



SUPREME PETROCHEM LTD

**ANNUAL REPORT
2012-2013**

BOARD OF DIRECTORS:

M. P. Taparia, Chairman
 Rajan B. Raheja
 Aziz Parpia - upto April 24, 2013
 B. L. Taparia
 Satish Raheja
 S. J. Taparia
 Hasmukh Shah
 M. S. Ramachandran
 R. Kannan
 Nihalchand Chauhan
 Ameeta Parpia - from April 24, 2013
 Viren Raheja - Alternate Director to Satish Raheja

REGISTERED OFFICE:

612, Raheja Chambers, Nariman Point,
 Mumbai - 400 021

CORPORATE OFFICE:

Solitaire Corporate Park, Building No. 11, 5th Floor,
 Andheri-Ghatkopar Link Road,
 Chakala, Andheri (East), Mumbai - 400 093

PLANTS:

Amdoshi, Wakan Roha Road,
 Post : Patansai, Taluka Roha,
 Dist. Raigad, Maharashtra - 402 106 and

Ammulavoyil Village, Andarkuppam Post,
 Manali New Town,
 Chennai - 600 103, Tamil Nadu.

BANKERS:

State Bank of India
 AXIS Bank Ltd.
 Central Bank of India
 HDFC Bank Ltd.
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 ING Vysya Bank Ltd.
 Kotak Mahindra Bank Ltd.
 The Hongkong & Shanghai Banking Corporation Ltd.
 The Karur Vysya Bank Ltd.

AUDITORS:

M/s. Parikh & Shah
 Chartered Accountants

REGISTRARS & TRANSFER AGENTS:

Karvy Computershare Private Limited,
 17-24, Vittalrao Nagar, Madhapur,
 HYDERABAD - 500 081

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PERFORMANCE HIGHLIGHTS

₹ Lacs unless indicated otherwise

	2012-2013	2011-12	2010-11	2009-10	2008-09
Net Sales	296818.18	227267.22	194369.87	161184.41	139496.39
Other Income	436.24	648.76	866.92	270.93	297.48
Total Income	297254.42	227915.98	195236.79	161455.34	139793.87
Operating Profit	16175.51	10269.33	16903.64	12876.19	7684.01
(Profit before Financial Cost, Depreciation, Amortisation and Tax)					
Financial Cost	2399.94	3199.28	2021.64	1789.50	2142.84
Depreciation/Amortisation	2770.61	2292.34	2037.02	2068.29	2040.60
Profit Before Tax & Exceptional items	11004.96	4777.71	12844.98	9018.40	3500.57
Net Profit	7282.33	3137.47	8769.07	6047.49	1918.44
Paid up Equity Capital	9683.86	9683.86	9683.86	9683.86	9683.86
Reserves and Surplus	25596.30	21146.38	19584.55	13966.84	9941.24
Shareholders' Funds (Net Worth)	35280.16	30830.24	29268.41	23650.70	19625.10
Deferred Tax Liability (Net)	4872.04	4385.59	4096.64	4349.29	4555.14
Loans	7468.85	14230.64	16608.48	15510.66	13771.62
Capital Employed	47621.05	49446.47	49973.53	43510.65	37962.57
Avg Capital Employed	48533.76	49710.00	46742.09	40736.61	37628.30
Earning Per Equity Share (Rs.)	7.52	3.24	9.06	6.24	1.96
Cash Earning Per Equity Share (Rs.)	10.38	5.61	11.16	8.38	4.09
Book Value (Rs.)	36.43	31.84	30.22	24.42	20.27
Dividend (%)	25.00	14.00	28.00	18.00	10.00
ROACE (%) (PBIT/Average capital Employed)	27.62	16.05	31.81	26.53	15.00
ROANW (%) (PAT/Average Net Worth)	22.03	10.44	33.14	27.95	9.97
Debt : Equity (Total Debt/Total Net Worth)	0.21	0.46	0.57	0.66	0.70
Total Outside Liabilities/ Total Net Worth	1.78	2.25	2.24	2.14	1.99

NOTICE

NOTICE is hereby given that the twenty fourth Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Friday, October 18, 2013 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended June 30, 2013.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri M. S. Ramachandran, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajan B. Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri B. L. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Nihalchand Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company ('the Board') of all the

immovable and movable properties of the Company wheresoever situate present and future, in favour of Consortium of Banks including State Bank of India (SBI); IDBI Bank Ltd. (IDBI); Central Bank of India (CBI); ICICI Bank Ltd. (ICICI); ING Vysya Bank Ltd. (IVBL); The Karur Vysya Bank Ltd. (KVBL); AXIS Bank Ltd. (AXIS); The Hongkong And Shanghai Banking Corporation Ltd. (HSBC) and such other Banks as may be included in the Consortium from time to time in such manner and form as may be agreed to between the Consortium of Banks and the Board in respect of the existing and future fund and non-fund based credit facilities upto an amount of ₹1500.00 crores extended/to be extended to the Company for meeting its Working Capital requirements, together with interest at the agreed rate, costs, charges, expenses and all other monies payable by the Company in terms of the facility agreements in respect of said Working Capital Facilities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the Consortium of Banks the documents for creating the aforesaid mortgages, charges, and/or hypothecations and to accept any modifications to, or to modify, alter or vary the terms and conditions of the documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to the above resolution".

For and on behalf of the Board

M. P. Taparia
Chairman

Registered Office :

612, Raheja Chambers, Nariman Point,
Mumbai - 400 021

Date : July 17, 2013



NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the meeting.

An explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item No. 8 of the notice is annexed.

Register of Members of the Company will remain closed from Wednesday, October 16, 2013 to Friday, October 18, 2013 (both days inclusive).

Members who hold shares in de-materialised form are requested to write their Client ID and DP ID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

Members holding shares in physical form are advised to furnish, on or before October 10, 2013 particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in the dividend warrants/ payment instrument.

For security reasons, no articles/baggage will be allowed at the venue of the meeting.

To receive faster communication of all shareholders communications, including Annual Reports the Members are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their e-mail address with Karvy Computershare Private Limited, Hyderabad.

Members are requested to bring their copies of the Annual Report to the Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 regarding Special Business.

ITEM NO. 8:

The Company has been availing credit facilities from the Consortium of Banks to meet its Working Capital requirements. As required by the Consortium of Banks, these credit facilities are to be secured by a appropriate mortgage/hypothecation/charge on the Company's immovable and movable properties on pari-passu basis. The consent of the members is now being sought to create such mortgage/hypothecation/charge on pari-passu basis with the existing mortgages/hypothecations/charges on the Company's immovable/movable properties wheresoever situate both present and future in favour of the current Consortium of Banks and such other Banks as may join the Consortium from time to time for Working Capital Facilities including fund and non-fund based facilities sanctioned/to be sanctioned by the Consortium of Banks upto an aggregate amount of ₹1500.00 crores. The resolution at Item No. 8 is considered necessary having regard to Section 293(1)(a) of the Companies Act, 1956.

The Directors commend the resolution at Item No. 8 for your approval.

None of the Directors of the Company may be deemed to be in any way concerned or interested in the resolution except Shri M. S. Ramachandran, who is a Director of ICICI Bank Limited. He will be concerned or interested in the resolution, to the extent of Working Capital Facilities that may be availed from ICICI Bank Limited.

For and on behalf of the Board

M. P. Taparia
Chairman

Registered Office :

612, Raheja Chambers, Nariman Point,
Mumbai - 400 021

Date : July 17, 2013

DIRECTORS' REPORT

Your Directors take pleasure in presenting the twenty fourth Annual Report together with Audited Accounts of your Company for the year ended June 30, 2013.

1. FINANCIAL RESULTS

(Rupees in lacs)

	2012-2013	2011-2012
Income (Net of Excise)	297254.42	227915.98
Profit before Tax	11004.96	4777.71
Tax expenses	3738.45	1440.25
Profit after tax	7266.51	3337.46
Prior period adjustments	(15.82)	199.99
Balance brought forward from Previous Year	7282.33	3137.47
Amount available for appropriation	10922.42	7715.73
Appropriation thereof :		
Dividend on equity shares (including corporate dividend tax)	2832.41	1575.64
Transfer to general reserve	4000.00	2500.00
Balance carried forward	4090.01	3640.09

2. DIVIDEND

Your Directors recommend a dividend of ₹ 2.50 per equity share for the year 2012-2013. The dividend subject to approval of members at the annual general meeting in October 2013, shall be paid to the members whose names appear in the register of members as on date of applicable book closure.

3. REVIEW OF OPERATIONS

The year under review was a difficult year with consumer confidence being low, high commodity prices, inflation and sharp depreciation of rupee value. Under these difficult times your Company could manage to grow its volumes by 6.9% over the previous year. This growth was very low compared to the target fixed by the Company for the previous year. This fall in volume growth compared to target was mainly on account of de-growth in domestic Polystyrene and Special Polymer Compounds demand and lower than expected growth in Expandable Polystyrene and export markets. Growth in exports was affected due to continued uncertainty in political and economic situation in various regions of the global economy, bilateral trade agreements between Polystyrene exporting countries in South and North East Asian markets and major Polystyrene consuming countries like Turkey and European Union. In view of the current economic and political situation in the country your Company expects to grow its volumes by about 15% during the year 2013-14.

In Extruded Polystyrene Insulation Board (XPS) the Company is now focusing more on creating a retail sales network to tap into this large potential. The plant loading will improve significantly once the retail segment picks up.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

Management Discussion and Analysis for the year under review and the report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges are presented separately in the Annual Report. The compliance of 'Corporate Governance' conditions has also been certified by the Auditors and the same is annexed to the report on Corporate Governance.

5. HEALTH, SAFETY & ENVIRONMENT

Both the Environmental Management System and Occupational Health and Safety Management Systems continued to be maintained by your Company as per ISO 14001:2004 Standards and OHSAS 18001:2007 specifications respectively. Your Company has continued implementation of HSE Management System under the guiding principles of declared 'Occupational Health & Safety Policy' and 'Environmental Policy'.

HSE performance index for the period under review stood to be in 'excellent' range.

Your Company has completed 4637 accident free days as on June 30, 2013 which amounts to 12.46 million man- hours of accident free operation.

6. DIRECTORS

Shri M. S. Ramachandran, Shri Rajan B. Raheja, Shri B. L. Taparia and Shri Nihalchand Chauhan, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

A brief resume of the Directors eligible for re-appointment is given in the report on Corporate Governance.

Shri Aziz Parpia, who has been a Director of the Company since inception resigned on April 24, 2013 on account of advancing age. The Board places on record its appreciation of his invaluable guidance and contribution to the Company as a member of the Board of Directors and its various Committees.

Ms. Ameeta Parpia was appointed as Director of your Company in the casual vacancy created by the resignation of Shri Aziz Parpia, w.e.f. April 24, 2013.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures;



- (ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts on a going concern basis.

8. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company transferred an aggregate amount of ₹1.12 lacs during the year to the Investor education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹201.95 lacs.

The unclaimed dividends on equity shares paid in November 2006 will be due for transfer to the Fund in December 2013. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the R & T Agents.

9. FIXED DEPOSIT SCHEME

The outstanding fixed deposits as on June 30, 2013 were ₹10.27 crores including 121 due but unclaimed deposits aggregating ₹45.89 lacs out of which 15 deposits aggregating ₹7.3 lacs have been paid as on the date of this report. There are no claimed and unpaid deposits.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information as per Section 217(1)(e) of the Companies Act, 1956 read together with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is Annexed hereto forming part of this report.

11. PERSONNEL

Your Company continues to maintain harmonious industrial relations throughout the year. The Directors acknowledge the sincerity and dedication of the employees.

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of 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 Report and the Accounts is being sent to all 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.

12. AUDITORS' REPORT

There are no qualifications or adverse remarks in the auditors' report.

13. COST AUDITORS

The Cost Audit Report for the year 2011-12 was filed with the authorities on January 10, 2013. The due date for the same was February 28, 2013. Kishore A. Bhatia, Cost Accountant has been reappointed to audit the cost accounts of the Company for the period July 01, 2012 to June 30, 2013.

14. ACKNOWLEDGEMENT

The Directors are thankful to its Bankers, Customers, Suppliers and other Business Associates/Stakeholders for their continued co-operation and support extended to your Company.

For and on behalf of the Board

M. P. Taparia
Chairman

Place : Mumbai
Date : July 17, 2013

MATERIAL CHANGES AFTER THE DATE OF THE DIRECTORS' REPORT:

STATUTORY AUDITORS

The retiring auditors M/s. Parikh & Shah, Chartered Accountants have vide letter dated August 09, 2013 resigned as Statutory Auditors w.e.f. the end of the ensuing Annual General Meeting of the Company. M/s. G.M. Kapadia & Company, Chartered Accountants having furnished the necessary certificate u/s. 224(1-B) of the Companies Act, 1956 are eligible for appointment as Statutory Auditors. The members are requested to appoint M/s. G.M. Kapadia & Company as Statutory Auditors.

For and on behalf of the Board

M. P. Taparia
Chairman

Place : Mumbai
Date : August 19, 2013

ANNEXURE I TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF THE (BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2013.

A. CONSERVATION OF ENERGY

Various energy saving schemes are part of the ongoing programme of energy conservation. Such schemes resulted in savings of 95287 units of electrical energy during the year under review.

B. TECHNOLOGY ABSORPTION

Technology sourced from NOVA Chemical Inc. (for Polystyrene and food grade EPS) and SH Chemical Co. (for EPS) have since been successfully absorbed.

ANNEXURE - FORM A

Form for disclosure of particulars with respect to conservation of energy.

A. Power and fuel consumption

		Current Year	Previous Year
		July 01, 2012 to June 30, 2013	July 01, 2011 to June 30, 2012
1	Electricity		
	(a) Purchased		
	Units (KWH)	26533826	34440928
	Total amount (₹ Lacs)	2074.51	2415.94
	Rate/unit (₹)*	7.82	7.02
	(b) Own Generation		
	Through Diesel Generator		
	Units (KWH)	297298	390438
	Unit per ltr. of diesel oil	3.01	3.00
	Cost/Unit*	16.66	14.61
	(c) Own Generation		
	Through Gas Engine		
	Units (KWH)	10705192	NIL
	Unit per MMBTU of Gas	102	NIL
	Cost/Unit*	8.28	NIL
2	Furnace Oil		
	Quantity (MT)	2122.54	2146.18
	Total amount (₹ Lacs)	841.38	926.72
	Average rate (₹ per Kg.)*	39.64	43.18

B. Consumption per unit of production

Product	Current Year 2012-13			Previous Year 2011-12		
	PS	EPS	XPS	PS	EPS	XPS
Electricity (KWH/MT)	199.93**	139.46*	1583.69	199.33**	169.81*	1494.10
Furnace Oil (Kgs/MT)	5.48	36.88	NIL	9.03	41.73	NIL
Natural Gas (Kgs/MT)	2.80	15.43	NIL	NIL	NIL	NIL

* Average of all plants

** Including Speciality Polymers and Compounds

For and on behalf of the Board

M. P. Taparia
Chairman

Place : Mumbai

Date : July 17, 2013



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The Indian economy is currently going through a difficult phase. Domestic as well as global issues have slowed the economic growth to a decade low of 5% for the financial year 2012-13. Inflation coupled with sharp rupee depreciation dampened the consumer confidence leading to slow market growth. The year under review has been a year of economic uncertainties and weak sentiments. Your Company's performance for the year under review must be viewed in the background of the above said economic environment and consumer sentiment.

The domestic Polystyrene (PS) industry faced difficult business environment during the year under review. The contributory factors were the increasing Styrene Monomer (main raw material) prices compounded by the weakening rupee against the dollar which lead to high Polystyrene prices. This adversely affected quantitative sales, though with increasing sales revenue. High prices of Polystyrene increased usage of reprocessed Polystyrene by certain consumer segments. The situation was further compounded by the poor off take from major Polystyrene consuming segments like refrigerators and TV. The fall in demand from TV segment was due to switch over to LCD/LED TVs from conventional CTVs and also increased imports under FTAs. All these resulted in degrowth in domestic demand by about 3.5% over the previous year.

Exports continue to remain sluggish as a result of uncertain political and economic situation in your Company's major international markets. Start up of new Polystyrene plants in Egypt and Saudi Arabia exerted pressure on margins due to enhanced competition. Exports to Turkey a major market for your Company have slowed down due to bilateral trade agreements entered into between Turkey and South Korea which allows imports of South Korean Polystyrene into Turkey on duty free basis. Your company managed to retain volumes and reasonable margins by servicing large number of small and medium sized customers over different markets. With this change in marketing strategy for exports your Company could increase the volumes marginally by 3%.

Customs tariff on imports of polymers was increased to 7.5% from 5% towards the end of the year under review. However, in view of the various FTAs entered into by Government of India particularly with Singapore your Company will not get any significant advantage of the same in respect of Polystyrene.

Government of India has entered into various FTAs under which aggressive imports of household appliances on duty free basis has affected local production thus making an adverse impact on local consumption of Polystyrene. Imports of Polystyrene and also household appliances under FTAs particularly with countries like Singapore, Thailand and

ASEAN Nations are contributing to lower capacity utilization of domestic Polystyrene industry. In near future may also affect employment opportunities in India.

The first phase of debottlenecking of the Polystyrene plant to increase the proportion of value added grades by 40,000 TPA within the overall installed capacity of 2,72,000 TPA was completed in August 2012. The second phase of debottlenecking to increase the production capacity of value added grades by another 10,000 TPA has been deferred due to sluggish domestic market.

Expandable Polystyrene demand in the country grew by 6% due to increased usage in cold storage, construction industry and packaging. Your Company with its increased capacity was able to capture the growth in demand and significantly improve its market participation. The shutdown of Expandable Polystyrene operations during the year by one of your Company's competitors with Western Region has also helped your Company gain market share and become a market leader.

Food Grade Expandable Polystyrene has been well accepted in both domestic and export market. Exports of food grade EPS has shown encouraging volume growth. There however remains large scope to increase volumes in export market. Domestic demand for same is not showing any appreciable volume jump. Your Company has therefore decided to enhance the standard EPS capacity within the overall capacity.

The Speciality Polymers and Compound (SPC) market continued to be sluggish. While the number of water filter producers increased during the year under review, low volumes for appliance sector due to overall economic situation, adversely affected off-take of specialty compounds. Special Compounds developed by your company for Telecom & Railway batteries have been well accepted by customers. Many low margin products have been withdrawn from the market to enhance profitability of business even with muted volumes. Exports of SPC recorded a marginal increase in volumes despite difficult business environment in the international market

Focus of the company to develop retail network on pan-India basis to make Extruded Polystyrene Insulation Board (Brand name INSUboard) available to consuming public is continuing at brisk pace. Continuous efforts are being made to create awareness by participating in seminars, exhibitions, road shows etc. Results are encouraging. New products are being introduced based on customer feedback and special requirements. Several technical innovations have been initiated to reduce cost and improve product quality. Your company has gained acceptance with HVAC (Heating Ventilation Air Conditioning) consultants which resulted in inclusion of INSUboard in the users handbook of ISHRAE

(Indian Society of Heating Refrigerating and Air Conditioning Engineers).

The gas based Captive Power Plant of 4000 KVA was commissioned in September, 2012. This has helped the Company to schedule drawal of power from the grid at non peak hours thus reducing overall per unit cost of power.

CAPITAL EXPENDITURE

The capital expenditure schemes relating to first phase of debottlenecking of PS plant, Captive Power Plant and balance expenditure in respect of EPS and SPC were completed by the first quarter of the year under review. Your Company is planning to incur capital expenditure of about ₹30 crores towards normal capital expenditure during the year for replacement of old and fatigued equipment and also installation of balancing equipment in EPS plant.

FINANCE

Your Company's total debt stands reduced to ₹7468.84 lacs as on June 30, 2013. Total borrowings have been brought down by about ₹6761.80 lacs during the year. As on June 30, 2013 your Company has a very healthy debt to equity ratio of 0.21 and total outside liability to networth ratio of 1.78.

OUTLOOK

Polystyrene: The domestic PS market is expected to grow by 4% in 2013-14. This is based on the demand growth expected mainly from rigid transparent sheets, water filters, refrigerators, air conditioners and PS Foam food serviceware. On the export front your Company may face competitive pressures due to various bilateral trade agreements entered into by South and North East Asian Countries with major PS consuming countries like Turkey and European Union. However, excellent brand image enjoyed by your Company in many countries, customer loyalty and strong distribution network will to a large extent mitigate such competitive pressures.

Expandable Polystyrene: The domestic EPS sale is expected to grow by about 11% in 2013-14. Though the main applications of EPS have traditionally been in packaging more growth is expected from block applications i.e. in cold storages and construction industry where sandwich panels and 3 D panels are expected to do well as stated in our previous years report. Use of EPS for construction in India continues to be low and is therefore a growth opportunity for your Company.

Speciality Polymers and Compounds: Your Company is strengthening its value added compounds portfolio particularly in the area of engineering compounds. This will help in improving the bottom line though the volumes may not see quantum jump in the immediate near future. Sales force has been strengthened to explore new markets and applications, both in domestic market as well as export market.

Extruded Polystyrene Insulation Board (XPS): Demand from retail segment for XPS insulation Board is showing encouraging results in the recent months. Your Company is putting up a large distributor network to improve availability and awareness about the product to the retail sector. XPS market has a new entrant who has put up a XPS plant in Hyderabad. This is a welcome development since two domestic players will help in developing the market faster. We expect the demand to grow with increased product awareness.

RISK MANAGEMENT

International pricing and demand/supply risk are inherent in the import of Styrene Monomer, the main raw material. Your Company enters into procurement contracts on annual basis for import of Styrene Monomer with inbuilt flexibility with regard to quantities to minimise these risks. Your Company also looks to increase sales linked to raw material prices so that any increase in raw material cost is passed on.

The global economic scenario and the dollar-rupee parity has a direct effect on sales in the overseas market which represent a substantial part of your Company's PS, EPS and SPC sales. Your Company therefore aims to export only in those markets which provide better netback in rupee terms and to take steps to strengthen existing customer relationship by introducing new products, developing new customers and markets. Hedging of open foreign exchange exposure relating to imports helps to lessen the impact of foreign exchange rate fluctuations in respect of import of raw material.

Your Company has adequately insured its plant and machinery on a reinstatement basis. The Policies also cover stocks of finished goods, raw materials (at plant and while in transit) projects under erection and third party liabilities. Adequate loss of profit insurance policy to cover loss of gross profit if any, due to interruption has also been purchased by your Company. The management periodically reviews the adequacy of the insurance cover.

The phased elimination of duty on imports of Polystyrene from Singapore under India and Singapore trade agreement may lead to large imports of Polystyrene into India in the coming years to the detriment of Indian Industry. Your Company is taking up this issue strongly with the Government through its trade association.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Your Company considers Human Resources as one of the most important ingredients for growth and strives to align human resource policy and initiatives to meet business plans. Training of employees to maintain high level of motivation is therefore an ongoing process. Industrial relations at all the units remained cordial during the year.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The internal controls system for safeguarding and protecting assets against loss from unauthorised use or disposition are in place.



Regular internal audits, review by management and documented policies, guidelines and procedures supplements the internal controls which are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

AWARDS & RECOGNITION

Your Company has achieved the following recognitions and awards during the period under review:

- Greentech Safety Award 2012 – From Greentech Foundation, New Delhi for outstanding achievement in Safety Management.

CORPORATE SOCIAL RESPONSIBILITY

Social, economic and environmental responsibility is an integral part of the business. Your Company continued its interaction with and participation in the activities of the neighbouring villages viz.

- Scholarships to students from nearby villages to pursue higher technical education.
- Financial help to nearby villages for cultural activities.
- Active participation in activities of District Crises Group.

- Extended help to local and district authorities for handling 'Off Site Emergencies' such as road accidents, fire etc.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing your Company's objectives, estimates, expectations or projections may constitute "forward looking statements", within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statements.

Important factors that could make a difference to Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

Government of India has entered into various FTAs under which aggressive imports of appliances on duty free basis has affected local production thus making an adverse impact on local consumption of Polystyrene. Imports of Polystyrene and also appliances under FTAs particularly with countries like Singapore, Thailand and ASEAN Nations is contributing to lower capacity utilization of domestic Polystyrene industry and in near future may also affect employment opportunities in India.

CORPORATE GOVERNANCE

PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE:

Your Company is fully committed to the principles of transparency, integrity and accountability and has been practicing the principles of good Corporate Governance over the years. Good governance ensures adoption of best business practices and accountability of the persons in-charge of the Company's operations. Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the Listing Agreement.

1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors comprised of 10 members as on June 30, 2013. The Directors bring to the Board a wide range of experience and skills.

Name of the Director	Category	No. of outside Directorship		No. of Chairpersonship/ Membership in other Board/Committees		No of Shares Held
		Public	Private	Chairperson	Member	
M. P. Taparia	Non-Executive – Promoter/ Chairman	4	2	-	-	37733
Rajan B. Raheja	Non-Executive – Promoter	7	38	2	3	300
B. L. Taparia	Non-Executive – Promoter	2	1	-	-	4834
Satish Raheja	Non-Executive – Promoter	3	-	-	-	-
S. J. Taparia	Non-Executive – Promoter	4	1	-	-	37733
Hasmukh Shah	Non-Executive – Independent	2	1	1	2	2800
R. Kannan	Non-Executive – Independent	4	-	1	1	-
M. S. Ramachandran	Non-Executive – Independent	4	-	3	8	-
Nihalchand Chauhan	Non-Executive – Independent	2	-	-	1	-
*Ameeta Parpia	Non-Executive – Independent	2	-	1	3	21900
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	5	74	-	9	200

* Appointed as Director in the casual vacancy created by resignation of Shri Aziz Parpia, w.e.f. April 24, 2013.

During the year under review the Board met on 5 occasions i.e. July 18, 2012; October 04, 2012; October 16, 2012; January 21, 2013 and April 24, 2013.

The attendance of each Director at the Board Meetings during the period under review and at the last Annual General Meeting is listed below:

Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter/ Chairman	5	5	Yes
Rajan B. Raheja	Non-Executive – Promoter	5	5	Yes
Aziz Parpia	Non-Executive – Independent	5	5	Yes
B. L. Taparia	Non-Executive – Promoter	5	4	Yes
Satish Raheja	Non-Executive – Promoter	5	–	–
S. J. Taparia	Non-Executive – Promoter	5	4	Yes
Hasmukh Shah	Non-Executive – Independent	5	1	No
R. Kannan	Non-Executive – Independent	5	4	No
M. S. Ramachandran	Non-Executive – Independent	5	4	Yes
Nihalchand Chauhan	Non-Executive – Independent	5	5	Yes
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	5	4	Yes

**2. AUDIT COMMITTEE:**

Your Company has an independent Audit Committee which was constituted on January 29, 2001. The composition, procedure, role/function of the Committee complies with the requirements of the Companies Act, 1956 as well as those of the Listing Agreement.

The terms of reference of the Audit Committee inter-alia includes overseeing the Company's financial reporting process and disclosures of financial information. The prime responsibility of the Audit Committee is to review with Management, the quarterly/annual financial statements prior to it being submitted to the Board for approval.

The Audit Committee's functions include reviewing the adequacy of internal control functions and systems, its structures, reporting process and coverage and frequency of internal audit. The responsibility of the committee is also to review the findings of any internal investigation by the Internal Auditors in matters relating to suspected fraud or irregularity or failure in internal control systems of material nature and report the same to the Board.

The Committee reviews the reports of the Internal, Statutory and Cost Auditors and ensures that adequate follow-up action is taken by the Management on observations and recommendations made by the respective Auditors.

The Committee recommends to the Board, the appointment/re-appointment of the Statutory & Cost Auditors of the Company and the audit fees payable to them. In addition, the Committee approves payment of fees for other services rendered by the Statutory Auditors. The Committee also approves the appointment/re-appointment of Internal Auditors of the Company and the fees payable to them.

During the year under review, the Audit Committee met on 4 occasions i.e. July 18, 2012; October 16, 2012; January 21, 2013 and April 24, 2013.

Members	Category	Meetings held	Meetings Attended
Aziz Parpia	Non-Executive – Independent/Chairman	4	4
S. J. Taparia	Non-Executive – Promoter	4	3
R. Kannan	Non-Executive – Independent	4	4
Nihalchand Chauhan	Non-Executive – Independent	4	4

3. REMUNERATION COMMITTEE:

Your Company has constituted an independent Remuneration Committee to decide the amount of salary, perquisites and commission to be paid to the Managerial Personnel, if any, within the overall ceiling approved by the shareholders.

During the year under review no Remuneration Committee meeting was held, composition of Remuneration Committee is as under:

Member	Category
Hasmukh Shah	Non-Executive – Independent/Chairman
Aziz Parpia	Non-Executive – Independent
S. J. Taparia	Non-Executive – Promoter
R. Kannan	Non-Executive – Independent

4. SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS:

During the year under review, sitting fees paid to the Non-Executive Directors for attending Meetings of the Board & Committees thereof are as follows:

Name of the Director	Category	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter/Chairman	75,000
Rajan B. Raheja	Non-Executive – Promoter	75,000
Aziz Parpia	Non-Executive – Independent	1,35,000
B. L. Taparia	Non-Executive – Promoter	60,000
Satish Raheja	Non-Executive – Promoter	–
S. J. Taparia	Non-Executive – Promoter	1,05,000
Hasmukh Shah	Non-Executive – Independent	15,000
R. Kannan	Non-Executive – Independent	1,20,000
M. S. Ramachandran	Non-Executive – Independent	60,000
Nihalchand Chauhan	Non-Executive – Independent	1,35,000
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	60,000
	TOTAL	8,40,000

5. INVESTORS' GRIEVANCE COMMITTEE:

Your Company has constituted Investors' Grievance Committee of Directors to look into the specific complaints received from the investors of the Company. The Investors' Grievance Committee also approves share transfers. The composition of the Investors' Grievance Committee and details of meetings held during the period under review is listed below:

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	30	29
Rajan B. Raheja	Non-Executive – Promoter	30	27
Aziz Parpia	Non-Executive – Independent	30	26
S. J. Taparia	Non-Executive – Promoter	30	28
Satish Raheja	Non-Executive – Promoter	30	–
*Ameeta Parpia	Non-Executive – Promoter	30	4
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	30	29

*** Appointed as Director in the casual vacancy created by resignation of Shri Aziz Parpia, w.e.f. April 24, 2013.**

Compliance Officer: Shri Rakesh Nayyar - Company Secretary.

During the period under review, your Company received 105 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and majority of these complaints were resolved within 30 days. There were NIL pending complaints as on June 30, 2013.

6. INVESTMENT COMMITTEE:

Your Company has constituted an Investment Committee of Directors to oversee the purchase/sale of investments made by the Company from time to time.

During the year under review the said Committee met on 3 occasions i.e. on October 04, 2012; January 05, 2013 and April 06, 2013.

Member	Category	Meetings Held	Meetings Attended
M.P. Taparia	Non-Executive – Promoter/ Chairman	3	3
Rajan B. Raheja	Non-Executive – Promoter	3	3
Aziz Parpia	Non-Executive – Independent	3	3
S.J. Taparia	Non-Executive – Promoter	3	3

7. FINANCE COMMITTEE:

Your Company has constituted an independent Finance Committee of Directors on July 26, 2005. The terms of reference of the Finance Committee include:

- Opening/Closing of Bank Accounts and authorise officials of the Company for operating of Bank Accounts;
- Borrow moneys from Banks or any other source including temporary loans.
- Authorisation for creation of security on the Company's assets to secure the borrowings and
- Authorisation to invest temporary surplus funds in money market investments and delegate financial powers for approved projects capital expenditure.

During the year under review Finance Committee met on 4 occasions i.e. July 18, 2012; October 04, 2012; January 05, 2013 and April 06, 2013.

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	4	4
Rajan B. Raheja	Non-Executive – Promoter	4	4
Aziz Parpia	Non-Executive – Independent	4	4
B. L. Taparia	Non-Executive – Promoter	4	3
Satish Raheja	Non-Executive – Promoter	4	–
S. J. Taparia	Non-Executive – Promoter	4	4
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	4	2

**8. CODE OF CONDUCT:**

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management of the Company. This code has been posted on the Company's website www.supremepetrochem.com. For the year under review, all Directors and Senior Management have confirmed their adherence to the provisions of the said code.

9. CEO/CFO CERTIFICATION:

The Manager and the 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 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 that there were no:
 - (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 has been disclosed in the notes to the financial statements and
 - (iii) instances of significant fraud of which they have become aware and the involvement there in if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

The above certificates were placed before the Board at its meeting held on July 17, 2013.

10. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held :

Year		Location	Date	Time	Special Resolutions Passed
2009-2010	21 st	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	06.10.2010	4.00 p.m.	No
2010-2011	22 nd	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	21.09.2011	4.00 p.m.	Yes
2011-2012	23 rd	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	04.10.2012	4.00 p.m.	No

No resolutions were passed through postal ballot last year.

11. SUBSIDIARY COMPANY:

Your Company does not have any material non-listed Indian Subsidiary Company.

12. DISCLOSURES:**a. Basis of related party transactions**

Your Company places all the details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Annual Report. However, these transactions are not likely to have any conflict with the interest of the Company at large.

b. Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

c. Risk Management

Your Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimisation procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

d. Proceeds from public issues, right issues, preferential issues etc.

During the year under review your Company has not raised any proceeds from public issue, right issue or preferential issue.

e. Disclosure of non-compliance of the Company

There were no instances of non-compliance or penalty, strictures imposed on your Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

f. Whistle Blower Policy

Your Company does not as yet have a Whistle Blower Policy in place, however no employee has been denied access to the Audit Committee.

13. IMPLEMENTATION OF CODE OF INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

Your Company has adopted Code of Conduct for prevention of insider trading which is based on the SEBI framework. Your Company follows strict guidelines in respect of insiders' stock trading and related disclosures. The Company Secretary is designated as the Compliance Officer to oversee its implementation. Periodic disclosures have been obtained from all the Directors and Designated Employees. Under the aforesaid code all the Directors and Designated Employees are required to conduct all their dealings in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

14. MEANS OF COMMUNICATIONS:

Shareholders are intimated through the press and the Company's website: <http://www.supremepetrochem.com> of the quarterly performance and financial results of the Company. The website also displays Chairman's statement and the shareholding pattern. The quarterly results during the year under review were published in Business Standard, DNA and Sakal.

15. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management discussion and analysis is a part of the Annual Report and annexed separately.

16. PARTICULARS OF DIRECTORS:

Particulars of Directors as required under Clause 49VI (A), of the Listing Agreements, seeking re-appointment are given below:

Name of the Director	M. S. Ramachandran	Rajan B. Raheja	B. L. Taparia	Nihalchand Chauhan
Age (Years)	68	60	78	77
Date of Appointment	26/07/2005	18/12/1989	22/11/1993	27/04/2006
Qualification	B. E. (Mechanical)	B. Com.	B. A.	B. Com. (Hons.) L.L.B., CAIIB.
Experience of specific functional area.	Former Chairman of IOC. Attended Advanced Management Programme from Ashridge Management College in England and IIM in Ahmedabad. Also served as the Executive Director of Oil Co-ordination Committee. One of the foremost authorities on the Oil, Gas and Petrochemical Sector. Inducted into the Hall of Fame at Chemtech Pharma Bio Award function in April 2005.	He is the Promoter of R. Raheja Group. He started himself on a business career over 38 years ago. His business range includes batteries, cable television, ceramic tiles, cement, construction and petrochemicals. He has assumed various positions such as Chairman of Prism Cement Ltd., Vice Chairman of Exide Industries Ltd., and also on the Board of many other well known Companies. Over years Shri Raheja has also been dedicating himself to various educational and charitable Trusts.	He is Chairman of The Supreme Industries Limited. Started his business career over 55 years ago, long experience in Business Management. Also associated with Philanthropic activities.	He is respected and well known personality in Banking and Financial circle, has over 54 years experience in domestic and International Banking. His rich and varied experience includes long stints with State Bank of India and Arab Monetary Fund, Abudhabi. He is a consultant to Multi Commodities Exchange of India Limited.



Name of the Director	M. S. Ramachandran	Rajan B. Raheja	B. L. Taparia	Nihalchand Chauhan
Chairman/Director of other Companies	ICICI Bank Ltd., Ester Industries Ltd., Gulf Oil Corporation Ltd. and Andhra Pradesh Paper Mills Ltd.	EIH Associated Hotels Ltd., EIH Ltd., Exide Industries Ltd., Hathway Cable & Datacom Ltd., ING Vysya Life Insu. Co. Ltd., Juhu Beach Resorts Ltd. and Prism Cement Ltd.	The Supreme Industries Ltd. and Supreme Capital Management Ltd.	Kabra Extrusion Technik Ltd. and IBS Forex Ltd.

17. GENERAL SHAREHOLDERS INFORMATION :

Annual General Meeting	: Friday, October 18, 2013 at 4.00 p.m. at I. M. C. Walchand Hirachand Conference Hall, Churchgate, Mumbai - 400 020.
Period under review	: July 01, 2012 to June 30, 2013.
Date of Book Closure	: Wednesday, October 16, 2013 to Friday, October 18, 2013 (both days inclusive)
Dividend Payment Date	: October 25, 2013 - dividend warrants will be posted on or after October 25, 2013.
Listing on Stock Exchanges	: Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
Stock Code	: Bombay Stock Exchange Ltd. - 500405 National Stock Exchange of India Ltd. - SUPPETRO

Market Price Data:

(₹)

	Stock Exchange Bombay		National Stock Exchange	
Month/Year	High	Low	High	Low
July 2012	49.80	40.50	49.90	40.80
August 2012	51.00	46.00	50.90	46.00
September 2012	60.90	46.85	61.00	46.60
October 2012	61.70	53.50	62.00	51.65
November 2012	59.40	53.60	59.25	55.20
December 2012	70.85	56.75	70.80	56.00
January 2013	71.50	55.70	71.45	54.95
February 2013	66.85	56.55	66.90	56.60
March 2013	65.90	55.50	66.00	55.15
April 2013	65.65	57.40	65.90	57.50
May 2013	70.50	58.65	70.50	58.70
June 2013	62.90	53.10	63.40	54.25

COMPARISON WITH INDICES:

	July 2012 Opening	June 2013 Closing	% Rise (Fall)
BSE Sensex	17438.68	19395.81	11.22
NSE Nifty	5283.85	5842.20	10.57
SPL Shares	42.10	56.25	33.61

REGISTRAR AND TRANSFER AGENT : Karvy Computershare Private Limited,
17-24, Vittalrao Nagar, Madhapur,
HYDERABAD - 500 081

SHARE TRANSFER SYSTEM : The Company has outsourced its share transfer function to Karvy Computershare Private Limited, which is registered with SEBI as Category 1 Registrar. Karvy has been appointed as the common agency for all work related to share registry in terms of both physical and electronic modes.

DISTRIBUTION OF SHAREHOLDING (AS ON JUNE 30, 2013)

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
0001-5000	48375	90.45	7507972	7.75
5001-10000	2630	4.92	2234788	2.31
10001-20000	1131	2.11	1751342	1.81
20001-30000	407	0.76	1057999	1.09
30001-40000	160	0.30	578103	0.60
40001-50000	187	0.35	895690	0.92
50001-100000	263	0.49	1996483	2.06
100001 & above	330	0.62	80816236	83.46
TOTAL	53483	100.00	96838613	100.00

CATEGORIES OF SHAREHOLDERS (AS ON JUNE 30, 2013)

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	58712000	60.63
2.	Mutual Funds and UTI	56091	0.06
3.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutional / Non-Government Institutions)	26400	0.03
4.	FII's/Foreign Bodies Corporate	136722	0.14
5.	Private Corporate Bodies	4425453	4.57
6.	Indian Public	32166907	33.22
7.	NRIs	1292580	1.33
8.	Others (clearing members)	22460	0.02
	GRAND TOTAL	96838613	100.00

DEMATERIALISATION OF SHARES & LIQUIDITY :

Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited. 95.05% Shares have been dematerialised upto June 30, 2013.

PLANT LOCATION

- i Amdoshi, Wakan Roha Road, Post Patansai, Taluka Roha, District Raigad, MAHARASHTRA - 402 106.
- ii Ammulavoyil Village, Andrakuppam Post, Manali New Town, Chennai - 600 103, TAMIL NADU.

ADDRESS FOR CORRESPONDENCE

- : Registered Office:
612, Raheja Chambers, Nariman Point, MUMBAI - 400 021.
- : Corporate Office:
Solitaire Corporate Park, Building No. 11, 5th Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East),
MUMBAI - 400 093.

SHAREHOLDERS' ASSISTANCE:

The Secretarial Department operates from the Company's Corporate Office at Andheri in Mumbai, besides, the Company's Registrars and Transfer Agents Karvy Computershare Private Limited has investor services Offices at Ahmedabad, Bangalore, Chennai, Cochin, Jaipur, Kolkata, Lucknow, Mumbai (Fort & Andheri), New Delhi, Pune, Vadodara and Vijaywada.

For any assistance related to the Company's shares please write to:

- (1) Shri Ravi V Kuddady/ Shri Pratap P. Jadhav/ Ms. Jean Bhandary
Secretarial Department, Supreme Petrochem Ltd, Solitaire Corporate Park, Building No. 11, 5th Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), MUMBAI - 400 093

Telephone No. : 022-67091900 and 66935927

Fax No. : 022-40055681

E-mail : investorhelpline@spl.co.in

OR



- (2) Shri K. S. Reddy, Karvy Computershare Private Limited, Unit: Supreme Petrochem Ltd,
17-24, Vittalrao Nagar, Madhapur, HYDERABAD - 500 081
Telephone No. : 040-44655000
Toll Free No. : 1800-3454-001
Fax No. : 040-23420814
E-mail : reddy.ks@karvy.com, einward.ris@karvy.com
Web Site : www.karvy.com

OR

- (3) Shri Praveen Amlani, Karvy Computershare Private Limited, Unit: Supreme Petrochem Ltd,
7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), MUMBAI - 400 053
Telephone No. : 022-26730799/26730843
Fax No. : 022-26730305
E-mail : pbamlani@karvy.com

EQUITY SHARES IN SUSPENSE ACCOUNT

In terms of Clause 5A(II) of the Listing Agreement, the Company transferred and dematerialised 90581 Equity Shares of the face value of ₹10/- each issued in physical form to 1031 Shareholders which had remained unclaimed to the Unclaimed Suspense Account.

During the year, the Company transferred back 217 Equity Shares from the Share Suspense Account to 2 Members who approached the Company for these Shares, leaving a balance of 90364 Equity Shares in the Suspense Account.

For and on behalf of the Board

M. P. Taparia
Chairman

Place : Mumbai

Date : July 17, 2013

Website : Please visit us at <http://www.supremepetrochem.com> for financial and other information about the Company.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Supreme Petrochem Ltd

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Ltd ("the Company") for the year ended on June 30, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 based on 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 Clause 49 of the above mentioned Listing Agreement.

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

For Parikh & Shah
Chartered Accountants
Firm Registration No.107528W

(D. B. Mohini)
Partner
Membership No. 5681

Place : Mumbai

Date : July 17, 2013

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF
SUPREME PETROCHEM LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 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 :

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

Reports on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227 (3) of the Act, we report that :
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 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;
 - In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **PARIKH & SHAH**
Chartered Accountants
Firm Registration Number 107528W

D. B. MOHINI
Partner
Membership No.5681

Place : Mumbai
Date : July 17, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date).

On the basis of the records produced to us for our verification/perusal, such checks as we considered appropriate and in terms of information and explanations given to us on our enquiries, we state that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that the Company has verified part of fixed assets during the year as per its programme of physical verification of all fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies have been noticed on such verification.
- (c) As per the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year affecting the going concern status of the Company.
2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory 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 is maintaining proper records of inventory. No material discrepancies were noted on verification between the physical stocks and the book records.
3. (a) The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. According to the information and explanations given to us, there were no contracts or arrangements the particulars of which need to be entered 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 provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted by it from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal in this regard.
7. In our opinion, the Company has an adequate internal audit system commensurate with its 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, however, not 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, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax (VAT), Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities and no such dues were in arrears, as at June 30, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the statutory dues as at June 30, 2013 which have not been deposited on account of any dispute are as under :-

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise duty and penalty.	September, 2002 to August, 2009	19.29	Commissioner of Central Excise (Appeals)
			April, 2011 to November, 2012	78.07	
			April, 1996 to June, 2000	11.85	CESTAT
			April, 2001 to March, 2011	1907.43	CESTAT
2	Service Tax (Finance Act 1994)	Service Tax and penalty.	September 2010 to November, 2012	4.56	Commissioner of Central Excise (Appeals)
			April, 2003 to September, 2009	217.57	CESTAT
			January, 2011 to December, 2011	6.04	CESTAT
3	Tamil Nadu VAT Act, 2006	VAT and penalty.	2005 - 2006	0.88	Commissioner/ Dy. Commissioner (Appeals)
4	Income Tax Act, 1961	Income Tax, interest and penalty.	Assessment Year 2005 – 2006, 2008 – 2009 and 2009 - 2010	322.65	Commissioner of Income Tax (Appeal)
			2006 - 2007	4.71	ITAT Mumbai

10. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has no borrowing through debentures.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions

of clause 4 (xiii) of the Order are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order, are not applicable to the Company. There are no investments held by the Company at the end of the year.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used 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 section 301 of the Companies Act, 1956 during the year.
19. The Company did not have outstanding debentures during the year and accordingly, the creation of securities thereof does not arise.
20. The Company has not raised any money by public issue during the year.
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 instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **PARIKH & SHAH**
Chartered Accountants
Firm Registration Number 107528W

D. B. MOHINI
Partner
Membership No.5681

Place : Mumbai
Date : July 17, 2013

**BALANCE SHEET AS AT JUNE 30, 2013**

(₹ Lacs)

	Note	As at 30-06-2013	As at 30-06-2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	9683.86	9683.86
Reserves and Surplus	3	25596.30	21146.38
		35280.16	30830.24
Non-Current Liabilities			
Long-term borrowings	4	3209.45	9408.57
Deferred tax liabilities (Net)	5	4872.04	4385.59
Other long term liabilities	6	113.87	98.87
Long-term provisions	7	157.91	163.51
		8353.27	14056.54
Current Liabilities			
Trade payables	8	49085.24	50395.59
Other current liabilities	9	6037.60	6597.85
Short-term provisions	10	4085.60	2585.02
		59208.44	59578.46
TOTAL		102841.87	104465.24
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible assets		36361.23	34248.94
Intangible assets		217.85	236.71
Capital work-in-progress-tangible assets		3143.19	5552.51
		39722.27	40038.16
Long term loans and advances	12	821.69	1151.66
Other non-current assets	13	503.28	610.71
		1324.97	1762.37
Current Assets			
Inventories	14	21953.30	26345.92
Trade receivables	15	32659.56	24328.92
Cash and bank balances	16	2773.93	3651.36
Short-term loans and advances	17	3830.96	7948.57
Other current assets	18	576.88	389.94
		61794.63	62664.71
TOTAL		102841.87	104465.24
Significant Accounting Policies	1		

The accompanying notes 1 to 39 form an integral part of the financial statements.

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No. 5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

M. P. Taparia, Chairman

Rajan B. Raheja

B. L. Taparia

S. J. Taparia

Hasmukh Shah

R. Kannan

Nihalchand Chauhan

Ameeta Parpia

Viren Raheja

Directors

Mumbai

Date : July 17, 2013

Mumbai

Date : July 17, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2013

(₹ Lacs)

	Note	Year 2012-2013	Year 2011-2012
INCOME			
Revenue from Operations	19		
Sale of goods		328457.92	248795.08
Less : Excise duty		34395.44	23869.82
		294062.48	224925.26
Other operating revenues		2755.70	2341.96
		296818.18	227267.22
Other Income	20	436.24	648.76
Total Revenue		297254.42	227915.98
EXPENSES			
Cost of materials consumed	21	179597.23	139826.35
Purchase of stock-in-trade	22	82989.78	60239.27
Changes in inventories of finished goods and stock-in-process	23	(597.27)	2,075.24
Employee benefits	24	2399.84	2180.10
Finance cost	25	2399.94	3199.28
Depreciation and amortisation expenses	26	2770.61	2292.34
Other expenses	27	16689.33	13325.69
Total Expenses		286249.46	223138.27
Profit Before Tax		11004.96	4777.71
Tax Expenses			
Current tax		3252.00	1151.30
Deferred tax		486.45	288.95
Profit After Tax		7266.51	3337.46
Prior period adjustments		-	8.09
Provision for prior period tax		(15.82)	191.90
Profit for the year		7282.33	3137.47
Earning per share (₹)			
Basic		7.52	3.24
Diluted		7.52	3.24
Nominal Value of Share		10.00	10.00

Significant Accounting Policies

1

The accompanying notes 1 to 39 form an integral part of the financial statements.

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No. 5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
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M. P. Taparia, Chairman

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Nihalchand Chauhan

Ameeta Parpia

Viren Raheja

Directors

Mumbai

Date : July 17, 2013

Mumbai

Date : July 17, 2013



CASH FLOW FOR THE YEAR : 2012 - 2013

(₹ Lacs)

	Year Ended June 30, 2013	Year Ended June 30, 2012
A. Cash Flow from Operating activities		
Net Profit before tax	11,004.96	4,777.71
Adjustment for :		
Depreciation & Amortisation Expenses	2,770.61	2,292.34
Interest received	(52.13)	(71.09)
Dividend received	(325.70)	(366.92)
Loss/(Profit) on sale of investments	-	0.42
Interest and finance charges	2,399.94	3,199.28
Loss on sale/scrap of fixed assets	102.66	8.13
Foreign Exchange Fluctuation Assets & Liability	(332.76)	(465.52)
(Expenses)/Income related to earlier year	-	(8.09)
Operating profit before working capital changes	15,567.58	9,366.27
Adjustment For :		
Trade & Other receivables	(3,895.23)	722.31
Inventories	4,392.62	(330.70)
Trade payables & other provisions	(716.30)	8,492.70
Foreign currency monetary item translation difference	-	(14.45)
Cash generated from operations	15,348.66	18,236.12
Direct tax paid	(3,323.14)	(1,653.11)
Net Cash from Operating activities (A)	12,025.52	16,583.01
B. Cash Flow from Investing activities		
Purchase of fixed assets	(2,568.77)	(8,842.44)
Sale of fixed assets	11.41	2.87
Sale of Investments	-	2.42
Interest received	52.13	71.09
Dividend received	325.70	366.92
Net cash used in investing activities (B)	(2,179.55)	(8,399.14)
C. Cash Flow from Financing activities		
Interest and finance charges paid	(2,399.94)	(3,199.28)
Dividend & Dividend Tax paid	(1,575.64)	(3,151.36)
Proceeds from borrowings	(6,747.82)	(2,369.91)
Net cash from financing activities (C)	(10,723.40)	(8,720.55)
Net Change in cash & cash equivalents (A)+(B)+(C)	(877.43)	(536.68)
Opening balance of Cash & Cash equivalents	3,651.36	4,188.04
Closing balance of Cash & Cash equivalents	2,773.93	3,651.36

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No. 5681

RAKESH NAYYAR

Executive Director

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R. Kannan

Nihalchand Chauhan

Ameeta Parpia

Viren Raheja

Directors

Mumbai

Date : July 17, 2013

Mumbai

Date : July 17, 2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation

These financial statements have been prepared on accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable Accounting Principles in India, the applicable Accounting Standards notified under Section 211 (3C) and the relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purpose of current and non-current classification of assets and liabilities.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

3) Revenue Recognition

[a] Income and Expenditure

Items of Income and Expenditure are generally recorded on accrual basis.

[b] Export Incentives

Benefits on account of entitlement to import duty-free raw materials under the Advance Licence scheme is accounted for in the year of export calculated on the basis of rate of exchange and import duty prevailing at the date of the Balance sheet. This is included under the head "Other Operating Income."

4) Fixed Assets and Depreciation / Amortisation

[a] Fixed Assets

Fixed Assets (except freehold land) are valued at cost less depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to working condition for its intended use.

[b] Depreciation and Amortisation

- i. Depreciation on Tangible Fixed Assets (except freehold land) is provided on "Straight Line Method" at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- ii. Amortisation on Intangible Fixed Assets is provided over a period of five years.

5) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6) Inventories

Inventories are valued as under :

- a. Raw materials (including packing materials) and traded goods (including in transit) are valued at cost (on moving weighted average basis) or net realizable value, whichever is lower.
- b. Stores and spares are valued at cost (on weighted average basis).
- c. Stock in process is valued at cost (on moving weighted average basis) of raw materials.
- d. Finished goods (including in transit) are valued at cost (on moving weighted average basis) or net realizable value whichever is lower. Cost for this purpose includes direct materials, direct labour and appropriate overheads and depreciation.

7) Foreign exchange transactions and forward contracts

- i. Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.



- ii. In respect of Foreign Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Profit or loss on cancellations/ renewals of forward contracts is recognized during the year. In case of options contracts, the losses are accounted on marked to market basis.

8) Cenvat Credit

Cenvat credit on Raw Materials and Capital Goods has been accounted for by reducing the purchase cost of Raw Materials and Capital Goods respectively.

9) Employee Benefits

a. Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b. Post-employment Benefits

[i] Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension funds, in which both the employees and the Company make monthly contributions at a specified percentage of the employees eligible salary. The contributions are made to the provident fund managed by the trust set up by the Company which are charged to the Statement of Profit and Loss as incurred. Since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan in accordance with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits. Contributions towards employees pension scheme is deposited with Regional Provident Fund Commissioner.

[ii] Superannuation

The eligible employees of the Company are entitled to receive post employment benefits of superannuation under Company's Senior Officers Superannuation Scheme to which the Company makes annual contribution at a specified percentage of the employees' salary as defined under the scheme. The contribution is made to the Life Insurance Corporation of India (LIC). Superannuation is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

[iii] Gratuity

The Company has an obligation towards gratuity - a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

c. Other Long-Term Employee Benefits – Compensated Absences

The Company provided for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provisions for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

10) Segment Reporting

Styrenics is the primary business segment of the Company. There are no separate segments within the Company as defined by AS 17 (Segment Reporting) issued by The Institute of Chartered Accountants of India except Geographical segment as reportable segment.

11) Taxation

- (a) Current Income Tax and Wealth Tax have been accounted as per payable method.
- (b) Deferred Tax Asset or Liability is recognised for timing differences between the profit as per financial statements and the profit offered for Income tax, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized.

12) Contingent Liabilities

All known liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed at their estimated value in the notes on accounts.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

(₹ Lacs)

	As at 30-06-2013	As at 30-06-2012
NOTE 2		
SHARE CAPITAL		
AUTHORISED		
12,50,00,000 (Previous Year 12,50,00,000) Equity Shares of ₹ 10 each	12500.00	12500.00
2,50,00,000 (Previous Year 2,50,00,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2500.00	2500.00
TOTAL	15000.00	15000.00
ISSUED, SUBSCRIBED AND PAID UP		
9,68,38,613 (Previous Year 9,68,38,613) Equity Shares of ₹ 10 each	9683.86	9683.86
TOTAL	9683.86	9683.86

2.1. In the financial year 2007-2008 in accordance with the scheme of amalgamation 8,63,720 equity shares of ₹ 10/- each were allotted to the equity shareholders of the erstwhile SPL Polymers Ltd whose names appear in the register of members as on August 5, 2008 (record Date) without payment being received in cash. The equity shares were issued and allotted in the ratio of 1:6.

2.2. In the financial year 2008-2009, The company bought back and extinguished 1537907 equity shares which has reduced the paid-up share capital of the company from ₹ 9837.65 lacs to ₹ 9683.86 lacs.

2.3. The details of Shareholders holding more than 5% Shares :

Name of the Shareholder	No. of Shares	%held	No. of Shares	%held
	As At 30-06-2013		As At 30-06-2012	
The Supreme Industries Limited	2,89,36,400	29.88	28,936,400	29.88
R. Raheja Investments Private Limited	2,89,36,400	29.88	28,936,400	29.88

2.4. The reconciliation of the number of shares outstanding is set out below :

Particulars	As At 30/06/2013 No. of Shares	As At 30/06/2012 No. of Shares
Equity Shares at the beginning of the year	96,838,613	96,838,613
Add :	-	-
Less :	-	-
Equity Shares at the end of the year	96,838,613	96,838,613

2.5. The Company has only one class of shares referred to as equity shares having a par value ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. As per the Companies Act, 1956, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.



(₹ Lacs)

	As at 30-06-2013	As at 30-06-2012
NOTE 3		
RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per the last Balance Sheet	1529.79	1529.79
General Reserve		
Balance as per the last Balance Sheet	15976.50	13476.50
Add : Transferred from Profit and Loss Account	4000.00	2500.00
	19976.50	15976.50
Surplus		
Balance as per the last Balance Sheet	3640.09	4578.26
Add : Profit for the Year	7282.33	3137.47
Amount available for appropriations	10922.42	7715.73
Appropriations :		
Transfer to General Reserve	4000.00	2500.00
Proposed Dividend	2420.97	1355.74
Dividend Tax	411.44	219.90
	6832.41	4075.64
	4090.01	3640.09
	25596.30	21146.38

NOTE 4**LONG-TERM BORROWINGS**

(₹ Lacs)

	Total		Non-current		Current maturities	
	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012
Secured Loans						
From Banks						
Rupee term loans	6487.67	12347.67	2790.00	8487.67	3697.67	3860.00
Amount included under the head "Other current liabilities"					(3697.67)	(3860.00)
	6487.67	12347.67	2790.00	8487.67	-	-
Unsecured Loans						
Fixed deposits	981.18	1882.97	419.45	920.90	561.73	962.07
Amount included under the head "Other current liabilities"					(561.73)	(962.07)
	981.18	1882.97	419.45	920.90	-	-
Total	7468.85	14230.64	3209.45	9408.57		

4.1 Rupee Term Loans amounting to ₹6487.67 Lacs (Previous Year ₹12,347.67 Lacs) from Banks are secured by a first charge by way of mortgage of the Company's immovable properties including Plant and Machinery and by hypothecation of movable assets (except trade receivables) subject to prior charge in favour of Company's Bankers for working capital facilities.

Working capital facilities (including letters of credit) from banks are secured by hypothecation of Company's stocks and trade receivables and by second charge by way of mortgage of the Company's Immovable properties including plant and machinery.

4.2 The future annual repayment obligations on secured Loans (Rupee Term Loans) principal amounts for the above long-term borrowings are as under : -

Financial Year	₹ in Lacs
2013-2014	3697.67
2014-2015	1860.00
2015-2016	930.00

The future annual repayment obligations on unsecured Loan principal amounts for the above long-term borrowings are as under : -

Financial Year	₹ in Lacs
2013-2014	561.73
2014-2015	376.45
2015-2016	43.00

	As at 30-06-2013	As at 30-06-2012
NOTE 5		
DEFERRED TAX LIABILITIES		
Related to fixed assets	4939.68	4442.78
	<u>4939.68</u>	<u>4442.78</u>
Deferred Tax Assets		
Provision for leave encashment	58.12	52.00
Provision for bonus	9.52	5.19
	<u>67.64</u>	<u>57.19</u>
Net Deferred Tax Liabilities	4872.04	4385.59
Opening Deferred Tax Liabilities	4385.59	4096.64
Net Deferred Tax expenses/(Income) for the Year	<u>486.45</u>	<u>288.95</u>

	Total	Non-current	Current maturities
	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013
NOTE 6			
OTHER LONG TERM LIABILITY			
Security Deposits from Distributors	113.87	98.87	-
Amount included under the head "Other current liabilities"			-
	<u>113.87</u>	<u>98.87</u>	<u>-</u>

	Total	Long-term portion	Short-term portion
	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013
NOTE 7			
LONG TERM PROVISIONS			
Provision for leave encashment	170.99	160.28	21.77
Interest on fixed deposits	47.75	77.86	39.06
Amount included under the head "Short term provisions"			(60.83)
	<u>218.74</u>	<u>238.14</u>	<u>-</u>



(₹ Lacs)

	As at 30-06-2013	As at 30-06-2012
NOTE 8		
TRADE PAYABLES		
Acceptances	47154.74	47382.37
Others	1930.50	3013.22
	49085.24	50395.59
NOTE 9		
OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings	3697.67	3860.00
Current maturities of fixed deposits	561.73	962.07
Unclaimed fixed deposits	50.78	36.80
Accrued salaries and benefits	171.08	190.02
Statutory liabilities	1047.75	708.19
Interest accrued but not due on deposits/others	10.00	1.62
Other liabilities	261.86	633.77
Unclaimed Dividend	236.73	205.38
	6037.60	6597.85
NOTE 10		
SHORT TERM PROVISIONS		
Proposed Dividend	2420.97	1355.74
Tax on Proposed Dividend	411.44	219.90
Income Tax (net of advance tax)	205.70	204.19
Leave encashment	21.77	18.91
Interest accrued on current maturities of fixed deposits	39.06	55.72
Other Provisions	986.66	730.56
	4085.60	2585.02

NOTE 11**FIXED ASSETS**

(₹ Lacs)

	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
	DURING THE YEAR				DURING THE YEAR					
Particulars	As At 30-06-2012	Additions/ Adjustments	Deductions/ Adjustments	As At 30-06-2013	Upto 30-06-2012	Provided	Deductions/ Adjustments	Upto 30-06-2013	As At 30-06-2013	As At 30-06-2012
(A) Tangible Assets										
Land (Freehold)	3,378.12	40.10	-	3418.22	-	-	-	-	3418.22	3378.12
Buildings	14,382.34	763.61	-	15145.95	3,204.73	406.89	-	3611.62	11534.33	11177.61
Plant and Machinery	39,778.74	4,052.89	444.75	43386.88	20,548.20	2,226.59	352.17	22422.62	20964.26	19230.54
Office Equipments	229.13	7.08	4.06	232.15	100.38	10.56	1.75	109.20	122.96	128.75
Computers	365.41	21.22	11.13	375.50	229.09	39.28	10.99	257.38	118.12	136.32
Air-conditioners	41.54	2.15	0.29	43.40	14.75	2.00	0.24	16.51	26.89	26.79
Vehicles	161.35	43.78	33.45	171.68	71.18	14.31	15.35	70.14	101.54	90.17
Furniture and Fixtures	312.87	3.85	1.31	315.41	232.24	8.69	0.43	240.50	74.91	80.63
TOTAL A	58,649.51	4,934.68	494.99	63,089.19	24,400.57	2,708.32	380.93	26,727.96	36,361.23	34,248.94
Previous Year	45,730.35	12,952.91	33.75	58,649.51	22,178.32	2,244.99	22.74	24,400.57	34,248.94	
(B) Intangible Assets										
Computer Software	371.72	43.41	-	415.13	135.01	62.27	-	197.28	217.85	236.71
TOTAL B	371.72	43.41	-	415.13	135.01	62.27	-	197.28	217.85	236.71
Previous Year	343.59	28.13	-	371.72	99.42	35.59	-	135.01	236.71	
TOTAL A+B	59,021.22	4978.09	494.99	63504.32	24535.58	2770.59	380.93	26925.24	36579.09	34485.65
Previous Year	46,073.94	12981.04	33.75	59021.23	22277.74	2280.58	22.74	24535.57	34485.65	

11.1 Buildings include ₹ 398.45 lacs (previous year ₹ 398.45 lacs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 0.04 lacs (Previous year ₹ 0.04 lacs).

11.2 Additions/Deductions to Plant and Machinery included net deduction of ₹ Nil lacs (previous year net Deduction of ₹ 1.23 lacs) on account of decrease in rupee liability for repayment consequent upon fluctuation in exchange rates in respect of foreign currency loans.

11.3 Deduction/adjustments include assets scrapped.

11.4 Revaluation of free hold land (of erstwhile SPL Polymers Ltd.) at Chennai was carried out as at June 30, 2003 and as at June 30, 2005.

NOTE 12**LONG TERM LOANS AND ADVANCES**

(₹ Lacs)

	Total		Long-term		Short-term	
	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012
Unsecured, Considered Good						
Loans to employees	222.41	225.76	165.12	178.85	57.29	46.91
Capital advances	656.57	972.81	656.57	972.81	-	-
Amount included under the head "Short term Loans and advances"					(57.29)	(46.91)
	878.98	1198.57	821.69	1151.66	-	-

NOTE 13**OTHER NON-CURRENT ASSETS**

	Total		Non-Current		Current	
	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012	As at 30-06-2013	As at 30-06-2012
Security deposits to vendors	264.56	263.41	100.56	263.41	164.00	-
Advance Income tax (Net of provision)	393.19	304.72	393.19	304.72	-	-
Deposits with statutory authorities	191.38	224.40	9.53	42.58	181.85	181.82
Amount included under the head "Current Assets"					(345.85)	(181.82)
	849.13	792.53	503.28	610.71	-	-

(₹ Lacs)

	As at 30-06-2013	As at 30-06-2012
NOTE 14		
INVENTORIES		
Raw materials and packing materials	9976.75	15047.79
Stock-in-process	144.12	74.01
Finished goods	8112.50	7020.01
Finished goods in transit	533.27	1098.60
Stores and spares	1365.50	1193.26
Fuel	57.31	38.64
Stock-In-trade	1763.85	1873.61
	21953.30	26345.92

NOTE 15**TRADE RECEIVABLES**

(Unsecured-Considered Good)

Overdue for more than six months from due date	281.27	245.03
Others	32378.29	24083.89
	32659.56	24328.92

NOTE 16**CASH AND BANK BALANCES**

Cash and Cash Equivalents		
Cash on hand	14.75	11.02
Balances with Banks		
Current accounts	175.37	255.69
Cash credit accounts	1353.06	2046.19
Cheques on hand	786.47	928.27
Deposits with bank	200.92	202.37
	2515.82	3432.52
Other Bank Balances		
Margin money deposit	6.63	2.44
Unclaimed Dividend	236.73	205.38
	243.36	207.82
	2773.93	3651.36



	(₹ Lacs)	
	As at 30-06-2013	As at 30-06-2012
NOTE 17		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured-Considered Good)		
Prepaid expenses	550.22	585.44
Advance recoverable in cash or in kind	55.47	297.29
Balance with statutory authorities	3162.73	7010.50
Loans and advances to employees	62.54	55.34
	<u>3830.96</u>	<u>7948.57</u>
NOTE 18		
CURRENT ASSETS		
Deposits with statutory authorities	181.85	181.82
Other deposits	293.39	129.38
Other receivables	101.64	78.74
	<u>576.88</u>	<u>389.94</u>
NOTE 19		
REVENUE FROM OPERATIONS		
Sale of goods	328457.92	248795.08
Less : Excise duty	34395.44	23869.82
	<u>294062.48</u>	<u>224925.26</u>
OTHER OPERATING REVENUES		
Export incentives	1872.40	1699.17
Scrap sales	883.30	642.79
	<u>2755.70</u>	<u>2341.96</u>
	<u>296818.18</u>	<u>227267.22</u>
19.1		
PARTICULARS OF SALE OF GOODS		
(Manufactured and traded goods)		
Polymers of Styrene and Petrochemicals	288892.32	218223.70
Others	5170.16	6701.56
	<u>294062.48</u>	<u>224925.26</u>
NOTE 20		
OTHER INCOME		
Interest received on trade receivables	36.49	208.62
Interest received on bank fixed deposits	52.13	71.09
Interest received Others	12.44	-
Dividend (gross)	325.70	366.92
Miscellaneous income	9.48	2.13
	<u>436.24</u>	<u>648.76</u>
NOTE 21		
MATERIALS CONSUMED		
Raw materials (including packing materials)		
Opening stock	15047.79	13046.20
Purchases	174526.19	141827.94
	<u>189573.98</u>	<u>154874.14</u>
Less : Closing stock	9976.75	15047.79
	<u>179597.23</u>	<u>139826.35</u>

21.1

Particulars of consumption of Imported/Indigeneous raw materials (including packing materials)

Raw materials (including packing materials)

(₹ Lacs)

	Year 2012-2013 %		Year 2011-2012 %	
Imported	94.98	170587.24	93.58	131158.16
Indigenous	5.02	9009.99	6.42	8668.19
	<u>100.00</u>	<u>179597.23</u>	<u>100.00</u>	<u>139826.35</u>

Raw materials (including packing materials) consumed

(₹ Lacs)

	Year 2012-2013	Year 2011-2012
Petrochemicals	157170.48	114915.21
Others	22426.75	24911.14
	<u>179597.23</u>	<u>139826.35</u>

NOTE 22

PURCHASES OF TRADED GOODS

Petrochemicals	82662.98	59424.03
Others	326.80	815.24
	<u>82989.78</u>	<u>60239.27</u>

NOTE 23

CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS

Inventories (at close)		
Finished goods	8645.77	8118.61
Stock-in-process	144.12	74.01
	<u>8789.89</u>	<u>8192.62</u>
Inventories (at commencement)		
Finished goods	8118.61	10176.05
Stock-in-process	74.01	91.81
	<u>8192.62</u>	<u>10267.86</u>
Total	<u>(597.27)</u>	<u>2075.24</u>

NOTE 24

EMPLOYEE BENEFITS

Salaries and wages	2142.45	1947.00
Contribution to provident and other funds	172.74	163.43
Staff welfare	84.65	69.67
	<u>2399.84</u>	<u>2180.10</u>



(₹ Lacs)

	Year 2012-2013	Year 2011-2012
24.1		
As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :		
A. Gratuity		(₹ Lacs)
I. Assumptions		
Discount Rate (Current)	7.75%	8.50%
Rate of return on Plan Assets Current Year	8.70%	8.50%
II. Table Showing Change in The Present Value of Defined Benefits Obligation		
Liability at the beginning of the year	302.91	280.07
Interest cost	25.75	23.81
Current Service cost	20.61	17.79
Past Service Cost (Vested benefit)	-	-
Benefits paid	(8.47)	(33.67)
Actuarial (gain)/ loss on obligations	23.19	14.91
Liability at the end of the year	363.99	302.91
III. Amount Recognised in the Balance Sheet		
Net (Liability)/Assets at the end of the year	77.76	29.26
Fair value of Plan Assets at the end of the year	-	-
Difference	-	-
Amount Recognised in the Balance Sheet	77.76	29.26
IV. Expenses Recognised in the Income Statement		
Current Service Cost	20.61	17.79
Interest Cost	25.75	23.81
Expected Return on Plan Assets	(28.23)	(23.81)
Past Service cost (Vested benefit) recognized	-	-
Actuarial (gain)/ loss to be recognized	14.32	11.08
Expenses recognized in Profit & Loss	32.45	28.87
Opening net liability	(29.26)	-
Expenses as above	32.45	28.87
Employers Contribution paid	(80.95)	(58.12)
Closing net liability/(Assets)	(77.76)	(29.26)

B. Leave Encashment

The valuation of Leave Encashment has been done on exit as well as availment during the service. This liability forms part of other long term benefits as per the standard and does not require disclosures as mentioned in Para 132 of the standard.

C. Provident Fund

The provident fund contribution is made to a trust administered by the company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no shortfall as at 30th June, 2013.

The assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are :

Average holding period of assets	5.74 years
Guaranteed rate	8.50 %

			(₹ Lacs)
	Year 2012-2013	Year 2011-2012	
NOTE 25			
FINANCE COST			
Interest on term loans	1249.88	1335.38	
Interest on fixed deposits	186.41	221.59	
Interest others	673.43	959.62	
Other borrowing costs	197.07	165.29	
Net loss on foreign currency transaction and translation	93.15	517.40	
TOTAL	2399.94	3199.28	
NOTE 26			
DEPRECIATION AND AMORTISATION OF EXPENSES			
Depreciation	2708.34	2242.30	
Amortisation	62.27	50.04	
TOTAL	2770.61	2292.34	
NOTE 27			
OTHER EXPENSES			
Stores and spares consumed	658.68	506.88	
Power	3232.64	2415.94	
Fuel	895.91	991.83	
Labour charges	-	3.52	
Repairs to building	126.50	215.21	
Repairs to machinery	254.43	188.02	
Repairs to others	461.83	203.75	
Commission on sales	735.86	764.99	
Carriage outward	4582.11	3695.02	
Rent, rates and taxes	335.80	309.46	
Directors' fees	8.40	9.15	
Insurance	360.65	402.12	
Loss on sale/scrap of fixed assets (net)	102.66	8.13	
Loss on sale of investments	-	0.42	
Miscellaneous expenses	1668.12	1389.51	
Increase/(Decrease) in excise duty included in opening and closing stock of finished goods	256.10	(149.56)	
Net loss on foreign currency transaction and translation (Other than considered in financial cost)	3009.64	2371.30	
	16689.33	13325.69	

27.1**Particular of Consumption of Imported/Indigenous Stores & Spares****Stores and spares**

	2012-2013		2011-2012	
	%	(₹ Lacs)	%	(₹ Lacs)
Imported	31.84	209.76	32.71	165.78
Indigenous	68.16	448.92	67.29	341.10
	100.00	658.68	100.00	506.88



	Year 2012-2013	(₹ Lacs) Year 2011-2012
27.2		
REMUNERATION TO STATUTORY AUDITORS		
As auditors	15.00	13.25
For certification	7.85	4.13
For consultancy	-	2.91
Service tax	2.61	1.92
	25.46	22.21

27.3
EXPENDITURE IN FOREIGN CURRENCY

a. Interest	212.47	446.45
b. Membership and subscription	11.17	12.56
c. Seminar, training, exhibition & product development	65.22	40.83
d. Travelling expenses	22.11	12.02
e. Commission	217.26	195.13
f. Technical knowhow fees/Consultancy charges	17.02	123.66
g. Legal and professional fees	3.57	-
h. Bank charges	75.92	52.09
i. Royalty	7.75	-
j. Damages Charges	25.06	23.99

NOTE 28

CIF VALUE OF IMPORTS

Raw materials and Traded goods	239,195.26	183,989.60
Stores and spares	301.66	196.21
Capital goods	871.25	1,269.62

NOTE 29

INCOME IN FOREIGN CURRENCY

FOB value of exports	53988.35	43533.19
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NOTE 30

	2012-2013	(₹ lacs) 2011-2012
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CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

i) Estimated value of contracts remaining to be executed on capital accounts and not provided for :	62.49	397.14
ii) Letters of Credit opened by Bankers and outstanding at the year end.	21055.14	12910.33
iii) Bills discounted but not matured.	3120.99	2996.50
iv) Counter guarantees given to Banks against Banks' guarantees to Customs/ Sales Tax.	225.51	278.71
v) Disputed Excise / Service Tax demand.	2244.81	2228.06
vi) Disputed Sales Tax demand.	0.88	0.88
vii) Disputed Income Tax liability (matters under appeal)	766.32	499.41
viii) Other Claims.	-	71.31

NOTE 31

Styrenics is the primary business segment of the Company. The secondary segment is geographical, which is given as under :

(a) Revenue		
Sales (net of Excise Duty) and Operating Income		
Within India	239439.72	180986.14
Outside India	57378.46	46281.08
Total	296818.18	227267.22

(b) All the Assets of the Company except the trade receivables amounting to ₹3436.13 lacs (Previous Year : ₹ 3727.44 lacs) are within India.

NOTE 32

Disclosure of transactions with Related Parties, as required by Accounting Standards 18 "Related Party Disclosures" is given below :

a) Names of the related parties and description of relationship :

Sr.No.	Particulars	Name of the Party
1	Promoters	The Supreme Industries Ltd. R. Raheja Investments Pvt. Ltd.
2	Key Management Personnel	Shri N. Gopal

b) Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of Transactions*	Year	Promoters	Key Management Personnel
1	Sales of Goods (Net)	2012-13	3741.35	-
		2011-12	5907.54	-
2	Purchase of Goods	2012-13	317.74	-
		2011-12	218.19	-
3	Reimbursement of Expenses paid	2012-13	0.91	-
		2011-12	4.10	-
4	Commission on Sales	2012-13	1.39	-
		2011-12	-	-
5	Dividend Paid on Equity Shares	2012-13	810.22	0.22
		2011-12	1620.44	0.45
6	Remuneration Paid	2012-13	-	127.98
		2011-12	-	90.99
7	Balance Receivable			
	Sales of Goods	30th June 2013	211.45	-
		30 th June 2012	434.02	-
8	Balance Payable			
	Purchase of goods	30th June 2013	26.37	-
		30 th June 2012	18.19	-

* All Transactions are on commercial basis at market rates

NOTE 33**LEASING - OPERATING LEASE**

(₹ in lacs)

		2012-2013	2011-2012
a.	Obligations on non cancellable leases		
	i) Not later than one year.	159.91	161.21
	ii) Later than one year and not later than five years.	6.55	14.17
b.	Lease rental expenses in respect of operating lease.	263.62	268.48



NOTE 34

(₹ in lacs)

	2012-2013	2011-2012
EARNINGS PER SHARE (EPS)		
Profit after tax	7282.33	3137.47
Number of equity shares at the beginning of the year.	96838613	96838613
Number of equity shares at the end of the year.	96838613	96838613
Weighted average number of shares outstanding for basic EPS during the year.	96838613	96838613
Basic earning per share (Rupees) (Face value – ₹ 10/- per share)	7.52	3.24
Profit after tax for computing Diluted EPS	7282.33	3137.47
Weighted average number of shares for computing Diluted EPS during the year.	96838613	96838613
Diluted earning per share (Rupees) (Face value – ₹ 10/- per share)	7.52	3.24

NOTE 35

In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably required.

NOTE 36

In absence of any intimation received from vendors regarding the status of their registration under “The Micro, Small and Medium Enterprises Development Act, 2006” the Company is unable to comply with the disclosures required to be made under said Act. There are no amounts payable to any Small Scale Industrial Undertaking.

NOTE 37

Prior period adjustments include expenses ₹ NIL, (Previous year ₹ 8.09 lacs).

NOTE 38

Trade Receivables/ Trade payables balances are subject to confirmation.

NOTE 39

Previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary.

Signatures to Notes 1 to 39

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No. 5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

M. P. Taparia, Chairman

Rajan B. Raheja

B. L. Taparia

S. J. Taparia

Hasmukh Shah

R. Kannan

Nihalchand Chauhan

Ameeta Parpia

Viren Raheja

Directors

Mumbai

Date : July 17, 2013

Mumbai

Date : July 17, 2013



Registered Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021
 Corporate Office : Solitaire Corporate Park, Building No. 11, 5th Floor, Andheri-Ghatkopar Link Road,
 Chakala, Andheri (East), Mumbai - 400 093

July 17, 2013

Dear Members,

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail addresses previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Members holding shares in demat form can register their e-mail addresses with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrars and Share Transfer Agents by completing the '**E-Communication Registration Form**' given below and sending the same to:

Shri K. S. Reddy

Karvy Computershare Private Limited,
 Unit: Supreme Petrochem Ltd,
 17-24, Vittalrao Nagar, Madhapur,
 HYDERABAD - 500 081

You can also e-mail your request on ksreddy@karvy.com, einward.ris@karvy.com

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

We request you to support this 'Green Initiative' and opt for electronic mode of communication by advising your e-mail id, if you have not already done so. Your pro-active step in this direction will go a long way in saving trees and also result in substantial cost saving to the Company.

Thanking you

Yours faithfully

For SUPREME PETROCHEM LTD

RAKESH NAYYAR
EXECUTIVE DIRECTOR &
COMPANY SECRETARY



SUPREME PETROCHEM LTD

E-Communication Registration Form

Dear Sir,

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

I agree to receive the documents including the Annual Report in electronic mode. Please register my e-mail address in your records, being my consent towards the same.

Folio No.	:	_____
E-mail ID	:	_____
Name of First/Sole Holder	:	_____
Signature of the First and Jt. Holder(s) (as per specimen Registered)	:	_____



NOTES



SUPREME PETROCHEM LTD

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

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING

Please complete this attendance slip and hand it over at the venue of the Meeting

Name of the Member/s or Proxy (in BLOCK LETTERS)	Regd. Folio/ Client ID No.	No. of Shares held

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Friday, October 18, 2013 at 4.00 p.m.

SIGNATURE OF THE MEMBER OR PROXY



SUPREME PETROCHEM LTD

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

PROXY FORM

I/We _____ of _____ being member/s of SUPREME PETROCHEM LTD hereby appoint _____ of _____ or failing him/her _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Friday, October 18, 2013 at 4.00 p.m.

Regd. Folio/Client ID No. _____

Affix
₹ 1
Revenue
Stamp

No. of shares held _____

(Signature of the Member/s)

Signed by the said _____ this _____ day of _____ 2013.

NOTE : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

PART VIEW OF THE STYRENICS COMPLEX AT AMDOSHI - MAHARASHTRA



A VIEW OF THE EPS PLANT AT AMDOSHI - MAHARASHTRA





SUPREME PETROCHEM LTD

Corporate Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,
Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400 093. INDIA
☎: 91-22-6709 1900 • Website : www.supremepetrochem.com

Ref: CFA/CS/18/AGM_2/2013-2014

September 10, 2013

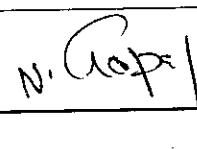
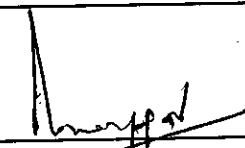
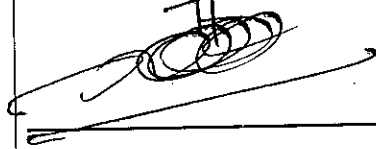

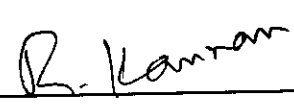
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
MUMBAI - 400 001

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Dear Sir,

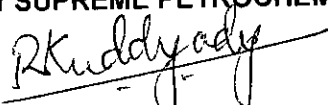
FORM A

Format of covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the Company	SUPREME PETROCHEM LTD
2.	Annual financial statements for the year ended	June 30, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by Shri N. Gopal, Manager Shri Rakesh Nayyar, Chief Financial Officer Parikh & Shah, Auditor of the Company Chartered Accountants Shri R Kannan, Chairman Audit Committee	     

Thanking you,

Yours faithfully,
for SUPREME PETROCHEM LTD


RAVI V KUDDYADY
DY. COMPANY SECRETARY