

2013-14

72nd ANNUAL REPORT



**ENRICHING LIVES.
GENERATING SMILES!**

Supreme[®]

People who know plastics best

THE SUPREME INDUSTRIES LIMITED



Supreme[®]

People who know plastics best

THE SUPREME INDUSTRIES LIMITED

**ENRICHING LIVES
GENERATING SMILES!**

Some milestones to create, some achievements to share, some innovations, some initiatives to touch lives...our every action, each thought resonates with the pervasive synthesis of enriching lives, generating smiles. And we have come a long way.

As India's No. 1 Plastic Products Company, we at Supreme firmly believe in creating a world of difference in everyone's life. A thought embedded in all our actions. A thought that gives us the strength to grow. Over the years, our plastic products have become an integral part of every household and every industry. With our 23 state-of-the-art plants, we offer an array of products ranging from moulded furniture to bathroom fittings, material handling products to industrial moulded products and protective packaging to plastic piping systems.

Spearheading the league of nation building. Winning millions of hearts with our innovative offerings.

Understanding global business trends.

Anticipating challenges. Adopting faster. Upgrading business processes. And delivering.

True, we are making news in many ways.

Performance Highlights

(₹ in Lacs)

| | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Polymers Processed (MT) | 95439 | 118115 | 130547 | 139239 | 172746 | 191704 | 224673 | 245700 | 281452 | 285539 |
| Sales | 93150.04 | 113067.09 | 132963.00 | 149882.45 | 180900.03 | 217159.45 | 266553.08 | 318461.92 | 374607.92 | 434333.45 |
| Less: Excise Duty | 11740.33 | 14860.69 | 16796.94 | 18860.35 | 15707.16 | 16585.69 | 22979.68 | 29532.17 | 38795.70 | 43850.53 |
| Net Sales | 81409.71 | 98206.40 | 116166.06 | 131022.10 | 165192.87 | 200573.76 | 243573.40 | 288929.75 | 335812.22 | 390482.92 |
| Other Income | 1003.30 | 466.61 | 666.76 | 893.91 | 904.53 | 1621.55 | 4294.66 | 4917.25 | 4884.38 | 6751.44 |
| Total Income | 82413.01 | 98673.01 | 116832.82 | 131916.01 | 166097.40 | 202195.31 | 247868.06 | 293847.00 | 340696.60 | 397234.36 |
| Operating Profit | 9008.77 | 10193.24 | 13629.66 | 15272.04 | 24698.97 | 30556.28 | 36709.23 | 48281.54 | 53939.82 | 59902.51 |
| Interest | 2508.59 | 2696.04 | 3300.57 | 3897.92 | 5456.03 | 3302.71 | 4250.19 | 5479.67 | 5234.61 | 7614.04 |
| Gross Profit | 6500.18 | 7497.20 | 10329.09 | 11374.12 | 19242.94 | 27253.57 | 32459.04 | 42801.87 | 48705.21 | 52288.48 |
| Depreciation | 3929.84 | 4134.10 | 4024.59 | 3951.04 | 5251.74 | 5292.03 | 6284.52 | 7246.28 | 8170.67 | 10153.94 |
| Profit Before Tax & Exceptional Items | 2570.34 | 3363.10 | 6304.50 | 7423.08 | 13991.20 | 21961.54 | 26174.52 | 35555.59 | 40534.54 | 42134.53 |
| Tax & Exceptional Items | 205.00 | -656.08 | -1291.36 | -2310.88 | -4251.24 | -7489.00 | -8773.42 | -11504.00 | -13299.35 | 13997.90 |
| Profit after Tax | 2365.34 | 4019.18 | 5013.14 | 5112.20 | 9739.96 | 14472.54 | 17401.10 | 24051.59 | 27235.19 | 28136.64 |
| Prior Years Adjustments | -0.85 | -23.37 | 2.22 | -1.37 | -1.35 | 10.48 | 95.90 | – | -0.20 | – |
| Net Profit | 2364.49 | 3995.81 | 5015.36 | 5110.83 | 9738.61 | 14483.02 | 17497.00 | 24051.59 | 27234.99 | 28136.64 |
| Paid up Equity Capital (Face Value of ₹ 2) | 1339.08 | 1381.08 | 2762.17 | 2762.17 | 2540.54 | 2540.54 | 2540.54 | 2540.54 | 2540.54 | 2540.54 |
| Reserves and Surplus* | 19409.84 | 18352.36 | 19576.27 | 22004.49 | 25990.94 | 35136.56 | 46278.92 | 61472.49 | 77580.97 | 93828.40 |
| Shareholders' Funds | 20748.92 | 19733.44 | 22338.44 | 24766.66 | 28531.48 | 37677.10 | 48819.46 | 64013.03 | 80121.51 | 96368.94 |
| Total Loans | 24653.54 | 23748.68 | 32717.48 | 44482.04 | 41571.19 | 38736.42 | 51123.74 | 34835.43 | 46737.98 | 46782.86 |
| Long Term Loans | 19780.84 | 12909.06 | 19975.37 | 28954.15 | 29141.93 | 18570.26 | 24600.32 | 18248.75 | 28684.61 | 34790.60 |
| Deferred Tax Liability (Net) | | 4283.20 | 4733.20 | 5228.09 | 6428.09 | 6984.39 | 7953.80 | 8325.83 | 9065.18 | 11675.13 |
| Capital Employed** | 40613.76 | 36925.70 | 47047.01 | 58948.90 | 64101.50 | 63231.75 | 81373.58 | 90587.61 | 117871.30 | 142834.67 |
| Net Fixed Assets*** | 29759.72 | 32367.14 | 33356.68 | 46113.78 | 54024.26 | 56118.37 | 74027.37 | 73804.86 | 102645.43 | 108666.11 |
| Earning Per Equity Share (₹) | 3.53 | 5.79 | 3.63 | 3.70 | 7.67 | 11.40 | 13.77 | 18.93 | 21.44 | 22.15 |
| Cash Earning Per Equity Share (₹) | 9.40 | 11.81 | 6.54 | 6.56 | 11.80 | 15.56 | 18.65 | 24.64 | 27.87 | 30.14 |
| Book Value (₹) | 30.99 | 28.58 | 16.17 | 17.93 | 22.46 | 29.66 | 38.43 | 50.39 | 63.07 | 75.87 |
| Dividend (%) | 90.00 | 100.00 | 75.00 | 80.00 | 120.00 | 180.00 | 215.00 | 300.00 | 375.00 | 400.00 |
| ROACE (%)**** PBIT / Average Capital Employed | 10.33 | 12.11 | 19.37 | 19.27 | 27.83 | 38.09 | 39.80 | 44.69 | 41.46 | 35.69 |
| ROANW (%) (PAT / Average Net Worth) | 11.67 | 19.86 | 23.83 | 21.71 | 36.55 | 43.72 | 40.24 | 42.63 | 37.79 | 31.88 |
| Debt : Equity (Long Term Debt / Total Net worth) | 0.95 | 0.65 | 0.89 | 1.17 | 1.02 | 0.49 | 0.50 | 0.29 | 0.36 | 0.36 |
| Debt: Equity (Total Debt / Total Net Worth) | 1.19 | 1.20 | 1.46 | 1.80 | 1.46 | 1.03 | 1.05 | 0.54 | 0.58 | 0.49 |

* 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



Khushkhera Plant under Industrial Products Division received National Energy Conservation Award for Year 2012-13. It was presented by President Shri. Pranab Mukherjee and Minister for Power Shri. Jyotiraditya Scindia. Khushkhera Plant became the only plant in Plastic Category in the Country to receive this award three times in last four years.



Dun & Bradstreet Corporate Awards 2014-Top Spot under the Category "Plastic & Plastic Products"

Company Information

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 (upto 22nd July, 2014)
Y. P. Trivedi, Director
Smt. Rashna Khan, Director (w.e.f. 21st July, 2014)

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
CIN: L35920MH1942PLC003554

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

WORKS

1. Derabassi (Lalru, 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 (Talegaon, 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 (Chennai, 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

NOTICE is hereby given that the Seventy Second 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 Wednesday the 17th September, 2014 at 3.30 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, 2014.
2. To declare final dividend on Equity Shares for the Financial year ended 30th June, 2014 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 Bajranglal Surajmal Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Hasmukhlal Saburlal Parikh (Director Identification No. 00127160), who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:
"RESOLVED THAT M/S. CHHOGMAL & CO., Chartered Accountants, Mumbai (Firm Registration No. : 101826W), the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

FURTHER RESOLVED THAT the appointment of the Branch Auditors for the financial year 2014-2015 for any of the Branch(es) of the Company, be made at such remuneration as the Board of Directors may decide in consultation with the Statutory Auditors of the Company and the respective Branch Auditor(s) who may be so appointed."

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Shri Bhupendranath Vidyannath Bhargava (Director Identification No. 00001823), Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 17th September, 2014."
7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act 2013, Shri Yogendra Premkrishna Trivedi (Director Identification No. 00001879), Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 17th September, 2014."

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

"RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Shri Naresh Nagindas Khandwala (Director Identification No. 00112603), Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 17th September, 2014."

9. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Smt Rashna Hoshang Khan (Director Identification No. 06928148), Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 17th September, 2014."

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

"RESOLVED THAT in partial modification of the resolution passed by the Shareholders at the 71st Annual General Meeting held on 17th September, 2013, approving the re-appointment of Shri Vijaykumar Bajranglal Taparia (Director Identification No. 00112567), as an Executive Director of the Company for a period of five years commencing from 7th January, 2014 and who was not liable to retire by rotation, be and is hereby now subject to liable to retire by rotation during the residual term of his office in pursuance of provisions of Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules prescribed there under."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is

hereby accorded for Shri Vivek Taparia, to continue to hold an office or place of profit under the Company as Business Development Manager or such other designation in the Senior Management Grade at a remuneration of ₹ 36,00,000/- (Rupees Thirty Six Lacs only) per annum with effect from 1st July, 2014 and further annual increments from time to time, in accordance with the policy of the Company and that the terms and conditions of his appointment will be governed by rules and regulations of the Company which are applicable to the employees of his level.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ('the Act') and the applicable rules made there under, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to borrow such sum or sums of monies in any manner from time to time as may be required for the purpose of the business of the Company with or without security and upon such terms and conditions as they may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors of the Company and outstanding at any time shall not exceed the sum of ₹ 1000 crores (Rupees One Thousand Crores).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to:

- (i) prepare, finalise, approve and execute such agreements, debenture trust deeds, indentures of mortgage, deeds of hypothecation, charge, lien and other deeds and instruments or writings containing such covenants in this regard on behalf of the Company as the Board may think fit and proper and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental and / or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

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

"RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies

Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ('the Act') and the applicable rules made there under, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create such charge and / or mortgage and hypothecation in addition to the existing charges, mortgages and hypothecations already created by the Company on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may deem fit, on any of the Company's moveable and immoveable properties and assets, present and future, comprised in any undertaking or undertakings of the Company, as the case may be, in favour of Financial / Investment Institutions, Bank or Banks, Trustees for the holders of debentures / bonds / other instruments and / or others to secure the repayment of loans, Debentures, borrowings and / or indebtedness of any type sanctioned and / or to be sanctioned by them from time to time upto a sum not exceeding ₹ 1000 crores (Rupees One Thousand Crores) inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of the above borrowings and / or indebtedness of any type, as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to

- (i) prepare, finalise, approve and execute, such agreements, debenture trust deeds, indentures of mortgage, deeds of hypothecation, charge, lien and other deeds and instruments or writings containing such covenants in this regard on behalf of the Company as the Board may think fit and proper and
- (ii) do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental and / or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

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

"RESOLVED THAT pursuant to Section 188 and all other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contracts and/or agreements for the (a) purchase/ sale of any goods or materials & provision of any services in connection with the sale or purchase of goods or materials including storage thereof, of the aggregate annual value not exceeding ₹ 50 crores from / to Supreme Petrochem Limited and (b) sale or purchase of goods or materials including compensation for rendering of services not exceeding ₹ 5 crores to The Supreme Industries Overseas (FZE), both being Related Parties as defined under the Companies Act, 2013.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as may be necessary to obtain approvals, sanctions, consents and permissions and perform and execute all such act, deeds, matters and things (including delegation of such authority), as may be required or deemed necessary, proper or expedient and generally to do all acts, deeds, matters and things necessary for the purpose of giving effect to this resolution and for the matters connected therewith or incidental thereto.”

15. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including statutory modification or re-enactment thereof for the time being in force, M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the cost audit for the financial year ending 30th June, 2015 to the extent applicable, be paid the remuneration (apart from service tax including cess as applicable and reimbursement of actual travel and out of pocket expenses) as may be fixed by the Board of Directors.”

NOTES :

1. 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 OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Proxies, in order to be effective, must be received at the registered office of the Company, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item No. 6 to 15 of the above Notice is annexed hereto.
4. Register of Members and the Share transfer books of the Company will remain closed from Wednesday, 10th September, 2014 to Wednesday, 17th September, 2014 (both days inclusive).
5. 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, 2014 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 Tuesday, the 9th September, 2014 as per details furnished by the Depositories for this purpose.
6. Pursuant to provisions of Section 124 of the Companies Act, 2013, 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, 2007 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.

7. 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.
8. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to M/s. Bigshare Services Pvt. Ltd., for doing the needful.
9. Members are requested to notify change in address, if any, immediately to M/s. Bigshare Services Pvt. Ltd., quoting their folio numbers.
10. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders / Depositories for depositing of dividends.
13. Electronic copy of the Annual Report will be sent to the members whose email IDs are registered with the Company / Depository Participant(s).
14. Members may also note that Notice of the 72nd Annual General Meeting and Annual Report 2013-14 will also be available on the Company's website www.supreme.co.in for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to receive such communication in

physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id : investor@supreme.co.in

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Clause 35B of the Listing Agreements read with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of the 72nd Annual General Meeting scheduled to be held on Wednesday 17th September, 2014 at 3.30 p.m. The Company has engaged the services of CDSL, as the authorized agency to provide the e-voting as per instructions below :

In terms of Clause-35B of the Listing Agreement, in order to enable to its members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is sent herewith. A member desiring to exercise vote by Postal Ballot shall complete the Ballot Form with assent (for) or dissent (against) and send it to Shri V. Laxman, Scrutinizer C/o. The Supreme Industries Limited, 612, Raheja Chambers, Nariman Point, Mumbai - 400021, so as to reach him on or before 13th September, 2014, by 6.30 p.m. Any Ballot form received after the said date shall be treated as if the reply from the members has not been received. Kindly note that members can opt for only one form of voting i.e. either by Postal Ballot or through e-voting. If members are opting for e-voting then they should not vote by Postal Ballot and vice-versa.

However, in case of Members casting their vote both by Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

Instructions to Members for e-voting are as under :

- Date and time of commencement of voting through electronic means : 11th September, 2014 (10.00 a.m.)
- Date and time of end of voting through electronic means : 13th September, 2014 (6.30 p.m.)
- Details of Website : www.evotingindia.com

Details of persons to be contacted for issues relating to e-voting:

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

The e-voting module shall be disabled for voting on 13th September, 2014 (6.30 p.m.) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. **The voting right of shareholders shall be in proportion to their share in the paid up equity capital of the Company as on 8th August, 2014 (cut-off date).**

Shri V. Laxman, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion on the Board can scrutinize the e-voting process in fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of two (2)

witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Result declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. www.supreme.co.in and also on the website of CDSL viz. www.cdslindia.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of (India) Limited.

In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:**

| | For Members holding shares in Demat Form and Physical Form |
|------------------------|---|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> #Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- After entering these details appropriately, click on "SUBMIT" tab.

- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of "THE SUPREME INDUSTRIES LIMITED" on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system be sent for the scrutinizer to verify the same.

In case of members receiving the physical copy :

- (A) Please follow all steps from Sr. No. (i) to (xvii) above to cast vote.
- (B) The voting period begins on 11th September, 2014 (10.00 a.m.) and ends on 13th September, 2014 (6.30 p.m.) During this period shareholders of the Company, holding shares in either in physical form or in dematerialized form, as on the cut-off date 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of Members desiring to exercise vote by Postal Ballot:

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

The Notice of AGM is placed on website of the Company viz. www.supreme.co.in and also on the website of CDSL viz. www.cdslindia.com.

AS THE COMPANY HAS PROVIDED E-VOTING / POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLABORATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POSTAL BALLOT TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

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 : 21st July, 2014

Explanatory Statement under Section 102(1) of the Companies Act, 2013.

Item No. 6

Shri Bhupendranath Vidyanath Bhargava (Director Identification No. 00001823) had been appointed as a Director of the Company on 25th September, 1996.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri B. V. Bhargava, is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.

As required under Section 160 of the above Act, notice has been received from a member of the Company with the requisite deposit proposing candidature of the said Director for the office of Independent Director of the Company.

The Board of Directors considers that Shri B. V. Bhargava has the requisite qualification and expertise that will be of immense benefit to the Company. The Board opines that he fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company.

Copy of the draft letter of appointment setting out the terms and conditions will be available for inspection, without any fee, by the members at the registered office of the Company during normal business hours on any working day.

A brief profile of Shri B. V. Bhargava and names of the Companies in which he is a Director is given in the Corporate Governance, which forms part of the Annual Report.

Shri B. V. Bhargava holds 17500 Equity Shares of ₹ 2/- (F.V.) each in the Company.

Except Shri B. V. Bhargava, no other Director or Key Managerial Personnel (or their relatives) are concerned or interested in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the appointment of Shri B. V. Bhargava as an Independent Director of the Company for a term of five consecutive years commencing from 17th September, 2014.

Item No. 7

Shri Yogendra Premkrishna Trivedi (Director Identification No. 00001879) had been appointed as a Director of the Company on 30th August, 2003.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri Y. P. Trivedi is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.

As required under Section 160 of the above Act, notice has been received from a member of the Company with the requisite deposit proposing candidature of the said Director for the office of Independent Director of the Company.

The Board of Directors considers that Shri Y. P. Trivedi has the requisite qualification and expertise that will be of immense benefit to the Company. The Board opines that he fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company.

Copy of the draft letter of appointment setting out the terms and conditions will be available for inspection, without any fee, by the members at the registered office of the Company during normal business hours on any working day.

A brief profile of Shri Y. P. Trivedi and names of the Companies in which he is a Director is given in the Corporate Governance, which forms part of the Annual Report.

Shri Y. P. Trivedi holds 20010 Equity Shares of ₹ 2/- (F.V.) each in the Company.

Except Shri Y. P. Trivedi, no other Director or Key Managerial Personnel (or their relatives) are concerned or interested in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the appointment of Shri Y. P. Trivedi as an Independent Director of the Company for a term of five consecutive years commencing from 17th September, 2014.

Item No. 8

Shri Naresh Nagindas Khandwala (Director Identification No. 00112603) had been appointed as a Director of the Company on 23rd September, 1982.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri N. N. Khandwala, is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.

As required under Section 160 of the above Act, notice has been received from a member of the Company with the requisite deposit proposing candidature of the said Director for the office of Independent Director of the Company.

The Board of Directors considers that Shri N. N. Khandwala has the requisite qualification and expertise that will be of immense benefit to the Company. The Board opines that he fulfils the conditions specified in the Companies Act 2013 and Rules made thereunder for his appointment as an Independent Director of the Company.

Copy of the draft letter of appointment setting out the terms and conditions will be available for inspection, without any fee, by the members at the registered office of the Company during normal business hours on any working day.

A brief profile of Shri N. N. Khandwala is given in the Corporate Governance, which forms part of the Annual Report.

Shri N. N. Khandwala holds 260750 Equity Shares of ₹ 2/- (F.V.) each in the Company.

Except Shri N. N. Khandwala, no other Director or Key Managerial Personnel (or their relatives) are concerned or interested in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the appointment of Shri N. N. Khandwala as an Independent Director of the Company for a term of five consecutive years commencing from 17th September, 2014.

Item No. 9

As per the provisions of Section 149 (1) of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, the Company should have at least one Woman Director. Accordingly Smt. Rashna Hoshang Khan (Director Identification No. 06928148), was appointed on 21st July, 2014, as an Additional Independent Director of the Company by the Board of Directors pursuant to the provisions contained in Article 94

of the Articles of Association of the Company and section 161 of the Companies Act, 2013. According to the provisions of said Article and the said Section, she will hold office only upto the date of this Annual General Meeting.

As required under Section 160 of the above Act, notice has been received from a member of the Company with the requisite deposit proposing candidature of the said Director for the office of Independent Director of the Company.

The Board of Directors considers that Smt. Rashna H. Khan has the requisite qualification and expertise that will be of immense benefit to the Company. The Board opines that she fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for her appointment as an Independent Director of the Company.

Copy of the draft letter of appointment setting out the terms and conditions will be available for inspection, without any fee, by the members at the registered office of the Company during normal business hours on any working day.

A brief profile of Smt. Rashna H. Khan is given in the Corporate Governance, which forms part of the Annual Report.

Smt. Rashna H. Khan holds NIL Equity Shares in the Company.

Except Smt. Rashna H. Khan, no other Director or Key Managerial Personnel (or their relatives) are concerned or interested in the resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the appointment of Smt. Rashna H. Khan as an Independent Director of the Company for a term of five consecutive years commencing from 17th September, 2014.

Item No. 10

Shri Vijaykumar Bajranglal Taparia (Director Identification No. 00112567), was appointed as an Executive Director of the Company on 17th September, 2013, for five years. Shri V. K. Taparia was appointed as Executive Director not liable to retire by rotation during his tenure.

In terms of the Explanation to sub-section (6) of section 152 of the Companies Act, 2013 for the purpose of computing the number of directors liable to retire by rotation, Independent Directors are not to be considered. Your Board has strength of 9 Directors comprising Managing Director, two Executive Directors and six Non Executive Directors comprising four independent Directors. Therefore, for the purpose of computing the number of directors liable to retire by rotation, Shri V. K. Taparia, Executive Director is proposed as a Director liable to retire by rotation.

It is therefore proposed to change the residual term of office of Shri V. K. Taparia from Director not liable to retire by rotation to Director liable to retire by rotation. With this, there will be three Directors liable to retire by rotation, which will be in compliance with the aforesaid regulatory requirement.

Except Shri V. K. Taparia and their relatives (including Shri B. L. Taparia, Shri M. P. Taparia and Shri S. J. Taparia), none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 10.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Item No. 11

The information required to be given under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as under :

| Sr. No. | Particulars | Description |
|---------|--|--|
| 1. | Name of Related Party | Shri Vivek Taparia |
| 2. | Name of Director or Key Managerial Personnel, if any | Shri V.K. Taparia, Executive Director Shri B.L. Taparia, Chairman Shri M.P. Taparia, Managing Director Shri S.J. Taparia, Executive Director |
| 3. | Nature of Relation | Shri Vivek Taparia is son of Shri V. K. Taparia. Shri B.L. Taparia is grandfather of Shri Vivek Taparia. Shri M.P. Taparia is brother of Shri B.L. Taparia and therefore deemed to be related to Shri Vivek Taparia. Shri S.J. Taparia is cousin brother of Shri V.K. Taparia and therefore deemed to be related to Shri Vivek Taparia. |
| 4. | Nature, material terms, monetary value and particulars of the contract or arrangements | Increase of remuneration on the terms mentioned in the Resolution at Item No. 11 of the Notice. |

With the enactment of Companies Act, 2013, prior approval of the Members is required under Section 188 of the Companies Act, 2013, for the appointment of a relative of Director to an office or place of profit in the Company at an increased remuneration of ₹ 3,00,000 per month i.e ₹ 36,00,000/- per annum (increased from ₹ 2,50,000/- per month i.e ₹ 30,00,000/- per annum) w.e.f. 1st July, 2014 and further annual increments from time to time, in accordance with the prevailing policy of the Company and that the terms and conditions of his appointment will be governed by rules and regulations of the Company which are applicable to the employees of his level.

Shri Vivek Taparia, aged 35 years, has done B. A. in Business Administration from Eckerd College, St. Petersburg, Florida, U.S.A. Since his appointment he has been actively involved in various activities and in the execution of various projects of the Company.

Shareholders' approval has been sought vide a Special Resolution as required u/s 188 of the Companies Act, 2013. The Resolution is accordingly commended for your approval.

Shri B.L. Taparia, Chairman, Shri M. P. Taparia, Managing Director, Shri S. J. Taparia, Executive Director and Shri V. K. Taparia, Executive Director, of the Company, being related to Shri Vivek Taparia, are deemed to be interested in the Resolution. None of the other Directors and Key Managerial Personnel (or their relatives) are concerned and/or interested in this Resolution.

Item No. 12 & 13

The Shareholders at the 65th Annual General Meeting held on 10th October, 2007 had accorded u/s 293 (1) (a) and u/s 293 (1) (d) of the Companies Act, 1956, their consent to the Board of Directors of the Company to borrow and create security over the assets of one or more undertaking(s) of the Company in favour of Financial / Investment Institutions, Bank(s) etc., upto an amount not exceeding ₹ 1000 crores.

Section 180 (1)(a) and 180(1)(c) of the Companies Act, 2013 ('the Act'), provides for similar consents to be sought from Members by way of Special Resolution. Hence the resolutions at Item No 12 and 13 of the Notice. The maximum limit for borrowings/availing of financial assistance is the same as was approved by the members at the 65th Annual General Meeting referred to above. Keeping in view the present and future needs of the Company for finance and to provide for additional funds as and when required and having regard to the likely increase in the Company's business, the Company may continue to require to borrow money and create security by way of mortgage / charge and / or hypothecation of its assets and properties both present and future. As per Section 180(1) (a) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and / or immovable properties and assets of the Company with the right of taking over management or control in certain events of default, may be considered to be disposal of the Company's undertaking within the meaning of Section 180(1) (a) of the Act, it is proposed to seek approval of the Shareholders for creating such mortgages and / or charges on the assets and the properties of the Company, both present and future. Under Section 180(1) (c) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors where the money to be borrowed together with money already borrowed by the Company will exceed aggregate of the paid up share capital and free reserves. Although the Company's borrowings are below the paid up share capital and free reserves of the Company, as the Company had passed a similar resolution under Section 293(1) (d) of the Companies Act, 1956 whose validity is restricted up to 11th September 2014 as per General Circular No. 04/2014 issued by the Ministry of Corporate Affairs, the Resolution under 180(1)(c) of the Act is proposed.

None of the Directors and Key Managerial Personnel (or their relatives) are interested in the resolution(s) at Item Nos. 12 and 13 of the Notice.

Your Directors recommend the resolution(s) for your approval.

Item No. 14

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under :

| Sr. No. | Particulars | Description |
|---------|--|---|
| 1. | Name of Related Party | 1. Supreme Petrochem Ltd 2. Supreme Industries Overseas (FZE) |
| 2. | Name of Director or Key Managerial Personnel, if any | Shri B.L. Taparia, Chairman Shri M.P. Taparia, Managing Director Shri S.J. Taparia, Executive Director |
| 3. | Nature of Relation | 1. The Supreme Industries Ltd ("the Company") holds 29.99% of equity shares in Supreme Petrochem Limited, which is a listed entity. Further, the following Directors of the Company, namely : Shri B.L. Taparia, Shri M.P. Taparia and Shri S.J. Taparia are also the Directors of Supreme Petrochem Ltd. |

| Sr. No. | Particulars | Description |
|---------|--|---|
| | | 2. The Supreme Industries Overseas (FZE) is a wholly owned Subsidiary of The Supreme Industries Ltd which has been registered as a free zone establishment with limited liability with Sharjah Airport International Free Zone (SAIF Zone) Authority in the Emirate of Sharjah (U.A.E). The Supreme Industries Overseas (FZE) is licensed to carry on the activity of trading in plastics & pipe fittings |
| 4. | Nature, material terms, monetary value and particulars of the contract or arrangements | (a) The Company's contracts /arrangements involving purchase or sale of any goods or materials & provision of any services in connection with the sale or purchase of goods or materials including storage thereof, of the aggregate annual value not exceeding ₹ 50 crores from/to Supreme Petrochem Limited and (b) sale or purchase of goods or materials including compensation for rendering of services not exceeding ₹ 5 crores to The Supreme Industries Overseas (FZE). |

The transactions entered into by the Company with Supreme Petrochem Limited & The Supreme Industries Overseas (FZE) are in the ordinary course of business. However, having regard to the provisions of Section 188 of the Companies Act, 2013 and the applicable Rules there under, the transactions between the said entities are deemed to be related party transactions, which require approval of the shareholders by passing a special resolution.

None of the Directors and Key Managerial Personnel (or their relatives) of the Company may be deemed to be in any way concerned or interested in the resolutions except Shri M. P. Taparia, Shri B. L. Taparia, and Shri S. J. Taparia, who are also on the Board of Directors of Supreme Petrochem Limited.

Your Directors recommend the resolution for your approval.

Item No. 15

A proposal for appointment of Cost Auditors for the financial year 2014-15 was recommended by the Audit Committee to the Board. It is proposed to appoint M/s. Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) as Cost Auditors. M/s. Kishore Bhatia & Associates, have confirmed their availability for appointment as Cost Auditors.

As per the Companies Act, 2013 and applicable Rules, the Appointment and remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel (or their relatives) are interested in the said resolution.

Your Directors recommend the resolution for your approval.

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 : 21st July, 2014

Director's Report

The Directors have great pleasure in presenting the 72nd Annual Report together with the Audited Financial Statements for the financial year ended 30th June 2014.

FINANCIAL RESULTS

| | (₹ in lacs) | |
|---|-----------------|-----------------|
| | Current Year | Previous Year |
| Total Income (net) | 397234.36 | 340696.61 |
| Profit before interest, depreciation and tax | 59902.51 | 53939.82 |
| Interest and financial charges | 7614.04 | 5234.61 |
| Depreciation, Amortization and Impairment | 10153.95 | 8170.88 |
| Profit Before Tax | 42134.52 | 40534.33 |
| Provision for Current Tax | 11387.94 | 12560.00 |
| Deferred Tax | 2609.95 | 739.35 |
| Net Profit available for Appropriation | 28136.63 | 27234.98 |
| Appropriation: | | |
| Interim Dividend | 2540.54 | 2540.54 |
| Proposed (final) Dividend | 7621.61 | 6986.48 |
| Tax on Dividend | 1727.05 | 1599.49 |
| Transferred to General Reserve | 16247.43 | 16108.47 |
| | 28136.63 | 27234.98 |

DIVIDEND

| | ₹ | ₹ |
|---|-----------|------------|
| (i) Dividend on 12,70,26,870 Equity Shares of ₹ 2/- each @ 400% i.e. ₹ 8/- per share (Previous year on 12,70,26,870 Equity Shares of ₹ 2/- each @ 375% i.e. ₹ 7.50 per share) | | 1016214960 |
| (a) Interim Dividend @ 100% i.e. ₹ 2/- per share (already paid in January 2014), | 254053740 | |
| (b) Final Dividend recommended @ 300% i.e. ₹ 6/- per share | 762161220 | |
| (ii) Corporate Dividend Tax as applicable (including ₹ 4,31,76,434/- paid on Interim Dividend) | | 172705733 |
| | | 1188920693 |

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.

FIXED DEPOSITS

In accordance with the terms and conditions governing the Fixed Deposit Scheme, the Company has exercised the option to repay on 1st April, 2014, all the Fixed Deposits with accrued interest as at the end of 31st March 2014. Accordingly, the Company is not having any Fixed Deposit as on 1st April, 2014 except 78 deposits amount to ₹ 11.97 lakhs which remained unclaimed as on 30th June, 2014.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors to the best of their knowledge & 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, 2014 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.

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.

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.

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.

SUPREME PETROCHEM LIMITED (SPL)

The Board of Directors of Supreme Petrochem Ltd (SPL) - promoted jointly by your Company and the R Raheja Group has recommended a dividend of ₹ 1.50 per Equity Share of ₹ 10 each for the year ended June 30, 2014. Net revenues and net profit for the year were ₹ 3264.29 crores and ₹ 30.58 crores, respectively.

SUBSIDIARY COMPANY

The Supreme Industries Overseas (FZE), a wholly owned subsidiary of the Company incorporated in SAIF Zone, UAE continues to support company's plans to increase exports in Gulf and Middle East countries. In spite of negative sentiments and slowdown in construction activity globally, it has managed to secure growth during the year under review, in exports of piping system. It has presence in more than 19 countries in the region and customers are being well serviced by the company. This company has made a profit of AED 1,31,551/- equivalent to ₹ 21.61 lacs during the year.

Company will continue to participate in various international exhibitions to spread & improve the brand name and in turn expand the export volume.

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.

DIRECTORS

Shri B. L. Taparia and Shri H. S. Parikh, Directors of the Company retires by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

Smt. Rashna Khan, has been appointed as an Additional Independent Director of the Company, pursuant to the provisions of Article 94 of the Articles of Association of the Company. This will fulfill the requirement of having a Woman Director on the Board of Directors under the Companies Act, 2013. She will hold the office upto the date of the forthcoming Annual General Meeting and being eligible, offers herself as an Independent Director of the Company.

Shri V. K. Taparia, Executive Director, of the company who hitherto was not liable to retire by rotation is now proposed to be liable to retire by rotation pursuant to the provisions of section 152 of the Companies Act, 2013.

In terms of Section 149, 152, Schedule IV & other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of

upto five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri S. R. Taparia, Shri B. V. Bhargava, Shri Y. P. Trivedi & Shri N. N. Khandwala- Directors of your company for a term of 5 (five) consecutive years commencing from 17th September 2014.

The Company has received requisite notices in writing from members proposing Shri S. R. Taparia, Shri B. V. Bhargava, Shri Y. P. Trivedi & Shri N. N. Khandwala as Independent Directors.

The Company has received declarations from all the above Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under sub-section (6) of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

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 139(1) of the Companies Act, 2013.

COST AUDITORS

The Board of Directors at their meeting held on 17th September, 2013, has appointed M/s. Kishore Bhatia & Associates, as the Cost Auditors, to conduct the audit of cost records in respect of plastics products for the year 2013-14.

The Cost Audit Report for the financial year 2012-13 has been filed within a prescribed time limit.

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: 21st July, 2014

CHANGES AFTER THE DATE OF DIRECTORS REPORT: DIRECTOR

Shri S. R Taparia, a sitting member of the Board of Directors of the Company passed away on 22nd July, 2014. The Company express its profound sorrow at the sad demise of Shri S. R. Taparia and records its appreciation for valuable contribution made by him during the tenure of his office, in setting up policies conducive to the growth and successful working of the Company.

Consequent to above, candidature of his appointment as an Independent Director in the ensuing Annual General Meeting has been withdrawn.

For The Supreme Industries Limited

M. P. Taparia
Managing Director

Place: Mumbai

Date: 28th July, 2014

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

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis.

The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavor to reduce energy consumption in all its operations and activities.

To achieve above objectives the following steps are being undertaken by the Company:-

- To replace old energy inefficient technical equipment's continuously with latest energy efficient technology and upgraded new equipment's.
- Installation of Highly technical advanced system viz. detuned reactor, Hybrid filter, active filter at several location.
- Achieving the Power factor by efficient reactive energy management.
- Conducting Power Quality Audit at several locations.
- Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- To enhance utilization of renewable energy resources where feasible.
- To conduct energy conservation awareness program among employees at all the locations to avoid wastage of energy.
- To reduce the Green house emission by improving Energy efficiency.

During the year the Company's Khushkhera plant was honored with "Energy Conservation Award" by President of India. It became the only plant in Plastics Category in India to receive this award three times in last 4 years. Gadegaon plant has obtained 3rd position in Maharashtra Energy Development Agency (MEDA) in financial year 2012-13.

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.
- Exemption 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 | 8188.85 |
| Foreign Exchange Used | 117137.00 |

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 21st July, 2014

Management Discussion and Analysis 2013-14

1. OVERVIEW

The World economy has started showing signs of recovery led by USA and followed by Europe and Japan. The Indian economy went through a difficult phase of lower GDP growth in the year 2013-14 with substantial contraction in demand for Automobiles and consumer appliances.

The Housing Segment also has experienced quite a low demand growth during the year. The investment cycle was quite affected due to several land, environment and mining Policy level issues.

Overall this has resulted in lower growth of Country's economy compared to its potential. The country has witnessed a historical election cycle in April and May this year. A stable Government has emerged after this election for next five years.

The new Government is committed to put the economy on growth path with a focus on job creation. It is committed to give impetus to manufacturing activity which has shown a negative trend in last year.

The 2014-15 Central Budget announced by the Government in July gave directional push to the economy with a commitment to boost infrastructure activities and open up several job opportunities. The focus is on affordable Housing, road connectivity and investment push and it augurs well for the Company's business plans for the year 2014-15 and beyond.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

The Polymer consumption in the Country has seen a marginal de-growth in July 2013- June 14 period. Overall consumption Nos. stay at around 11 million tons for entire range of Plastics in the year 2013-14. It is expected that consumption of plastics may start on growth path in the current year.

The imports of Plastics products, however, are still growing steadily. A large percentage of such imports are coming heavily under-invoiced which affects several local convertors by distorting their operational economy.

The Company observes that in several segments, the share of business of organized players are growing compared to un-organized players. There is a shift towards consumer preference to buy quality branded goods. This offers opportunities to your Company to grow it's business even in newer segments requiring quality plastics products.

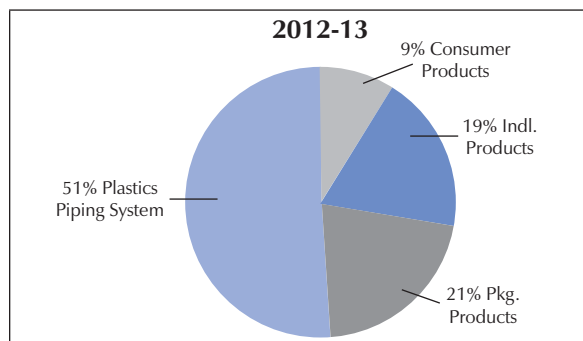
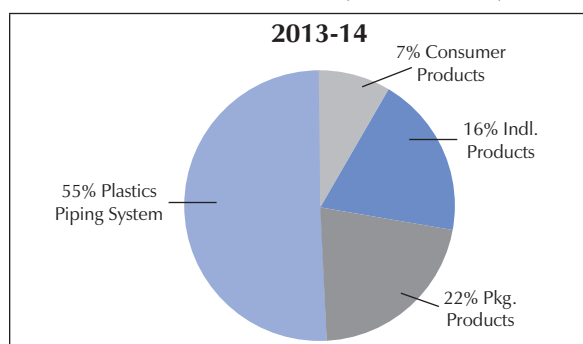
3. PRODUCT GROUPS

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

| Group | Products |
|------------------------|--|
| Plastics Piping System | uPVC Pipes, Injection Moulded fittings and handmade fittings, Polypropylene Random Co-polymer pipes and fittings, HDPE Pipe Systems, CPVC Pipes Systems, LLDPE Tube and Inspection Chambers and manholes. Bath fittings, Roto moulded Tanks and Fittings |

| Group | Products |
|---------------------|---|
| Consumer products | Furniture |
| Industrial Products | Industrial products, Material handling System and Pallets |
| Packaging Products | Performance packaging film products, Protective Packaging Products, Cross Laminated Film products |
| Composite Products | Composite 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 ₹ 3972.34 Crores (including ₹ 171.89 Crores by way of trading in other related products and ₹ 60.20 crores from sale of premises) as against ₹ 3406.97 crores (including ₹ 113.80 crores by way of trading in other related products and ₹ 16.00 crores from sales of premises) of the previous year.

The Company has sold 2,75,463 tons of Plastic products as against 2,70,650 tons of Plastic products in the previous year, reflecting a growth of 1.78% in product turnover by volume.

The Company exported goods worth US \$ 13.58 million as against US \$14.32 million in the previous year registering a de-growth of 5.17%.

Profit before interest, depreciation and exceptional items and taxes during the year under review have gone up by 59.63 crores from ₹ 539.40 crores to ₹ 599.03 crores during the year.

4. COMPANY'S STRENGTH AND GROWTH DRIVERS

4.1 Manufacturing Sites

The Company is able to commence production of its 23rd manufacturing site to make composite LPG Gas Cylinders starting July 2014 after overcoming all teething problems. Initially, the plant is starting its production of composite cylinders for export market.

With the sole objective to increase the reach of the Company's products in Eastern Region, the Company is putting up a large Plastics Complex in Kharagpur in West Bengal, after getting all clearances, by acquiring around 53 acres of land. Plans have been drawn to create a capacity to manufacture Protective Packaging Products, various types of roto and blow moulded products and around 25000 tons of Annual capacity to produce varieties of PVC Pipe and HDPE Pipes at this location in the first phase. The Company expects that this will go into production during the last quarter of the Company's Financial Year i.e between April 2015 to June 2015

4.2 Distribution network

To boost exports initiatives, the Company has participated in several international exhibitions for Plastics Pipe Products, XF products & Furniture and LPG Gas Cylinders. The company expects that the fruits of these efforts will be seen in the current year itself. The Company expects that the export of Plastics products will be growing this year onwards.

The company continues to remain focused in the manufacture of plastics products. Your company avoids going into those products the business of which is adversely affected due to large imports. The Company as a Policy does not participate in businesses where Government subsidy is involved. Your company is continuously working to withdraw from the businesses where predominant players are from unorganized segment.

Your Company is committed to increase its reach by adding additional channel partners in several parts of the country where Company's products are not effectively available today. As a part of this initiative the Company has increased its channel partner's strength from 2051 as on 30th June 2013 to 2257 as on 30th June 2014. Your Company continues its efforts to increase its reach throughout the country as early as possible.

Your Company enjoys great loyalty from its distributors. In certain cases there are third generation distributors who are distributing the Company's products for more than three decades.

4.3 Growth Drivers

Your Company targets to increase the share of its branded products. In the year 2013-14, the sale of branded goods was higher compared to the sale in 2012-13. Your Company aims to increase its business share of branded products, year after year.

Several brands of the Company are registered. Company's several product designs are also patented. The Company continues to move in the direction of getting its designs and processes patented on a continuous basis.

The Company has invested a sum of ₹ 165 crores during last year. Your company aims to invest a sum of around ₹ 200 crores in the current year. As the business situation improves during the course of the year, your Company may invest larger sums of monies than targeted during this year itself

5. OPERATIONAL PERFORMANCE

5.1 Plastics Piping Systems

Year 2013-2014 will be remembered in the history of Polymers of a very low growth in overall Polymer consumption. The country had seen a double digit annual growth in Polymer consumption for last decade which has now tumbled down to 2.72% for the period April 2013 to March 2014. The number was even worse for the period July'2013 to June'2014 as it further went down showing a de-growth of 0.62%.

The sluggish economy coupled with political uncertainty was the main reason behind the fall in GDP. Polymer consumption could not be an exception. All along in the past polymer consumption numbers were always ahead of GDP numbers. This is the first time that polymer consumption growth rate nos. are lower than the GDP growth.

The Company's principal raw material -i.e PVC saw a similar de-growth in the consumption during the year under review. In fact it was worse than other polymer consumption. The consumption of PVC during the period April 2013 to March'2014 had seen a growth of 2%. It deteriorated during the period July'2013 to June'2014 and ended up with a degrowth of minus 6.59%.

The country being substantially import dependant for its PVC resin requirement had seen a spurt in prices due to forex volatility during the period July to December'2013. Beginning 2014 there was lot of suspense over anti-dumping duty being levied on imports from Europe, Mexico and China. This dampened the spirit of importers and as a result, the overall imports in the country saw a significant fall during the peak season of April to June. The marginal increase expected in local production also got delayed which kept PVC supplies quite tight.

The local manufacturers were under cost pressure and therefore, the resin prices remained substantially high for most part of the year compared to earlier years. Your Company relied on imports besides local procurement to ensure that PVC resin is available in adequate quantity to meet its demand during the peak season period.

On demand side, the realty sector except Bangalore and NCR Region showed a recessionary trend. The Infrastructure projects also have slowed down and so also various activities under JNNURM.

The extended monsoon in October'2013 and the unseasonal rains and Hailstorms during the months of February and March'2014 throughout large parts of the country saw a significant fall in demand for pipes going into Irrigation/ Micro-Irrigation. It also affected the Borewell segments.

In spite of all the above adverse factors your Company could register the volume growth of 6.32% in tonnage terms while in value terms the division recorded a growth of nearly 22% during 2013/2014.

The operations of Malanpur plant are well stabilized and its products both Pipes & Fittings are well received in the market. The quality of Fittings produced at Malanpur plant are well appreciated for its consistent quality as this plant is fully automated.

The operations of Malanpur Depot as well as Gadegaon Depot were also streamlined whereby customers can source any product from any location giving the advantage to customers for low logistic costs & faster delivery period as well as minimum inventory levels which they are required to keep.

The Kanpur plant ran to its full capacity. With Kanpur depot supporting, the production of Kanpur plant could substantially improve Company's market share in UP, Uttarakhand and some parts of East India which regularly sources its requirement from Kanpur.

The Company introduced 189 varieties of Injection Moulded Fittings during 2013/2014. They all have been well received in the market. This includes many products which added to the Company's existing range of Pressure Fittings, SWR Fittings, Aqua Gold series and CPVC Fittings. This has enabled the Company to provide complete solution in its portfolio.

Notable amongst the new introductions are the products going for Hi-Tech Low Noise Silent Pipe system as well as SCH 40 range of Aqua Gold Fittings. The Ball Valves, Unions and various Traps introduced during the year added to the list of Value Added Products.

The total product portfolio as on 30.06.2014 stands at 6113 which was 5682 at the close of last financial year, thus adding 431 new varieties of products in the range of various Plastic Piping Products.

This makes Supreme portfolio quite large. It re-affirms Supreme as a solution provider with unmatched range of products. The Company thus has become one stop shop for most of the requirements in Plastic Piping System.

The Company's newly introduced Silent Pipe products were sent for testing to a qualified German Laboratory which has certified the product as Low Noise. This certificate may enable the Company to market its products even in International market. The Company has made supplies of this system in the country to several High rise Buildings, Hospitals, Hotels and individual Bungalows.

The Company's CPVC product line is growing satisfactorily. The Company had a volumetric growth of nearly 20%. The Company expect the growth to maintain during the current year also as the Company is planning to install additional capacities at its Malanpur plant. The Company's CPVC based Fire Sprinkler System is currently with the certification agency. The Company expects to complete the process of certification before end of December' 2014.

The PPRC products have shown a steady de-growth in local plumbing sector. However it is doing well in Industrial sectors. The Company is pursuing an international accreditation for this system which it hopes to receive in the first quarter of current year. This Certificate may enable the Company to export its product in several parts of the World in coming years.

The Company's PE Pipes have much better acceptance in the Project and Trade market. The Company has witnessed a growth of 34% by value in this segment of business. The Company expects that growth tempo will be maintained.

The Company's Underground Drainage System products particularly Eco-Drain Pipes and Inspection Chambers are moving well in the market. The Company has doubled the capacity to produce Eco-Drain Pipes. These products are now being sourced by many Government / Semi Government Agencies and Private Developers for various Sewage and Drainage applications. The Punjab Government under its World Bank scheme is sourcing Company's products regularly for various sanitation projects.

The Company's 1000 mm and 1200 mm dia Manhole products are installed at many places by various Municipal Corporations. They are under observation to evaluate the performance before the products are finally approved for installation under various schemes.

Considering a market potential for quality water tanks, Company decided to launch 4 layers insulated Water Tanks in 500 ltr and 1000 ltr capacity. The products are premium quality products. It helps to keep water cool in summer season and prevents it from becoming too cool in winter season. The product is well accepted and based on the encouraging feedback, Company decided to develop 750 ltr capacity tanks for which there is a growing demand.

The Company is waiting to increase the capacity further but currently weighing the option between Roto Moulding and Blow moulding process to make the same. The decision will be taken very soon and new capacity will be added either at Kanpur or at Malanpur besides at Kharagpur. The Company aims to expand this product segment taking the tank capacity to higher than 1000 litre level.

The Company introduced varieties of Bath Fittings towards the end of December'2013. The launch was initially restricted to South market. After getting encouraging feedback, the Company launched the products in various markets month after month. By June the products were launched on All India basis. The Company received good support for the product. The quality of Company's Bath Fittings at market place is rated far superior compared to existing products.

With encouraging response from the market the Company aims to introduce many new varieties of products during the current year. Amongst the new products 'Quarter turn' series will be introduced in the first quarter and another 'Elegant series' will be introduced thereafter. The 'Chrome series' will be ready for launch before end of 2014 as Company is installing its own electroplating facility at Puducherry.

The Company's business in Export market saw a moderate growth. The Overseas business grew by 10% in Dollar terms. The company received the first prize from PLEX Council for Export of Fittings and second prize for Export of Pipes. The Company aims to boost Export of PPRC products after receiving necessary accreditation. Similarly,

the Company's Silent Pipe System may generate good volume of business. The Company is trying to increase its customer's base through participation in many international exhibitions.

Solvent Cement - To improve the quality of installation of Plastics Pipe System good quality of Solvents play a key role. With that objective in mind the Company installed facility to manufacture Solvent at its own plant at Gadegaon. The products are well received in the market.

The Company got its UPVC Solvent Certified with Bureau of Indian Standards and product is now available with ISI mark.

The ground breaking ceremony of Kharagpur project was done on 29.6.2014. The construction work may start in full swing by August, 2014. The Company expects to commission the plant in first half of 2015. The Company also aims to start a depot operation at Kharagpur so that the products manufactured at Jalgaon/Gadegaon and Malanpur can be stocked to service East India customers with fast service from the Depots. This will improve supply chain dramatically. The customers will be benefited from lower logistic cost with a shorter delivery period to meet their requirement.

The Company aims to install at Kharagpur an initial capacity of 25,000 Tons per annum to make varieties of pipes which will include PVC and PE pipes. Over a period the capacity may be expanded to 50,000 Tons per annum for which necessary land is already acquired.

The numbers of visitors to Knowledge Centre is increasing steadily month after month. Amongst the visitors, more thrust is given to the plumbers training which will impart necessary skills to the plumbers and installers to follow proper installation practices while installing various plumbing system and sewage products. This should enable installation of Plastic Piping System in a correct way so that the system can work for several decades giving total satisfaction to the users.

The Company's focus on introducing additional specialty products is helping to improve the sale of Value Added Products. The share of sale of Value Added Products during the year under review increased to 27.67% compared to 26.47% of last year.

The Central Government is committed to give large push to sanitation and to build affordable Houses for all by 2019 to 2022. The Company makes several varieties of products to cater for these applications. The Company expects a better growth business scenario for this division.

Apart from broadening the range of Plastics Piping Products, the Company gives focus to increase its distributor net work and spend large sums of monies for brand building.

The Company spent around ₹ 10 crores during the year by advertising on TV Channels and print media apart from holding Architects/Builders/Plumbers meet and participating in all the Exhibitions to showcase its various products.

Several of the Company brands are registered and designs are patented catering to this segment.

5.2 Consumer Products

5.2.1 Furniture

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

Turnover of Furniture Business has been stagnant at around ₹ 260 crore on account of Company's strategy to minimize participation in commodity furniture business. The Company's focus is to increase the share of value added products. The overall business in volume, thus, was down by around approx. 3300 MT i.e 13%.

The company remains committed to its investment plan to further enhance the range of value added products. New products launched were well accepted by the market. Further new products are going to be launched in the first quarter of the current year. It will broaden the range of value added products.

Some more unique design products are being planned for launch during 3rd quarter of the year. A design centre is being set-up to help developing in-house capabilities to offer unique design products for Indian market. This will support building the superior brand image of Company's products for its aesthetics, uniqueness and durability.

The launch of Designer Chairs such as 'DIVA', 'TEXAS', 'CAMBRIDGE', 'LUMINA' and 'WEB' 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.

The Company's business share of Premium Products has increased from a level of 40% in 2012-13 to 48% of overall sales in the year 2013-14. The company expects to further increase sale of Premium Products in the current year. This will improve the profitability of business and put it on sustainable growth path.

The Company has 335 Exclusive Franchise Show Rooms on All-India basis displaying entire range of Supreme Furniture to the customer in a nice ambience. The business is further supported by 679 Channel Partners, who are directly serviced by the company.

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 novel products and concepts for the first time in the country.

The number of all India branded players of quality Plastic Furniture has come down giving the Company more space to occupy such retail counters, fulfilling the aspirations from this segment of customers.

5.3 Industrial Products

5.3.1 Industrial Components

Slowing demand, both in Automotive and Consumer Durable sector observed in FY 12-13, continued during FY 13-14 also. Both Passenger Car and Commercial Vehicle

segments, where Company's presence is predominant, witnessed de-growth in the industry. Demand recession continued in white goods industry, affecting Company's sale in TV, Refrigerator and Air Conditioners segment. In anticipation of improving demand in Auto and Consumer Durables, the Division had initially projected growth of 12%. However, with continued efforts in widening customer base and product portfolio, the Division could manage to retain its last year's revenue with a marginal growth. The Division expects Revenue growth of about 12% to 15% during the current year.

Khushkhhera Plant continued its journey on growth trajectory. It has achieved revenue growth at CAGR in excess of 40%, consecutively for last 5 years. Two prestigious products of Maruti Suzuki, i.e. Ertiga and Alto 800 which were launched during previous year fetched decent revenue increase for the plant. The plant successfully started supplies to the second Honda model, i.e. Honda City and stabilized supplies fully. Development is just completed for one of the prestigious compact SUV model of Honda and supplies have started from Noida Plant.

Further, Company is developing parts for the next model of car which is Premium Hatch Back, expected to be launched by end 2014. Company expects good long term prospects with Honda Motors.

Focused drive has been taken to consolidate operations for future growth sustenance of the unit. Additional steps to re-orient the entire manufacturing operation are on the cards to strength the plant operations so that it can be ready for future growth for which Company is optimistic.

Khushkhhera plant was honored with 'Energy Conservation Award' for year 12-13, by President of India. It became the only plant in Plastics Category in the country to receive this Award Three times in last Four years.

Noida Plant revenue suffered extensively due to one of its major customers, shifted its manufacturing base to other location and simultaneously engaged into outsourcing its products from other low cost countries. Also Sales to another major AC customer suffered due to prolonged labour trouble at its plant. The Company has re-doubled its focus to develop new customers and products. The Company has for the first time started supply of completely assembled Coolers for one of it's new customer. These efforts will bring positive results in improving revenue of the Company, during current and subsequent years. Noida plant also tried and improved its customer base in Auto sector. The sales to Auto Sector improved from 2.1% in FY 12-13 to 9.8% in FY 13-14 with respect to total sale from the plant. Supplies started for Honda Car for one of its latest model. Company expects good growth in Noida plant in future.

Talegaon Plant continued to suffer due to demand recession in Auto sector. Its main customer base from Western region Auto sector, suffered badly during last year. The business of some automotive models which were acquired during previous years, did not actually took off as expected, due to low demand for these models. Although Company was ready with Cockpit Assembly line for one

of the prestigious projects of Tata Motors, the products could be supplied only in small quantity, as the vehicle production did not streamlined. Company expects the teething problems to get over during next 3-4 months and supplies should improve in second half of the current year. The demand in Two Wheeler model of Piaggio, i.e. Vespa, remained much lower than expected. While both these projects are expected to improve revenue of Talegaon plant significantly once Auto sector starts recovering, it is likely to get offset during current year, due to phase out of one of the major SUV business from Talegaon plant. Company is aggressively focusing to improve business at Talegaon by strengthening its Business Development cell. Company utilized this low demand period to re-engineer and re-layout the plant for optimum utilization of resources, improve operational efficiency and consolidate its gain to stay competitive.

Chennai Plant revenue also suffered due to demand recession. The demand started picking up during second half. Company has developed infrastructure and now ready to manufacture Washing Machine parts and sub-assemblies for one of the large MNC in Consumer Durable sector. This company is setting up its huge manufacturing facility in India and will be launching various other Home Appliance products during next few years. Regular supplies are expected to start in a couple of months. Company expects good growth with this customer in years to come.

The revenue in automotive sector for this unit is also improving and it is expected to form a significant portion of plant revenue. Chennai plant continued to have adverse effect due to continuous power shortage in Tamil Nadu. However, the Company could ensure trouble free supplies to all the customers, even running the plant by using expensive captive power. Power situation is now improving and expected to improve further.

Pondy Plant revenue grew by 18% due to improved demand of Washing Machine parts from the Company's main customer. The drive taken during previous year to automate the plant for man power rationalization, consistency in quality and improving productivity, started yielding good results. Plant has achieved fairly good reduction in man power due to all these activities. TPM journey is being continued to improve operational parameters to next level.

At Durgapur & Gadegaon Plants, the utilization of the facility installed during previous year, for one major customer from Water Purifier segment, started improving during last year. There is steady pickup in demand for this product during last few months. The Company expects this business to grow steadily during years ahead. Company supported launch of two more new models in this product segment.

Durgapur Plant witnessed sluggish demand from its major customer in auto battery segment. The demand picked up during last quarter of the year and Company expects better growth during this year from this customer.

In line with its drive to consolidate man power, company has decided to put more investment and efforts in automation since last two years. The same efforts will be

continued during the current year also. The new machines and equipments which are being added are equipped with the latest Technology, Energy efficient and designed for Good repeatability for better quality. All these initiatives will ensure better Quality, Productivity, Safety, Energy conservation and Cost optimization. These measures have also helped Company to negate the impact of inflation due to various manufacturing cost increases and there by remained competitive.

During the year, Company has also managed to get price corrections from some of its customers. Efforts are on to get it from all the customers.

The initiatives for implementing TPM at Noida Plant have started showing good results in terms of Equipment up keep, Quality consistency, Safety and Employee Morale.

Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. Focus on Energy Cost Management include even power buying through power exchanges. These initiatives 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 continuously get re-certified with up-graded versions of the system, as & when required.

Company has taken lot of HR initiatives at all its locations. Structured approach to bridge the Competency Gap and Performance Management System is being monitored to enhance Human Capital. Lot of Employee Engagement activities are initiated at all plants.

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. All employees are constantly re-oriented to ensure utmost focus on Customer Satisfaction.

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 growth with profits.

5.3.2 MATERIAL HANDLING PRODUCTS

This division caters to Industrial and Agricultural sectors. Most of the manufacturing sectors have suffered last year. The company was successful in retaining all major reputed customers with excellent service and reliable supplier reputation. Hence Industrial crates business still grew by 16%. However, due to tough business conditions many customers deferred the purchases. The soft drink business of company was severely affected due to poor off take from both the reputed customers and had a de- growth of 32%.

Moreover, the fruits and vegetable crates business being switched over to reprocessed material where your company does not participate and this sector also had a de- growth of 6%. This could be neutralized to great extent by growth

in Pallet sales by 28%. Hence the division had a marginal de-growth of only about 1%. The company continues to service its client with least lead-time at economical cost by manufacturing at six own manufacturing sites spread across the country.

Anticipating our customers' future needs, the Company had moved to giving heavy duty Industrial crates with superior product design moulds catering quality conscious customers in automobile, appliance and logistics industry. The company's products for a heavy-duty requirement in Fishery Industry have also been well accepted. Company also developed 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. Presently, the strength of Channel partner is 192 nos. as against 140 nos. at the beginning of the year. The plan is for further increasing the Channel partner strength to 220 nos in the current year.

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 industry's 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 Export applications have been well accepted in the market. The company's enhanced Injection Moulding Pallet making capacity at Gadegaon is functioning well. The company has succeeded in servicing bulk Pallet requirements from reputed customers for their automated handling systems. Company plans to enhance Pallet production capacity further during the current year.

BIS have 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. The Company has suitable Pallets with these specifications in its range. The field trials are on and the company expects good business prospect from this application.

5.4 Packaging Products

5.4.1 Packaging Films

Performance Films Division

The Performance films business had a positive growth during the year. Domestic Sales Grew from 3854 tons in 12-13 to 5032 tons in the current year resulting in 30% of volume growth. The turnover in value terms has gone up by around 26%. This is the first time the division has crossed ₹ 100 crore sale figure.

Few new players have entered this already overcrowded market. Oil Packaging films, which is highly competitive business; continued to be the major segment of sales of this division.

The company has been concentrating on development and sale of higher value-added products. Some specialty films have been developed this year which would contribute to improve performance in the coming year.

Exports were 513 tons against 636 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. To achieve this, the company is planning to take part in some international exhibitions.

The Company expects a volume growth of 10 - 15% in the current year.

5.4.2 PROTECTIVE PACKAGING PRODUCTS

Business for PPD Products grew by 19% over last year. Business in construction and insulation vertical registered poor growth as many approved projects were stalled and payments from contracting firms continued to be inordinately delayed. Packaging vertical continued to grow well. Power supply in Hosur II has eased since May this year. Capacity utilization will be better this year. The Company may further add a Fourth press towards the fourth quarter this year.

a. Packaging vertical:

Demand for the computer and automobile industries continue to be subdued. In the computer industry, the demand is shifting towards mini pads and laptops instead of PC's, resulting in a reduced consumption.

Automobile Industry also had a negative growth which has impacted growth in the sale of products for this business. In spite of continued increase in competition for several of the Company's commodity products, this vertical has been able to grow on account of increased reach as well as development of several new products for a variety of applications. This has been achieved due to good work done by application and product development team. Supplies to the Eastern zone were restricted on account of both logistic availability and logistic cost.

A new Plant to manufacture several products of PPD is being set up in the upcoming Kharagpur complex of the Company. This is expected to go on stream by the last quarter of this year. Business in the Eastern zone will be boosted on start up of this plant.

The division continues to focus on new product and application development to stay ahead of its competitors.

b. Construction vertical:

This vertical has achieved a growth of 8.9% inspite of the poor demand mentioned above. Actions taken last year have resulted in this marginal growth. Water proofing membrane is gaining acceptance though slower than expectations. However, approvals are on the rise. The Company is confident that business

for the same will be better in this year. Some new products have also been introduced this year. This vertical should grow well this year.

c. Insulation vertical:

Sale of insulation products grew only by 11% on y-o-y basis. Business was not encouraging in the first half of the year. However, since then it has picked up steadily during the second half of the year. In the last quarter it registered a 20% growth over the previous year. It is expected that the new plant at Hosur unit II will be better utilized in the current year. The division is also launching higher ID chiller pipe insulation material for the first time in India. It is expected to be launched in the second quarter of the financial year.

INSU reflector is now the best choice for the insulation of PEB buildings. This product has recorded 47% growth against last year. The division is now working towards manufacturing this product at all its PPD locations.

Acoustic insulation is another potential area for this vertical. The division has tied up with ARAI (The Automotive Research Association of India), for technological support and to develop new applications and products. A new range of products specially manufactured in required specifications will be launched during the year, using some of the Company's existing manufacturing lines. The Company believes that this product line will add good value to the division in the coming years.

The division had started NBR insulation tube processing in a small way to establish the product in the market. The product now has a brand image by virtue of the quality standards maintained by the Company.

To increase the profitability, the division is working to enhance the existing productivity by installing additional extruder and multi-head die to reduce conversion cost. The division is further considering to add new capacities to manufacture both NBR PVC sheet and tube subject to techno commercial viability. This may enhance the Company's reach in the market and give the Company a wide range of insulation products.

d. Technology:

During the year the Company has re-engineered two foam extruders which has resulted in 12% productivity increase. Further projects are being taken to upgrade the productivity of other old extruders both in PE Foam and Air Bubble Film.

Automation initiatives are now a focus of the division. Many new improvement projects are being taken to improve the productivity per person, especially in conversion activities and material handling.

Cross-linked foam is a thermoset material. Reusage of scrap is not possible easily. Over the last couple of years, the division has been working on recycling the scrap and using it back. As a result, overall scrap sale of this product has come down. Further efforts in this direction are yielding good results. The Company

expects that the sale of scrap of cross-linked foams will become negligible in this year.

The division has indigenously, successfully developed open cell XLPE. This is an import substitute for acoustic insulation application. The product has found good acceptance.

The division is working to develop EPDM range of products on the existing two stage block foam plant. The Company expects capacity of this line to be fully utilized by the end of this year.

New technologies will be introduced in the Capcell&Litecell range of products to achieve identical quality specifications in a lower density against existing densities

Fire resistant (FR) products are a necessity in many applications. Development are now being taken by R&D Department of Insulation products which are cost effective and higher FR value.

The Company expects this division to grow between 15 to 20% in value in this year.

5.4.3 Cross Laminated Film

Business for Cross Laminated film and products grew by 7% in Value terms. The Company sold 17509 tons of products against 17715 tons during the previous year. Exports fell by 6% to 1883 tons from 2004 tons.

The main factors that contributed to degrowth in volume terms were the sluggish economic conditions prevailing in the country & the El Nino phenomenon. The liquidity crunch restricted customers buying capacity which hampered sales. The El Nino completely disrupted progress of monsoon rainfall in India & there were scanty rains during the month of June this year. This adversely affected the company's sales in June which is supposed to be the peak month for the sale of tarpaulins.

The new product in roll form in 35GSM launched at the end of last year to cater to separate segment 'BARSATI' made foray in the Indian market but the sales were below expectations.

The 35GSM Silpoly Liner is a wonder product. The company envisaged principally 'BARSATI' segment when it launched the product. However, the product found myriad applications for its usefulness to its customers. Due to thinness of the film the penetration of the product was slow. However, the future for the growth of market for this product is quite encouraging.

Among the other new product, Roll on reel, made up products and laminates received encouraging response from the market. These new products augur well for growth of business in the year 2014-15 and beyond.

With the stable Government at the centre there are budding signs of recovery in the country's industrial sector & the economy is looking up. The World Meteorological Organisation (WMO) has predicted 80% chance of El Nino now developing only in the month of October 2014. Even the Indian Meteorological Department (IMD) is already expecting better rains in July & August this year.

The company is hopeful of doing better in the current year against the backdrop of encouraging atmosphere.

On export front, though the company was able to make major break-through in Canada & Africa & expand its base in European Market there was degrowth in Asian market due to competition from counterfeit/cheap products from China.

The company expects good volumes from the Canadian & African market which was tapped last year. There is good demand for company's film in Africa for pond lining application. The company has developed specialized fabricated products for the U.S. market & is planning to enter the U.S. market in an effective way during the current year.

The company is promoting Cross Line Bonded Film product in the Asian Market which has Patent protection till the year 2023 to compete the counterfeit products from China.

The company sold 583 tons of Cross line bonded film product against 261 tons in 2012-13 during the year under review. The sales are expected to go up with the growing demand for made up products from Cross line bonded film & its promotion in the World Market.

The production of Cross Plastic Film has been started by two licensees of Company's collaborator. The problem of shrinkage of film faced by these licensees have been overcome by the collaborator. They claim to have perfected the technology. They have contacted the machine manufacturer regarding engineering and design of modified production machinery & its cost. Once the company receives input from the machine manufacturer and after feasibility establishment of the Project, it may take steps to set up manufacturing facility at existing unit at Muvala.

5.5 Construction Business

Your Company has executed its maiden project "Supreme Chambers" which is an excellent signature commercial premises and Platinum Certified Green Building. The premises have all requisite facilities and approvals in place and building is fully operational. Eight members/owners are operating their business activities from their respective premises for quite some time now smoothly.

Although enquiries continue to flow but due to sluggish market conditions particularly in the segment of commercial premises, these inquiries are getting materialized at a slower pace than expected.

Your Company is pleased to inform that during the year, company has sold 37,823 sqft premises and realized ₹ 60.20 crores involving three customers. All the transactions have been smoothly completed.

Out of the total saleable area available of about 2,79,529 sq. ft., Company has till now realized net ₹ 201.93 Crores against sale of 1,30,455 sq. ft. and , remaining area to be sold, after keeping an area of about 6681 sq. ft. for self-use by the company, would be about 1,42,393 sq. ft.

Finally Mumbai has witnessed much awaited project of the city -Metro running with the inauguration of Versova - Chhatkoper Metro Train Link. Mumbai's first metro railway link, which is connected with the North Western Suburb of

Andheri-Ghatkopar on the North Eastern peripheral, is all set to be a game changer for the suburbs realty landscape of the city, which was eagerly awaiting a trigger point to ignite the market sentiments.

The Metro Rail have positive impact on the Western Suburbs, due to better connectivity to eastern suburbs. Your Company's project "Supreme Chambers" has the location advantage since it is in close proximity to now functional metro station, Suburban 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 prime location for commercial establishments.

It is observed that new construction in commercial space is minimal. Company is optimistic and expect commercial property market to revive soon once the existing supply availability reaches to a reasonable level coupled with revival in general economic conditions. In view of same, the Company has thought of selling only a small part of the inventory at prevailing prices and to wait for the opportune time for revitalisation of market conditions to get better valuations for the remaining part of the premises.

5.6 New Initiatives

5.6.1 Composite LPG Cylinder

Your Company is pleased to inform that the state of the art composite LPG Cylinder facility at Halol with an installed capacity of about 4,50,000 cylinders has gone into commercial production effective from July 2014.

Cylinders manufactured at the Company's Plant at Halol, have been approved for ISO and EN standards by TUV Rheinland. The Company has received pie mark for TRANSPORTABLE PRESSURE EQUIPMENT DIRECTIVE (TPED). Its cylinders have also been approved by various countries like Republic of Korea from the Korean Gas Safety Corporation (KGS), Kenya from Kenya Bureau of Standards (KEBS) and UAE from Emirates Authority for Standardization and Metrology (ESMA).

Your Company has also been accredited with ISO 9001, ISO 14001 and OHAS 18001 by TUV Rheinland for quality and environmental systems.

Composite LPG Cylinders are expensive than metal cylinders, presently in use. However, these cylinders are light weight, explosion proof, leak proof, rust proof, safe and aesthetic in appearance. Their translucent body would enable one to see the gas level and would provide value for money to end consumer.

Your Company has received orders for 50,000 Cylinders from Republic of Korea. Shipment of the first lot order of containing 11,880 Cylinders is already commenced and should be over by First week of August 2014.

Your Company had planned to offer cylinders in six different sizes i.e 12.5 Litre, 18.2 Litre, 20.6 Litre, 24.5 Litre, 30.5 Litre and 33.3 Litre. Out of the six sizes, Company is ready with four sizes i.e 12.5 Litre, 24.5 Litre, 30.5 Litre and 33.3 Litre.

Your company has received many encouraging export enquiries from different countries which the Company hopes will be converted into orders in the current Financial Year.

For any new manufacture of LPG Cylinders, acceptance is a long drawn process as each country has its own approval process. After approval, conversion into order also takes its own time as it takes time for preparations as per buyers norms. Production can commence only after all details are received from the prospective buyers along with their orders. Hence, it is difficult to forecast about the quantity which can be achieved by the Company in the current financial year.

5.6.2 Composite Pipes :

In spite of best efforts to reconcile and resolve the differences arisen with its technology provider M/s. NBL Corporation of Japan, no satisfactory resolution could be achieved by the company. Plant which was installed in February, 2013 is lying idle and Company is exploring other alternates/options to revive the project, if feasible.

5.6.3 Composite Pallets :

Company had entered into a Technical tie-up with LOMOLD of South Africa to manufacture lightweight & heavy duty Plastic Pallets reinforced with Glass Fiber. LOMOLD has the patent for the technology and process for the same. The project is delayed due to some technical and unavoidable reasons at our collaborator's end. Company wants to establish the product with full satisfaction before proceeding with large investment. The efforts are being made to establish the product and start manufacturing during 4th quarter of financial year 2014-15.

6. FINANCE

An abnormal Depreciation of Indian Rupee vis-à-vis US Dollar was witnessed in the first quarter of Company's Accounting year i.e. July to September, 2013. In the following quarters, till March 2014 even though the rupee has appreciated from its earlier lower levels, it continued to remain volatile vis-à-vis dollar. The crude oil prices have also remained at an elevated level. The above factors have resulted in increase in the landed cost of the Company's raw material (polymers), which necessitated the company to maintain higher levels of working capital.

However, in April-June, 2014 quarter (being the last quarter) due to higher generation of accruals coupled with realization from sale of premises at Supreme Chambers & better control on working capital, there is a substantial reduction in overall working capital utilisation. Consequently borrowing level at the close of the year has remained, at around the same level of previous year, at ₹ 469.91 crores as against ₹ 469.85 crores as on 30th June 2013.

The Company has repaid Term Loan installments aggregating to ₹ 62.36 crores during the year 2013-14 (including pre-payment/repayment of fixed deposits of ₹ 3.42 crores). The company has refinanced one of its foreign currency loans of US \$ 20 million equivalent to ₹ 108.20 crores at a considerable lower rate of interest. It has also availed fresh Rupee Term Loan of ₹ 120 crores during the year at competitive pricing.

The Company has refunded the entire quantum of fixed deposits. The Company has decided to discontinue mobilization of Funds through F.D. route as the same has been found to be very expensive.

The Interest and Financial cost has gone up to ₹ 76.14 crores from ₹ 54.80 crores in the previous year mainly due to (1) Deployment of larger of funds requirement for Working capital during the major part of the year, (2) Increase in hedging cost of Foreign Currency exposure, (3) Higher level of interest rates & (4) Revenue recognition of the interest cost in respect of certain projects (which have started commercial production), which hitherto was being capitalized.

The outstanding Interest bearing Liability as on 30th June, 2014 bears average Interest rate of 8.91% vis-à-vis 9.31% as on 30th June, 2013. The company has been sanctioned total Working Capital limits of ₹ 500 crores by the Consortium Member Banks. The Company has mainly resorted to the placement of Commercial Papers & availment of short term unsecured borrowings, to meet its Working capital requirements at lower rates. The Company also availed Buyer's Credit loans for financing its import of raw material and capital goods by way of hedged foreign exchange exposure at competitive rates.

As per Company's policy, it keeps all its long term foreign exchange liabilities fully hedged till the dates of their respective maturities. However as a matter of prudence and looking at stable scenario of rupee vis-a-vis dollar, and to remain competitive towards its raw material cost, the company has kept its short term foreign exchange exposure partially hedged.

The Company's Capital Expenditure plan of ₹ 230 crores (Capex) as envisaged earlier, has been curtailed to about ₹ 170 crores in view of lower than expected growth in the business.

Out of the above ₹ 165.30 crores has been incurred during the year & put to ground. The investments were principally made in following segments:-

- a) To install additional capacities in Plastic Piping Div. and introduce new varieties of fittings
- b) To introduce new model of furniture products
- c) To replace some capacity of moulding machines with energy efficient machines at various locations
- d) Investment in automation and balancing equipments at various locations

During the year company has realized a sum of ₹ 55.95 crores from the sale of part of its commercial premises, which has strengthened the cash flows of the company. Capex of ₹ 165 Crores and increased working capital requirements have been funded partly from the internal accruals & suppliers' credit, thus ensuring that the Borrowing level at close of the year is almost at the same level as compared to previous year.

During the current year 2014/15, the Company envisages total Capex of about ₹ 200 crores (to be funded through accruals and suppliers' credit), mainly in the following segments

1. To build the Khgaragpur Complex having following facilities.
 - a) Protective Packaing Products
 - b) PVC, HDPE and Pipe Production capacity
 - c) Rotomoulding and Blow moulding facility to make varieties of plastics products
2. To start electropolating Unit at Pondicherry for Chrome Plate of Bath room fitting and accessories.
3. To introduce several additional varieties of Pipe fittings & Bath fittings.
4. To install additional Injection Mulding machines at Jalgaon and Malanpur
5. To augment premium range of Furniture with new design Products
6. To automate remaining plants at Jalgaon
7. To replace installed additional injection moulding machines by new energy efficient machines and other balancing equipments for better production efficiency in industrial product division.
8. To install roto moulding/Blow moulding facility at Malanpur.
9. To expand capacity of Protective Packaging Products at Hosur and Malanpur.

Company is resolved to improve its operating performance backed by higher contribution from value added products, efficient management of working capital requirements with productivity improvements in all its manufacturing plants. The Company is committed to reduce its average borrowing levels during the current year as compared to previous year level of about ₹ 792 Crs., thereby aiming to reduce the overall finance cost.

With stable performance of the company backed by strong financial parameters, achieved year after year, CRISIL has reaffirmed its long term rating of the company which is presently AA-/ positive which signifies high degree of satety& Short Term Debt programme Rating A1+ (which is the highest short term rating) 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 & 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 2013-2014.

a) Rural Health Improvement Program :-

The Company's rural health improvement mission has now entered fourth year since its inception in January 2011 and is continuing to show positive impact on the health parameter of the tribal masses in the areas covered by the program.

The health centre which is operated from Dhadgaon in NandurbarDist is providing medical facilities at the door steps to 28 villages having an aggregate population of around 25,000 inhabitants.

In addition to the above other complimentary activities include health check-ups for students studying at Ashramshala's and Anganwadi's, health check-up camps for villagers, health awareness programs through examinations and workshops and counseling sessions for female students.

This year, this service has benefited 4239 nos. of patient. Health camps conducted in Ashramshalas & Anganwadis have benefited 926 students. There was overwhelming response to the workshops which were conducted throughout the year. As many as 393 female students in their adolescence participated in these workshops. The examinations conducted with a aim to create health awareness amongst student fraternity received encouraging response with a participation of record 1536 numbers of students.

The company is also providing green vegetable seeds to rural masses and encouraging them to grow at their

homes. This will enable them to include it in their diet and help them fight with menace of mal-nutrition.

b) Rural Sanitation Program :-

In furtherance to its' long term goals, company has provided 4th unit of ladies public toilet with capacity of 8 blocks for 200 ladies of Gadegaon village.

Thus, the public toilet facility has been provided to entire female population of Gadegaon village.

c) ATM facility at the company's main gate:-

A need was felt to provide ATM facility that will benefit not only the employees of the company but also the people of Gadegaon and surrounding villages. Such facility was also desired by people travelling on Jalgaon - Aurangabad state highway due to increased commercial activity on account of increased industrialization, farming and education.

The ATM facility is provided by Axis Bank at company's premises and accessible to all.

This has gained popularity and being used by 100-125 people every day.

d) Improvement in Rural Educational :-

Company has provided infrastructure to "JilhaParishad Marathi School" at Gadegaon village and "JilhaParishadPrathamikVidyaMandir" at Hingana village by way of computer room, PC's, furniture & other accessories for bringing computer literacy at a young age.

This facility has benefited 431 students from these villages.

e) Environment :-

Company continues to work relentlessly for cleaner and greener environment.

Energy Conservation -

Company has participated in energy conservation award instituted by "Maharashtra Energy Development Agency" (MEDA) for the year 2012-13 and results are awaited.

The company is also planning to get its Gadegaon plant certified for ISO 50001 (Energy Management system) during the year 2014-15.

Water Conservation -

Company's Gadegaon unit continues to reduce it's specific water consumption by adopting and implementing new technology and products. Company has achieved 4.70 % reduction in specific water consumption over the previous year.

Social funding through Magazines:-

The company has generously funded various magazines which are published and widely circulated in rural areas for educating farmers, villagers in areas of modern farming techniques, water management, dairy business, horticulture, floriculture, food processing, export activities, organic fertilizer, use of information technology in farming, and various Govt. schemes.

f) Grant/ contribution for Educational and Healthcare facilities

The Company generously contribute 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.

During the previous year, Company has donated a sum of ₹ 196.87 lacs to several registered trusts apart from providing company's goods at a special prices to Philanthropic NGOs and Trusts. These Trusts are providing education, vocational training at a very low cost and grants for medical help & education. Few of them are

- Shri Vraj Bhagirathi Charitable Trust
- Smt. MoharideviTaparia Memorial Trust
- Shri SurajmalTaparia Memorial Trust
- Shri JeetmalTaparia Memorial Trust
- Shri KrishangopalGosadanSamiti

Company has decided to undertake programs for the improvement of educational & Sanitation facilities in village schools near to its plant at Durgapur, Puducherry, and Malanpur, apart from Gadegaon. 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.

Corporate Governance

PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Good Governance ensures adoption of best business practices, and accountability of the persons 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:

- (i) As on 30th June 2014 the Board comprised of 9 Directors.viz Managing Director, two Executive Directors and six Non Executive Directors comprising four independent Directors. The Chairman of the Board is Non -Executive Director.

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 | 2 | 2 | – |
| Shri S. J. Taparia | Promoter / Executive Director | 4 | 2 | 1 | 3 |
| Shri V. K. Taparia | Promoter / Executive Director | – | 1 | – | – |
| Shri S. R. Taparia | Independent / Non Executive Director | 1 | 4 | – | 2 |
| Shri B. V. Bhargava | Independent / Non Executive Director | 6 | – | 5 | 6 |
| Shri Y. P. Trivedi | Independent / Non Executive Director | 4 | 1 | 2 | 3 |
| Shri N. N. Khandwala | Independent / Non Executive Director | – | – | 2 | 1 |
| Shri H. S. Parikh | Non Executive Director | 3 | – | 1 | 9 |

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

- (ii) During the Financial Year 2013 - 2014 the Board met on Five occasions i.e. on 18th July, 2013, 17th September, 2013, 29th October, 2013, 22nd January, 2014 & 23rd April, 2014 :

Attendance of Directors at the Board Meetings held during 2013-14 and the last Annual General Meeting held on 17th September, 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 B. V. Bhargava | Independent / Non Executive Director | 5 | 4 | Yes |
| Shri Y. P. Trivedi | Independent / Non Executive Director | 5 | 4 | Yes |
| Shri N. N. Khandwala | Independent / Non Executive Director | 5 | 5 | Yes |
| Shri H. S. Parikh | Non Executive Director | 5 | 5 | Yes |

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, 2013 as well as those of the listing agreement. The brief terms of reference of the Audit Committee includes the following:

- Over seeing the Company's financial report process and the disclosure of its financial informations.
- 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 2013 - 2014

| Members | Category | Meetings held | Meetings attended |
|--------------------------------|--------------------------------------|---------------|-------------------|
| Shri N. N. Khandwala -Chairman | Independent/ Non Executive Director | 7 | 7 |
| Shri H. S. Parikh | Non Executive Director | 7 | 7 |
| Shri S. R. Taparia | Independent /Non Executive Director | 7 | 7 |
| Shri Y. P. Trivedi | Independent / Non Executive Director | N.A. | N.A. |

Note : Shri N. N. Khandwala has been appointed as a Chairman of the Audit Committee with immediate effect, by the Board of Directors at its meeting held on 23rd April, 2014. Shri H. S. Parikh, was the Chairman of the Audit Committee up to 23rd April, 2014. Shri Y. P. Trivedi, Independent Director is inducted as a Member of Audit Committee by the Board of Directors at its meeting held on 21st July, 2014.

3. NOMINATION AND REMUNERATION COMMITTEE (earlier named as REMUNERATION COMMITTEE)

(i) 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.

(ii) Composition

| Members | Category | Meetings held | Meetings attended |
|---------------------------------|--------------------------------------|---------------|-------------------|
| Shri Y. P. Trivedi - Chairman * | Independent / Non Executive Director | N.A. | N.A. |
| Shri H S Parikh ** | Non Executive Director | 1 | 1 |
| Shri B. V. Bhargava | Independent / Non Executive Director | 1 | 1 |
| Shri N N Khandwala | Independent / Non Executive Director | 1 | 1 |

* Shri Y. P. Trivedi, Independent Director is inducted as a member of Nomination & Remuneration Committee & appointed as a Chairman of the Committee by the Board of Directors at its meeting held on 21st July, 2014.

** Shri H. S. Parikh was Chairman of the Committee up to 21st July, 2014.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE (EARLIER NAMED AS 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 / Non Executive Director | 2 | 2 |
| Shri S. R. Taparia | Independent/ Non Executive Director | 2 | 2 |
| Shri M. P. Taparia* | Promoter / Managing Director | NA | NA |

* Shri M. P. Taparia Promoter / Managing Director is inducted as a member of Stakeholder Relationship Committee by the Board of Directors at its meeting held on 21st July, 2014.

During the year, the company received 102 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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted pursuant to section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee of the Board consist of the following Directors as Members:

| Name | Position | Category |
|----------------------|----------|--------------------------------------|
| Shri N. N. Khandwala | Chairman | Independent / Non Executive Director |
| Shri B. L. Taparia | Member | Promoter / Non Executive Chairman |
| Shri M. P. Taparia | Member | Promoter / Managing Director |

The Committee shall formulate and recommend to the Board, a CSR policy and recommend the amount of expenditure to be incurred on the CSR activities.

6. (A) REMUNERATION PAID TO DIRECTORS DURING 2013 - 2014 :

| Sr No. | Names | Category | Sitting Fees | Salary & Perquisites | Commission | Total |
|--------|----------------------|--------------------------------------|----------------|----------------------|------------------|------------------|
| 1 | Shri B. L. Taparia | Promoter / Non Executive Chairman | 100000 | 0 | 0 | 100000 |
| 2 | Shri M. P. Taparia | Promoter / Managing Director | 0 | 13064234 | 43728467 | 56792701 |
| 3 | Shri S. J. Taparia | Promoter / Executive Director | 0 | 13075631 | 43728467 | 56804098 |
| 4 | Shri V. K. Taparia | Promoter / Executive Director | 0 | 12439113 | 43728467 | 56167580 |
| 5 | Shri S. R. Taparia | Independent / Non Executive Director | 280000 | 0 | 0 | 280000 |
| 6 | Shri B. V. Bhargava | Independent / Non Executive Director | 100000 | 0 | 0 | 100000 |
| 7 | Shri Y. P. Trivedi | Independent / Non Executive Director | 80000 | 0 | 0 | 80000 |
| 8 | Shri N. N. Khandwala | Independent / Non Executive Director | 300000 | 0 | 0 | 300000 |
| 9 | Shri H. S. Parikh | Non Executive Director | 260000 | 0 | 0 | 260000 |
| | Total | | 1120000 | 38578978 | 131185401 | 170884379 |

(B) EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 30TH JUNE 2014 :

| Sr. No. | Name of the Non-Executive Director | No. of Shares |
|---------|------------------------------------|---------------|
| 1) | Shri B. L. Taparia | 367398 |
| 2) | Shri S. R. Taparia | 2630 |
| 3) | Shri B. V. Bhargava | 17500 |
| 4) | Shri Y. P. Trivedi | 20010 |
| 5) | Shri N. N. Khandwala | 260750 |
| 6) | Shri H. S. Parikh | 125300 |

7. CEO / CFO CERTIFICATION :

Shri M. P. Taparia, Managing Director and Shri P. C. Somani, CFO, 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 violative of 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 21st July, 2014.

8. GENERAL BODY MEETINGS.

Location and time of last Three AGM's held :

| Year | Location | Date | Time |
|-----------------|---|----------------------|-----------|
| 2011 - 69th AGM | Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020 | 14th September, 2011 | 4.00 p.m. |
| 2012 - 70th AGM | Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020 | 17th September, 2012 | 4.00 p.m. |
| 2013 - 71st AGM | Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020 | 17th September, 2013 | 4.00 p.m. |

9. COMMUNICATION TO SHAREHOLDERS:

The Quarterly results of the company are published in widely circulated newspapers such as The Economic Times (English), Business Standard (English) & 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 Companies Act. 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.

10. 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 included procedures to be followed and disclosures to be made while dealing with the shares of the Company.

11. MANAGEMENT DISCUSSION AND ANALYSIS :

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

12. DISCLOSURE REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS :

During the financial year 2013-14, 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 appointment/re-appointment are given here in below:

| Name of the Directors | Shri B.L. Taparia | Shri N.N. Khandwala | Shri Y.P. Trivedi | Shri V. K. Taparia | Shri B. V. Bhargava | Shri H. S. Parikh | Smt. Rashna Khan |
|--|--|---------------------------------|---|--|--|--|--|
| Date of Birth | 25/11/1934 | 04/07/1933 | 06/01/1929 | 26/10/1955 | 16/04/1936 | 16/03/1927 | 03/09/1963 |
| Date of Appointment | 15/06/1977 | 23/09/1982 | 30/08/2003 | 29/10/1984 | 25/09/1996 | 29/06/1982 | 21/07/2014 |
| Expertise in specific functional area | Overall guidance in framing Business policies and social work. | Stocks & Shares and Social Work | Legal and Tax Expert | Industrialist having rich Business experience. | Overall guidance in forming Business Policies | Practicing Chartered Accountant | Legal |
| Qualifications | B.Com | Inter Science | B.Com, L.L.B. | B. Com. | M.com., L.L.B | Chartered Accountant | B.A. L.L.B, Solicitor, Mumbai and Solicitor, England & Wales |
| Chairman / Director of other companies | 1. Supreme Petrochem Ltd 2. Supreme Capital Management Ltd. 3. Venkatesh Investment & Trading Company Pvt . Ltd. | NIL | 1. Reliance Industries Ltd. 2. Zodiac Clothing Co. Ltd 3. Emami Ltd 4. New Consolidated Construction Ltd. 5. Trivedi Consultant .Pvt Ltd. | Venkatesh Investment & Trading Co. Pvt. Ltd. | 1. Excel Crop Care Ltd. 2. Grasim Industries Ltd 3. J.K Lakshmi Cement Ltd 4. L&T Infrastructure Finance Company Ltd 5. Grasim Bhiwani Textils Ltd 6. L&T Finance Holding Limited | 1. Elecon Engg. Com Limited 2. Eimco Elecon (India) limited 3. Simplex Casting Limited | NIL |

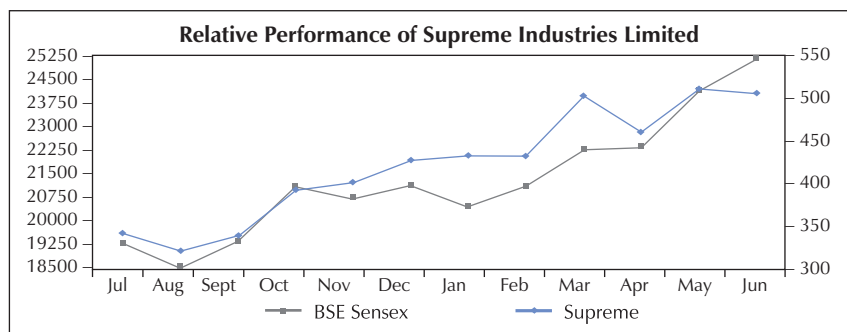
| Name of the Directors | Shri B.L Taparia | Shri N.N Khandwala | Shri Y.P Trivedi | Shri V. K. Taparia | Shri B. V. Bhargava | Shri H. S. Parikh | Smt. Rashna Khan |
|--|------------------|--------------------|------------------|--------------------|---------------------|-------------------|------------------|
| No. of Equity Shares held in the Company | 367398 | 260750 | 20010 | 344890 | 17500 | 125300 | Nil |

13. 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.

14. GENERAL SHAREHOLDER INFORMATION.

- (i) Registered Office : 612, Raheja Chambers, Nariman Point, Mumbai 400 021.
- (ii) Book Closure Date : From 10th September , 2014 to 17th September, 2014. (Both days inclusive)
- (iii) AGM Date & Venue : On Wednesday the 17th September, 2014 at 3.30 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020.
- (iv) Dividend payment : Within the statutory time limit.
- (v) Listing on Stock Exchanges : (i) Bombay Stock Exchange (BSE),
(ii) National Stock Exchange of India Ltd., (NSE),
- (vi) Listing Fees : Annual Listing Fees for the year 2014 - 2015 have been paid to both the Stock Exchanges.
- (vii) Trading Group : (i) BSE : "B-1" Group,
(ii) NSE : "Other Securities"
- (viii) Stock Codes : (i) BSE : 509930
(ii) NSE : SUPREMEIND
- (ix) Relative performance of Supreme Share Price v/s. BSE Sensex :



- (x) Key Financial Reporting Dates F.Y. 2014 - 2015.

- Unaudited Results for the First Quarter ended September 30, 2014. : On or before 15th November, 2014
- Unaudited Results for the Second Quarter ended December 31, 2014. : On or before 15th February, 2015
- Unaudited Results for the Third Quarter ended March 31, 2015. : On or before 15th May, 2015
- Audited Results for the F.Y. 2014 - 2015 : On or before End August, 2015

(xi) Shareholders Assistance

| | | |
|------------------------------|---|--|
| Investors Service Department | : | Shares 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 |

15. DISTRIBUTION OF SHAREHOLDING (AS ON 30TH JUNE, 2014)

| No. of Equity Shares held | No. of Shareholders | Percentage of Shareholders | No. of Shares | Percentages of Shareholdings |
|---------------------------|---------------------|----------------------------|------------------|------------------------------|
| Upto 500 | 21366 | 78.73 | 2410719 | 1.89 |
| 501 - 1000 | 2042 | 7.52 | 1684271 | 1.33 |
| 1001 - 2000 | 1593 | 5.87 | 2394466 | 1.89 |
| 2001 - 3000 | 644 | 2.37 | 1630797 | 1.29 |
| 3001 - 4000 | 294 | 1.08 | 1047018 | 0.82 |
| 4001 - 5000 | 263 | 0.97 | 1244991 | 0.98 |
| 5001 - 10000 | 448 | 1.66 | 3221090 | 2.54 |
| Over 10001 | 489 | 1.80 | 113393518 | 89.26 |
| Total | 27139 | 100.00 | 127026870 | 100.00 |

16. CATEGORIES OF SHAREHOLDERS (AS ON 30TH JUNE, 2014)

| Category | No. of Shareholders | Voting Strength (Percentage) | Number of Shares held |
|-----------------------------------|---------------------|------------------------------|-----------------------|
| Promoters | 16 | 49.69 | 63120005 |
| Non Residents Individuals / OCB | 585 | 0.47 | 592192 |
| Companies | 473 | 4.86 | 6180562 |
| FII's / FI's / Mutual Fund / Bank | 160 | 26.38 | 33528854 |
| Individuals | 25905 | 18.60 | 23605257 |
| Total | 27139 | 100.00 | 127026870 |

**17. 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. 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.

18. DEMATERIALISATION OF SHARES

: 124175995 Shares are Dematerialized (as on 30.06.2014) (97.76% of total Shares viz. 127026870 shares)

**19. ADDITIONAL INFORMATION REGARDING :
THE COMPANY IS ALSO AVAILABLE ON THE
COMPANY'S WEBSITE AT**

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

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

| Month | BSE | | | NSE | | |
|------------------|--------|--------|--------|--------|--------|--------|
| | High | Low | Close | High | Low | Close |
| July - 2013 | 379.50 | 327.00 | 342.50 | 380.00 | 328.00 | 342.60 |
| August - 2013 | 360.60 | 305.25 | 320.95 | 353.90 | 290.20 | 322.35 |
| September - 2013 | 344.75 | 307.00 | 338.15 | 346.00 | 307.95 | 338.00 |
| October - 2013 | 408.00 | 336.05 | 389.80 | 409.90 | 333.20 | 390.05 |
| November - 2013 | 406.00 | 375.05 | 399.10 | 406.00 | 381.00 | 398.05 |
| December - 2013 | 465.90 | 395.00 | 425.35 | 464.95 | 394.95 | 425.05 |
| January - 2014 | 478.80 | 393.00 | 429.20 | 477.00 | 392.90 | 429.30 |
| February - 2014 | 462.00 | 410.00 | 428.40 | 462.85 | 406.10 | 427.00 |
| March - 2014 | 504.95 | 419.80 | 499.80 | 509.00 | 430.00 | 502.35 |
| April - 2014 | 578.35 | 448.95 | 455.40 | 507.50 | 447.00 | 456.10 |
| May - 2014 | 535.00 | 425.00 | 509.40 | 526.80 | 431.80 | 508.20 |
| June - 2014 | 529.00 | 472.20 | 499.35 | 530.00 | 484.00 | 522.55 |

*As per data obtained from BSE/NSE Website

21. 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

22. VIGIL MECHANISM POLICY

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities, the Company has adopted a Vigil Mechanism policy.

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, 2014.

For The Supreme Industries Limited

M. P. Taparia
Managing Director

Mumbai, 21st July, 2014

Auditor's Certificate

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, 2014, 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, 21st July, 2014

Independent Auditor's Report

To The Members of
The Supreme Industries Ltd.

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, 2014, 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.

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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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, 2014;
- (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.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - (a) (i) 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.
 - (ii) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013,
 - (e) On the basis of the written representations received from the directors as on 30th June, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 30th June, 2014 from being appointed as a director in terms section 164 (2) of the Companies Act, 2013.

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

Chintan Shah

Partner

M.No.: 107490

Mumbai, 21st July, 2014

Annexure to the Auditor's Report

Annexure referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Re: The Supreme Industries Limited ('the Company')

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's 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 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, 2014 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 | 363.02 | 1994 to 2010 | CESTAT |
| | | 106.20 | 2002-2010 | Commissioner (Appeals), LTU |
| The Central Sales Tax Act, 1956 and Sales Tax Acts of various states | Sales Tax/VAT and Entry Tax | 621.46 | Various years from 2003-2004 to 2013-2014 | Joint/Deputy Commissioner/Commissioner (Appeals) |
| | | 206.54 | Various Years from 2002-2003 to 2009-10 | Sales tax Appellate Tribunal |

| Name of the statute | Nature of dues | Amount ₹ in lacs | Period to which the amount relates | Forum where dispute is pending |
|---|-------------------------|------------------|---|--|
| | | 16.83 | 1995-1996 | Revisionary Board |
| | | 100.84 | Various Years from 1999-2000 to 2013-2014 | High Court |
| | | 188.27 | 2003-2013 | Supreme Court |
| Employee State Insurance Act, 1948 | ESIC | 13.71 | 1994-1997 | ESIC Court, Mumbai |
| Local Authority - Asansol Durgapur Development Authority | Development Fee | 74.51 | 2009-2010 | Asansol Durgapur Development Authority- Durgapur |
| 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 | Collector Pune |
| Bombay Stamp Act, 1958 | Differential stamp duty | 70.32 | 2006 | Deputy Inspector General of Registration and Deputy Collector of Stamps Pune |
| The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 | Provident Fund | 4.88 | 2002-2005 | The Regional Provident Fund Commissioner - Gwalior |
| | TOTAL | 1789.08 | | |

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 and banks
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, 21st July, 2014

Balance Sheet as on 30th June 2014

| | | | | ₹ in lacs |
|---|------|------------------|------------------|------------------|
| | Note | As At 30-Jun-14 | | As At 30-Jun-13 |
| EQUITY AND LIABILITIES | | | | |
| SHAREHOLDERS' FUNDS | | | | |
| Share capital | 2 | 2540.54 | | 2540.54 |
| Reserves and surplus | 3 | 93952.60 | 96493.14 | 77709.62 |
| | | | | 80250.16 |
| NON - CURRENT LIABILITIES | | | | |
| Long-term borrowings | 4 | 26464.58 | | 23176.28 |
| Deferred tax liabilities (net) | 5 | 11675.13 | | 9065.18 |
| Other long-term liabilities | 6 | 279.75 | | 304.62 |
| Long-term provisions | 7 | 834.69 | 39254.15 | 994.77 |
| | | | | 33540.25 |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings | 8 | 11992.26 | | 17710.93 |
| Trade payables | 9 | 27789.55 | | 34875.44 |
| Other current liabilities | 10 | 24348.44 | | 18699.79 |
| Short-term provisions | 7 | 10387.16 | 74517.41 | 10496.10 |
| | | | | 81782.26 |
| TOTAL EQUITY AND LIABILITIES | | 210264.70 | | 195573.27 |
| ASSETS | | | | |
| NON - CURRENT ASSETS | | | | |
| Fixed assets | | | | |
| Tangible assets | 11 | 108200.38 | | 101998.42 |
| Intangible assets | 11 | 589.92 | | 775.66 |
| Capital work-in-progress | 11 | 1807.94 | | 3304.56 |
| Non-current investments | 12 | 3364.12 | | 3364.12 |
| Long-term loans and advances | 13 | 6822.77 | | 4751.76 |
| Other non-current assets | 14 | 21.29 | 120806.42 | 19.21 |
| | | | | 114213.73 |
| CURRENT ASSETS | | | | |
| Inventories | 15 | 49764.70 | | 46680.37 |
| Trade receivables | 16 | 23497.97 | | 20391.85 |
| Cash and bank balances | 17 | 2421.75 | | 2275.53 |
| Short-term loans and advances | 13 | 13614.06 | | 11840.61 |
| Other current assets | 14 | 159.80 | 89458.28 | 171.18 |
| | | | | 81359.54 |
| TOTAL ASSETS | | 210264.70 | | 195573.27 |
| 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

Y. P. Trivedi

Smt. Rashna Khan

Directors

Mumbai, 21st July 2014

Mumbai, 21st July 2014

Statement of Profit and Loss for the year ended on 30th June 2014

| | | | | ₹ in lacs |
|---|------|-----------------|-----------|-------------|
| | Note | 2013 - 2014 | | 2012 - 2013 |
| INCOME | | | | |
| Revenue from operations | 18 | 396190.23 | | 340307.43 |
| Other income | 19 | 1044.13 | 397234.36 | 389.18 |
| | | | | 340696.61 |
| EXPENDITURE | | | | |
| Cost of materials consumed | 20 | 264421.87 | | 224105.56 |
| Purchases of Traded Goods | 21 | 16281.45 | | 12265.36 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 22 | (5796.13) | | (6287.06) |
| Employee benefits expenses | 23 | 14335.44 | | 12699.18 |
| Other expenses | 24 | 48089.22 | 337331.85 | 43973.75 |
| | | | | 286756.79 |
| PROFIT BEFORE INTEREST, TAX AND DEPRECIATION & AMORTISATION | | 59902.51 | | 53939.82 |
| Finance costs | 25 | 7614.04 | | 5234.61 |
| Depreciation and amortisation expense | 26 | 10153.95 | 17767.99 | 8170.68 |
| | | | | 13405.29 |
| Depreciation for Earlier Years Provided for/(-) Written Back | | 0.00 | | 0.20 |
| PROFIT BEFORE TAX | | 42134.52 | | 40534.33 |
| TAX EXPENSES | | | | |
| Current tax | | 11387.94 | | 12560.00 |
| Deferred Tax | | 2609.95 | 13997.89 | 739.34 |
| | | | | 13299.34 |
| PROFIT AFTER TAX | | 28136.63 | | 27234.99 |
| EARNINGS PER SHARE | 35 | | | |
| Basic & Diluted Earning Per Share | | 22.15 | | 21.44 |
| (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

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Mumbai, 21st July 2014

Mumbai, 21st July 2014

Cashflow Statement for the year ended on 30th June 2014

| | 2013 - 2014 | | 2012 - 2013 | |
|--|-------------|----------|-------------|------------|
| ₹ in Lacs | | | | |
| A. CASH FLOW ARISING FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax | 42134.52 | | | 40534.33 |
| Adjustments For : | | | | |
| Add : | | | | |
| Depreciation | 10153.95 | | 8170.88 | |
| Leasehold Assets Premium W/off | 13.17 | | 13.35 | |
| Interest Net | 7614.04 | 17781.16 | 5234.61 | 13418.84 |
| | | 59915.68 | | 53953.17 |
| Less : | | | | |
| Dividend Received | 723.68 | | 405.33 | |
| Lease Rent Received | 0.21 | | 0.00 | |
| Profit /(Loss) on sale of Investments | 79.03 | | 13.51 | |
| Profit /(Loss) on sale of Assets | 241.21 | 1044.13 | (29.66) | 389.18 |
| Operating Profit before working capital changes | | 58871.55 | | 53563.99 |
| Adjustments for : | | | | |
| Less: | | | | |
| Inventories | 3084.33 | | 15279.09 | |
| Trade & Other Receivable | 6900.76 | | 2862.94 | |
| Trade & Other Payable | 3930.35 | 13915.44 | (16243.22) | 1898.81 |
| Cash Generated from Operations | | 44956.11 | | 51665.18 |
| Direct Taxes Paid | | 12368.06 | | 11139.72 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | 32588.05 | | 40525.46 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | 15416.09 | | | 37435.18 |
| Sale of Fixed Assets | (966.12) | | | (457.15) |
| Sale of Investments (Net) | (79.03) | | | (13.51) |
| Lease Rent Received | (0.21) | | | |
| Interest Received | (273.41) | | | (284.59) |
| Dividend Received | (723.68) | | | (405.33) |
| NET CASH USED IN INVESTING ACTIVITIES (B) | | 13373.64 | | 36274.60 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Repayment of Long Term Borrowings | 6275.43 | | | 9771.87 |
| Proceeds from Long Term Borrowings | (12000.00) | | | (18820.00) |
| (Increase)/Decrease in Short Term Borrowings | 5718.67 | | | (2826.29) |
| Interest Paid | 7887.45 | | | 5519.20 |
| Dividend & Corporate Dividend Tax paid | 11146.11 | | | 9596.20 |
| NET CASH USED IN FINANCING ACTIVITIES (C) | | 19027.66 | | 3240.98 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A-B-C) | | 186.75 | | 1009.88 |
| Opening Balance at beginning of the year | | 1875.29 | | 865.41 |
| Closing Balance at end of the year | | 2062.04 | | 1875.29 |

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

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M. No. 107490

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Smt. Rashna Khan

Directors

Mumbai, 21st July 2014

Mumbai, 21st July 2014

Notes to the Financial Statements for the year ended 30th June, 2014

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 in India, the Companies Accounting Standards Rules, 2006 and relevant provisions of Companies Act, 1956 which continues to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs & the relevant provisions of the Companies Act 1956 & Companies Act 2013, as applicable, as adopted consistently by the company. 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 are recognized at the point of dispatch of goods to the customer. Service income is recognized when the service is rendered. 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 and when there is no significant uncertainty regarding the ultimate collections of export proceeds as applicable.
- 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) Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.
- d) 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% p.a. on SLM basis.
 - Ancillary Equipments & utilities -14.28% p.a. 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.

Notes to the Financial Statements for the year ended 30th June, 2014

- 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.

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/Semi-Finished Goods - at cost using weighted average cost basis or net realisable value whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their respective present location and condition
- 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.

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.

Notes to the Financial Statements for the year ended 30th June, 2014

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.
- c) Compensated Absences: -
The company has a policy of providing compensated absences to its employees. The expense is recognized at the present value of the amount payable determined based on independent actuarial valuation, using projected unit credit method. The company doesn't maintain any plan funds to fund its obligation towards compensated absences.
- 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 Contingencies

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. Contingent Assets are not recognised.

O. Cash and Cash Equivalents

Cash & Cash equivalents include cash & cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where original maturity is three months or less.

P. Borrowing Cost

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost. Interest and other borrowing costs attributable to acquisition, construction or production of qualifying assets that takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are expensed out in the period they occur.

Q. Earnings per Share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, with the weighted average number of shares outstanding during the year.

Notes to the Financial Statements for the year ended 30th June, 2014

R. Construction Business

The company had ventured into real estate development business and thus the accounting policies relevant specifically in relation to construction business are as 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.

₹ in Lacs

2. SHARE CAPITAL

| | As at 30-Jun-14 | As at 30-Jun-13 |
|---|-----------------|-----------------|
| AUTHORISED | | |
| 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> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 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 |
| TOTAL SHARE CAPITAL | <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-2014 | | As on 30-Jun-2013 | |
|--|----------------------|--------------|----------------------|--------------|
| | 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 | 19912082 | 15.68% | 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% |

The reconciliation of the number of equity shares outstanding

| | As at 30-June-14 | | As on 30-Jun-2013 | |
|--|------------------|---------|-------------------|---------|
| | 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 |

Notes to the Financial Statements for the year ended 30th June, 2014

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.

₹ in Lacs

3. RESERVES AND SURPLUS

| | As at 30-June-14 | | As on 30-Jun-2013 | |
|---|------------------|-----------------|-------------------|-----------------|
| REVALUATION RESERVE | | | | |
| As per last Balance Sheet | 128.65 | | 133.10 | |
| Less: Transferred to Statement of Profit and Loss | 4.39 | | 4.39 | |
| Transferred to Leasehold Land | 0.06 | 124.20 | 0.06 | 128.65 |
| CAPITAL RESERVE | | 244.59 | | 244.59 |
| SECURITIES PREMIUM ACCOUNT | | 4748.52 | | 4748.52 |
| GENERAL RESERVE | | | | |
| As per last Balance Sheet | 72366.23 | | 56257.75 | |
| Add : Transferred from Statement of Profit and Loss | 16247.43 | 88613.66 | 16108.48 | 72366.23 |
| CAPITAL REDEMPTION RESERVE | | 221.63 | | 221.63 |
| STATEMENT OF PROFIT AND LOSS | | | | |
| As per last Balance Sheet | 0.00 | | 0.00 | |
| Add: Profit for the year | 28136.63 | | 27234.99 | |
| Less : Appropriations | | | | |
| Interim Dividend paid on Equity Shares | 2540.54 | | 2540.54 | |
| [Dividend per share ₹ 2.00 (Previous Year ₹ 2.00)] | | | | |
| Corporate Dividend Tax Paid | 431.76 | | 412.14 | |
| Proposed Dividend on Equity Shares | 7621.61 | | 6986.48 | |
| [Dividend per share ₹ 6.00 (Previous Year ₹ 5.50)] | | | | |
| Provision for Corporate Dividend Tax | 1295.29 | | 1187.35 | |
| Transferred to General Reserve | 16247.43 | 0.00 | 16108.48 | 0.00 |
| TOTAL RESERVES AND SURPLUS | | 93952.60 | | 77709.62 |

4 LONG TERM BORROWINGS

| | Non-Current | | Current | |
|--|-----------------|------------|------------------|------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| SECURED | | | | |
| Rupee Loans from Banks | 18765.00 | 8000.00 | 1235.00 | 0.00 |
| Foreign Currency Loans from Banks - ECB | 7491.77 | 13540.60 | 6048.83 | 3634.80 |
| | 26256.77 | 21540.60 | 7283.83 | 3634.80 |
| From Others (Rupee Loans) | 0.00 | 1250.00 | 1250.00 | 2259.20 |
| Total Secured | 26256.77 | 22790.60 | 8533.83 | 5894.00 |
| UNSECURED | | | | |
| Fixed Deposits | 0.00 | 160.83 | 0.00 | 181.61 |
| Deferred payment liabilities (Under Sales Tax Deferral Scheme) | 207.81 | 218.97 | 0.00 | 17.30 |
| Long term maturities of finance lease obligations | 0.00 | 5.88 | 0.00 | 4.65 |
| Total Unsecured | 207.81 | 385.68 | 0.00 | 203.56 |
| Amount included under the head "Other Current Liabilities" (Refer note 10) | 0.00 | 0.00 | (8533.83) | (6097.56) |
| TOTAL LONG TERM BORROWINGS | 26464.58 | 23176.28 | 0.00 | 0.00 |

Notes to the Financial Statements for the year ended 30th June, 2014

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 properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.
- In respect of external commercial borrowings of i) USD 20 million from HSBC Bank (Mauritius) Ltd. ii) USD 2 million from Standard Chartered bank U.K. and iii) USD 4 million from State Bank of India, Dubai, outstanding as on 30th June 2014, the company has entered into derivative contracts to hedge each of the said loans for hedging i) currency risk on principal as well as interest and ii) interest rate fluctuation. This has the effect of freezing the rupee equivalent of the entire liability, as reflected under the head of borrowings. Thus there is no impact in the profit and Loss arising out of exchange or interest rate fluctuations for the duration of the loan. Consequently there is no restatement of the loans taken in foreign currency. The interest payable in Indian rupees on the derivative contracts is duly accounted for in the statement of Profit & Loss.

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

₹ 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 | 8.94 to 11.75 | 2460.00 | 14460.00 | 1845.00 |
| Foreign Currency Loans | 8.40 to 10.15 | 3328.23 | 3328.23 | 835.30 |
| Deferred Payment Liabilities | Interest Free | 0.51 | 6.39 | 200.91 |

5 DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar 31, 2014 (Previous Year Mar 31, 2013)

| | As at 30-June-14 | As at 30-June-13 |
|--|------------------|------------------|
| Deferred Tax Liabilities on account of timing differences | | |
| Depreciation | 11686.51 | 9073.28 |
| Deferred Tax Assets on account of timing differences | | |
| Amount to be claimed on payment basis | (11.38) | (8.10) |
| TOTAL DEFERRED TAX LIABILITY | 11675.13 | 9065.18 |

6 OTHER LONG-TERM LIABILITIES

| | Non-Current | | Current | |
|---|---------------|---------------|-------------|-------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Trade / security deposits received | 74.58 | 57.12 | 50.86 | 105.54 |
| Others | 205.17 | 247.50 | 6.44 | 0.00 |
| Amount included under the head "Other Current Liabilities (Refer Note 10) | 0.00 | 0.00 | (57.30) | (105.54) |
| TOTAL OTHER LONG TERM LIABILITIES | 279.75 | 304.62 | 0.00 | 0.00 |

7 PROVISIONS

| | Long Term (Non-Current) | | Short-Term (Current) | |
|--|-------------------------|---------------|----------------------|-----------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Provision for employee benefits: | | | | |
| Bonus | 0.00 | 0.00 | 308.54 | 293.64 |
| Compensated Absences | 834.69 | 994.77 | 104.53 | 10.38 |
| Gratuity | 0.00 | 0.00 | 167.34 | 148.27 |
| Provision - Others: | | | | |
| Provision for Income Tax (Net of Advance Tax paid) | 0.00 | 0.00 | 883.16 | 1863.79 |
| Proposed Dividend | 0.00 | 0.00 | 7621.61 | 6986.48 |
| Provision for Corporate Dividend Tax | 0.00 | 0.00 | 1295.29 | 1187.35 |
| Provision for Wealth Tax | 0.00 | 0.00 | 6.69 | 6.19 |
| TOTAL PROVISIONS | 834.69 | 994.77 | 10387.16 | 10496.10 |

Notes to the Financial Statements for the year ended 30th June, 2014

₹ in Lacs

8 SHORT TERM BORROWINGS

| | As at 30-June-14 | As at 30-June-13 |
|---|------------------|------------------|
| SECURED | | |
| Working Capital Loans: | | |
| From Banks (Cash Credit Accounts)* | -273.62 | 2251.52 |
| Foreign currency Loans - Buyer's Credit | 2208.69 | 1326.22 |
| *surplus balances in cash credit accounts | 1935.07 | 3577.74 |
| UNSECURED | | |
| Rupee Loans from Banks | 0.00 | 2098.04 |
| Foreign Currency Loans - Buyer's Credit | 10057.19 | 12035.15 |
| TOTAL SHORT TERM LIABILITIES | 11992.26 | 17710.93 |

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 properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

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

9 TRADE PAYABLES

| | As at 30-June-14 | As at 30-June-13 |
|-------------------------------------|------------------|------------------|
| Micro, Small and Medium Enterprises | 746.82 | 865.15 |
| Others | 27042.73 | 34010.29 |
| TOTAL TRADE PAYABLES | 27789.55 | 34875.44 |

Trade payables include acceptances amounting to ₹ 620.98 lacs (previous year ₹ 451.84 lacs)

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-14 | As at 30-June-13 |
|---|------------------|------------------|
| Current maturities of long-term debt (Refer Note 4) | 8533.83 | 6092.91 |
| Current maturities of finance lease obligations (Refer Note 4) | 0.00 | 4.65 |
| Current Portion of Other long-term liabilities (Refer Note 6) | 57.30 | 105.54 |
| Interest accrued but not due on borrowings | 227.45 | 416.73 |
| Items covered by Investor Education and Protection Fund (Refer Note 48) | 211.15 | 191.93 |
| Statutory Remittances | 7328.78 | 3043.75 |
| Payables on Purchase of fixed assets | 3561.86 | 5675.92 |
| Advances from customers | 4340.95 | 2935.30 |
| Other payables | 87.12 | 233.05 |
| TOTAL OTHER CURRENT LIABILITIES | 24348.44 | 18699.79 |

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 30 June 2014 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.90 lacs (Previous year ₹ 0.64 lacs).

Notes to the Financial Statements for the year ended 30th June, 2014

₹ in Lacs

11 FIXED ASSETS

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | NET BLOCK | | |
|---|------------------|---------------------------|--|------------------|-----------------------------|-----------------|--|-----------------|------------------|------------------|
| | As at 1-Jul-13 | Additions During the Year | Deductions/ Adjustment During The Year | As at 30-Jun-14 | As at 1-Jul-13 | For The Year | Deductions/ Adjustment During The Year | As at 30-Jun-14 | As at 30-Jun-14 | As at 30-Jun-13 |
| A. Tangible assets | | | | | | | | | | |
| Freehold Land | 2550.45 | 533.34 | 0.00 | 3083.79 | 0.00 | 0.00 | 0.00 | 0.00 | 3083.79 | 2550.45 |
| Leasehold Land | 1086.76 | 0.00 | 13.23 | 1073.53 | 0.00 | 0.00 | 0.00 | 0.00 | 1073.53 | 1086.76 |
| Buildings | 34147.84 | 2886.68 | 31.96 | 37002.56 | 6718.40 | 1010.29 | -38.60 | 7767.29 | 29235.27 | 27429.45 |
| Plant, Machinery & Electrical Installations | 94150.71 | 7558.83 | 1859.07 | 99850.47 | 31656.01 | 6271.11 | 1368.24 | 36558.88 | 63291.59 | 62494.70 |
| Moulds & Dies | 20606.89 | 4524.20 | 90.96 | 25040.13 | 15178.49 | 1877.21 | 1.58 | 17054.12 | 7986.00 | 5428.40 |
| Furniture, Fixture & Office Equipments | 3353.41 | 513.65 | 36.17 | 3830.89 | 2172.01 | 410.00 | 15.65 | 2566.36 | 1264.53 | 1181.41 |
| Vehicles | | | | | | | | | | |
| Owned | 863.90 | 91.45 | 83.16 | 872.19 | 539.09 | 101.11 | 73.76 | 566.44 | 305.75 | 324.81 |
| Under Finance Lease | 16.59 | 0.00 | 16.59 | 0.00 | 5.74 | 0.00 | 5.74 | 0.00 | 0.00 | 10.85 |
| Sundry Equipments | 2454.28 | 789.45 | 66.34 | 3177.38 | 962.68 | 287.33 | 32.55 | 1217.46 | 1959.92 | 1491.59 |
| Total Tangible Assets | 159230.83 | 16897.60 | 2197.48 | 173930.94 | 57232.42 | 9957.05 | 1458.92 | 65730.55 | 108200.38 | 101998.42 |
| B. Intangible Assets | | | | | | | | | | |
| Computer software | 761.54 | 15.12 | -0.31 | 776.97 | 619.97 | 72.01 | 0.11 | 691.87 | 85.10 | 141.57 |
| Right to Use | 670.62 | 0.00 | 0.00 | 670.62 | 36.53 | 129.27 | 0.00 | 165.80 | 504.82 | 634.09 |
| Total Intangible Assets | 1432.16 | 15.12 | -0.31 | 1447.59 | 656.50 | 201.28 | 0.11 | 857.67 | 589.92 | 775.66 |
| Total (A+B) | 160662.99 | 16912.72 | 2197.17 | 175378.53 | 57888.92 | 10158.33 | 1459.03 | 66588.22 | 108790.31 | 102774.08 |
| Previous year | 124496.12 | 37511.57 | 1344.71 | 160662.98 | 50558.16 | 8175.07 | 844.32 | 57888.91 | 102774.07 | 73937.96 |
| C. Capital Work-in-Progress | | | | | | | | | 1807.94 | 3304.56 |
| | | | | | | | | | 110598.25 | 106078.64 |

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

12 NON - CURRENT INVESTMENTS

| | Face Value (₹) | Quantity | Amount | 30-June-14 | 30-June-13 |
|--|----------------|-----------------|----------|-----------------|------------|
| INVESTMENTS IN GOVERNMENT & TRUST SECURITIES | | | | | |
| National Saving Certificate | | | | 0.06 | 0.06 |
| Sub Total | | | | 0.06 | 0.06 |
| OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES | | | | | |
| Saraswat Co-op. Bank Ltd. | 10 | 1000 | 1000 | 0.10 | 0.10 |
| Samarpan Fabricators Ltd. | 100 | 1350 | 1350 | 0.75 | 0.75 |
| Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE | AED 150000 | 1 | 1 | 18.88 | 18.88 |
| Sub Total | | | | 19.73 | 19.73 |
| OTHERS - QUOTED & FULLY PAID UP EQUITY SHARES | | | | | |
| Supreme Petrochem Ltd. (an associate company) | 10 | 28936400 | 28936400 | 3337.50 | 3337.50 |
| Vijaya Bank Ltd. | 10 | 3200 | 3200 | 0.77 | 0.77 |
| Central Bank of India | 10 | 5874 | 5874 | 6.01 | 6.01 |
| Unimers India Ltd. | 10 | 37 | 37 | 0.05 | 0.05 |
| Sub Total | | | | 3344.33 | 3344.33 |
| TOTAL | | | | 3364.12 | 3364.12 |
| Aggregate Value of Quoted Investments | | | | | |
| At Cost | | | | 3344.33 | 3344.33 |
| At Market Value | | | | 26237.19 | 16281.79 |
| Aggregate Value of Unquoted Investments | | | | | |
| At Cost | | | | 19.79 | 19.79 |

Notes to the Financial Statements for the year ended 30th June, 2014

₹ in Lacs

13 LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

| | Long Term (Non-Current) | | Short-Term (Current) | |
|---|-------------------------|----------------|----------------------|-----------------|
| | 30-Jun-14 | 30-Jun-13 | 30-Jun-14 | 30-Jun-13 |
| Capital Advances (Advance for Capital Goods) | 1189.66 | 1686.88 | 0.00 | 0.00 |
| Sundry Deposits | 1393.58 | 1147.35 | 665.97 | 363.05 |
| Other Loans and Advances | | | | |
| Advances/claims recoverable in cash or kind or for value to be received | 3121.20 | 685.48 | 10399.63 | 9827.86 |
| Prepaid Expenses | 75.75 | 60.20 | 283.15 | 218.53 |
| Balance with Government Authorities | 942.37 | 1069.77 | 2098.48 | 1254.49 |
| Advances/Loans to employees | 100.21 | 102.08 | 166.83 | 176.68 |
| TOTAL LOANS AND ADVANCES | 6822.77 | 4751.76 | 13614.06 | 11840.61 |

14 OTHER ASSETS

| | Long Term (Non-Current) | | Short-Term (Current) | |
|---------------------------|-------------------------|--------------|----------------------|---------------|
| | 30-Jun-14 | 30-Jun-13 | 30-Jun-14 | 30-Jun-13 |
| Accruals | 21.29 | 19.21 | 70.47 | 170.59 |
| Assets held for disposal | 0.00 | 0.00 | 89.33 | 0.00 |
| Others | 0.00 | 0.00 | 0.00 | 0.59 |
| TOTAL OTHER ASSETS | 21.29 | 19.21 | 159.80 | 171.18 |

15 INVENTORIES

| | As at 30-June-14 | | As at 30-June-13 | |
|--|------------------|-----------------|------------------|-----------------|
| Raw Materials and Components [(including goods in transit ₹ 617.00 Lacs (Previous year ₹ 257.04 Lacs)] | 17720.66 | | 19978.38 | |
| Reusable Material | 1415.43 | | 938.46 | |
| Stores, Spare parts, and consumables | 1055.85 | | 810.09 | |
| Packing Material | 642.86 | | 552.31 | |
| Finished / Semi-Finished Goods [(including goods in transit ₹ 15.65 Lacs (Previous year ₹ 26.02 Lacs)] | 20997.15 | | 14466.48 | |
| Traded Goods | 340.27 | 42172.22 | 477.86 | 37223.58 |
| Commercial Complex | | 7592.48 | | 9456.79 |
| TOTAL INVENTORIES | | 49764.70 | | 46680.37 |

16 TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

Overdue for more than six months from due date

| | | | | |
|--|----------|-----------------|----------|-----------------|
| Considered good | 755.51 | | 892.10 | |
| Considered doubtful | 138.87 | 894.38 | 95.92 | 988.02 |
| Others | | | | |
| Considered good | 22742.46 | | 19499.75 | |
| Less: Provision for doubtful trade receivables | 138.87 | 22603.59 | 95.92 | 19403.83 |
| TOTAL TRADE RECEIVABLES | | 23497.97 | | 20391.85 |

Notes to the Financial Statements for the year ended 30th June, 2014

₹ in Lacs

| | 2013 - 2014 | | 2012 - 2013 | |
|---|-------------|------------------|-------------|------------------|
| 17 CASH AND BANK BALANCES | | | | |
| Cash and Cash Equivalents | | | | |
| Cash on hand | 100.05 | | 82.80 | |
| Cheques on hand | 14.04 | | 10.99 | |
| Remittance in Transit | 145.33 | | 193.22 | |
| Balance with Scheduled Banks in : | | | | |
| Current Accounts | 1802.62 | 2062.04 | 1588.28 | 1875.29 |
| Other Bank Balances | | | | |
| Deposit Accounts (Earmarked) | 173.18 | | 236.04 | |
| Unpaid Dividends and FD Interest | 186.53 | 359.71 | 164.20 | 400.24 |
| TOTAL CASH AND BANK BALANCES | | 2421.75 | | 2275.53 |
| 18 REVENUE FROM OPERATIONS | | | | |
| Sales of Plastic Products | 409904.01 | | 360873.24 | |
| Income from Processing | 1220.46 | | 754.32 | |
| Construction Business | 6020.30 | | 1600.00 | |
| Others | 17188.68 | | 11380.36 | |
| | 434333.45 | | 374607.92 | |
| Less: Excise Duty Paid | 43850.53 | | 38795.70 | |
| | 390482.92 | | 335812.22 | |
| Other operating income | | | | |
| Industrial Promotion Subsidy | 4694.17 | | 3707.39 | |
| Sundry Receipts | 710.66 | | 612.25 | |
| Claims & Refunds | 135.78 | | 22.06 | |
| Liabilities No Longer Required Written Back | 166.70 | 5707.31 | 153.50 | 4495.20 |
| TOTAL REVENUE FROM OPERATIONS | | 396190.23 | | 340307.43 |
| 19 OTHER INCOME | | | | |
| Dividend Received | 723.68 | | 405.33 | |
| Profit/(Loss) on Sale/Discard of Capital Assets (Net) | 241.21 | | (29.66) | |
| Profit on sale of Investments | 79.03 | | 13.51 | |
| Lease Rent | 0.21 | | 0.00 | |
| TOTAL OTHER INCOME | | 1044.13 | | 389.18 |
| 20 COST OF MATERIALS | | | | |
| Cost of Raw Material Consumed | 256239.89 | | 217901.52 | |
| Cost of Packing Material Consumed | 6101.71 | | 5601.79 | |
| Cost of Premises Sold | 2080.27 | | 602.25 | |
| TOTAL COST OF MATERIALS | | 264421.87 | | 224105.56 |
| 21 PURCHASE OF TRADED GOODS | | | | |
| TOTAL PURCHASE OF TRADED GOODS | | 16281.45 | | 12265.36 |

Notes to the Financial Statements for the year ended 30th June, 2014

| | | ₹ in Lacs |
|--|------------------|------------------|
| | 2013 - 2014 | 2012 - 2013 |
| 22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE | | |
| Inventories at the beginning of the year | | |
| Finished Goods / Semi Finished Goods | 14466.48 | 7143.47 |
| Traded Goods | 477.86 | 635.80 |
| | <u>14944.34</u> | <u>7779.27</u> |
| Inventories at the end of the year | | |
| Finished Goods / Semi Finished Goods | 20997.15 | 14466.48 |
| Traded Goods | 340.27 | 477.86 |
| | <u>21337.42</u> | <u>14944.34</u> |
| Change in inventories | (6393.08) | (7165.07) |
| Increase/(Decrease) in Excise Duty on Finished Goods | 596.95 | 878.01 |
| TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE | <u>(5796.13)</u> | <u>(6287.06)</u> |
| 23 EMPLOYEE BENEFITS EXPENSES | | |
| Salaries and Wages* | 12753.49 | 11276.03 |
| Contribution to Provident & Other Fund | 649.64 | 569.47 |
| Staff Welfare Expenses | 932.31 | 853.68 |
| TOTAL EMPLOYEE BENEFITS EXPENSES | <u>14335.44</u> | <u>12699.18</u> |
| *Includes remuneration to MD and EDs ₹ 1697.64 Lacs (Previous year ₹ 1591.58 Lacs) | | |
| 24 OTHER EXPENSES | | |
| Stores & Spare Parts Consumed | 2942.64 | 2775.24 |
| Labour Charges | 8805.59 | 7956.50 |
| Power & Fuel | 13934.39 | 14041.29 |
| Water Charges | 124.44 | 160.91 |
| Repairs & Maintenance of Building | 462.26 | 320.38 |
| Repairs & Maintenance of Plant & Machinery | 1177.54 | 1199.39 |
| Repairs & Maintenance (Others) | 436.73 | 375.39 |
| Directors' Fees | 11.20 | 9.30 |
| Rent, Rates & Taxes | 942.57 | 832.09 |
| Insurance | 186.03 | 197.37 |
| Charity & Donations | 196.87 | 148.45 |
| Legal & Professional Fees | 728.82 | 634.11 |
| Travelling & Conveyance | 1723.30 | 1557.60 |
| Vehicle Expenses | 338.30 | 290.65 |
| Advertisement, Publicity & Business Promotion | 2533.29 | 2146.35 |
| Freight and Forwarding Charges | 5771.46 | 4639.09 |
| Printing, Stationery & Communication | 794.66 | 730.65 |
| Royalty | 131.14 | 114.33 |
| Commission & Discount | 5326.66 | 4456.18 |
| Sales Tax | 87.46 | 33.16 |
| Bad Debts (Net of bad debts recovered) | 32.04 | 61.47 |
| Provision for Doubtful Debts | 42.95 | 15.86 |
| Plant Security Services | 567.14 | 445.67 |
| Foreign Currency Exchange Fluctuation (Net) | (129.05) | (13.30) |
| Miscellaneous Expenses | 920.79 | 845.62 |
| TOTAL OTHER EXPENSES | <u>48089.22</u> | <u>43973.75</u> |

Notes to the Financial Statements for the year ended 30th June, 2014

₹ in Lacs

| | 2013 - 2014 | | 2012 - 2013 | |
|---|-------------------------------|---------------------------|---------------------------|------------------|
| 25 FINANCE COSTS | | | | |
| Interest Expenses | 7666.84 | | 5245.05 | |
| Other borrowing costs | 220.61 | 7887.45 | 274.15 | 5519.20 |
| Less: Interest Received | | 273.41 | | 284.59 |
| TOTAL FINANCE COSTS | | 7614.04 | | 5234.61 |
| 26 DEPRECIATION AND AMORTISATION EXPENSE | | | | |
| Depreciation and Amortisation | | 10158.34 | | 8175.07 |
| Less : Transferred from revaluation reserve (Refer Note No 39 b) | | 4.39 | | 4.39 |
| TOTAL DEPRECIATION AND AMORTISATION EXPENSE | | 10153.95 | | 8170.68 |
| 27 RAW MATERIAL AND COMPONENTS CONSUMED | | | | |
| Commodity Plastics | | 206989.02 | | 180589.70 |
| Engineering Plastics | | 7842.65 | | 5089.54 |
| Additives | | 21376.86 | | 21473.06 |
| Others | | 20031.36 | | 10749.22 |
| TOTAL RAW MATERIAL AND COMPONENTS CONSUMED | | 256239.89 | | 217901.52 |
| 28 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL & STORES & SPARE PARTS CONSUMED | | | | |
| | 2013 - 2014 | | 2012 - 2013 | |
| | Value | % | Value | % |
| Raw Materials | | | | |
| Imported | 106279.69 | 41.48% | 85284.18 | 39.14% |
| Indigenous | 149960.20 | 58.52% | 132617.34 | 60.86% |
| Total | 256239.89 | 100.00% | 217901.52 | 100.00% |
| Stores & Spares | | | | |
| Imported | 141.64 | 4.81% | 41.28 | 1.49% |
| Indigenous | 2801.00 | 95.19% | 2733.96 | 98.51% |
| Total | 2942.64 | 100.00% | 2775.24 | 100.00% |
| 29 STOCK & TURNOVER | | | | |
| Products | Sales Value | Closing Inventory | Opening Inventory | |
| Manufactured Products | | | | |
| Injection Moulded Products | 128507.74 (125750.93) | 6903.01 (5379.34) | 5379.34 (3176.70) | |
| Extruded Products | 233777.75 (193360.10) | 13841.79 (9063.95) | 9063.95 (3966.77) | |
| Machinery & Moulds | 74.95 (133.29) | 87.53 (23.23) | 23.23 0.00 | |
| Others | 370.84 — | 164.82 — | — — | |
| Trading Products | | | | |
| Injection Moulded Products | 102.48 (1.03) | 0.38 (4.27) | 4.27 (289.20) | |
| Extruded Products | 123.30 (165.68) | 4.42 — | — — | |
| Others | 19142.97 (13260.03) | 335.47 (473.59) | 473.59 (346.60) | |

Figures in brackets refer to previous year

The Turnover does not include sale of scrap of ₹ 1142.13 lakhs (Previous year : ₹ 786.85 lakhs)

Notes to the Financial Statements for the year ended 30th June, 2014

| | 2013 - 2014 | | 2012 - 2013 | |
|---|------------------|----------|-----------------|----------|
| | | | ₹ in Lacs | |
| 30 VALUE OF IMPORTS ON CIF BASIS | | | | |
| Raw Material & Components | 108533.34 | | 72775.30 | |
| Stores & Spares | 1062.98 | | 264.63 | |
| Capital Goods | 1901.37 | | 12614.00 | |
| TOTAL VALUE OF IMPORTS ON CIF BASIS | 111497.69 | | 85653.93 | |
| 31 PAYMENT TO AUDITORS | | | | |
| (Including Branch Auditors excluding service tax) | | | | |
| Audit Fees | 31.55 | | 28.34 | |
| Tax Audit Fees | 18.61 | | 15.91 | |
| Taxation Matters | 0.60 | | 0.60 | |
| In other capacity | 34.28 | | 31.03 | |
| TOTAL PAYMENT TO AUDITORS | 85.04 | | 75.88 | |
| 32 EXPENDITURE IN FOREIGN CURRENCY | | | | |
| Interest | 3416.30 | | 3210.59 | |
| Other matters | 566.64 | | 345.47 | |
| TOTAL EXPENDITURE IN FOREIGN CURRENCY | 3982.93 | | 3556.06 | |
| 33 EARNING IN FOREIGN CURRENCY | | | | |
| Export (On FOB Basis) | 8131.14 | | 7653.83 | |
| Interest | 57.71 | | 66.05 | |
| TOTAL EARNING IN FOREIGN CURRENCY | 8188.85 | | 7719.88 | |
| 34 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND | | | | |
| | 2013 - 2014 | | 2012 - 2013 | |
| | Final | Interim | Final | Interim |
| Number of Non-resident Shareholders | 662 | 678 | 625 | 669 |
| Number of Shares held on which dividend were paid | 20891058 | 25371827 | 13708691 | 16583607 |
| Gross Dividend (₹ in Lacs) | 1148.95 | 507.43 | 616.89 | 331.67 |
| Nominal Value of Equity Shares (₹ per share) | 2.00 | 2.00 | 2.00 | 2.00 |
| 35 EARNINGS PER SHARE (EPS) | | | | |
| Profit after tax (PAT) available for Equity Shareholders (₹ in Lacs) | 28136.64 | | 27234.98 | |
| Weighted Average Number of Equity Shares | 127026870 | | 127026870 | |
| Nominal value of Equity Shares | 2.00 | | 2.00 | |
| Basic/Diluted earning per Equity Share | 22.15 | | 21.44 | |
| 36 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS" | | | | |
| i) Gratuity: | | | | |

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme.

The following table set out the funded status and amount recognised in the Company's financial statements as at 31st March, 2014 for the Gratuity Plan:

Notes to the Financial Statements for the year ended 30th June, 2014

The disclosure in respect of the defined Gratuity Plan are given below:

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| Changes in present value of defined benefit obligations | | |
| Present value of obligations as at beginning of the period | 1429.43 | 1100.76 |
| Interest cost | 117.93 | 96.32 |
| Current Service Cost | 126.68 | 102.61 |
| Past service cost (vested benefit) recognized | 272.44 | 0.00 |
| Benefits Paid | (55.24) | (89.18) |
| Actuarial (Gain)/Loss on obligations | (95.95) | 218.92 |
| Present value of obligations as at end of the period | 1795.28 | 1429.43 |
| Fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 1144.54 | 993.92 |
| Expected return on plan assets | 99.58 | 86.97 |
| Contributions | 284.89 | 138.21 |
| Benefits Paid | (55.24) | (89.18) |
| Actuarial Gain/(Loss) on Plan assets | 17.54 | 14.63 |
| Fair value of plan assets at the end of year | 1491.30 | 1144.54 |
| Total Recognition of Acturial (Gain)/Losses | (113.49) | 204.30 |
| Actual return on plan assets | | |
| Expected return on plan assets | 99.58 | 86.97 |
| Actuarial Gain/(Loss) on Plan assets | 17.54 | 14.63 |
| Actual return on plan assets | 117.12 | 101.59 |
| Amount Recognized in the Balance Sheet | | |
| Present value of obligations as at the end of the year | (1795.28) | (1429.43) |
| Fair value of plan assets as at the end of the year | 1491.30 | 1144.54 |
| Funded status (shortfall) | (303.98) | (284.89) |
| Net Asset/(Liability) recognized in balance sheet | (303.98) | (284.89) |
| Expenses recognized in statement of Profit & Loss | | |
| Current Service Cost | 126.68 | 102.61 |
| Interest cost | 117.93 | 96.32 |
| Expected return on plan assets | (99.58) | (86.97) |
| Past service cost (vested benefit) recognized | 272.44 | 0.00 |
| Net Actuarial (gain)/Loss recognized in the year | (113.49) | 204.30 |
| Expenses recognized in statement of Profit & loss | 303.98 | 316.26 |
| Balance Sheet Reconciliation | | |
| Opening Net Liability | 284.89 | 106.84 |
| Expenses as above | 303.98 | 316.26 |
| Employers Contribution Paid | (284.89) | (138.21) |
| Closing Net Liability | 303.98 | 284.89 |
| Investment Details | | |
| Insurer Managed Fund | 1491.30 | 1144.54 |
| Principal Acturial assumptions used | | |
| Discount Rate | 9.31% | 8.25% |
| Rate of return on plan assets | 8.70% | 8.70% |
| Salary Escalation | 6.00% | 6.00% |
| Attrition Rate | 2.00% | 2.00% |

Notes to the Financial Statements for the year ended 30th June, 2014

ii) Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on 31st March 2014 performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

₹ in Lacs

37 CONTINGENT LIABILITIES AND COMMITMENTS

| | 2013 - 2014 | 2012 - 2013 |
|---|-------------|-------------|
| CONTINGENT LIABILITIES | | |
| Bills/Cheques discounted | 1072.40 | 864.46 |
| Bank Guarantees issued by Bankers | 2873.13 | 1836.87 |
| Claim against the company including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as Debts | 1019.76 | 1051.71 |
| Disputed Income Tax Demands | 2444.84 | 2255.48 |
| Disputed Sales Tax / Entry Tax Demands | 1103.20 | 552.47 |
| Other claims against the company not acknowledged as debts | 288.72 | 162.35 |
| Future obligation of exports towards imported capital goods at concessional rate of duty under EPCG Scheme. | 5352.08 | 6342.46 |
| COMMITMENTS | | |
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | 931.49 | 2200.63 |
| Unexpired Letter of Credit issued by bankers | 5362.17 | 4850.07 |
| 38. The company has capitalised interest amounting to ₹ 632.12 lacs (Previous year ₹832.96 lacs) on payments made towards various projects under implementation. | | |
| 39. a) 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. | | |
| b) 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 ₹ 4.39 lacs). An equivalent amount has been transferred from Revaluation Reserve to Statement of Profit & Loss. | | |
| c) ₹ 0.06 lacs (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 is 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 ₹ 95.48 lacs (Previous year ₹ 345.75 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company. | | |
| 42. a) 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 ₹ 4170.74 lacs (Previous year ₹ 3574.74 lacs) accrued for the year has been included in other operating income. | | |
| b) The company has also undertaken expansion at certain units and entitled to incentive under Package Scheme of Incentive, 2007. The incentive accrued during the year has been included in other operating income as under: - | | |

₹ in Lacs

| Unit | 2013 - 2014 | 2012 - 2013 |
|---|-------------|-------------|
| Plastic Piping Division, Jalgaon | 52.57 | 85.22 |
| Plastic Piping Division, Malanpur | 402.17 | 47.43 |
| Protective Packaging Division, Malanpur | 68.69 | 0.00 |
| Total | 523.43 | 132.65 |

Notes to the Financial Statements for the year ended 30th June, 2014

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

| Revenue | Plastics | Construction | Total |
|--|-----------|--------------|-----------|
| Net Income (There is no inter segment revenue) | 390169.93 | 6020.30 | 396190.23 |
| Segment Profit | 45021.83 | 3682.61 | 48704.44 |
| Add: Other Income | | | 1044.13 |
| Profit Before Interest and taxes | | | 49748.57 |
| Less: Interest (net) | | | 7614.04 |
| Taxes | | | 13997.89 |
| Profit after taxes | | | 28136.63 |
| Other Information | Plastics | Construction | Total |
| Segment Assets | 202660.51 | 7604.19 | 210264.70 |
| Segment Liabilities | 101515.52 | 580.92 | 102096.44 |
| Capital Expenditure | 15416.09 | — | 15416.09 |
| Depreciation / Amortisation | 10153.95 | — | 10153.95 |

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 | 0.00 | 2510.21 (3631.92) | 0.00 | 2510.21 (3631.92) |
| Sale of goods | 90.11 (20.86) | 319.84 (72.17) | 0.00 | 409.95 (93.03) |
| Rendering of services – Paid- excluding taxes | 122.95 (98.89) | 0.00 (4.79) | 0.00 | 122.95 (103.68) |
| Dividend Received | 0.00 | 723.41 (405.11) | 0.00 | 723.41 (405.11) |
| Dividend Paid | 0.00 | 4482.45 (3883.53) | 248.09 (213.43) | 4730.54 (4096.96) |
| Remuneration | 0.00 | 0.00 | 1732.60 (1625.89) | 1732.60 (1625.89) |
| Outstanding at year-end - Receivable | 77.40 (80.76) | 14.89 0.00 | 0.00 | 92.29 (80.76) |
| Outstanding at year-end - Payable | 60.81 (37.95) | 182.55 (211.18) | 1332.60 (1303.22) | 1575.96 (1552.35) |

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 and their relatives.

45. a) The Company has taken premises under cancelable operating lease. 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).
- b) The company has also taken office premises under noncancelable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 422.52 lacs and for the period later than one year & not later than five years is ₹ 1654.87 lacs.

Notes to the Financial Statements for the year ended 30th June, 2014

46. a) Provision for Income Tax liability has been made in the accounts based on the profit for the financial year ended 30th June 2014. Though the tax payable will be determined based on the taxable income for the period 1st April 2013 to 31st March 2014 (AY: 2014-15)
- b) The Company has recognised deferred tax provision for the year aggregating to ₹ 2609.95 lacs in the Profit & Loss Account (Previous Year ₹ 739.35 lacs).
- c) Corporate Tax includes provision for wealth tax ₹ 4 lacs (Previous year ₹ 5 lacs).
- 47 An unfortunate incident of fire occurred at Urse unit, Maharashtra during the year, which damaged certain part of warehouse building and semi finished goods stored therein. The Company is in the process of lodging the insurance claim estimated at ₹ 110.55 lacs as per the policy. The adjustment if any will be made in the year of settlement of the claim.

48 Items covered by Investor Education & Protection Fund shown under Note - 10 includes:

(₹ in lacs)

| | 30-Jun-14 | 30-Jun-13 |
|---------------------------------------|-----------|-----------|
| Unclaimed Dividend | 187.45 | 156.26 |
| Unclaimed Matured Deposits & Interest | 23.70 | 35.67 |
| Total | 211.15 | 191.93 |

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

(in Million US\$)

| Name of the Instrument | Aggregate Amount | | Purpose |
|--|------------------|-----------|---------|
| | 30-Jun-14 | 30-Jun-13 | |
| Forward Purchase | 19.18 | 55.90 | Hedging |
| Currency & Interest Rate Swap | 26.00 | 34.00 | Hedging |
| Open Foreign Exchange Exposures - Receivable | 2.29 | 2.31 | — |
| Open Foreign Exchange Exposures - Payable | 24.81 | 2.85 | — |

The company enjoys natural hedge to the extent of: a) Exports effected and b) Inventory held (being sensitive to exchange rate fluctuations).

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 2014.
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 less 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, 2014 : ₹ 21.61 lacs Profit
 - ii) For the Previous Financial years : ₹ 11.92 lacs Profit
 - b) Dealt with in Holding Company's accounts.
 - i) For the Financial Year ended 30th June, 2014 : 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

N. N. Khandwala

S. J. Taparia
Executive Director

V. K. Taparia
Executive Director

B. V. Bhargava

Y. P. Trivedi

} Directors

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

Smt. Rashna Khan

Mumbai, 21st July 2014

Financial Summary

RELATING TO SUBSIDIARY COMPANY AS ON 30.06.2014

(₹ in lacs)

| Sr. No. | Name of the Subsidiary Company | Reporting Currency | Exchange Rate as on 30.06.14 | 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 | 16.30 | 18.88 | 32.43 | 169.92 | 169.92 | NIL | 242.62 | 21.61 | NIL | 21.61 | 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, Profit & Loss Account and other documents of the subsidiary company is not being attached with the Balance Sheet of the Company.

Independent Auditor's Report

TO THE BOARD OF DIRECTORS ON CONSOLIDATED FINANCIAL STATEMENTS

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, 2014, 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 read with General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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 2014;
- [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 ₹ 169.92 lacs and net assets of ₹ 51.31 lacs as at 30th June, 2014, total revenue of ₹ 242.62 lacs, net profit of ₹ 21.61 lacs and net cash outflows amounting to ₹ 69.54 lacs for the year then ended and (ii) one associate of the company whose share of profit is ₹ 908.86 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, 21st July, 2014.

Consolidated Balance Sheet as on 30th June 2014

| | Note | As at 30th June, 2014 | | As at 30th June, 2013 | |
|-------------------------------------|------|-----------------------|-------------------------|-----------------------|------------------|
| ₹ in lacs | | | | | |
| EQUITY AND LIABILITIES | | | | | |
| SHAREHOLDERS' FUNDS | | | | | |
| Share capital | 2 | 2540.54 | | 2540.54 | |
| Reserves and surplus | 3 | 101375.20 | 103915.74 | <u>85357.74</u> | 87898.28 |
| NON - CURRENT LIABILITIES | | | | | |
| Long-term borrowings | 4 | 26464.58 | | 23176.28 | |
| Deferred tax liabilities (net) | 5 | 11675.13 | | 9065.18 | |
| Other long-term liabilities | 6 | 279.75 | | 304.62 | |
| Long-term provisions | 7 | 834.69 | 39254.15 | <u>994.77</u> | 33540.85 |
| CURRENT LIABILITIES | | | | | |
| Short-term borrowings | 8 | 11992.26 | | 17710.93 | |
| Trade payables | 9 | 27770.37 | | 34889.65 | |
| Other current liabilities | 10 | 24348.44 | | 18699.79 | |
| Short-term provisions | 7 | 10387.16 | 74498.23 | <u>10496.10</u> | 81796.47 |
| TOTAL EQUITY AND LIABILITIES | | | <u>217668.12</u> | | <u>203235.60</u> |
| ASSETS | | | | | |
| NON - CURRENT ASSETS | | | | | |
| Fixed assets | | | | | |
| Tangible assets | 11 | 108201.53 | | 101998.85 | |
| Intangible assets | 11 | 589.92 | | 775.66 | |
| Capital work-in-progress | 11 | 1807.94 | | 3304.56 | |
| Non-current investments | 12 | 10735.41 | | 10982.91 | |
| Long-term loans and advances | 13 | 6824.86 | | 4753.83 | |
| Other non-current assets | 14 | 21.29 | 128180.95 | <u>19.21</u> | 121835.02 |
| CURRENT ASSETS | | | | | |
| Inventories | 15 | 49764.70 | | 46680.37 | |
| Trade receivables | 16 | 23477.90 | | 20312.32 | |
| Cash and bank balances | 17 | 2463.06 | | 2386.38 | |
| Short-term loans and advances | 13 | 13621.71 | | 11850.33 | |
| Other current assets | 14 | 159.80 | 89487.17 | <u>171.18</u> | 81400.58 |
| TOTAL ASSETS | | | <u>217668.12</u> | | <u>203235.60</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

Y. P. Trivedi

Smt. Rashna Khan

Directors

Mumbai, 21st July 2014

Mumbai, 21st July 2014

Consolidated Statement of Profit and Loss for the year ended on 30th June 2014

| | | | | ₹ in lacs | |
|---|------|------------------|------------------|-----------|-------------|
| | Note | | 2013 - 2014 | | 2012 - 2013 |
| INCOME | | | | | |
| Revenue from operations | 18 | 396222.89 | | 340398.77 | |
| Other income | 19 | 320.72 | 396543.61 | (15.93) | 340382.84 |
| EXPENDITURE | | | | | |
| Cost of materials consumed | 20 | 264421.87 | | 224105.56 | |
| Purchases of Traded Goods | 21 | 16293.19 | | 12288.45 | |
| Changes in inventories of finished goods, work-in-progress and traded goods | 22 | (5796.13) | | (6287.06) | |
| Employee benefits expenses | 23 | 14391.72 | | 12751.89 | |
| Other expenses | 24 | 48031.12 | 337341.77 | 43976.72 | 286835.56 |
| PROFIT BEFORE INTEREST, TAX AND DEPRECIATION & AMORTISATION | | | 59201.84 | | 53547.28 |
| Finance costs | 25 | 7614.48 | | 5234.92 | |
| Depreciation and amortisation expense | 26 | 10154.64 | 17769.12 | 8171.02 | 13405.94 |
| Depreciation for Earlier Years Provided for/(-) Written Back | | | 0.00 | | 0.20 |
| PROFIT BEFORE TAX | | | 41432.72 | | 40141.14 |
| TAX EXPENSES | | | | | |
| Current tax | | 11387.94 | | 12560.00 | |
| Deferred Tax | | 2609.95 | 13997.89 | 739.35 | 13299.35 |
| PROFIT AFTER TAX | | | 27434.83 | | 26841.79 |
| Add: Share of Profit (+)/Loss(-) in associate for the period | | | 908.86 | | 2167.88 |
| GROUP PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION | | | 28343.69 | | 29009.68 |
| EARNINGS PER SHARE | 29 | | | | |
| Basic & Diluted Earning Per Share | | | 22.31 | | 22.84 |
| (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
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N. N. Khandwala

B. V. Bhargava

Y. P. Trivedi

Smt. Rashna Khan

Directors

Mumbai, 21st July 2014

Mumbai, 21st July 2014

Consolidated Cashflow Statement for the year ended on 30th June 2014

| | | 2013 - 2014 | 2012 - 2013 |
|---|----------|-------------|-------------|
| | | | ₹ in Lacs |
| A. CASH FLOW ARISING FROM OPERATING ACTIVITIES | | | |
| Net Profit Before Tax | | 41432.72 | 40141.14 |
| Adjustments For : | | | |
| Add : Depreciation | 10154.64 | | 8171.21 |
| Leasehold Assets Premium W/off | 13.17 | | 13.35 |
| Foreign Exchange Translation | 0.39 | | 0.97 |
| Interest Net | 7614.48 | 17782.68 | 5234.92 |
| | | 59215.40 | 53561.59 |
| Less : Dividend Received | 0.27 | | 0.22 |
| Lease Rent Received | 0.21 | | 0.00 |
| Profit /(Loss) on sale of Investments | 79.03 | | 13.51 |
| Profit /(Loss) on sale of Assets | 241.21 | 320.72 | (29.66) |
| | | 58894.68 | 53577.52 |
| Operating Profit before working capital changes | | | |
| Adjustments for : | | | |
| Less : Inventories | 3084.33 | | 15279.09 |
| Trade & Other Receivable | 6958.36 | | 2814.20 |
| Trade & Other Payable | 3963.76 | 14006.45 | (16237.16) |
| | | | 1856.13 |
| Cash Generated from Operations | | 44888.23 | 51721.39 |
| Direct Taxes Paid | | 12368.06 | 11139.72 |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | 32520.17 | 40581.67 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | | 15417.30 | 37435.18 |
| Sale of Fixed Assets | | (966.12) | (457.15) |
| Sale of Investments (Net) | | (79.03) | (13.51) |
| Lease Rent Received | | (0.21) | 0.00 |
| Interest Received | | (273.41) | (284.59) |
| Dividend Received from Associate Company | | (723.41) | (405.11) |
| Dividend Received | | (0.27) | (0.22) |
| NET CASH USED IN INVESTING ACTIVITIES (B) | | 13374.85 | 36274.60 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of Long Term Borrowings | | 6275.42 | 9771.87 |
| Proceeds from Long Term Borrowings | | (12000.00) | (18820.00) |
| (Increase)/Decrease in Short Term Borrowings | | 5718.67 | (2826.29) |
| Interest Paid | | 7887.89 | 5519.51 |
| Dividend & Corporate Dividend Tax paid | | 11146.13 | 9596.20 |
| NET CASH USED IN FINANCING ACTIVITIES (C) | | 19028.11 | 3241.29 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A-B-C) | | 117.21 | 1065.78 |
| Opening Balance at beginning of the year | | 1986.14 | 920.36 |
| Closing Balance at end of the year | | 2103.35 | 1986.14 |

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

Y. P. Trivedi

Smt. Rashna Khan

Directors

Mumbai, 21st July 2014

Mumbai, 21st July 2014

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

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 Currency Translation Reserve.

₹ in Lacs

2. SHARE CAPITAL

| | As at 30-June-14 | As at 30-June-13 |
|---|------------------|------------------|
| AUTHORISED | | |
| 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 |
| | 7500.00 | 7500.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 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 |
| | 2540.54 | 2540.54 |
| TOTAL SHARE CAPITAL | 2540.54 | 2540.54 |

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-14 | | As at 30-June-13 | |
|--|----------------------|--------------|----------------------|--------------|
| | 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 | 19912082 | 15.68% | 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% |

| The reconciliation of the number of equity shares outstanding | As at 30-June-14 | | As at 30-June-13 | |
|---|------------------|---------|------------------|---------|
| | 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, 2014

₹ in Lacs

3 RESERVES AND SURPLUS

| | As at 30-Jun-14 | | As at 30-Jun-13 | |
|--|-----------------|------------------|-----------------|-----------------|
| REVALUATION RESERVE | | | | |
| As per last Balance Sheet | 128.65 | | 133.10 | |
| Less: Transferred to Statement of Profit and Loss | 4.39 | | 4.39 | |
| Transferred to Leasehold Land | 0.06 | 124.20 | 0.06 | 128.65 |
| CAPITAL RESERVE | 247.56 | | 246.37 | |
| Add : Transferred from Statement of Profit and Loss | 2.16 | 249.72 | 1.19 | 247.56 |
| SECURITIES PREMIUM ACCOUNT | | 4748.52 | | 4748.52 |
| GENERAL RESERVE | | | | |
| As per last Balance Sheet | 80010.63 | | 61782.64 | |
| Add: Adjustment due to Associate Grouping | (432.97) | | 346.01 | |
| Add : Transferred from Statement of Profit and Loss | 16452.33 | 96029.99 | 17881.98 | 80010.63 |
| CAPITAL REDEMPTION RESERVE | | 221.63 | | 221.63 |
| FOREIGN EXCHANGE TRANSLATION RESERVE | | 1.14 | | 0.75 |
| STATEMENT OF PROFIT AND LOSS | | | | |
| As per last Balance Sheet | 0.00 | | 0.00 | |
| Add: Profit for the year | 28343.69 | | 29009.68 | |
| Add: P&L A/c - Reserves and Surplus | 0.00 | | | |
| Less : Appropriations | | | | |
| Interim Dividend paid on Equity Shares [Dividend per share ₹ 2.00 (Previous Year ₹ 2.00)] | 2540.54 | | 2540.54 | |
| Corporate Dividend Tax Paid | 431.76 | | 412.14 | |
| Proposed Dividend on Equity Shares [Dividend per share ₹ 6.00 (Previous Year ₹ 5.50)] | 7621.61 | | 6986.48 | |
| Provision for Corporate Dividend Tax | 1295.29 | | 1187.35 | |
| Transferred to Capital Reserve | 2.16 | | 1.19 | |
| Transferred to General Reserve | 16452.33 | 0.00 | 17881.98 | 0.00 |
| TOTAL RESERVES AND SURPLUS | | 101375.20 | | 85357.74 |

4. LONG TERM BORROWINGS

| | Non-Current | | Current | |
|--|-----------------|-----------------|-------------|-------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| SECURED | | | | |
| Rupee Loans from Banks | 18765.00 | 8000.00 | 1235.00 | 0.00 |
| Foreign Currency Loans from Banks - ECB | 7491.77 | 13540.60 | 6048.83 | 3634.80 |
| | 26256.77 | 21540.60 | 7283.83 | 3634.80 |
| From Others (Rupee Loans) | 0.00 | 1250.00 | 1250.00 | 2259.20 |
| Total Secured | 26256.77 | 22790.60 | 8533.83 | 5894.00 |
| UNSECURED | | | | |
| Fixed Deposits | 0.00 | 160.83 | 0.00 | 181.61 |
| Deferred payment liabilities (Under Sales Tax Deferral Scheme) | 207.81 | 218.97 | 0.00 | 17.30 |
| Long term maturities of finance lease obligations | 0.00 | 5.88 | 0.00 | 4.65 |
| Total Unsecured | 207.81 | 385.68 | 0.00 | 203.56 |
| Amount included under the head "Other Current Liabilities" (Refer note 10) | 0.00 | 0.00 | (8533.83) | (6097.56) |
| TOTAL LONG TERM BORROWINGS | 26464.58 | 23176.28 | 0.00 | 0.00 |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

NOTES :

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

- a) Immovable properties of the company, situated at certain locations of the company.
- b) Movable properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.
- c) In respect of external commercial borrowings of i) USD 20 million from HSBC Bank (Mauritius) Ltd. ii) USD 2 million from Standard Chartered bank U.K. and iii) USD 4 million from State Bank of India, Dubai, outstanding as on 30th June 2014, the company has entered into derivative contracts to hedge each of the said loans for hedging i) currency risk on principal as well as interest and ii) interest rate fluctuation. This has the effect of freezing the rupee equivalent of the entire liability, as reflected under the head of borrowings. Thus there is no impact in the profit and Loss arising out of exchange or interest rate fluctuations for the duration of the loan. Consequently there is no restatement of the loans taken in foreign currency. The interest payable in Indian rupees on the derivative contracts is duly accounted for in the statement of Profit & Loss.

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

₹ 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 | 8.94 to 11.75 | 2460.00 | 14460.00 | 1845.00 |
| Foreign Currency Loans | 8.40 to 10.15 | 3328.23 | 3328.23 | 835.30 |
| Deferred Payment Liabilities | Interest Free | 0.51 | 6.39 | 200.91 |

5 DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar 31, 2014 (Previous Year Mar 31, 2013)

| | As at 30-June-14 | As at 30-June-13 |
|--|---------------------|---------------------|
| Deferred Tax Liabilities on account of timing differences | | |
| Depreciation | 11686.51 | 9073.28 |
| Deferred Tax Assets on account of timing differences | | |
| Amount to be claimed on payment basis | (11.38) | (8.10) |
| TOTAL DEFERRED TAX LIABILITY | <u>11675.13</u> | <u>9065.18</u> |

6 OTHER LONG-TERM LIABILITIES

| | Non-Current | | Current | |
|--|---------------|---------------|-------------|-------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Trade / security deposits received | 74.58 | 57.12 | 50.86 | 105.54 |
| Others | 205.17 | 247.50 | 6.44 | 0.00 |
| Amount included under the head "Other Current Liabilities" (Refer Note 10) | 0.00 | 0.00 | (57.30) | (105.54) |
| TOTAL OTHER LONG TERM LIABILITIES | <u>279.75</u> | <u>304.62</u> | <u>0.00</u> | <u>0.00</u> |

7 PROVISIONS

| | Long Term (Non-Current) | | Short-Term (Current) | |
|--|-------------------------|---------------|----------------------|-----------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Provision for employee benefits: | | | | |
| Bonus | 0.00 | 0.00 | 308.54 | 293.64 |
| Compensated Absences | 834.69 | 994.77 | 104.53 | 10.38 |
| Gratuity | 0.00 | 0.00 | 167.34 | 148.27 |
| Provision - Others: | | | | |
| Provision for Income Tax (Net of Advance Tax paid) | 0.00 | 0.00 | 883.16 | 1863.79 |
| Proposed Dividend | 0.00 | 0.00 | 7621.61 | 6986.48 |
| Provision for Corporate Dividend Tax | 0.00 | 0.00 | 1295.29 | 1187.35 |
| Provision for Wealth Tax | 0.00 | 0.00 | 6.69 | 6.19 |
| TOTAL PROVISIONS | <u>834.69</u> | <u>994.77</u> | <u>10387.16</u> | <u>10496.10</u> |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

₹ in Lacs

8 SHORT TERM BORROWINGS

| | As at 30-June-14 | As at 30-June-13 |
|---|------------------------|------------------------|
| SECURED | | |
| Working Capital Loans: | | |
| From Banks (Cash Credit Accounts)* | (273.62) | 2251.52 |
| Foreign currency Loans - Buyer's Credit | <u>2208.69</u> | <u>1326.22</u> |
| *surplus balances in cash credit accounts | 1935.07 | 3577.74 |
| UNSECURED | | |
| Rupee Loans from Banks | 0.00 | 2098.04 |
| Foreign Currency Loans - Buyer's Credit | <u>10057.19</u> | <u>12035.15</u> |
| TOTAL SHORT TERM LIABILITIES | <u><u>11992.26</u></u> | <u><u>17710.93</u></u> |

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 properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

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

9 TRADE PAYABLES

| | As at 30-June-14 | As at 30-June-13 |
|-------------------------------------|------------------------|------------------------|
| Micro, Small and Medium Enterprises | 746.82 | 865.15 |
| Others | <u>27023.55</u> | <u>34024.50</u> |
| TOTAL TRADE PAYABLES | <u><u>27770.37</u></u> | <u><u>34889.65</u></u> |

Trade payables include acceptances amounting to ₹ 620.98 lacs (previous year ₹ 451.84 lacs)

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-14 | As at 30-June-13 |
|--|------------------------|------------------------|
| Current maturities of long-term debt (Refer Note 4) | 8533.83 | 6092.91 |
| Current maturities of finance lease obligations (Refer Note 4) | 0.00 | 4.65 |
| Current Portion of Other long-term liabilities (Refer Note 6) | 57.30 | 105.54 |
| Interest accrued but not due on borrowings | 227.45 | 416.73 |
| Items covered by Investor Education and Protection Fund | 211.15 | 191.93 |
| Statutory Remittances | 7328.78 | 3043.75 |
| Payables on Purchase of fixed assets | 3561.86 | 5675.92 |
| Advances from customers | 4340.95 | 2935.30 |
| Other payables | <u>87.12</u> | <u>233.06</u> |
| TOTAL OTHER CURRENT LIABILITIES | <u><u>24348.44</u></u> | <u><u>18699.79</u></u> |

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 30 Jun 2014 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.90 lacs (Previous year ₹ 0.64 lacs).

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

11 FIXED ASSETS

₹ in Lacs

| FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|---|--------------------|---------------------------------|--|---------------------|-----------------------------|-----------------|--|---------------------|---------------------|---------------------|
| | As At 1-July-13 | Additions During the Year | Deductions/ Adjustment During The Year | As At 30-June-14 | As At 1-July-13 | For The Year | Deductions/ Adjustment During The Year | As At 30-June-14 | As At 30-June-14 | As At 30-June-13 |
| A. Tangible assets | | | | | | | | | | |
| Freehold Land | 2550.45 | 533.34 | 0.00 | 3083.79 | 0.00 | 0.00 | 0.00 | 0.00 | 3083.79 | 2550.45 |
| Leasehold Land | 1086.76 | 0.00 | 13.23 | 1073.53 | 0.00 | 0.00 | 0.00 | 0.00 | 1073.53 | 1086.76 |
| Buildings | 34147.84 | 2886.68 | 31.96 | 37002.56 | 6718.40 | 1010.29 | -38.60 | 7767.29 | 29235.27 | 27429.45 |
| Plant, Machinery & Electrical Installations | 94150.71 | 7558.83 | 1859.07 | 99850.47 | 31656.01 | 6271.11 | 1368.24 | 36558.88 | 63291.59 | 62494.70 |
| Moulds & Dies | 20606.89 | 4524.20 | 90.96 | 25040.11 | 15178.49 | 1877.21 | 1.58 | 17054.12 | 7985.99 | 5428.40 |
| Furniture, Fixture & Office Equipments | 3356.87 | 514.87 | 36.17 | 3835.57 | 2174.84 | 410.70 | 15.65 | 2569.89 | 1265.68 | 1182.37 |
| Vehicles | | | | | | | | | | |
| Owned | 873.02 | 91.45 | 92.28 | 872.19 | 548.21 | 101.11 | 82.88 | 566.44 | 305.75 | 324.81 |
| Under Finance Lease | 16.59 | 0.00 | 16.59 | 0.00 | 5.74 | 0.00 | 5.74 | 0.00 | 0.00 | 10.85 |
| Sundry Equipments | 2454.27 | 789.44 | 66.34 | 3177.37 | 962.68 | 287.32 | 32.55 | 1217.45 | 1959.92 | 1491.06 |
| Total Tangible Assets | 159243.40 | 16898.81 | 2206.60 | 173935.59 | 57244.37 | 9957.74 | 1468.04 | 65734.07 | 108201.53 | 101998.85 |
| B. Intangible Assets | | | | | | | | | | |
| Computer software | 761.54 | 15.12 | -0.31 | 776.97 | 619.97 | 72.01 | 0.11 | 691.87 | 85.10 | 141.57 |
| Right to Use | 670.62 | 0.00 | 0.00 | 670.62 | 36.53 | 129.27 | 0.00 | 165.80 | 504.82 | 634.09 |
| Total Intangible Assets | 1432.16 | 15.12 | -0.31 | 1447.59 | 656.50 | 201.28 | 0.11 | 857.67 | 589.92 | 775.66 |
| Total (A+B) | 160675.56 | 16913.93 | 2206.29 | 175383.19 | 57900.87 | 10159.03 | 1468.15 | 66591.74 | 108791.45 | 102774.51 |
| Previous year | 124508.70 | 37511.57 | 1344.71 | 160675.56 | 50569.98 | 8175.41 | 844.32 | 57901.07 | 102774.49 | 73938.72 |
| C. Capital Work-in-Progress | | | | | | | | | 1807.94 | 3304.56 |
| | | | | | | | | | 110599.39 | 106079.08 |

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

12 NON - CURRENT INVESTMENTS

| | Face Value (₹) | Quantity 30-June-14 | 30-June-13 | Amount 30-June-14 | 30-June-13 |
|--|-------------------|------------------------|------------|----------------------|------------|
| INVESTMENTS IN GOVERNMENT & TRUST SECURITIES | | | | | |
| National Saving Certificate | | | | 0.06 | 0.06 |
| Sub Total | | | | 0.06 | 0.06 |
| OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES | | | | | |
| Saraswat Co-op. Bank Ltd. | 10 | 1000 | 1000 | 0.10 | 0.10 |
| Samarpan Fabricators Ltd. | 100 | 1350 | 1350 | 0.75 | 0.75 |
| Sub Total | | | | 0.85 | 0.85 |
| OTHERS - QUOTED & FULLY PAID UP EQUITY SHARES | | | | | |
| Supreme Petrochem Ltd. (an associate company) | | | | 2834.83 | 2834.83 |
| Add: Goodwill on acquisition | | | | 502.66 | 502.66 |
| Add: Accumulated share in profit / (-) loss at the beginning of the year | | | | 7204.73 | 5874.91 |
| Add: Share in profit / (-) loss - (current year) | | | | 917.25 | 2176.04 |
| Less: Unrealised Profit for Stock in hand | | | | 8.39 | 8.16 |
| Less: Dividend received during the year | | | | 723.41 | 405.11 |
| Sub Total | | | | 10727.67 | 10975.17 |
| Vijaya Bank Ltd. | 10 | 3200 | 3200 | 0.77 | 0.77 |
| Central Bank of India | 10 | 5874 | 5874 | 6.01 | 6.01 |
| Unimers India Ltd. | 10 | 37 | 37 | 0.05 | 0.05 |
| Sub Total | | | | 6.83 | 6.83 |
| Total | | | | 10735.41 | 10982.91 |
| Aggregate Value of Quoted Investments | | | | | |
| At Cost | | | | 10734.50 | 10982.01 |
| At Market Value | | | | 26237.19 | 16281.79 |
| Aggregate Value of Unquoted Investments | | | | | |
| At Cost | | | | 0.91 | 0.91 |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

₹ in Lacs

13 LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

| | Long Term (Non-Current) | | Short-Term (Current) | |
|---|-------------------------|----------------|----------------------|-----------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Capital Advances (Advance for Capital Goods) | 1189.66 | 1686.88 | 0.00 | 0.00 |
| Sundry Deposits | 1395.67 | 1149.42 | 665.97 | 363.05 |
| Other Loans and Advances | | | | |
| Advances/claims recoverable in cash or kind or for value to be received | 3121.20 | 685.48 | 10399.88 | 9829.80 |
| Prepaid Expenses | 75.75 | 60.20 | 290.55 | 226.31 |
| Balance with Government Authorities | 942.37 | 1069.77 | 2098.48 | 1254.49 |
| Advances/Loans to employees | 100.21 | 102.08 | 166.83 | 176.68 |
| TOTAL LOANS AND ADVANCES | 6824.86 | 4753.83 | 13621.71 | 11850.33 |

14 OTHER ASSETS

| | Long Term (Non-Current) | | Short-Term (Current) | |
|---------------------------|-------------------------|--------------|----------------------|---------------|
| | 30-June-14 | 30-June-13 | 30-June-14 | 30-June-13 |
| Accruals | 21.29 | 19.21 | 70.47 | 170.59 |
| Assets held for disposal | 0.00 | 0.00 | 89.33 | 0.00 |
| Others | 0.00 | 0.00 | 0.00 | 0.59 |
| TOTAL OTHER ASSETS | 21.29 | 19.21 | 159.80 | 171.18 |

15 INVENTORIES

| | As at 30-June-14 | | As at 30-June-13 | |
|--|------------------|-----------------|------------------|-----------------|
| Raw Materials and Components [(including goods in transit ₹ 617.00 Lacs (Previous year ₹ 257.04 Lacs)] | 17720.66 | | 19978.38 | |
| Reusable Material | 1415.43 | | 938.46 | |
| Stores, Spare parts, and consumables | 1055.85 | | 810.09 | |
| Packing Material | 642.86 | | 552.31 | |
| Finished / Semi-Finished Goods [(including goods in transit ₹ 15.65 Lacs (Previous year ₹ 26.02 Lacs)] | 20997.15 | | 14466.48 | |
| Traded Goods | 340.27 | 42172.22 | 477.86 | 37223.58 |
| Commercial Complex | | 7592.48 | | 9456.79 |
| TOTAL INVENTORIES | | 49764.70 | | 46680.37 |

16 TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

Overdue for more than six months from due date

| | | | | |
|---------------------|--------|--------|--------|--------|
| Considered good | 755.51 | | 892.10 | |
| Considered doubtful | 138.87 | 894.38 | 95.92 | 988.02 |

Others

| | | | | |
|--|----------|-----------------|----------|-----------------|
| Considered good | 22722.39 | | 19420.22 | |
| Less: Provision for doubtful trade receivables | 138.87 | 22583.52 | 95.92 | 19324.30 |
| TOTAL TRADE RECEIVABLES | | 23477.90 | | 20312.32 |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

| | As at 30-June-14 | | ₹ in Lacs As at 30-June-13 | |
|---|------------------|------------------|-------------------------------|------------------|
| 17 CASH AND BANK BALANCES | | | | |
| Cash and Cash Equivalents | | | | |
| Cash on hand | 103.68 | | 83.70 | |
| Cheques on hand | 14.04 | | 10.99 | |
| Remittance in Transit | 145.33 | | 193.22 | |
| Balance with Scheduled Banks in : | | | | |
| Current Accounts | 1840.30 | 2103.35 | 1698.23 | 1986.14 |
| Other Bank Balances | | | | |
| Deposit Accounts (Earmarked) | 173.18 | | 236.04 | |
| Unpaid Dividends and FD Interest | 186.53 | 359.71 | 164.20 | 400.24 |
| TOTAL CASH AND BANK BALANCES | | 2463.06 | | 2386.38 |
| | | | | |
| 18 REVENUE FROM OPERATIONS | | | | |
| 2013 - 2014 | | | | |
| Sales of Plastic Products | 409936.67 | | | 360964.07 |
| Income from Processing | 1220.46 | | | 754.32 |
| Construction Business | 6020.30 | | | 1600.00 |
| Others | 17188.68 | | | 11380.36 |
| | 434366.11 | | | 374698.75 |
| Less: Excise Duty Paid | 43850.53 | | | 38795.70 |
| | 390515.58 | | | 335903.05 |
| Other operating income | | | | |
| Industrial Promotion Subsidy | 4694.17 | | 3707.39 | |
| Sundry Receipts | 710.66 | | 612.77 | |
| Claims & Refunds | 135.78 | | 22.06 | |
| Liabilities No Longer Required Written Back | 166.70 | 5707.31 | 153.50 | 4495.72 |
| TOTAL REVENUE FROM OPERATIONS | | 396222.89 | | 340398.77 |
| | | | | |
| 19 OTHER INCOME | | | | |
| Dividend Received | 0.27 | | | 0.22 |
| Profit/(Loss) on Sale/Discard of Capital Assets (Net) | 241.21 | | | (29.66) |
| Profit on sale of Investments | 79.03 | | | 13.51 |
| Lease Rent | 0.21 | | | 0.00 |
| TOTAL OTHER INCOME | | 320.72 | | (15.93) |
| | | | | |
| 20 COST OF MATERIALS | | | | |
| Cost of Raw Material Consumed | 256239.89 | | | 217901.52 |
| Cost of Packing Material Consumed | 6101.71 | | | 5601.79 |
| Cost of Premises Sold | 2080.27 | | | 602.25 |
| TOTAL COST OF MATERIALS | | 264421.87 | | 224105.56 |
| | | | | |
| 21 PURCHASE OF TRADED GOODS | | | | |
| TOTAL PURCHASE OF TRADED GOODS | | 16293.19 | | 12288.45 |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

| | 2013 - 2014 | 2012 - 2013 |
|--|------------------|------------------|
| ₹ in Lacs | | |
| 22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE | | |
| Inventories at the beginning of the year | | |
| Finished Goods / Semi Finished Goods | 14466.48 | 7143.47 |
| Traded Goods | 477.86 | 635.80 |
| | <u>14944.34</u> | <u>7779.27</u> |
| Inventories at the end of the year | | |
| Finished Goods / Semi Finished Goods | 20997.15 | 14466.48 |
| Traded Goods | 340.27 | 477.86 |
| | <u>21337.42</u> | <u>14944.34</u> |
| Change in inventories | (6393.08) | (7165.07) |
| Increase/(Decrease) in Excise Duty on Finished Goods | 596.95 | 878.01 |
| TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE | <u>(5796.13)</u> | <u>(6287.06)</u> |
| 23 EMPLOYEE BENEFITS EXPENSES | | |
| Salaries and Wages* | 12809.77 | 11328.74 |
| Contribution to Provident & Other Fund | 649.64 | 569.47 |
| Staff Welfare Expenses | 932.31 | 853.68 |
| TOTAL EMPLOYEE BENEFITS EXPENSES | <u>14391.72</u> | <u>12751.89</u> |
| *Includes remuneration to MD and EDs ₹ 1697.64 Lacs (Previous year ₹ 1591.58 Lacs) | | |
| 24 OTHER EXPENSES | | |
| Stores & Spare Parts Consumed | 2942.64 | 2775.24 |
| Labour Charges | 8805.59 | 7956.50 |
| Power & Fuel | 13934.39 | 14041.29 |
| Water Charges | 124.44 | 160.91 |
| Repairs & Maintenance of Building | 462.26 | 320.38 |
| Repairs & Maintenance of Plant & Machinery | 1177.54 | 1199.39 |
| Repairs & Maintenance (Others) | 436.73 | 379.93 |
| Directors' Fees | 11.20 | 9.30 |
| Rent, Rates & Taxes | 949.82 | 836.13 |
| Insurance | 186.08 | 197.61 |
| Charity & Donations | 196.87 | 148.45 |
| Legal & Professional Fees | 731.47 | 638.06 |
| Travelling & Conveyance | 1733.68 | 1566.22 |
| Vehicle Expenses | 338.30 | 290.65 |
| Advertisement, Publicity & Business Promotion | 2539.89 | 2180.58 |
| Freight and Forwarding Charges | 5771.46 | 4639.09 |
| Printing, Stationery & Communication | 811.36 | 743.81 |
| Royalty | 131.14 | 114.33 |
| Commission & Discount | 5216.95 | 4388.42 |
| Sales Tax | 87.46 | 33.16 |
| Bad Debts (Net of bad debts recovered) | 32.04 | 61.47 |
| Provision for Doubtful Debts | 42.95 | 15.86 |
| Plant Security Services | 567.14 | 445.67 |
| Foreign Currency Exchange Fluctuation (Net) | (127.80) | (11.35) |
| Miscellaneous Expenses | 927.52 | 845.62 |
| TOTAL OTHER EXPENSES | <u>48031.12</u> | <u>43976.72</u> |

Notes to Consolidated Financial Statements for the year ended 30th June, 2014

₹ in Lacs

| | 2013 - 2014 | | 2012 - 2013 | |
|--|----------------|-----------------|-------------|---------|
| 25 FINANCE COSTS | | | | |
| Interest Expenses | 7666.84 | | 5245.05 | |
| Other borrowing costs | 221.05 | 7887.89 | 274.46 | 5519.51 |
| | | | | |
| Less: Interest Received | | 273.41 | | 284.59 |
| TOTAL FINANCE COSTS | | 7614.48 | | 5234.92 |
| 26 DEPRECIATION AND AMORTISATION EXPENSE | | | | |
| Depreciation and Amortisation | | 10159.03 | | 8175.41 |
| Less : Transferred from revaluation reserve | | 4.39 | | 4.39 |
| TOTAL DEPRECIATION AND AMORTISATION EXPENSE | | 10154.64 | | 8171.02 |

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, 2014 |
|-------------------------------------|--------------------------|---|
| The Supreme Industries Overseas FZE | Sharjah (UAE) | 100% |

| Name of the Associate | Country of Incorporation | Proportion of Ownership As on 30th June, 2014 |
|---------------------------|--------------------------|---|
| Supreme Petrochem Limited | India | 29.99% |

28. The audited financial statement of the subsidiary and associate are available as on 30th June, 2014 and same have been considered for the preparation of the consolidated financial statements.

29. Earning per Equity Share – Basic / diluted

| | | 2013-14 | 2012-13 |
|---|------|------------------|-----------|
| Profit after tax (PAT) available for Equity shareholders (₹ in Lakhs) | | 28343.69 | 29009.68 |
| Weighted Average Number of Equity shares | Nos. | 127026870 | 127026870 |
| Nominal Value of Equity shares | ₹ | 2 | 2 |
| Basic / diluted earning per Equity share | ₹ | 22.31 | 22.84 |

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 financial are not appended hereto.

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THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai - 400 021
CIN : L35920MH1942PLC003554

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

| | | | |
|------------|--|--------------------|--|
| D. P. ID* | | L.F. No. | |
| Client ID* | | No. of Shares held | |

I/We hereby record my/our presence at the 72nd Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 on Wednesday, 17th September, 2014 at 3.30 p.m.

| | | | |
|--|----------|----------|----------|
| Name of Shareholder(s) (in Block Letters) | 1. _____ | 2. _____ | 3. _____ |
| Signature of Shareholder(s) | 1. _____ | 2. _____ | 3. _____ |
| Name of Proxyholder(s) (in Block Letters) | 1. _____ | 2. _____ | 3. _____ |
| Signature of Proxy holder | 1. _____ | 2. _____ | 3. _____ |

* Applicable for investors holding shares in electronic form.

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.



THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai - 400 021
CIN : L35920MH1942PLC003554

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L35920MH1942PLC003554
Name of the Company : The Supreme Industries Limited
Registered office : 612, Raheja Chambers, Nariman Point, Mumbai 400021

| | |
|-----------------------|--|
| Name of the member(s) | |
| Registered Address | |
| Email ID | |
| Folio No. / Client ID | |
| DP ID | |

I/We, being the member(s) of _____ shares of The Supreme Industries Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company, to be held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 on Wednesday, 17th September, 2014 at 3.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below :

| Resolutions | | For | Against |
|-------------|--|-----|---------|
| 1 | Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended 30th June, 2014. (Ordinary resolution) | | |
| 2 | Declaration of Final Dividend and confirmation for payment of Interim Dividend on Equity Shares for the financial year ended 30.06.2014. (Ordinary resolution) | | |
| 3 | Re-appointment of Shri B. L. Taparia who retires by rotation. (Ordinary resolution) | | |
| 4 | Re-appointment of Shri H. S. Parikh who retires by rotation. (Ordinary resolution) | | |
| 5 | Appointment of Auditors and fix their remuneration. (Ordinary resolution) | | |
| 6 | Appointment of Shri B. V. Bhargava as an Independent Director. (Ordinary resolution) | | |

| Resolutions | | For | Against |
|-------------|---|-----|---------|
| 7 | Appointment of Shri Y. P. Trivedi as an Independent Director. (Ordinary resolution) | | |
| 8 | Appointment of Shri N. N. Khandwala as an Independent Director. (Ordinary resolution) | | |
| 9 | Appointment of Smt. Rashna Khan as an Independent Director. (Ordinary resolution) | | |
| 10 | Approving the re-appointment of Shri V. K. Taparia as Executive Director as a Director liable to retire by rotation. (Special resolution) | | |
| 11 | Approving the remuneration of Shri Vivek Taparia holding office or place of profit. (Special resolution) | | |
| 12 | Borrowing Powers upto R 1000 crores. (Special resolution) | | |
| 13 | Security Creation upto R 1000 crores. (Special resolution) | | |
| 14 | Related parties Transactions. (Special resolution) | | |
| 15 | Appointment of Cost Auditors. (Ordinary resolution) | | |

Signed _____ day of _____ 2014.

Signature of Shareholder

Affix
₹. 1/-
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

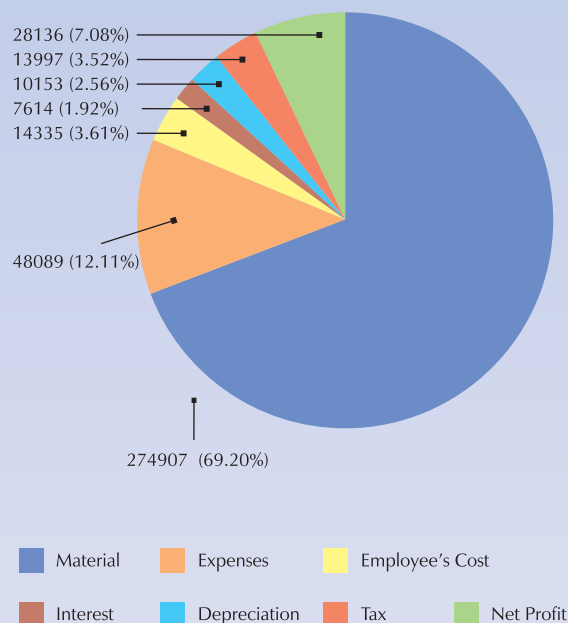
Signature of third proxy holder

Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signatures of any one holder will be sufficient, but names of all the jointholders should be stated.

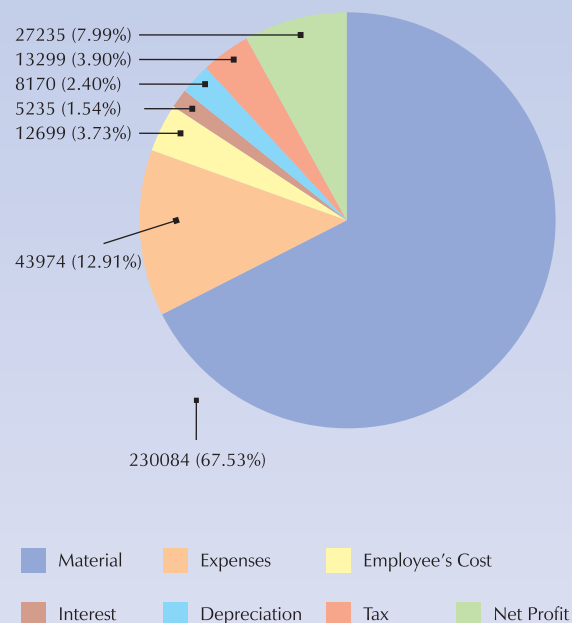
Distribution of Revenue 2013-14

₹ in Lacs

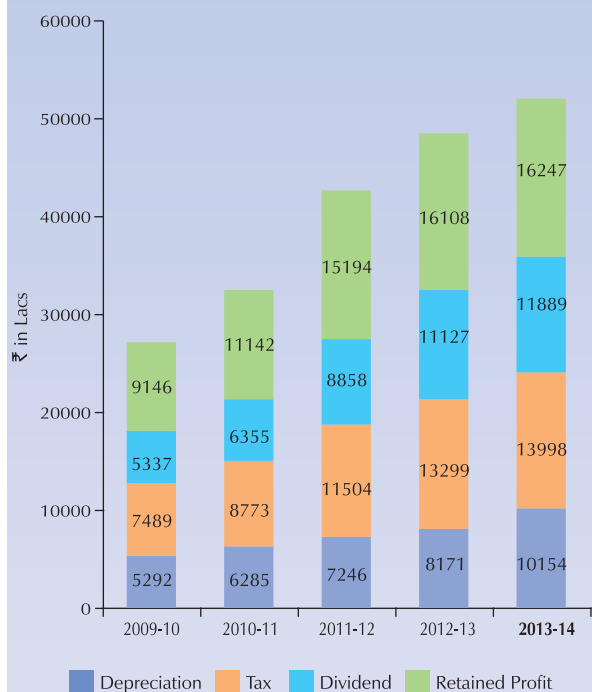


Distribution of Revenue 2012-13

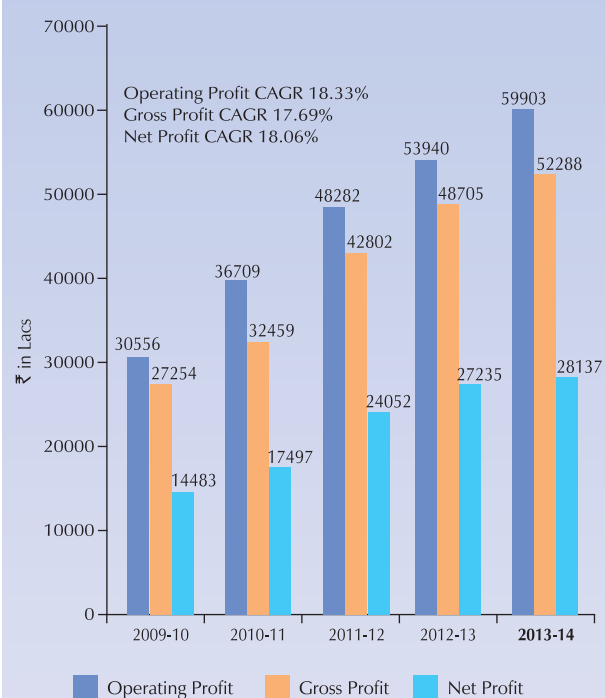
₹ in Lacs



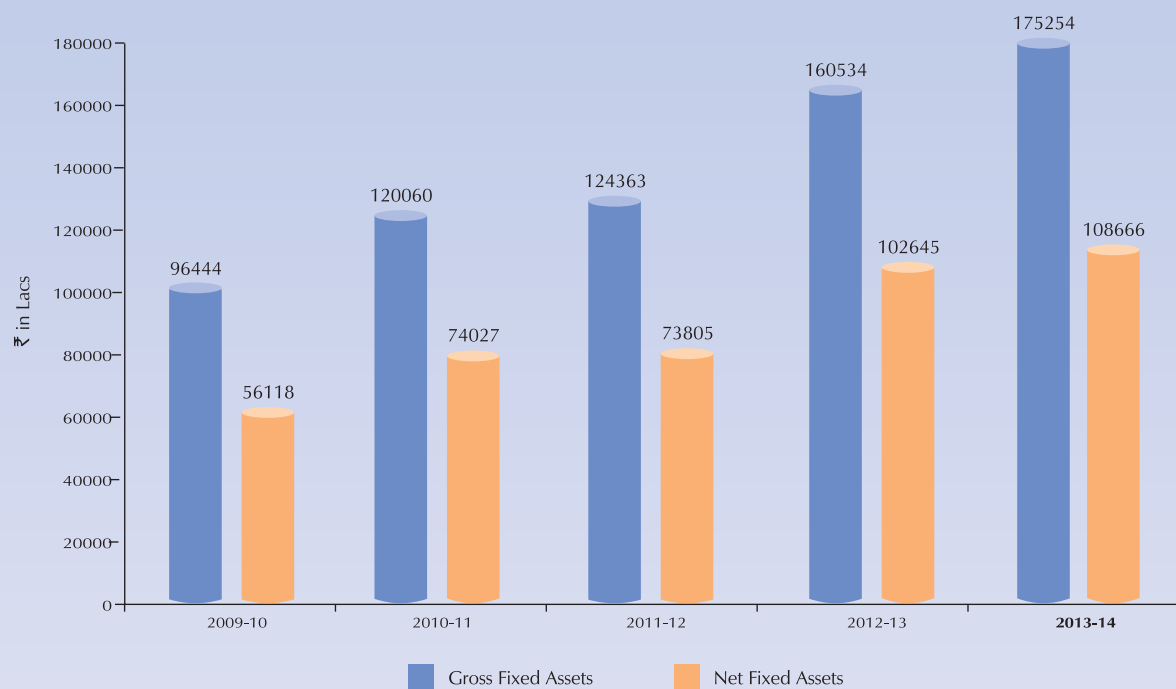
Distribution of Profit



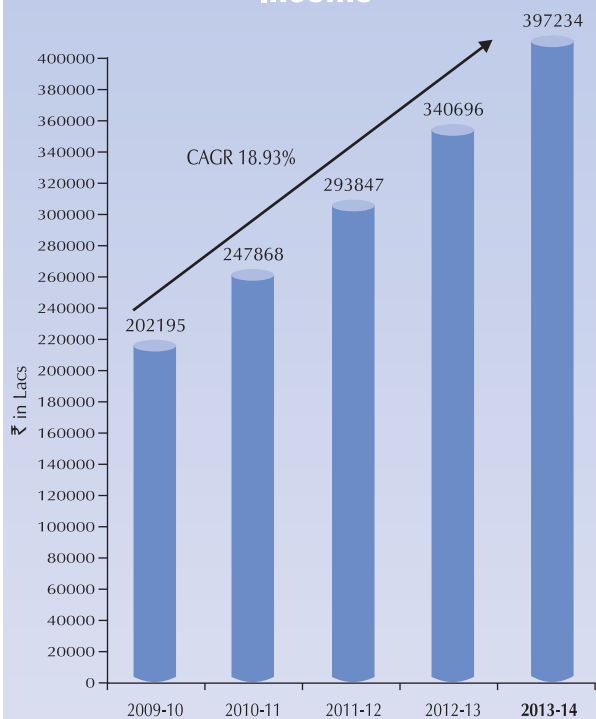
Operating, Gross And Net Profits



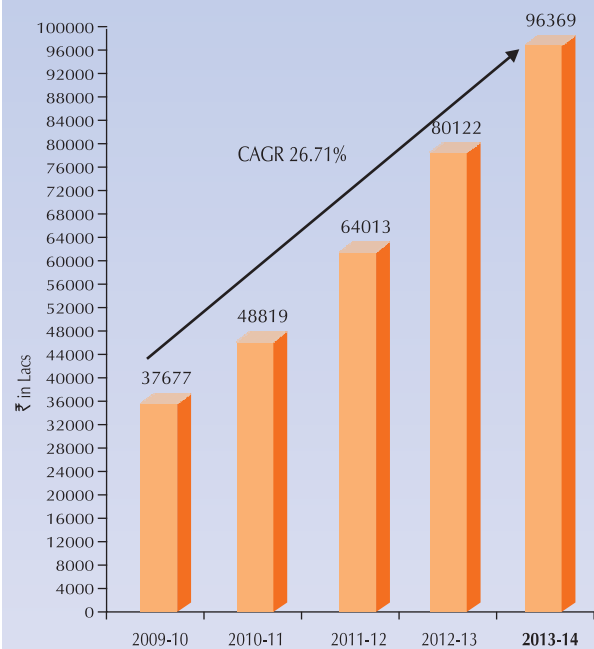
Gross And Net Fixed Assets



Income



Shareholders' Funds



National pride comes in many forms



The Supreme type IV Composite LPG Cylinders

is one such symbol of Indian pride & world class technological excellence. Pride that will undoubtedly increase many times further, considering that the first consignment from order of 50,000 cylinders is already on its way to South Korea.....deliveries to other countries will begin soon. Approvals from more countries are also expected in near future !

A breakthrough, any way you look at it.

- Safe, leakproof, explosion - proof, stackable, lightweight, rust proof & elegantly designed.
- A one-of-a-kind product developed & manufactured at our high-tech robotics facility at Halol in Gujarat with ISO 9001, ISO 14001 & OHSAS 18001 Certifications.
 - Made from next generation extra strong materials.
 - Its translucent body enables to see the level of gas.
- Diverse applications -- ranging from domestic to outdoor cooking, gas cutting to even powering forklift trucks !

Approved By

TÜV
Rheinland®



ISO 11119 - 3

TÜV
Rheinland®



EN 12245

Korea Gas
Safety Corporation



KGS AC 413

Kenya Bureau
of Standards



KEBS 11119-3

INDIA'S NO. 1 PLASTIC PRODUCTS COMPANY



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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 E-mail : supreme@supreme.co.in

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

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

26th August, 2014

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

The Secretary,
Bombay Stock Exchange Ltd.,
Listing Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J. Towers,
Dalal Street, Fort,
MUMBAI - 400023.

Sub: Copy of Annual Report alongwith Form A through NEAPS NSE Electronic Application Processing System pursuant to clause 31 of the Listing Agreement.

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 th June, 2014 |
| 3 | Type of Audit observation | Un-qualified |
| 4 | Frequency of observation | Not Applicable |

For The Supreme Industries Ltd.

(M. P. Taparia)
(M. P. Taparia)
Managing Director

For The Supreme Industries Ltd.

(N. N. Khandwala)
(N. N. Khandwala)
Chairman of Audit Committee

For The Supreme Industries Ltd.

(P. C. Somani)
(P. C. Somani)
Chief Financial Officer

For Chhagmal & Co.

(Chintan Shah)

The Supreme Industries Limited

Registered Office: 2nd Floor, Chambers, Nariman Point, Mumbai-400 021, INDIA
CIN : L35920MH1942PLC003554 PAN : AAAC1344F

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