	20567.94
Plant, Machinery & Electrical Installations	69774.40	25132.67	756.36	94150.71	26917.96	5097.82	359.75	31656.03	62494.68	42856.44
Moulds & Dies	18611.34	2247.35	251.80	20606.89	13985.70	1440.13	247.34	15178.49	5428.40	4625.64
Furniture, Fixture & Office Equipments	2978.33	515.27	140.19	3353.41	1941.78	353.61	123.40	2171.99	1181.42	1036.55
Vehicles										
Owned	857.62	111.25	104.96	863.91	528.25	101.15	90.31	539.09	324.82	329.37
Under Finance Lease	16.59	–	–	16.59	1.95	3.79	–	5.74	10.85	14.64
Sundry Equipments	1859.95	614.41	20.10	2454.26	746.89	229.75	13.96	962.68	1491.58	1113.06
Total Tangible Assets	123875.91	36699.62	1344.71	159230.82	49994.33	8082.40	844.32	57232.41	101998.41	73881.58
B. Intangible Assets										
Computer software & Licences fees	620.21	141.33	–	761.54	563.83	56.14	0.00	619.97	141.57	56.38
Technical License/Know How	–	585.75	–	585.75	–	24.41	0.00	24.41	561.34	–
Right to Use	–	84.87	–	84.87	–	12.12	0.00	12.12	72.75	–
Total Intangible Assets	620.21	811.95	–	1432.16	563.83	92.67	–	656.50	775.66	56.38
Total (A+B)	124496.12	37511.57	1344.71	160662.98	50558.16	8175.07	844.32	57888.91	102774.07	73937.96
Previous year	120198.11	7339.86	3041.85	124496.12	46033.18	7250.68	2725.70	50558.16	73937.96	74164.93
C. Capital Work-in-Progress									3304.56	3380.96
									106078.63	77318.92

NOTE: Buildings include the cost of ownership premises in Co-operative Societies ₹ 157.31 Lacs (Previous Year ₹ 157.31 Lacs).

## Notes to the Financial Statements for the year ended 30th June, 2013

₹ in Lacs

### 12. NON - CURRENT INVESTMENTS

	Face Value (₹)	Quantity 30-June-13	30-June-12	Amount 30-June-13	30-June-12
<b>INVESTMENTS IN GOVERNMENT &amp; TRUST SECURITIES</b>					
National Saving Certificate				<b>0.06</b>	0.06
Sub Total				<b>0.06</b>	0.06
<b>OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	<b>1000</b>	1000	<b>0.10</b>	0.10
Samarpan Fabricators Ltd.	100	<b>1350</b>	1350	<b>0.75</b>	0.75
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	<b>1</b>	1	<b>18.88</b>	18.88
Sub Total				<b>19.73</b>	19.73
<b>OTHERS - QUOTED &amp; FULLY PAID UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)	10	<b>28936400</b>	28936400	<b>3337.50</b>	3337.50
Vijaya Bank Ltd.	10	<b>3200</b>	3200	<b>0.77</b>	0.77
Central Bank of India	10	<b>5874</b>	5874	<b>6.01</b>	6.01
Unimers India Ltd.	10	<b>37</b>	37	<b>0.05</b>	0.05
Sub Total				<b>3344.33</b>	3344.33
<b>TOTAL</b>				<b>3364.12</b>	3364.12
Aggregate Value of Quoted Investments At Cost				<b>3344.33</b>	3344.33
At Market Value				<b>16281.79</b>	12159.96
Aggregate Value of Unquoted Investments At Cost				<b>19.79</b>	19.79

### 13. LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	<b>30-June-13</b>	30-June-12	<b>30-June-13</b>	30-June-12
Capital Advances (Advance for Capital Goods)	<b>1686.88</b>	3647.63	—	—
Sundry Deposits	<b>1147.35</b>	1171.63	<b>363.05</b>	140.05
<b>Other Loans and Advances</b>				
Advances / claims recoverable in cash or kind or for value to be received	<b>675.38</b>	608.28	<b>9819.04</b>	6897.26
Prepaid Expenses	<b>60.20</b>	20.35	<b>218.53</b>	167.56
Advance payment of Income Tax (net)	—	—	—	2283.29
Balance with Government Authorities	<b>1069.77</b>	588.25	<b>1254.49</b>	849.96
Advances / Loans to employees	<b>102.08</b>	70.42	<b>176.68</b>	180.47
Others	<b>10.10</b>	40.45	<b>8.82</b>	53.98
<b>TOTAL LOANS AND ADVANCES</b>	<b>4751.76</b>	6147.01	<b>11840.61</b>	10572.57

### 14. OTHER ASSETS

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	<b>30-June-13</b>	30-June-12	<b>30-June-13</b>	30-June-12
Accruals	<b>19.21</b>	21.82	<b>170.59</b>	194.33
Assets held for disposal	—	—	—	8.25
Others	—	—	<b>0.59</b>	78.92
<b>TOTAL OTHER ASSETS</b>	<b>19.21</b>	21.82	<b>171.18</b>	281.50



# Notes to the Financial Statements for the year ended 30th June, 2013

	As at 30-June-13		As at 30-June-12	
₹ in Lacs				
<b>15. INVENTORIES</b>				
Raw Materials and Components [(including goods in transit ₹ 257.04 Lacs (Previous year ₹ 240.77 Lacs)]	<b>19978.38</b>		12168.10	
Reusable Material	<b>938.42</b>		518.92	
Stores, Spare parts, and consumables	<b>810.09</b>		689.21	
Packing Material	<b>552.31</b>		426.48	
Finished / Semi-Finished Goods [(including goods in transit ₹ 26.02 Lacs (Previous year ₹ 46.89 Lacs)]	<b>14466.52</b>		7143.52	
Traded Goods	<b>477.86</b>	<b>37223.58</b>	635.79	21582.02
Commercial Complex		<b>9456.79</b>		9819.26
<b>TOTAL INVENTORIES</b>		<b>46680.37</b>		31401.28
<b>16. TRADE RECEIVABLES</b>				
(Unsecured, Considered good unless otherwise specified)				
<b>Overdue for more than six months from due date</b>				
Considered good	<b>892.10</b>		463.33	
Considered doubtful	<b>95.92</b>	<b>988.02</b>	80.06	543.39
<b>Others</b>				
Considered good		<b>19499.75</b>		16704.61
Less: Provision for doubtful trade receivables		<b>95.92</b>		80.06
<b>TOTAL TRADE RECEIVABLES</b>		<b>20391.85</b>		17167.94
<b>17. CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash on hand		<b>82.80</b>		84.81
Cheques on hand		<b>10.99</b>		4.86
Remittance in Transit		<b>193.22</b>		17.33
<b>Balance with Scheduled Banks in :</b>				
Current Accounts		<b>1588.28</b>		758.41
<b>Other Bank Balances</b>				
Deposit Accounts (Earmarked)	<b>236.04</b>		379.83	
Unpaid Dividends and FD Interest	<b>164.20</b>	<b>400.24</b>	141.26	521.09
<b>TOTAL CASH AND BANK BALANCES</b>		<b>2275.53</b>		1386.50
		<b>2012 - 2013</b>		<b>2011 - 2012</b>
<b>18. REVENUE FROM OPERATIONS</b>				
Sales of Plastic Products		<b>360873.24</b>		302193.68
Income from Processing		<b>754.32</b>		548.91
Construction Business		<b>1600.00</b>		6916.00
Others		<b>11380.36</b>		8803.33
		<b>374607.92</b>		318461.92
Less: Excise Duty Paid		<b>38795.69</b>		29532.16
		<b>335812.23</b>		288929.76
<b>Other operating income</b>				
Industrial Promotion Subsidy	<b>3707.39</b>		3203.23	
Sundry Receipts	<b>612.25</b>		534.07	
Claims & Refunds	<b>22.06</b>		3.57	
Liabilities No Longer Required (written back)	<b>153.50</b>	<b>4495.20</b>	84.87	3825.74
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>340307.43</b>		292755.50
<b>19. OTHER INCOME</b>				
Dividend Received		<b>405.33</b>		813.86
Profit / (Loss) on Sale / Discard of Capital Assets (Net)		<b>(29.66)</b>		182.25
Profit on sale of Investments		<b>13.51</b>		79.93
Commission Received		<b>—</b>		15.47
<b>TOTAL OTHER INCOME</b>		<b>389.18</b>		1091.51

## Notes to the Financial Statements for the year ended 30th June, 2013

	2012 - 2013	2011 - 2012
₹ in Lacs		
<b>20. COST OF MATERIALS</b>		
Cost of Raw Material Consumed	217901.52	177559.79
Cost of Packing Material Consumed	5601.79	4634.40
Cost of Premises Sold	602.25	2292.30
<b>TOTAL COST OF MATERIALS</b>	<b>224105.56</b>	<b>184486.49</b>
<b>21. PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>12265.35</b>	<b>10341.12</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods / Semi Finished Goods	7143.52	8748.95
Traded Goods	635.79	457.08
	<b>7779.31</b>	<b>9206.03</b>
<b>Inventories at the end of the year</b>		
Finished Goods / Semi Finished Goods	14466.52	7143.52
Traded Goods	477.86	635.79
	<b>14944.38</b>	<b>7779.31</b>
<b>Change in inventories</b>	<b>(7165.07)</b>	<b>1426.72</b>
Increase / (Decrease) in Excise Duty on Finished Goods	<b>878.01</b>	<b>(109.98)</b>
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>(6287.06)</b>	<b>1316.74</b>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	11276.03	9977.19
Contribution to Provident & Other Fund	569.47	510.15
Staff Welfare Expenses	853.68	717.86
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>12699.18</b>	<b>11205.20</b>
*Includes remuneration to MD and ED ₹ 1591.58 Lacs (Previous year ₹ 1335.19 Lacs)		
<b>24. OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	2775.24	2587.41
Labour Charges	7956.50	6262.16
Power & Fuel	14041.29	11708.18
Water Charges	160.91	76.63
Repairs & Maintenance of Building	320.38	264.65
Repairs & Maintenance of Plant & Machinery	1199.39	1088.24
Repairs & Maintenance (Others)	375.39	262.59
Directors' Fees	9.30	7.50
Rent, Rates & Taxes	832.09	693.79
Insurance	197.37	160.54
Charity & Donations	148.45	106.70
Legal & Professional Fees	634.11	520.26
Travelling & Conveyance	1557.60	1223.72
Vehicle Expenses	290.65	257.99
Advertisement & Publicity	2146.35	1888.82
Freight and Forwarding Charges	4639.09	4245.51
Printing, Stationery & Communication	730.65	702.96
Royalty	114.33	173.07
Commission & Discount	4456.18	4788.73
Sales Tax	33.16	19.62
Bad Debts / Provision for Doubtful Debts	77.33	4.08
Plant Security Services	445.67	374.73
Foreign Currency Exchange Fluctuation (Net)	(13.30)	19.95
Miscellaneous Expenses	845.63	778.09
<b>TOTAL OTHER EXPENSES</b>	<b>43973.76</b>	<b>38215.92</b>

# Notes to the Financial Statements for the year ended 30th June, 2013

	2012 - 2013		2011 - 2012	
₹ in Lacs				
25. FINANCE COSTS				
Interest Expenses	5245.05		5518.11	
Other borrowing costs	274.15	5519.20	257.63	5775.74
Less: Interest Received		284.59		296.07
TOTAL FINANCE COSTS		5234.61		5479.67
26. DEPRECIATION AND AMORTISATION EXPENSES				
Depreciation and Amortisation		8175.07		7250.68
Less : Transferred from revaluation reserve (Refer Note No 39)		4.39		4.40
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		8170.68		7246.28
27. RAW MATERIAL AND COMPONENTS CONSUMED				
Commodity Plastics		180589.70		149766.26
Engineering Plastics		5089.54		3349.52
Additives		21473.06		15092.70
Others		10749.22		9351.31
TOTAL RAW MATERIAL AND COMPONENTS CONSUMED		217901.52		177559.79
28. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL & STORES & SPARE PARTS CONSUMED				
	2012 - 2013		2011 - 2012	
	Value	%	Value	%
Raw Materials				
Imported	85284.18	39.14%	65899.27	37.11%
Indigenous	132617.34	60.86%	111660.52	62.89%
Total	217901.52	100.00%	177559.79	100.00%
Stores & Spares				
Imported	41.28	1.49%	152.29	5.89%
Indigenous	2733.96	98.51%	2435.12	94.11%
Total	2775.24	100.00%	2587.41	100.00%
29. STOCK & TURNOVER				
Products	Sales Value	Closing Inventory	Opening Inventory	
Manufactured Products				
Injection Moulded Products	125750.93 (107389.98)	5379.34 (5087.10)	3176.70 (6538.91)	
Extruded Products	193360.10 (162018.80)	9063.95 (2056.42)	3966.82 (2181.50)	
Machinery & Moulds	133.29 (47.94)	23.23 —	— (28.53)	
Trading Products				
Injection Moulded Products	166.71 (687.84)	306.44 (29.40)	289.20 (243.09)	
Extruded Products	— (532.11)	— —	— —	
Others	13260.03 (10473.10)	171.42 (606.39)	346.59 (213.99)	
Figures in brackets refer to previous year The turnover does not include sale of scrap of ₹ 786.85 lakhs (Previous year : ₹ 315.08 lakhs)				
30. VALUE OF IMPORTS ON CIF BASIS				
Raw Material & Components	72775.30		49300.99	
Stores & Spares	264.63		205.94	
Capital Goods	12614.00		4604.03	
TOTAL VALUE OF IMPORTS ON CIF BASIS	85653.93		54110.96	

## Notes to the Financial Statements for the year ended 30th June, 2013

	2012 - 2013	2011 - 2012
₹ in Lacs		
<b>31. PAYMENT TO AUDITORS</b>		
(Including Branch Auditors excluding service tax)		
Audit Fees	28.34	26.53
Tax Audit Fees	15.91	16.46
Taxation Matters	0.60	0.60
In other capacity	31.03	31.22
<b>TOTAL PAYMENT TO AUDITORS</b>	<b>75.88</b>	<b>74.81</b>
<b>32. EXPENDITURE IN FOREIGN CURRENCY</b>		
Interest	3210.59	954.95
Other matters	345.46	430.32
<b>TOTAL EXPENDITURE IN FOREIGN CURRENCY</b>	<b>3556.05</b>	<b>1385.27</b>
<b>33. EARNING IN FOREIGN CURRENCY</b>		
Export (On FOB Basis)	7653.83	6802.84
<b>TOTAL EARNING IN FOREIGN CURRENCY</b>	<b>7653.83</b>	<b>6802.84</b>
<b>34. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
	2012 - 2013	2011 - 2012
	Final* Interim	Final** Interim
Number of Non-resident Shareholders	625 669	640 629
Number of Shares held on which dividend were paid	13708691 16583607	10391498 10782873
Gross Dividend (₹ in Lacs)	616.89 331.67	311.74 161.74
Nominal Value of Equity Shares (₹ per share)	2.00 2.00	2.00 2.00
* For the year ended 30th June, 2012      ** For the year ended 30th June, 2011		
<b>35 EARNINGS PER SHARE (EPS)</b>		
Profit after tax(PAT) available for Equity Shareholders	27234.98	24051.59
Weighted Average Number of Equity Shares	127026870	127026870
Nominal value of Equity Shares	2.00	2.00
Basic / Diluted earning per Equity Share	21.44	18.93
<b>36 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS"</b>		
The Gratuity Funds for the employees are administered by Life Insurance Corporation of India under Group Gratuity Scheme. Liability of Gratuity has been valued by an independent actuary as on 31st March 2013 and has been provided accordingly. The disclosure in respect of the defined Gratuity Plan are given below:		
	As at 31st March, 2013	As at 31st March, 2012
<b>Assumptions</b>		
Discount Rate	8.25%	8.25%
Salary Escalation	6.00%	6.00%
<b>Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of the period	1100.75	935.24
Interest cost	96.32	77.16
Current Service Cost	102.61	99.61
Plan Amendment	-	134.92
Benefits Paid	-89.18	-37.05
Actuarial (Gain) / Loss on obligations	218.92	-109.12
Present value of obligations as at end of the period	1429.42	1100.75
<b>Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	993.92	806.95
Expected return on plan assets	86.97	66.57
Contributions	106.84	138.81

# Notes to the Financial Statements for the year ended 30th June, 2013

	As at 31st March, 2013	₹ in Lacs As at 31st March, 2012
Benefits Paid	-89.18	-37.05
Actuarial Gain / (Loss) on Plan assets	14.63	18.64
Fair value of plan assets at the end of year	1131.17	993.92
Total Actuarial Gain / (Loss) to be recognized	—	127.76
<b>Actual return on plan assets</b>		
Expected return on plan assets	86.97	66.57
Actuarial Gain / (Loss) on Plan assets	14.63	18.63
Actual return on plan assets	101.59	85.2
Amount Recognized in the Balance Sheet		
<b>Present value of obligations as at the end of the year</b>	-1429.43	1100.76
Fair value of plan assets as at the end of the year	1131.17	993.92
Funded status (shortfall)	316.26	106.84
Net Asset / (Liability) recognized in balance sheet	-316.26	-106.84
<b>Expenses recognized in statement of Profit &amp; Loss</b>		
Current Service Cost	102.61	99.61
Interest cost	96.32	77.16
Expected return on plan assets	-86.97	-66.57
Past service cost (vested benefit) recognized	—	134.92
Net Actuarial (gain) / Loss recognized in the year	204.3	-127.76
Expenses recognized in statement of Profit & loss	316.26	117.36
<b>Break up of Plan Assets as a percentage of total plan assets</b>		
Insurer Managed Assets	100%	100%
<b>Balance Sheet Reconciliation</b>		
Open Net Liability	106.84	128.29
Expenses as above	316.26	117.36
Employers Contribution Paid	-124.83	-138.82
Closing Net Liability	298.27	106.83
<b>37. CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>2012 - 2013</b>	<b>2011 - 2012</b>
<b>CONTINGENT LIABILITIES</b>		
Bills / Cheques discounted	864.46	1407.91
Bank Guarantees issued by Bankers	1836.87	1182.60
Claim against the company including Show-cause-cum-demand	1051.71	1006.29
Notices in relation to Central Excise and Service Tax not acknowledged as Debts		
Disputed Income Tax Demands	2255.48	1925.13
Disputed Sales Tax / Entry Tax Demands	552.47	581.51
Other claims against the company not acknowledged as debts	162.35	152.90
Future obligation of exports towards imported capital goods at concessional rate of duty under EPCG Scheme.	6342.46	6779.41
<b>COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	2200.63	14771.68
Unexpired Letter of Credit issued by bankers	4850.07	6344.51

**38.** The company has capitalised interest amounting to ₹ 832.96 lacs (Previous year ₹ 167.98 lacs) on payments made towards various projects under implementation.

Interest of ₹ NIL (Previous year ₹ 242.35 lacs) incurred during the year attributable to the property business is included in the cost of constructed property.

**39.** Depreciation has been provided at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956 except where the Company has reassessed the life of certain buildings, plant & machinery and accordingly revised the useful life of those assets. The Company has charged depreciation at higher rates than those specified under Schedule XIV of the Companies Act, 1956 on such assets. During the year company has reassessed life of certain plant & machinery and charged depreciation at higher rates, above change have resulted in higher depreciation for the year by ₹ 5.17 lacs (Previous year ₹ 60.06 lacs) and correspondingly the profit for the year is lower by a similar amount.

Depreciation on incremental value due to revaluation is provided at the rates specified in Schedule XIV to the Companies Act, 1956. The additional charge of depreciation due to such revaluation is ₹ 4.39 lacs (Previous year ₹ 4.40 lacs). An equivalent amount has been transferred from Revaluation Reserve to Statement of Profit & Loss.



## Notes to the Financial Statements for the year ended 30th June, 2013

₹ 0.06 (Previous year ₹ 0.06 lacs) has been transferred from Revaluation Reserve to Leasehold Land Account being the amortisation in the value of Lease Premium due to efflux of time.

- 40.** In respect of construction business determination of profit / losses and realisability of the construction project involves making estimates by the company which are of technical nature, concerning the percentage of completion, cost to completion and foreseeable losses to completion. Profits from construction activity and valuation of inventory of commercial complex are based on such estimate. In the opinion of the management, the net realizable value of such inventory will not be lower than costs so included therein.
- 41.** Forward contract premium of ₹ 345.75 lacs (Previous year ₹ 270.12 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company.
- 42.** Company had setup a mega project at Gadegaon, Maharashtra and is entitled for Industrial Promotion subsidy for eligible period under Package Scheme of Incentives, 2001 of Government of Maharashtra. A sum of ₹ 3574.74 lacs (Previous year ₹ 3121.31 lacs) accrued for the year has been included in other operating income.

Company has undertaken an expansion at Jalgaon Unit and is eligible for incentive under Package Scheme of Incentive 2007. A sum of ₹ 85.22 lacs (Previous Year ₹ 81.92 lacs) accrued for the year has been included in other operating income.

Company has undertaken an expansion at its Plastic Piping Division at Malanpur (MP) and is eligible for incentive under Package Scheme of Incentive State of Madhya Pradesh. A sum of ₹ 47.43 lacs (Previous Year Nil) accrued for the year has been included in other operating income.

### 43. SEGMENT INFORMATION

The Company is engaged mainly in production of plastic products. Company has recognized construction of commercial property as a new non recurring business activity which is shown as separate reportable segment as per Accounting Standard on Segment Reporting (AS-17) issued by ICAI.

Primary Business Segments

₹ in lacs

	Plastics	Construction	Total
<b>Revenue</b>			
Net Income (There is no inter segment revenue)	338707.43	1600.00	340307.43
Segment Result			
Segment Profit	44477.37	902.39	45379.76
Add: Other Income			389.18
Profit Before Interest and taxes			45768.94
Less: Interest (net)			5234.61
Taxes			13299.35
Profit after taxes			27234.98
<b>Other Information</b>			
Segment Assets	186105.70	9467.56	195573.26
Segment Liabilities	105439.03	818.90	106257.93
Capital Expenditure		—	37435.17
Depreciation / Amortisation		—	8170.87

The geographical segmentation is not relevant as export turnover is not significant in respect to total turnover.

### 44. DISCLOSURE ON RELATED PARTY TRANSACTIONS:

(₹ in lacs)

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	Total
Purchase of goods	— (—)	3631.92 (5290.36)	— (—)	3631.92 (5290.36)
Sale of goods	20.86 (223.47)	72.17 (173.42)	— (—)	93.03 (396.89)
Interest expense	— (—)	— (125.00)	— (—)	— (125.00)
Rendering of services - Paid - excluding taxes	98.89 (61.20)	— (—)	— (—)	98.89 (61.20)
Dividend Received	— (—)	405.11 (810.21)	— (—)	405.11 (810.21)
Dividend Paid	— (—)	3883.53 (2688.60)	213.43 (147.62)	4096.96 (2836.22)

# Notes to the Financial Statements for the year ended 30th June, 2013

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	(₹ in lacs) Total
Inter Corporate Deposits received	— (—)	— (6640.00)	— (—)	— (6640.00)
Remuneration	— (—)	— (—)	1625.89 (1361.93)	1625.89 (1361.93)
Outstanding at the year end				
– Receivable	80.76 (152.04)	— (26.16)	— (—)	80.76 (178.20)
– Payable	37.95 (24.55)	211.18 (805.80)	1303.22 (1117.02)	1552.35 (1947.37)

\* Figures in bracket relate to previous year.

Names of related parties and description of relationship: Subsidiary Company: The Supreme Industries Overseas FZE

Associates: Supreme Petrochem Ltd., Supreme Capital Management Ltd., Platinum Plastics & Industries Pvt. Ltd. Suraj Packaging Pvt. Ltd. Venkatesh Investment & Trading Co. Pvt. Ltd., Jovial Investment & Trading Co. Pvt. Ltd. and Boon Investment & Trading Co. Pvt. Ltd

Key Managerial Personnel: Mr. M P Taparia, Managing Director, Mr. S J Taparia, Executive Director & Mr. V K Taparia, Executive Director.

45. The Company had taken premises under cancelable operating lease during 2011-12. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Company in accordance with Accounting Standard on lease transactions (AS-19).

The company has acquired a motor car under Finance Lease for an aggregate fair value of ₹ 16.59 lacs.

The total minimum lease payments (MLP) in respect thereof and the present value of the future lease payments, discounted at the interest rate implicit in the lease are: -

Period	Total MLP		Interest		Principal Amount	
	As on 30th June, 2013	As on 30th June, 2012	As on 30th June, 2013	As on 30th June, 2012	As on 30th June, 2013	As on 30th June, 2012
Not later than 1 year	5.93	5.94	1.28	0.56	4.65	5.38
Later than 1 year and not later than 5 years	6.29	9.40	0.41	0.36	5.88	9.04
Later than 5 years	Nil	Nil	Nil	Nil	Nil	Nil

46. Provision for Income Tax liability has been made in the accounts based on the profits for the financial year ended 30th June, 2013, though the tax payable will be determined based on the taxable income for the period 1.4.2012 to 31.3.2013 (AY: 2013-14).

The Company has recognised deferred tax provision for the year aggregating to ₹ 739.35 lacs in the the statement of profit or loss (Previous Year ₹ 372.02 lacs).

Current Tax includes provision for wealth tax ₹ 5.00 lacs (Previous year ₹ 4.00 lacs).

47. Commitment charges / processing fee paid / payable on Long Term Borrowings is being amortised over the average maturity of such borrowings.
48. Items covered by Investor Education & Protection Fund shown under Note - 10 includes:

		Previous Year
a. Unclaimed Dividend	₹ 156.26	₹ 128.45
b. Unclaimed Matured Deposits & Interest	₹ 35.67	₹ 66.14
Total	₹ 191.93	₹ 194.59

49. Foreign exchange derivatives and exposures outstanding at close of the year

Name of the Instrument	Currency & Aggregate Amount	Purpose
a. Covered Foreign Exchange Exposures		
I. Forward Purchase	US \$ 55.90 million (Previous Year US \$ 46.36 million)	Hedging
II. Currency & Interest Rate Swap	US \$ 34.00 million (Previous Year US\$ 21.60 million)	Hedging
b. Open Foreign Exchange Exposures		
I. Receivable	US \$ 1.29 million (Previous Year US\$ 1.00 million)	
II. Payable	US \$ 11.00 million (Previous Year US\$ 22.51 million)	

50. The previous year's figures have been re-grouped / re-classified wherever required to confirm to this year's classification.

## Statement Pursuant to Section 212 of The Companies Act, 1956 relating to Company's interest in the Subsidiary Company viz. The Supreme Industries Overseas (FZE)

1. The Financial Year of the Subsidiary Company ended on : 30th June, 2013.
2. Date from which it became Subsidiary : 10th December, 2005.
3. a) No. of shares held by The Supreme Industries Ltd. (Holding Company) with its nominees in the subsidiary at the end of the financial year of the subsidiary : 1 no. Equity Shares of UAE DHS 1,50,000 each fully paid up each.
- b) Extent of Interest of Holding Company at the end of the financial year of the subsidiary : 100%
4. The net aggregate amount of the Subsidiary's profit net of losses, so far as it concerns the members of the Holding Company.
  - a) Not dealt with in Holding Company's accounts.
    - i) For the Financial Year ended 30th June, 2013 : ₹ 11.92 lacs Profit
    - ii) For the Previous Financial years : ₹ 37.86 lacs Loss
  - b) Dealt with in Holding Company's accounts.
    - i) For the Financial Year ended 30th June, 2013 : Nil
    - ii) For the Previous Financial years : Nil
5. Changes in the Holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the Holding Company's financial year : None
6. Material changes between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of
  - a) Fixed Assets : Nil
  - b) Investments : Nil
  - c) Money lent by the subsidiary : Nil
  - d) Money borrowed by the subsidiary for any purpose other than meeting current liabilities : Nil

For and on behalf of the board

**B. L. Taparia**  
Chairman

**M. P. Taparia**  
Managing Director

**H. S. Parikh**

**S. J. Taparia**  
Executive Director

**V. K. Taparia**  
Executive Director

**N. N. Khandwala**

**B. V. Bhargava**

**R. J. Saboo**  
Sr. General Manager (Corporate Affairs)  
& Company Secretary

**S. R. Taparia**

} Directors

Mumbai, 18th July 2013

## Financial Summary

### RELATING TO SUBSIDIARY COMPANY AS ON 30.06.2013

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 30.06.13	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Tax	Provision For Tax	Profit (Loss)	Proposed Dividend
1	The Supreme Industries Overseas (FZE)	AED	16.15	18.88	10.66	162.46	162.46	NIL	401.04	11.92	NIL	11.92	NIL

The Ministry of Corporate Affairs (MCA) vide its Circular No. 51/12/2007-CL-III dated February 8, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries, in their annual reports subject to fulfillment of certain conditions prescribed. Accordingly the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary company is not being attached with the Balance Sheet of the Company.

# Auditor's Report to the Board of Directors on Consolidated Financial Statements

**Supreme**<sup>®</sup>  
People who know plastics best

ANNUAL REPORT  
2012-2013

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Supreme Industries Limited ("the Company") and its subsidiary; hereinafter referred to as the "Group" which comprises the consolidated Balance Sheet as at June 30, 2013, and the consolidated statement of Profit & Loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## OPINION

We report that the consolidated financial statements have been prepared by the company's Management in accordance with the requirements of Accounting Standard [AS] 21 - Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- [a] In the case of consolidated balance Sheet, of the state of affairs of the Group as at 30th June, 2013;
- [b] In the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- [c] In case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## OTHER MATTER

We did not audit the financial statements of (i) one subsidiary included in the consolidated financial statements, which constitute (all figures before intercompany eliminations) the total assets of ₹ 162.46 lacs and net assets of ₹ 29.54 lacs as at 30th June, 2013, total revenue of ₹ 401.04 lacs, net profit of ₹ 11.92 lacs and net cash flows amounting to ₹ 52.23 lacs for the year then ended and (ii) one associate of the company whose share of profit is ₹ 2167.88 lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For **CHHOGMAL & Co.**  
FRN 101826W  
Chartered Accountants

**Chintan Shah**  
Partner  
M. No. 107490

Mumbai, 18th July, 2013.

# Consolidated Balance Sheet as on 30th June, 2013

	Note	As at 30th June, 2013		As at 30th June, 2012	
₹ in lacs					
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	2	<b>2540.54</b>		2540.54	
Reserves and surplus	3	<b>85357.73</b>	<b>87898.27</b>	<u>67132.03</u>	69672.57
<b>NON - CURRENT LIABILITIES</b>					
Long-term borrowings	4	<b>23176.28</b>		10487.60	
Deferred tax liabilities (net)	5	<b>9065.18</b>		8325.83	
Other long-term liabilities	6	<b>116.35</b>		132.43	
Long-term provisions	7	<b>1183.04</b>	<b>33540.85</b>	<u>1089.30</u>	20035.16
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	8	<b>17710.93</b>		14884.64	
Trade payables	9	<b>34606.32</b>		21733.13	
Other current liabilities	10	<b>18699.79</b>		18886.10	
Short-term provisions	7	<b>10779.44</b>	<b>81796.48</b>	<u>7996.79</u>	63500.66
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>203235.60</b>		<u>153208.39</u>
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	11	<b>101998.83</b>		73882.34	
Intangible assets	11	<b>775.66</b>		56.38	
Capital work-in-progress	11	<b>3304.56</b>		3380.96	
Non-current investments	12	<b>10982.92</b>		8874.14	
Long-term loans and advances	13	<b>4753.83</b>		6148.94	
Other non-current assets	14	<b>19.21</b>	<b>121835.01</b>	<u>21.82</u>	92364.58
<b>CURRENT ASSETS</b>					
Inventories	15	<b>46680.37</b>		31401.28	
Trade receivables	16	<b>20312.32</b>		17116.73	
Cash and bank balances	17	<b>2386.38</b>		1441.45	
Short-term loans and advances	13	<b>11850.34</b>		10602.85	
Other current assets	14	<b>171.18</b>	<b>81400.59</b>	<u>281.50</u>	60843.81
<b>TOTAL ASSETS</b>			<b>203235.60</b>		<u>153208.39</u>
Significant Accounting Policies.	1				

The accompanying notes are an integral part of the financial statements

As per our report of even date  
 For **CHHOGMAL & CO.**  
 FRN - 101826W  
 Chartered Accountants

**Chintan Shah**  
 Partner  
 M. No. 107490

**B. L. Taparia**  
 Chairman

**S. J. Taparia**  
 Executive Director

**R. J. Saboo**  
 Sr. General Manager (Corporate Affairs)  
 & Company Secretary

For and on behalf of the board

**M. P. Taparia**  
 Managing Director

**V. K. Taparia**  
 Executive Director

**H. S. Parikh**

**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013



# Consolidated Statement of Profit and Loss for the year ended on 30th June, 2013

**Supreme**  
People who know plastics best

ANNUAL REPORT  
2012-2013

				₹ in lacs	
	Note	2012 - 2013		2011 - 2012	
<b>INCOME</b>					
Revenue from operations	18	<b>340398.77</b>		292789.79	
Other income	19	<b>-15.93</b>	<b>340382.84</b>	281.29	293071.08
<b>EXPENDITURE</b>					
Cost of materials consumed	20	<b>224105.56</b>		184486.49	
Purchases of Traded Goods	21	<b>12288.45</b>		10341.12	
Changes in inventories of finished goods, work-in-progress and traded goods	22	<b>(6287.06)</b>		1316.74	
Employee benefits expenses	23	<b>12751.89</b>		11249.67	
Other expenses	24	<b>43976.72</b>	<b>286835.56</b>	38206.49	245600.51
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>			<b>53547.28</b>		47470.57
Finance costs	25	<b>5234.92</b>		5480.71	
Depreciation and amortisation expenses	26	<b>8171.02</b>	<b>13405.94</b>	7248.51	12729.22
Depreciation for Earlier Years Provided for/(-) Written Back			<b>0.20</b>		—
<b>PROFIT BEFORE TAX</b>			<b>40141.14</b>		34741.35
<b>TAX EXPENSES</b>					
Current tax		<b>12560.00</b>		11131.98	
Deferred Tax		<b>739.35</b>	<b>13299.35</b>	372.02	11504.00
<b>PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>			<b>26841.79</b>		23237.35
Add: Share of Profit (+) / Loss(-) in associate for the period			<b>2167.89</b>		930.97
<b>GROUP PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>			<b>29009.68</b>		24168.32
<b>EARNINGS PER SHARE</b>	29				
Basic & Diluted Earning Per Share (₹)			<b>22.84</b>		19.03
(Face value of ₹ 2 each)					
Significant Accounting Policies					1

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **CHHOGMAL & CO.**  
FRN - 101826W  
Chartered Accountants

**Chintan Shah**  
Partner  
M. No. 107490

**B. L. Taparia**  
Chairman

**S. J. Taparia**  
Executive Director

**R. J. Saboo**  
Sr. General Manager (Corporate Affairs)  
& Company Secretary

For and on behalf of the board

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Managing Director

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**H. S. Parikh**

**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013

# Consolidated Cash Flow Statement for the year ended on 30th June, 2013

	2012 - 2013		₹ in Lacs		2011 - 2012
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>					
Net Profit Before Tax		40141.14			34741.35
Adjustments For :					
Add :					
Depreciation	8171.21			7248.51	
Leasehold Assets Premium W/off	13.35			13.35	
Foreign Exchange Translation	0.97			4.12	
Interest Net	5234.92	13420.45		5480.71	12746.69
		53561.59			47488.04
Less :					
Dividend Received	0.22			3.64	
Profit / (Loss) on sale of Investments	13.51			79.93	
Profit / (Loss) on sale of Assets	(29.66)	(15.93)		182.25	265.82
Operating Profit before working capital changes		53577.52			47222.22
Adjustments for :					
Less:					
Inventories	15279.09			(3139.22)	
Trade & Other Receivable	2935.03			3532.44	
Trade & Other Payable	(16237.16)	1976.96		(28.46)	364.76
Cash Generated from Operations		51600.56			46857.46
Direct Taxes Paid		(11139.72)			(11668.24)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		40460.84			35189.22
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets		37435.17			8104.60
Sale of Fixed Assets		(457.14)			(484.99)
Sale of Investments (Net)		(13.51)			(80.30)
Interest Received		(284.59)			(296.07)
Dividend Received from Associate company		(405.11)			(3.64)
Dividend Received		(0.22)			(810.22)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		36274.60			6429.38
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of Long Term Borrowings		9771.87			7261.16
Proceeds from Long Term Borrowings		(18820.00)			—
(Increase) / Decrease in Short Term Borrowings		(2826.29)			9056.47
Interest Paid		5519.51			5776.78
Dividend & Corporate Dividend Tax paid		9596.20			6643.52
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		3241.29			28737.93
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>		944.94			21.91
Opening Balance at beginning of the year		1441.44			1419.53
Closing Balance at end of the year		2386.38			1441.44

As per our report of even date  
 For **CHHOGMAL & CO.**  
 FRN - 101826W  
 Chartered Accountants

**Chintan Shah**  
 Partner  
 M. No. 107490

**B. L. Taparia**  
 Chairman

**S. J. Taparia**  
 Executive Director

**R. J. Saboo**  
 Sr. General Manager (Corporate Affairs)  
 & Company Secretary

For and on behalf of the board

**M. P. Taparia**  
 Managing Director

**V. K. Taparia**  
 Executive Director

**H. S. Parikh**

**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

Directors

Mumbai, 18th July 2013

Mumbai, 18th July 2013

# Notes to Consolidated Financial Statements for the year ended 30th June, 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS FOR PREPARATION:

The consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 - "Consolidated Financial Statements" and AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements. The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra - group balances, intra - group transactions and unrealized profit or losses.

- B.** In translating the financial statements of foreign entity for incorporation in the Consolidated Financial Statements, the assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date of the subsidiary and the income and expense items are translated at the average rates of the exchange for the year. The resulting exchange differences are classified as Foreign Exchange Translation Reserve.

₹ in Lacs

## 2. SHARE CAPITAL

	As at 30-June-13	As at 30-June-12
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	3000.00	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	1120.00	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	3380.00	3380.00
	<u>7500.00</u>	<u>7500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	2540.54	2540.54
<b>TOTAL SHARE CAPITAL</b>	<u>2540.54</u>	<u>2540.54</u>

The company bought back & extinguished 22,11,300 numbers of Equity Shares of ₹ 10 each during the year 2008-09

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As at 30-June-13		As at 30-June-12	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt. Ltd.	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt. Ltd.	19847082	15.62%	19847082	15.62%
Venkatesh Investment and Trading Company Pvt. Ltd.	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%
HDFC Mutual Fund*	—	—	9589848	7.55%

\*Shares held less than 5% as on 30-Jun-2013

The reconciliation of the number of equity shares outstanding	As at 30-June-13		As at 30-June-12	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

### Terms / rights attached to Equity shares :

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes to Consolidated Financial Statements for the year ended 30th June, 2013

₹ in Lacs

### 3. RESERVES AND SURPLUS

	As at 30-Jun-13		As at 30-Jun-12	
<b>REVALUATION RESERVE</b>				
As per last Balance Sheet	133.09		137.55	
Less: Transferred to Statement of Profit and Loss	4.39		4.40	
Transferred to Leasehold Land	0.06	128.64	0.06	133.09
<b>CAPITAL RESERVE</b>	246.37		246.37	
Add : Transferred from Statement of Profit and Loss	1.19	247.56	0.00	246.37
<b>SECURITIES PREMIUM ACCOUNT</b>	4748.52		4748.52	
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	61782.64		46877.83	
Add: Adjustment due to Associate Grouping	346.01		(405.49)	
Add : Transferred from Statement of Profit and Loss	17881.98	80010.63	15310.30	61782.64
<b>CAPITAL REDEMPTION RESERVE</b>		221.63		221.63
<b>FOREIGN EXCHANGE TRANSLATION RESERVE</b>		0.75		-0.22
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet	—		—	
Add: Profit for the year	29009.68		24168.32	
Less : Appropriations				
Interim Dividend paid on Equity Shares	2540.54		1905.40	
[Dividend per share ₹ 2.00 (Previous Year ₹ 1.50)]				
Corporate Dividend Tax Paid	412.14		309.10	
Proposed Dividend on Equity Shares	6986.48		5716.21	
[Dividend per share ₹ 5.50 (Previous Year ₹ 4.50)]				
Provision for Corporate Dividend Tax	1187.35		927.31	
Transferred to Capital Reserve	1.19		—	
Transferred to General Reserve	17881.98	—	15310.30	—
<b>TOTAL RESERVES AND SURPLUS</b>		<b>85357.73</b>		<b>67132.03</b>

### 4. LONG TERM BORROWINGS

	Non-Current		Current	
	30-June-13	30-June-12	30-June-13	30-June-12
<b>SECURED</b>				
Rupee Loans from Banks	8000.00	—	—	2500.00
Foreign Currency Loans from Banks	13540.60	6355.40	3634.80	3328.60
	21540.60	6355.40	3634.80	5828.60
From Others (Rupee Loans)	1250.00	3509.20	2259.20	2555.56
Total Secured	22790.60	9864.60	5894.00	8384.16
<b>UNSECURED</b>				
Fixed Deposits	160.83	377.69	181.61	1324.35
Deferred payment liabilities (Under Sales Tax Deferral Scheme)	218.97	236.27	17.30	24.23
Long term maturities of finance lease obligations	5.88	9.04	4.65	5.38
Total Unsecured	385.68	623.00	203.56	1353.96
Amount included under the head "Other Current Liabilities" (Refer note 10)	—	—	(6097.57)	(9738.12)
<b>TOTAL LONG TERM BORROWINGS</b>	<b>23176.28</b>	<b>10487.60</b>	<b>—</b>	<b>—</b>

#### NOTES :

Term Loans from banks and financial institutions are secured on first pari passu charge basis as under:

- Immovable properties of the company, situated at certain locations of the company.
- Movable fixed assets of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

Term Loans availed during the year are secured on first pari passu charge basis, only on the assets referred to in clause (b) above.

# Notes to Consolidated Financial Statements for the year ended 30th June, 2013

₹ in Lacs

Maturity Profile and Interest Range of Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	10.71 - 11.98	2485.00	2460.00	4305.00
Foreign Currency Loans	8.40 - 9.13	6048.83	3328.23	4163.54
Fixed Deposits	8.75 - 9.25	157.23	3.60	—
Deferred Payment Liabilities	Interest Free	—	0.51	218.46
Finance Lease Obligations	15.18	5.88	—	—

## 5. DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar 31, 2013 (Previous Year Mar 31, 2012)

	As at 30-June-13	As at 30-June-12
<b>Deferred Tax Liabilities on account of timing differences</b>		
Depreciation	9073.28	8399.48
<b>Deferred Tax Assets on account of timing differences</b>		
Amount to be claimed on payment basis	(8.10)	(73.65)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>9065.18</b>	<b>8325.83</b>

## 6. OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	30-June-13	30-June-12	30-June-13	30-June-12
Trade / security deposits received	57.13	58.26	105.54	87.36
Others	59.23	74.17	—	—
Amount included under the head "Other Current Liabilities (Refer Note 10)	—	—	(105.54)	(87.36)
<b>TOTAL OTHER LONG TERM LIABILITIES</b>	<b>116.36</b>	<b>132.43</b>	<b>—</b>	<b>—</b>

## 7. PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-13	30-June-12	30-June-13	30-June-12
Provision for employee benefits:	994.77	926.23	735.63	903.57
<b>Provision - Others:</b>				
Provision for Income Tax	—	—	1863.79	444.48
Proposed Dividend	—	—	6,986.48	5716.21
Provision for Corporate Dividend Tax	—	—	1,187.35	927.31
Provision for Wealth Tax	—	—	6.19	5.22
Others	188.27	163.07	—	—
<b>TOTAL PROVISIONS</b>	<b>1183.04</b>	<b>1089.30</b>	<b>10779.44</b>	<b>7996.79</b>

## 8. SHORT TERM BORROWINGS

	As at 30-June-13	As at 30-June-12
<b>SECURED</b>		
Working Capital Loans:		
From Banks (Cash Credit Accounts)	2251.52	830.42
Foreign currency Loans - Buyer's Credit	1326.22	5109.13
	3577.74	5939.55
<b>UNSECURED</b>		
Rupee Loans from Banks	2098.04	—
Foreign Currency Loans - Buyer's Credit	12035.15	8945.09
<b>TOTAL SHORT TERM LIABILITIES</b>	<b>17710.93</b>	<b>14884.64</b>

### NOTES :

Working Capital Loans from Banks mentioned as above are secured against:

First pari passu charge by way of hypothecation of stocks and Book Debts, both present and future



## Notes to Consolidated Financial Statements for the year ended 30th June, 2013

₹ in Lacs

Second / subservient charge on all movable fixed assets of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

Second / subservient charge on some of the immovable properties of the company, situated at certain locations of the company.

### 9. TRADE PAYABLES

	As at 30-June-13	As at 30-June-12
Micro, Small and Medium Enterprises	865.14	559.89
Others	33741.18	21173.24
<b>TOTAL TRADE PAYABLES</b>	<b>34606.32</b>	<b>21733.13</b>

There are no Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company on unitwise basis. This has been relied upon by the Auditors.

### 10. OTHER CURRENT LIABILITIES

	As at 30-June-13	As at 30-June-12
Current maturities of long-term debt	6092.91	9732.74
Current maturities of finance lease obligations } (Refer Note 4)	4.65	5.38
Current Portion of Other long-term liabilities (Refer Note 6)	105.54	87.36
Interest accrued but not due on borrowings	416.73	534.38
Items covered by Investor Education and Protection Fund	191.94	194.59
Statutory Dues	3043.75	3304.64
Payables - Capital Goods	5675.92	1746.20
Advances from customers	2935.29	3082.37
Other payables	233.06	198.44
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>18699.79</b>	<b>18886.10</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 30th June 2013 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.64 lacs (Previous year ₹ 0.50 lacs).

### 11. FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As At 1-July-12	Additions During the Year	Deductions/ Adjustment During The Year	As At 30-June-13	As At 1-July-12	For The Year	Deductions/ Adjustment During The Year	As At 30-June-13	As At 30-June-13	As At 30-June-12
<b>A. Tangible assets</b>										
Freehold Land	2237.77	312.68	–	2550.45	–	–	–	–	2550.45	2237.77
Leasehold Land	1100.18	–	13.41	1086.77	–	–	–	–	1086.77	1100.18
Buildings	26439.74	7765.99	57.89	34147.84	5871.80	856.15	9.56	6718.39	27429.45	20567.94
Plant, Machinery & Electrical Installations	69774.40	25132.67	756.36	94150.71	26917.96	5097.82	359.75	31656.03	62494.68	42856.44
Moulds & Dies	18611.34	2247.35	251.80	20606.89	13985.67	1440.13	247.34	15178.46	5428.43	4625.67
Furniture, Fixture & Office Equipments	2981.79	515.27	140.19	3356.87	1943.95	353.95	123.40	2174.50	1182.37	1037.84
Vehicles										
Owned	866.73	111.25	104.96	873.02	537.93	101.15	90.31	548.77	324.25	328.80
Under Finance Lease	16.59	–	–	16.59	1.95	3.79	–	5.74	10.85	14.64
Sundry Equipments	1859.95	614.41	20.10	2454.26	746.89	229.75	13.96	962.68	1491.58	1113.06
<b>Total Tangible Assets</b>	123888.49	36699.62	1344.71	159243.40	50006.15	8082.74	844.32	57244.57	101998.83	73882.34
<b>B. Intangible Assets</b>										
Computer software	620.21	141.33	–	761.54	563.83	56.14	0.00	619.97	141.57	56.38
Technical License/Know How	–	585.75	–	585.75	–	24.41	0.00	24.41	561.34	–
Right to Use	–	84.87	–	84.87	–	12.12	0.00	12.12	72.75	–
<b>Total Intangible Assets</b>	620.21	811.95	–	1432.16	563.83	92.67	–	656.50	775.66	56.38
<b>Total (A+B)</b>	124508.70	37511.57	1344.71	160675.56	50569.98	8175.41	844.32	57901.07	102774.49	73938.72
Previous year	120209.86	7340.69	3041.85	124508.70	46042.77	7252.91	2725.70	50569.98	73938.72	74167.09
<b>C. Capital Work-in-Progress</b>									3304.56	3380.96
									106079.05	77319.68

# Notes to Consolidated Financial Statements for the year ended 30th June, 2013

**Supreme**  
People who know plastics best

ANNUAL REPORT  
2012-2013

₹ in Lacs

## 12. NON - CURRENT INVESTMENTS

	Face Value (₹)	Quantity 30-June-13	30-June-12	Amount 30-June-13	30-June-12
<b>INVESTMENTS IN GOVERNMENT &amp; TRUST SECURITIES</b>					
National Saving Certificate				<b>0.06</b>	0.06
Sub Total				<b>0.06</b>	0.06
<b>OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	<b>1000</b>	1000	<b>0.10</b>	0.10
Samarpan Fabricators Ltd.	100	<b>1350</b>	1350	<b>0.75</b>	0.75
Sub Total				<b>0.85</b>	0.85
<b>OTHERS - QUOTED &amp; FULLY PAID UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)	10	<b>28936400</b>	28936400	<b>2834.84</b>	2834.84
Add: Goodwill on acquisition				<b>502.66</b>	502.66
Add: Accumulated share in profit / (-) loss at the beginning of the year				<b>5874.91</b>	5408.15
Add: Share in profit / (-) loss - for the current year				<b>2176.04</b>	937.51
Less: Unrealised Profit for Stock in hand				<b>8.16</b>	6.54
Less: Dividend received during the year				<b>405.11</b>	810.22
				<b>10975.18</b>	8866.40
Vijaya Bank Ltd.	10	<b>3200</b>	3200	<b>0.77</b>	0.77
Central Bank of India	10	<b>5874</b>	5874	<b>6.01</b>	6.01
Unimers India Ltd.	10	<b>37</b>	37	<b>0.05</b>	0.05
Sub Total				<b>10982.01</b>	8873.23
Total				<b>10982.92</b>	8874.14
Aggregate Value of Quoted Investments					
At Cost				<b>10982.01</b>	8873.23
At Market Value				<b>16281.79</b>	12159.96
Aggregate Value of Unquoted Investments					
At Cost				<b>0.91</b>	0.91

## 13. LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	<b>30-June-13</b>	30-June-12	<b>30-June-13</b>	30-June-12
Capital Advances (Advance for Capital Goods)	<b>1686.88</b>	3647.63	—	26.48
Sundry Deposits	<b>1149.42</b>	1173.57	<b>363.05</b>	140.05
<b>Other Loans and Advances</b>				
Advances/claims recoverable in cash or kind or for value to be received	<b>675.38</b>	608.28	<b>9820.98</b>	6897.26
Prepaid Expenses	<b>60.20</b>	20.34	<b>226.32</b>	171.36
Advance payment of Income Tax (net)	—	—	—	2283.29
Balance with Government Authorities	<b>1069.77</b>	588.25	<b>1254.49</b>	849.96
Advances/Loans to employees	<b>102.08</b>	70.42	<b>176.68</b>	180.47
Others	<b>10.10</b>	40.45	<b>8.82</b>	53.98
<b>TOTAL LOANS AND ADVANCES</b>	<b>4753.83</b>	6148.94	<b>11850.34</b>	10602.85

## 14. OTHER ASSETS

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	<b>30-June-13</b>	30-June-12	<b>30-June-13</b>	30-June-12
Accruals	<b>19.21</b>	21.82	<b>170.59</b>	194.33
Assets held for disposal	—	—	—	8.25
Others	—	—	<b>0.59</b>	78.92
<b>TOTAL OTHER ASSETS</b>	<b>19.21</b>	21.82	<b>171.18</b>	281.50

## Notes to Consolidated Financial Statements for the year ended 30th June, 2013

	As at 30-June-13		As at 30-June-12	
₹ in Lacs				
<b>15. INVENTORIES</b>				
Raw Materials and Components [(including goods in transit ₹ 257.04 Lacs (Previous year ₹ 240.77 Lacs))]	19978.38		12168.10	
Reusable Material	938.42		518.92	
Stores, Spare parts, and consumables	810.09		689.21	
Packing Material	552.31		426.48	
Finished / Semi-Finished Goods [(including goods in transit ₹ 26.02 Lacs (Previous year ₹ 46.89 Lacs))]	14466.52		7143.52	
Finished Goods for Resale	477.86	37223.58	635.79	21582.02
Commercial Complex		9456.79		9819.26
<b>TOTAL INVENTORIES</b>		<b>46680.37</b>		<b>31401.28</b>
<b>16. TRADE RECEIVABLES</b>				
(Unsecured, Considered good unless otherwise specified)				
<b>Overdue for more than six months from due date</b>				
Considered good	892.10		463.33	
Considered doubtful	95.92	988.02	80.06	543.39
<b>Others</b>				
Considered good		19420.22		16653.40
Less: Provision for doubtful trade receivables		95.92		80.06
<b>TOTAL TRADE RECEIVABLES</b>		<b>20312.32</b>		<b>17116.73</b>
<b>17. CASH AND BANK BALANCES</b>				
<b>Cash and Cash Equivalents</b>				
Cash on hand	83.70			85.17
Cheques on hand	10.99			4.86
Remittance in Transit	193.22			17.33
<b>Balance with Scheduled Banks in :</b>				
Current Accounts		1698.23		813.00
<b>Other Bank Balances</b>				
Deposit Accounts (Earmarked)	236.04		379.83	
Unpaid Dividends and FD Interest	164.20	400.24	141.26	521.09
<b>TOTAL CASH AND BANK BALANCES</b>		<b>2386.38</b>		<b>1441.45</b>
		2012-2013		2011 - 2012
<b>18. REVENUE FROM OPERATIONS</b>				
Sales of Plastic Products	360964.07			302227.97
Income from Processing	754.32			548.91
Construction Business	1600.00			6916.00
Others	11380.36			8803.33
	374698.75			318496.21
Less: Excise Duty Paid	38795.70			29532.16
	335903.05			288964.05
<b>Other operating income</b>				
Industrial Promotion Subsidy	3707.39		3203.23	
Sundry Receipts	612.77		534.07	
Claims & Refunds	22.06		3.58	
Liabilities No Longer Required (written back)	153.50	4495.72	84.86	3825.74
<b>TOTAL REVENUE FROM OPERATIONS</b>		<b>340398.77</b>		<b>292789.79</b>

# Notes to Consolidated Financial Statements for the year ended 30th June, 2013

	2012-2013	2011 - 2012
<b>19. OTHER INCOME</b>		
Dividend Received	0.22	3.64
Profit/(Loss) on Sale/Discard of Capital Assets (Net)	(29.66)	182.25
Profit on sale of Investments	13.51	79.93
Commission Received	—	15.47
<b>TOTAL OTHER INCOME</b>	<b>-15.93</b>	<b>281.29</b>
<b>20. COST OF MATERIALS</b>		
Cost of Raw Material Consumed	217901.52	177559.79
Cost of Packing Material Consumed	5601.79	4634.40
Cost of Premises Sold	602.25	2292.30
<b>TOTAL COST OF MATERIALS</b>	<b>224105.56</b>	<b>184486.49</b>
<b>21. PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>12288.45</b>	<b>10341.12</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods / Semi Finished Goods	7143.52	8748.95
Traded Goods	635.79	457.08
	7779.31	9206.03
<b>Inventories at the end of the year</b>		
Finished Goods / Semi Finished Goods	14466.52	7143.52
Traded Goods	477.86	635.79
	14944.38	7779.31
<b>Change in inventories</b>	<b>(7165.07)</b>	<b>1426.72</b>
Increase/(Decrease) in Excise Duty on Finished Goods	878.01	(109.98)
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>(6287.06)</b>	<b>1316.74</b>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	11328.75	10021.66
Contribution to Provident & Other Fund	569.47	510.15
Staff Welfare Expenses	853.67	717.86
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>12751.89</b>	<b>11249.67</b>

\*Includes remuneration to MD and ED ₹ 1591.58 Lacs (Previous year ₹ 1335.19 Lacs)

## Notes to Consolidated Financial Statements for the year ended 30th June, 2013

₹ in Lacs

### 24. OTHER EXPENSES

	2012-2013	2011 - 2012
Stores & Spare Parts Consumed	2775.24	2587.41
Labour Charges	7956.50	6262.16
Power & Fuel	14041.29	11708.18
Water Charges	160.91	76.63
Repairs & Maintenance of Building	320.38	264.65
Repairs & Maintenance of Plant & Machinery	1199.39	1088.24
Repairs & Maintenance (Others)	379.93	262.59
Directors' Fees	9.30	7.50
Rent, Rates & Taxes	836.13	698.48
Insurance	197.61	160.54
Charity & Donations	148.45	106.70
Legal & Professional Fees	638.06	523.43
Travelling & Conveyance	1566.22	1232.89
Vehicle Expenses	290.65	257.99
Advertisement & Publicity	2180.58	1894.70
Freight and Forwarding Charges	4639.09	4245.51
Printing, Stationery & Communication	743.81	713.60
Royalty	114.33	173.07
Commission & Discount	4388.42	4739.39
Sales Tax	33.16	19.62
Bad Debts/Provision for Doubtful Debts	77.33	5.90
Plant Security Services	445.67	374.73
Foreign Currency Exchange Fluctuation (Net)	(11.35)	20.15
Miscellaneous Expenses	845.62	782.43
<b>TOTAL OTHER EXPENSES</b>	<b>43976.72</b>	<b>38206.49</b>

### 25. FINANCE COSTS

Interest Expenses	5245.05	5518.11
Other borrowing costs	274.46	258.67
Less: Interest Received	284.59	296.07
<b>TOTAL FINANCE COSTS</b>	<b>5234.92</b>	<b>5480.71</b>

### 26. DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and Amortisation	8175.41	7252.91
Less : Transferred from revaluation reserve	4.39	4.40
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>8171.02</b>	<b>7248.51</b>

27. The subsidiary and the associate included in the consolidated financial statements are as under:

Name of the subsidiary	Country of Incorporation	Proportion of Ownership As on 30th June, 2013
The Supreme Industries Overseas FZE	Sharjah (UAE)	100%
Name of the Associate	Country of Incorporation	Proportion of Ownership As on 30th June, 2013
Supreme Petrochem Limited	India	29.88%

28. The audited financial statement of the subsidiary and associate are available as on 30th June, 2013 and same have been considered for the preparation of the consolidated financial statements.

### 29. Earning per Equity Share – Basic / diluted

		2012-13	2011-12
Profit after tax (PAT) available for Equity shareholders (₹ in Lakhs)		29009.68	24168.32
Weighted Average Number of Equity shares	Nos.	127026870	127026870
Nominal Value of Equity shares	₹	2	2
Basic / diluted earning per Equity share	₹	22.84	19.03

30. There is only one subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financials are not appended hereto.



## THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai – 400 021.

Date : 18.07.2013

Dear Shareholder,

### Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent Circular No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is also a golden opportunity for every shareholder of The Supreme Industries Limited to contribute to Green Initiative of the Ministry of Corporate Affairs. All you need to do is to register your e-mail address in the format given below.

1. If you are holding shares in demat form, register your e-mail with the Depository Participant (DP) with whom you are maintaining your demat account.
2. a. If you are holding shares in physical form, you are requested to provide e-mail address by completing the '**E-communication Registration Form**' attached hereto and return the same to:

**M/s. Big Share Services (P) Ltd.,**

Unit - The Supreme Industries Limited,

E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.

- b. It is also desirable that the equity shares held by you in physical form are converted into demat form. In case, you do not have demat account, we request you to approach any DP and complete the process of opening a demat account and thereafter submit the physical shares to the said DP for crediting the said equity shares in your demat account in due course.

We shall treat the e-mail ID as your registered e-mail ID and use it for sending documents / notices electronically.

Also you can change your registered e-mail ID from time to time, as explained above.

Please note that as a Member, you are always entitled to receive on request, a copy of the said documents, free of cost, in accordance with the provisions of the Companies Act, 1956.

Best regards,

For **The Supreme Industries Limited**

Sd/-

**R. J. Saboo**

*Sr. General Manager (Corporate Affairs)*

*& Company Secretary*

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### E-Communication Registration Form

Dear Sir,

#### Sub. : Registration of my e-mail address – Green Initiative in Corporate Governance

I agree to receive the documents as referred in letter dated 18.07.2013, in electronic mode. Please register my e-mail address in your records, being my consent towards the same.

Folio No. : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Name of First / Sole Holder : \_\_\_\_\_

Signature of the First & Jt. Holder(s) : \_\_\_\_\_  
(as per specimen Registered)

[illegible]

**THE SUPREME INDUSTRIES LIMITED**

Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021

**ATTENDANCE SLIP**

**71ST ANNUAL GENERAL MEETING**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE VENUE

I/We hereby record my/our presence at the 71st Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020 on Tuesday, the 17th September, 2013 at 4.00 p.m.

Regd. Folio No./DPID - Client ID No.: \_\_\_\_\_ No. of Share(s) held \_\_\_\_\_

Full Name of the Shareholder : \_\_\_\_\_  
(in Block Letters)

Signature \_\_\_\_\_

Name of the Proxy \_\_\_\_\_  
(in Block Letters)

Signature \_\_\_\_\_

**THE SUPREME INDUSTRIES LIMITED**

Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021

**PROXY FORM**

Regd. Folio No./DPID - Client ID No.: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member(s) of

The Supreme Industries Limited hereby appoint Shri/Smt./Kum. \_\_\_\_\_ of

\_\_\_\_\_ or failing him/her Shri/Smt./Kum. \_\_\_\_\_ of

\_\_\_\_\_ or failing him/her Shri/Smt./Kum. \_\_\_\_\_ of

\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 71st Annual General Meeting of the Company to be held on Tuesday, the 17th September, 2013 at 4.00 p.m. and at any adjournment thereof.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2013.

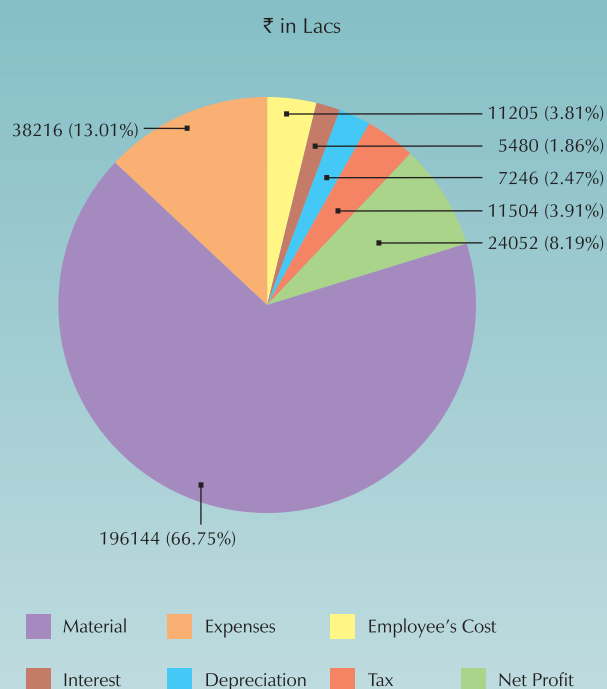
Affix  
Re. 1/-  
Revenue  
Stamp

Signature

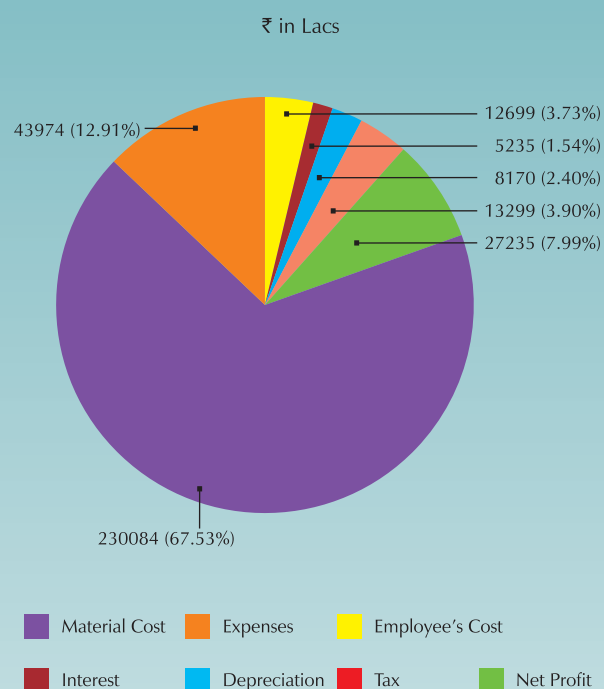
Note : The proxy must be deposited at the Registered Office of the Company, viz. 612, Raheja Chambers, Nariman Point, Mumbai - 400 021, not less than 48 hours before the time for holding the meeting.



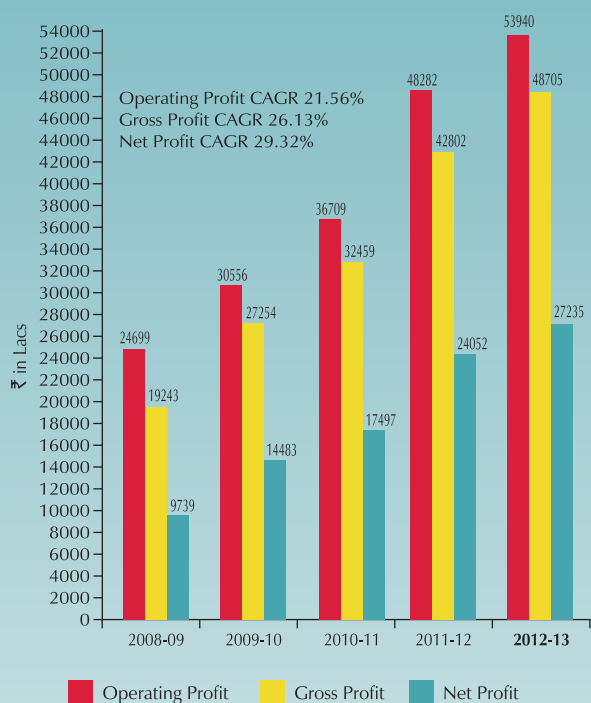
## Distribution of Revenue 2011-12



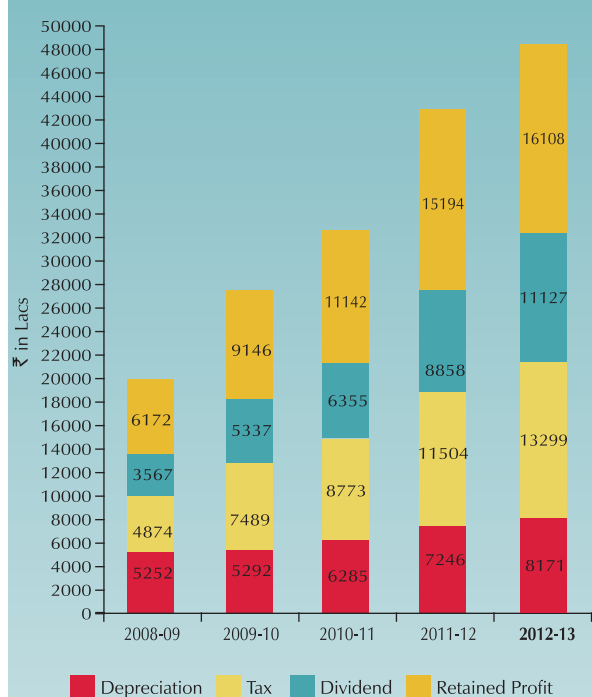
## Distribution of Revenue 2012-13



## Operating, Gross And Net Profits

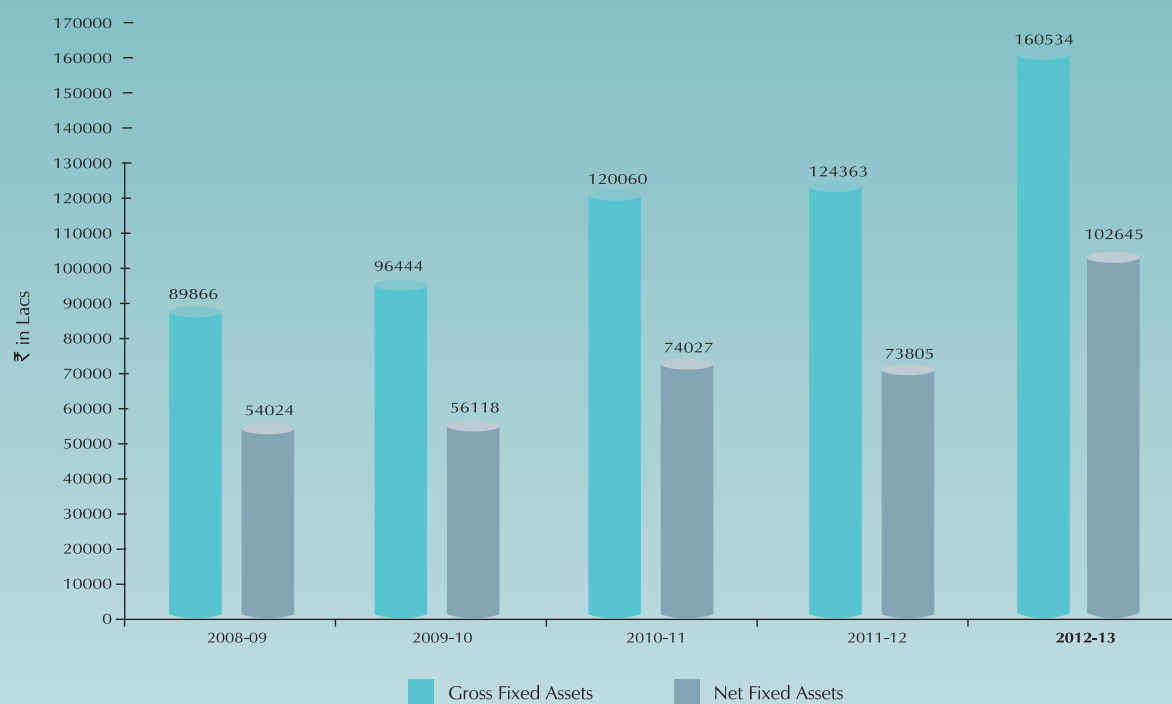


## Distribution of Profit

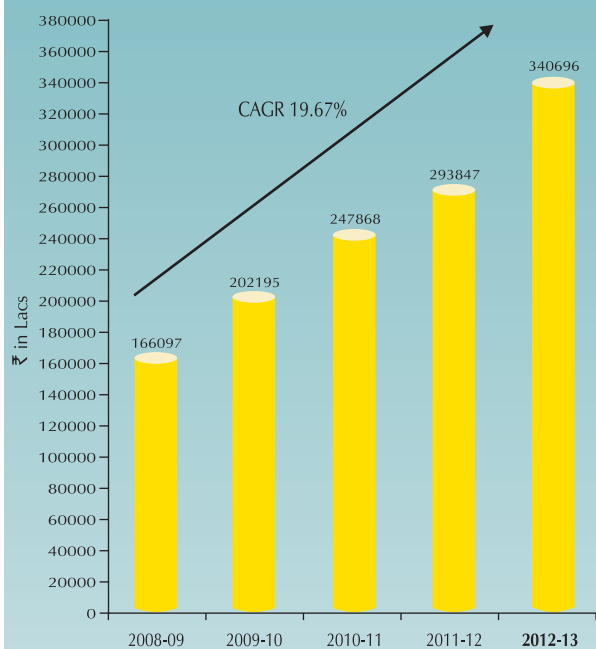




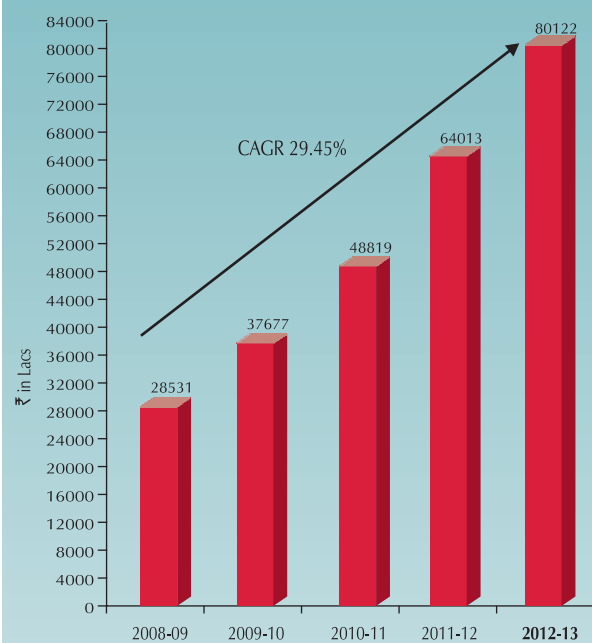
## Gross And Net Fixed Assets



## Income



## Shareholders' Funds



# Supreme<sup>®</sup>

People who know plastics best





**Supreme<sup>®</sup>**  
People — who know plastics best

**THE SUPREME INDUSTRIES LIMITED**

1161 & 1162 Solitaire Corporate Park, 167 Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai 400 093, India Tel.: (022) 67710000, 40430000 Fax : (91-22) 67710099, 40430099

Website : [www.supreme.co.in](http://www.supreme.co.in) E-mail : [supreme@supreme.co.in](mailto:supreme@supreme.co.in)

Regd. Office : 612 Raheja Chambers, Nariman Point, Mumbai 400 021, India

Tel.: (022) 22851656, 22820072 Fax : (91-22) 22851657

Date : 3<sup>rd</sup> October, 2013

National Stock Exchange of India Ltd.,  
Exchange Plaza, 5th floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East),  
MUMBAI - 400051

Bombay Stock Exchange Ltd.,  
Market-Operation Dept.,  
1st Floor, New Trading Ring,  
Rotunda Bldg., P.J. Towers,  
Dalal Street, Fort,  
MUMBAI - 400023.

**Sub : Copy of Annual Report along with Form A through NEAPS NSE Electronic Application Processing System**

**FORM - A**

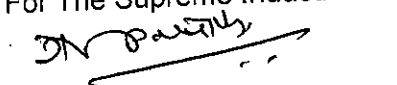
**Unqualified / Matter of Emphasis Report**

1	Name of the Company :	The Supreme Industries Limited
2	Annual financial statement for the year ended	30 <sup>th</sup> June, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

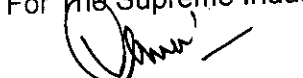
For The Supreme Industries Ltd.

  
(M. P. Taparia)  
Managing Director


For The Supreme Industries Ltd.

  
(H. S. Parikh)  
Chairman of Audit Committee

For The Supreme Industries Ltd.

  
(P. C. Somani)  
Chief Financial Officer

For Chhogmal & Co.

  
(Chintan Shah)  
Partner  
Statutory Auditors