



**SUPREME PETROCHEM LTD**

**ANNUAL REPORT  
2014-2015**



## PERFORMANCE HIGHLIGHTS

₹ Lacs unless indicated otherwise

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Net Sales	265253.76	326429.78	296715.90	227267.22	194369.87	161184.41
Other Income	319.16	585.55	538.52	648.76	866.92	270.93
Total Income	265572.92	327015.33	297254.42	227915.98	195236.79	161455.34
Operating Profit (EBIDTA)	9653.52	9557.14	16157.72	10269.33	16903.64	12876.19
Financial Cost	1660.02	2284.39	2388.17	3199.28	2021.64	1789.50
Depreciation/Amortisation	2364.19	2873.74	2770.61	2292.34	2037.02	2068.29
Profit Before Tax & Exceptional items	5629.30	4399.01	10998.94	4777.71	12844.98	9018.40
Net Profit for the year	3570.12	3058.99	7282.33	3137.47	8769.07	6047.49
Paid up Equity Capital	9650.20	9650.20	9683.86	9683.86	9683.86	9683.86
Reserves and Surplus	27986.23	26777.04	25596.30	21146.38	19584.55	13966.84
Shareholders' Funds (Net Worth)	37636.43	36427.24	35280.16	30830.24	29268.41	23650.70
Deferred Tax Liability ( Net)	4848.40	4924.15	4872.04	4385.59	4096.64	4349.29
Loans	-	3203.62	7468.85	14230.64	16608.48	15510.66
Capital Employed	42484.83	44555.01	47621.05	49446.47	49973.53	43510.65
Avg Capital Employed	43519.92	46088.03	48533.76	49710.00	46742.09	40736.61
Earning Per Equity Share (₹)	3.70	3.16	7.52	3.24	9.06	6.24
Cash Earning Per Equity Share (₹)	6.15	6.13	10.38	5.61	11.16	8.38
Book Value (₹)	39.00	37.75	36.43	31.84	30.22	24.42
Dividend (%)	15.00	15.00	25.00	14.00	28.00	18.00
ROACE (%) (PBIT/Avg Capital Employed)	16.75	14.50	27.58	16.05	31.81	26.53
ROANW (%) (PAT/Average Net Worth)	9.64	8.53	22.03	10.44	33.14	27.95
Debt : Equity (Total Debt/Total Net Worth)	-	0.09	0.21	0.46	0.57	0.66
Total Outside Liabilities/ Total Net Worth	1.21	1.56	1.78	2.25	2.24	2.14

**BOARD OF DIRECTORS:**

M. P. Taparia, Chairman  
 Rajan B. Raheja  
 B. L. Taparia  
 S. J. Taparia  
 Hasmukh Shah  
 M. S. Ramachandran  
 R. Kannan  
 Nihalchand Chauhan  
 Ameeta Parpia  
 Dr. S. Sivaram

**REGISTERED OFFICE:**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
 Chakala, Andheri (East), Mumbai - 400 093  
 CIN: L23200MH1989PLC054633  
 Phone: + 91 22 6709 1900  
 Fax: + 91 22 4005 5681  
 Email: investorhelpline@spl.co.in  
 Website: www.supremepetrochem.com

**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  
 ICICI Bank Ltd.  
 IDBI Bank Ltd.  
 Kotak Mahindra Bank Ltd.  
 The Hongkong & Shanghai Banking Corporation Ltd.  
 The Karur Vysya Bank Ltd.

**AUDITORS:**

M/s. G. M. Kapadia & Co.  
 Chartered Accountants

**REGISTRARS & TRANSFER AGENTS:**

Karvy Computershare Private Limited,  
 Karvy Selenium Tower B, 6<sup>th</sup> Floor,  
 Plot No. 31 & 32, Gachibowli, Financial District,  
 Nanakramguda, Serilingampally,  
 Hyderabad - 500 032

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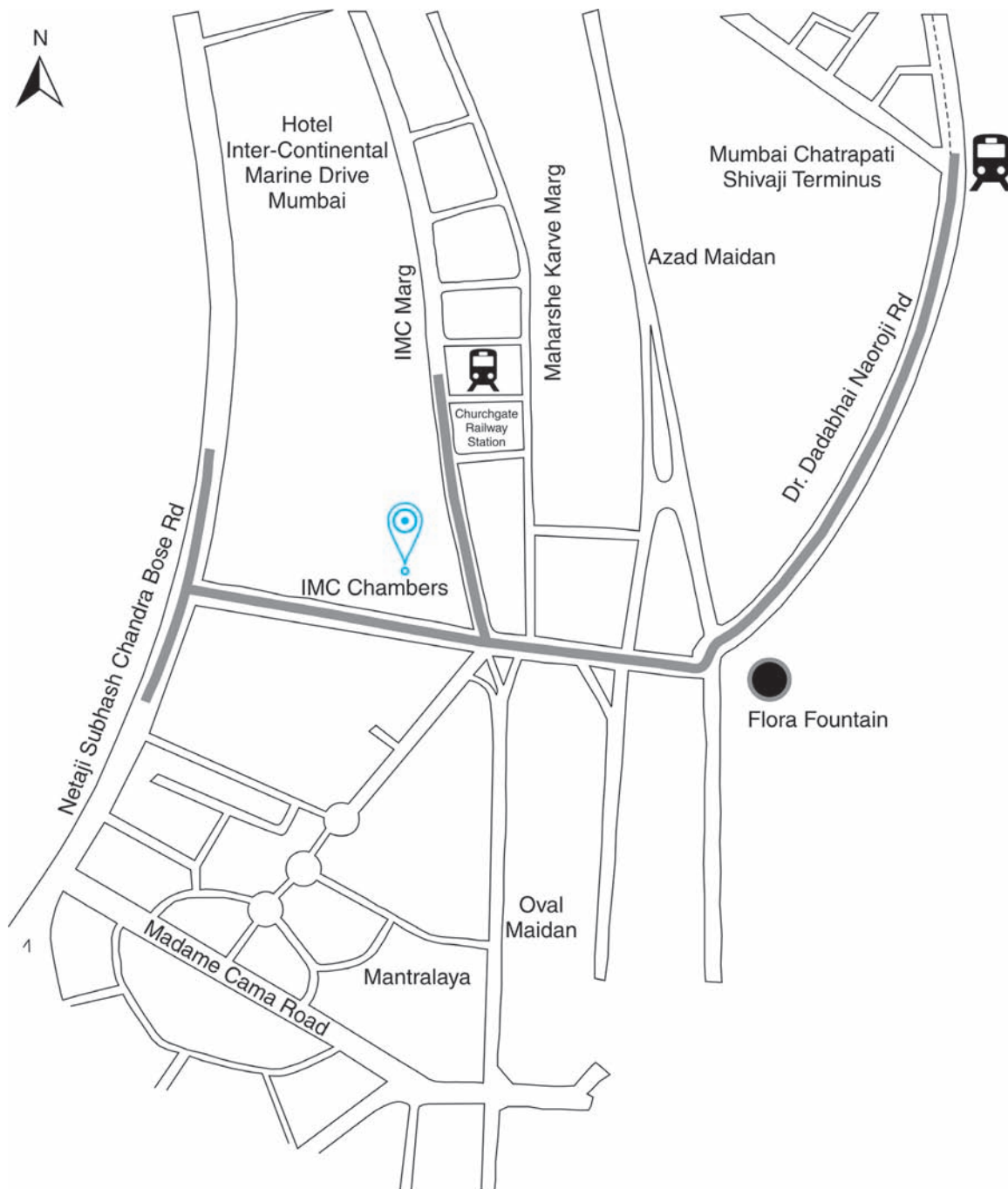
## Route Map to the AGM Venue of:

Supreme Petrochem Ltd.

26<sup>th</sup> Annual General Meeting,

Wednesday, 23rd September, 2015

at 04:00 p.m.



## Venue:

Walchand Hirachand Conference Hall,  
Indian Merchants' Chambers,  
IMC Marg, Opp. Churchgate Rly. Station,  
Mumbai - 400 020.  
Ph.: 022 2204 6683.

## NOTICE

NOTICE is hereby given that the twenty sixth 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 Wednesday, September 23, 2015 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the Financial Year ended June 30, 2015 together with the reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on equity shares for the year ended June 30, 2015.
3. To appoint a Director in place of Shri Rajan B. Raheja, (DIN: 00037480) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B. L. Taparia, (DIN: 00112438) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Registration No. 104767W) as Statutory Auditors and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby ratifies the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants, (Registration No. 104767W) as Statutory Auditors of the Company, to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018 at a remuneration to be decided by the Audit Committee of Directors of the Company".

### SPECIAL BUSINESS:

6. Appointment of Dr. S. Sivaram as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Dr. S. Sivaram (DIN:00009900), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible

for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period upto September 21, 2019".

7. To approve the remuneration of the Cost Auditors' of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under and subject to all other approvals, if any, the consent of the Company be and is hereby accorded to the payment of remuneration of ₹3.00 lacs to M/s. Kishore Bhatia & Associates, Cost Accountants appointed by the Board of Directors of the Company (Registration No.00294) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto".

**For and on behalf of the Board**

**M. P. Taparia**  
**Chairman**

CIN : L23200MH1989PLC054633

#### Registered Office :

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com  
Date : July 21, 2015



## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and a proxy need not be a member. A person can act as proxy on behalf of members upto and not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the company. Further, a member holding more than 10% (ten) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.
2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at item Nos. 6 to 8 of the notice is annexed hereto.
3. Register of Members of the Company will remain closed from Monday, September 21, 2015 to Wednesday, September 23, 2015 (both days inclusive).
4. 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.
5. Members holding shares in physical form are advised to furnish, on or before September 16, 2015 particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in the dividend warrants/payment instrument.
6. 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.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Voting through electronic means/ballot form:

### **INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). In order to enable members who do not have access to e-voting facility to cast their vote, a Ballot Form is sent along with

this Notice and is also available on the Company's website.

The facility for voting, through ballot shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

The members who have cast their vote by remote e-voting/ ballot form may also attend the Meeting but shall not be entitled to cast their vote again.

The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

The Company has appointed Shri P. N. Parikh (FCS 327) or failing him Ms. Jigyasa N Ved (FCS 6488) of Parikh & Associates, Company Secretaries (CP No. 1228) as Scrutiniser to scrutinise the remote e-voting process (including voting through Ballot forms received from Members) in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and will be available for this purpose.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 16, 2015.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 16, 2015 only shall be entitled to avail the facility of remote e-voting/ballot form.

Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 16, 2015, may obtain the User ID and password in the manner as mentioned below:

If e-mail address of the member is registered against Folio No./DP ID Client ID, then on the home page of [https:// evoting.karvy.com](https://evoting.karvy.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Member may call Karvy's toll free number 1-800-3454-001 Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)

If the member is already registered with Karvy e-voting platform then he/she can use his existing User ID and password for casting the vote through remote e-voting.

The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 a.m. (IST) on Saturday, September 19, 2015

End of remote e-voting : At 5.00 p.m. (IST) on Tuesday, September 22, 2015

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

The Scrutiniser shall, after first counting the votes cast at the meeting unblock the votes cast through remote e-voting, and will not later than three days of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 23, 2015.

#### PROCEDURE FOR REMOTE E-VOTING:

1 A) In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL:<https://evoting.karvy.com>.
- (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number of Supreme Petrochem Ltd.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [supreme.scrutiniser@gmail.com](mailto:supreme.scrutiniser@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- B) In case a member receives physical copy of the Notice by Post [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
  - (a) User ID and initial password - These will be sent separately.
  - (b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
- 2) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- 3) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

## ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 regarding Special Business.

### ITEM NO. 6

Dr. S. Sivaram, was appointed as an Additional Director of the Company, w.e.f. September 23, 2014, pursuant to provisions of Section 161 of the Companies Act 2013 to hold office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Dr. S. Sivaram, as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges to hold office for a consecutive period upto September 21, 2019.

**Name: Dr. S. Sivaram**

**Age:** 68 years.

**Qualification:** M. Sc. (Chemistry) from IIT, Kanpur, Ph D & DSc (h. c.) from Purdue University, W. Lafayette, Indiana, USA.

**Experience:** Dr. Sivaram is presently a CSIR Bhatnagar Fellow at the National Chemical Laboratory (NCL) Pune, India. Prior to this, he served as the eighth Director of NCL (2002-10).

Dr. Sivaram is a highly decorated scientist with numerous awards to his credits. He is a recipient of the Vishwakarma Medal (INSA), Silver Medal of the Chemical Research Society of India, Millennium Medal of the Indian Science Congress Association, Distinguished Alumnus Award of IIT, Kanpur, Professor S.R. Palit Memorial Award of the Indian Association for Cultivation of Science, K.G. Naik Gold Medal of M.S. University, Baroda, FICCI Award in Physical Sciences, Om Prakash Bhasin Award, Goyal prize in Applied Sciences and the Distinguished Material Scientist of the Year Award, 2011 bestowed by Materials Research Society of India.

The President of India conferred the coveted civilian honor, Padma Shri, on Dr. Sivaram in 2006.

He has mentored the Ph.D. thesis of 36 students and published over 210 papers in peer reviewed scientific journals. He is cited as an inventor in 49 granted European and US as well as 52 Indian patents. Several of his patents have been licensed to companies worldwide. He has edited two books, authored one book and serves on the Editorial Board of several national and international journals in chemistry and polymer science. He is an elected Fellow of all the learned academies of science and engineering in India, namely, Indian National Science Academy, New Delhi, Indian Academy of Sciences, Bangalore, National Academy of Sciences, Allahabad and Indian National Academy of Engineering, New Delhi. He is also an elected Fellow of the Academy of Sciences for the Developing World, Trieste, Italy (TWAS), Fellow of the International Union of Pure and Applied Chemistry (IUPAC) and Royal Society of Chemistry, UK.

Dr. Sivaram's research interest concerns polymer synthesis (cationic, anionic, GTP, Ziegler Natta, free radical and step

growth polymerizations), high performance polymers; surface chemistry of polymers; porous polymers, biodegradable polymers, polymers from renewable resources, organic, inorganic, hybrids and structure property relationship in polymers.

**Other Directorships:** Apcotex Industries Limited, Asian Paints Limited, GMM Pfaudler Limited, Entrepreneurship Development Centre, CSIR Tech Private Limited and Deepak Nitrate Pvt. Limited.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. S. Sivaram as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of Dr. S. Sivaram, shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Directors commend the resolution at Item No. 6 for your approval.

None of the Directors or Key Managerial Personnel or their relatives except Dr. S. Sivaram and his relatives to the extent of their shareholding in the Company may be deemed to be in any way concerned or interested in the resolution.

### ITEM NO. 7:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on July 21, 2015, have approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records for the financial year ending March 31, 2016 on a remuneration of ₹ 3.00 lacs.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

The Directors commend the resolution at Item No. 7 for your approval.

None of the Directors or Key Managerial Personnel or their relatives may be deemed to be in any way concerned or interested in the resolution.

### ITEM NO. 8:

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated



under the Companies Act, 1956, and were amended from time to time. It is proposed to amend the existing Articles of Association of the Company to make it consistent with the provisions of the Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft of the Articles of Association of the Company is available on the Company's website: [www.supremepetrochem.com](http://www.supremepetrochem.com) for perusal by the Members.

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

None of the Directors or Key Managerial Personnel or their relatives may be deemed to be in any way concerned or interested in the resolution.

**For and on behalf of the Board**

**M. P. Taparia**

**Chairman**

CIN : L23200MH1989PLC054633

**Registered Office :**

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

Phone : +91 22 67091900; Fax : +91 22 40055681

email : [investorhelpline@spl.co.in](mailto:investorhelpline@spl.co.in)

website: [www.supremepetrochem.com](http://www.supremepetrochem.com)

Date : July 21, 2015



## DIRECTORS' REPORT

Your Directors are pleased to present the twenty sixth Annual Report and the Company's audited financial statements for the financial year ended June 30, 2015.

### 1. FINANCIAL RESULTS

	(₹ in lacs)	
	2014-2015	2013-2014
Income (net of excise)	265253.76	326429.78
Profit before Tax (net of prior period adjustments)	5613.88	4430.32
Tax expenses (net of short/excess provisions of earlier year)	2043.76	1371.33
Profit after tax	3570.12	3058.99
Balance brought forward from Previous Year (net of adjustment relating to transitional provision)	3336.74	4090.01
Amount available for appropriation	<b>6906.86</b>	<b>7149.00</b>
Appropriation thereof :		
Dividend on equity shares (including corporate dividend tax)	1742.21	1693.54
Transfer to general reserve	2000.00	1500.00
Balance carried forward	3164.65	3955.46

### 2. DIVIDEND

Your Directors recommend a dividend of ₹ 1.50 per equity share for the year 2014-2015. The dividend subject to approval of members at the Annual General Meeting 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 continuous fall in the price of crude oil during October 2014 to December 2014 quarter resulted in a sharp correction in the price of Styrene Monomer (SM) the main raw material for your Company's products. Styrenics market started stabilizing from mid-February and this bought back the customers to the market and encouraged them to start stocking. With improved sentiments in the market place and increased demand your Company could recover the losses incurred during first half of the year under review and earn profits before tax of ₹ 5629.33 lacs for the year. Due to fall in the price of Styrene Monomer, the end product prices also fell resulting in lower revenue numbers.

Sales volume of all products put together including exports was lower by 4.5% as compared to the previous year due to fall in exports. Domestic market volumes were up

by 6.7% during the year under review. Exports volumes however, dropped to 25.5% of total sales volumes during the year from 33.3% in the previous year.

Domestic market of Polystyrene (PS) grew by 7.5% during 2014-15 as against a negative growth of 9.7% in the previous year. Expandable Polystyrene (EPS) market grew by 6.5% in 2014-15 in comparison to a degrowth of 5.2% in the previous year. Lower prices of EPS buoyed demand from the cold storage, construction and packaging sectors. Continuous efforts to increase the usage of EPS in construction sector were made during the year.

Exports of PS to Europe was affected due to weakness of Euro currency which made your Company's products far less competitive in comparison to local European product. Exports to Nigeria, Tunisia and Egypt were low due to political unrest and weak economic conditions in these countries. Similarly, non-applicability of concessional duty on Indian exports to Turkey vis-a-vis other exporting countries like Egypt and Korea also adversely affected your Company's export to Turkey, a key market for your company's exports.

XPS sales volume grew by 35% during the year under review. The distribution network has increased your Company's share in various regions of the country. Continued improvement in quality has made your Company the first choice XPS supplier to major and prestigious building projects

### 4. BUY BACK OF SECURITIES

The Company's offer to Buy Back its equity shares from the open market through stock exchanges on BSE Limited and the National Stock Exchange of India Limited, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998 at a price not exceeding ₹ 70/- per share closed on October 31, 2014 (The Buy Back opened on May 9, 2014). The Company was able to Buy Back and extinguish 3,36,655 shares thereby reducing the Company's share capital from ₹ 9683.86 lacs to ₹ 9650.20 lacs. The total amount spent on the Buy Back was ₹ 219.24 lacs including brokerage and other charges.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

Management Discussion and Analysis for the year under review as stipulated under clause 49 of the Listing Agreement with Stock Exchanges is presented separately in the Annual Report. The Report on Corporate Governance Forms an integral part of this 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.

### 6. HEALTH, SAFETY & ENVIRONMENT

#### 1. Health Safety and Environment Management:

Both the Occupational Health and Safety Management System (OHSMS) and Environmental

Management System (EMS) continued to be maintained as per the OHSAS 18001:2007 Standard and ISO 14001:2004 Standard respectively.

Your Company has continued implementation of HSE Management Systems under the Guiding Principles of declared "Occupational Health and Safety Policy" and "Environmental Policy".

HSE Performance Index for the period under review stood in 'Excellent' range.

## **2. Highlights of the HSE Activities implemented during the period under review:**

Your Company has additional risk controls (design / engineering) in Manufacturing Plants. It has implemented Compliance Management System (CMS) software to track various HSE related statutory compliance. HSE training is conducted as per the plan. Competence Assessment is done six monthly by practical tests.

The procedures for permit to Work System, Management and Handling of Hazardous Wastes, Management of Change and SOPs for Plant Operations are revised and implemented based on internal audits and reviews. The external audit of Integrated Management System was conducted by BVC Auditors during February 2015 and no major non conformity was observed.

Your Company's on Site Emergency Management Plan was revised by incorporating results of risk registers, observations from mock drills, as well as provision from applicable legal requirements. In order to check adequacy of emergency planning, preparedness and response mechanisms, 24 "Department Level Mock Drills" were conducted in addition to two six monthly full scale mock drills.

Environmental Monitoring for effluents and emissions are done (self as well as MoEF approved third party) as per the Environmental Monitoring Plan which was developed in consultation with MPCB Officials. All the parameters are found within the prescribed limits.

The annual comprehensive and six monthly periodic medical examinations for all your Company's employees and contract employees were completed in December 2014 and June 2015 respectively. No occupational ill health was observed during the examination.

The Safety Committee Meetings, Management Review Meetings, and Monthly Performance Review Meetings were conducted as per schedule and required actions were taken on all the points.

## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri Rajan B. Raheja (DIN: 00037480) and Shri B. L. Taparia (DIN: 00112438), 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.

During the year under review Shri Hasmukh Shah (DIN 00152195), Shri R Kannan (DIN 00380328), Shri M S Ramachandran (DIN 00943629), Shri Nihalchand Chauhan (DIN 00021782) and Ms. Ameeta Parpia (DIN 02654277) were appointed as Independent Directors by the Members to hold office for a period of 5 years upto September 21, 2019. The members also re-appointed Shri M P Taparia (DIN 00112461) and Shri S J Taparia (DIN 00112513) as Non-Executive Non-Independent Directors liable to retire by rotation. Dr. S. Sivaram (DIN 00009900) was appointed as Additional Director during the year under review to hold office upto the date of the ensuing Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges it is proposed to appoint Dr. S Sivaram as an Independent Director on the Board of the Company. The resume of Dr. S Sivaram is given in the notice of the Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Company has in place criteria for evaluation of performance of the Board, Independent Directors and Non-Independent Directors approved by the Nomination and Remuneration Committee. Annual evaluation of the Board and of the Directors were carried out as follows:

The Independent Directors, in their meeting evaluated the performance of the Board, the Chairperson and the Non-independent Directors while the Nomination and Remuneration Committee evaluated the performance of all the Directors. The Board evaluated the performance of the Independent Directors.

Shri N Gopal, Manager, Shri Rakesh Nayyar, Chief Financial Officer and Shri Ravi V Kuddiyady, Company Secretary were appointed as Key Managerial Personnel of the Company by the Board of Directors during the year under review.

The criteria/policies of the Company for selection of Directors and Remuneration Policy for Directors, Key Managerial Personnel and other Employees are attached herewith marked as **Annexure-1**

The details of the Familiarisation Programme for Independent Directors are placed on the website of the Company and can be accessed at <http://supremepetrochem.com/pdf/Familiarisation-Programme-For-Independent-Directors.pdf>

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the directors have selected such accounting policies and applied them consistently and made judgments



and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) 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;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 9. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company transferred an aggregate amount of ₹21.54 lacs during the year to the Investor Education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹245.26 lacs.

The unclaimed dividends on equity shares paid in October 2008 will be due for transfer to the Fund in November 2015. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the R & T Agents.

## 10. FIXED DEPOSIT SCHEME

In accordance with the terms and conditions governing the Fixed Deposit Scheme and pursuant to provisions of section 74 of the Companies Act, 2013 your Company has exercised the option to repay on March 31, 2015 all the Fixed Deposits with accrued interest as at the end of March 31, 2015. Accordingly, your Company has repaid all outstanding Fixed Deposits by March 31, 2015.

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

INFORMATION AS PER SECTION 134(3)(m) READ WITH COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF THE (BOARD OF DIRECTORS) RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2015.

### A. CONSERVATION OF ENERGY

#### At the plant in Amdoshi, Maharashtra

Various Energy Conservation Programmes were implemented during the year July 2014 to June 2015 which resulted in savings of energy to the extent of 5,72,229 KWH.

Energy Conservation Programmes namely consisted of following :

1. Use of LED Tube Lights in place of conventional Tube Lights.
2. Use of Variable Frequency Drives (VFDs)
3. Use of high efficiency electrical motors and transformers.

### Use of Alternate Energy Sources

Use of natural gas is being made to generate Captive Power to the extent of 2 MW.

### At the plant in Manali, Chennai

SPL, Chennai continued its efforts in bringing down unit energy consumption and furnace oil consumption. By improving operations and implementation of various energy conservation efforts, unit furnace oil consumption has started coming down from May-2015 onwards. In the area of water conservation, a revamp of the existing effluent treatment plant was done. A set of ultra filtration and R.O units were added resulting in achievement of "Zero liquid discharge".

## 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.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In lacs)

Foreign exchange earnings and outgo	2014-15
a. Foreign exchange inflow	50148.09
b. CIF value of imports including capital goods	217981.99
c. Expenditure in foreign currency	562.61

## 12. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company.

The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will

be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Not Applicable

- b. **The percentage increase in remuneration of Manager, CFO and Company Secretary**

Name	Designation	% increase in remuneration in the financial year
Shri N Gopal	Manager	16.98
Shri Rakesh Nayyar	Chief Financial Officer	15.64
Ravi V Kuddyady*	Company Secretary	—

\* Since appointed w.e.f. 22.04.2015 the same is not comparable

- c. **The percentage increase in the median remuneration of employees in the financial year** : 10.7%

- d. **The number of permanent employees on the rolls of Company** : 346

- e. **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 10%. The operating profits before interest, depreciation and tax was ₹9653.51 lacs compared to ₹9557.15 lacs in the previous year despite losses incurred in the second quarter due to fall in crude and consequent fall in Styrene Monomer prices. The increase in remuneration is in line with the market trends. The increments are also linked to Company's performance, apart from an individual's performance.

- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY'15 (₹ In lacs)	324.02
Revenue (₹ In lacs)	265253.76
Remuneration of KMPs (as % of revenue)	0.12
Profit before Tax (PBT) (₹ In lacs)	5613.88
Remuneration of KMP (as % of PBT)	5.77

- g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	June 30, 2015	June 30, 2014	% Change
Market capitalization (₹ In lacs)	80627.39	87382.52	(7.73)
Price earnings ratio	22.58	28.66	(21.21)

- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	June 30, 2015	February 21, 1994 (IPO)	% Change
Market Price (BSE)	83.65	10	736.50
Market Price (NSE)	83.55	10	735.50

- i. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

	N Gopal Manager	Rakesh Nayyar Chief Financial Officer (Company Secretary upto 22.04.2015)	Ravi V Kuddyady Company Secretary (w.e.f 22.04.2015)
Remuneration in FY'15 (₹ In lacs)	154.78	158.08	11.16
Revenue (₹ in lacs)	265253.76		
Remuneration as a % of revenue	0.06	0.06	—
Profit before tax (PBT) (₹ In lacs)	5613.88		
Remuneration (as % of PBT)	2.76	2.82	—

- j. **The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable

- k. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

None.

- l. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

### 13. AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

The members in the Annual General Meeting have appointed M/s. G M Kapadia & Co., Chartered



Accountants, Membership No. 048243 as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in the calendar year 2018. In accordance with the first proviso of Section 139(1) of the Companies Act, 2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the auditors' report.

#### **Cost Auditors**

Cost Auditors' report for the year 2013-14 was filed with the authorities on December 9, 2014 well within the due date. M/s. Kishore Bhatia & Associates, Cost Accountants have been appointed as Cost Auditors to audit the cost records of the Company for the period July 1, 2014 to June 30, 2015.

#### **Secretarial Auditors**

The Company had appointed M/s. Parikh & Associates, Company Secretaries to conduct secretarial audit for the financial year 2014-15. The secretarial audit report for the financial year ended June 30, 2015 is annexed hereto marked as **Annexure-2**. The Secretarial Auditors' Report does not contain any qualifications or adverse remark.

### **14. RELATED PARTY TRANSACTIONS**

Transactions with related parties during the financial year were in the ordinary course of business and on an arm's length basis. During the year the Company had not entered into any contract or arrangement with related party which would be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.pdf>. Information on related party transactions are given in **Annexure-3** in Form AOC-2 forming part of this report.

### **15. CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. This Policy has been approved by the Board. The CSR Policy is available on the Company's website at the link: <http://supremepetrochem.com/pdf/Corporate-Social-Responsibility.pdf>

The Company has identified the following areas for its CSR activities:

- (i) promoting preventive health care and sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills, livelihood

enhancement projects, granting of scholarships and building/improving infrastructure at educational institutions.

- (iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries.
- (iv) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Caste, the Scheduled Tribes, other backward classes, minorities and women.
- (v) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (vi) ensuing environmental stability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) rural development projects.
- (viii) Slum rehabilitation.

These activities will be carried out in the villages in proximity to your Company's plants in Maharashtra and Tamil Nadu. The Company is creating a team to undertake approved CSR activities in a planned and efficient manner.

The report on CSR activities during the year under review is given in **Annexure-4** to this report.

### **16. RISK MANAGEMENT**

Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business opportunities. As a process, the risks associated with the business are prioritised based on Severity, Likelihood and Effectiveness of current detection.

Risk Management approach is composed of three components:

- 1) Risk Governance
- 2) Risk Identification
- 3) Risk Assessment and Control

Each risk factor is monitored periodically by the Management Committee and any event arising from these, likely to impact operations are reported to the Board.

### **17. INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to financial statements. The Company's internal auditors carry out regular checks on the adequacy of the internal financial controls. Company has specific internal auditors for functions such as excise, service tax, VAT and financial controls and systems.

### **18. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has established a vigil / whistle blower mechanism which provides a channel to any employer /

director to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or policy. The mechanism provides for adequate safe guard against victimisation of the whistle blower and also provides for direct access to the Chairman/CEO/Chairman of the Audit Committee in exceptional cases.

#### **19. MEETINGS OF THE BOARD**

Five meetings of the Board of Directors were held during the year. For further details please refer to the report on corporate governance in this annual report.

#### **20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

There are no loans, guarantees or investments under Section 186 of the Companies Act, 2013 as on June 30, 2015.

#### **21. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Report in Form MGT-9 is annexed herewith as **Annexure-5** to this annual report.

#### **22. GENERAL**

No disclosure or reporting is required of the following items as there were no transactions on these items during the year under review.

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iii) No significant or material order were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company does not have any Associate/Joint Venture Subsidiary Companies.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013 during the year under review.

#### **23. CHANGE IN FINANCIAL YEAR**

In accordance with the provisions of Section 2(41) of the Companies Act, 2013, the financial year of your Company is being changed to April-March instead of the existing July-June financial year. The financial year 2015-2016 will therefore comprise of nine months commencing from July 1, 2015 and end of March 31, 2016.

#### **24. 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 and to the employees for their dedicated and sincere services to the Company.

**For and on behalf of the Board**

**M. P. Taparia**  
**Chairman**

CIN : L23200MH1989PLC054633

#### **Registered Office :**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com

Date : July 21, 2015

## ANNEXURE -1

### CRITERIA FOR SELECTION OF DIRECTORS

The Board of Directors has delegated responsibility to the Nomination and Remuneration Committee to formulate criteria for identification and selection of candidates in various positions in Senior Management and who are qualified to be Directors on the Board of Directors of the Company. The Committee has adopted certain criteria for selection of candidates.

The Nomination and Remuneration Committee shall consider the following for identifying and recommending persons for appointment as Directors on the Board of the Company:

- (1) The candidate's qualifications, knowledge, skills and experience in his/her respective field.
- (2) His/her reputation of honesty, integrity, ethical behavior and leadership.
- (3) Achievements in industry, business, profession and/or social work.
- (4) Possesses appropriate skills, experience and knowledge in one or more fields such as finance, law, management, sales, marketing, administration, research, corporate governance and such other areas that are relevant to the Company's business.
- (5) Whether the candidate is free from any disqualification provided under Section 164 of the Companies Act, 2013.
- (6) Whether the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 and Listing Agreement with the Stock Exchanges in case of appointment as Independent Director.

### REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

#### DIRECTORS, KEY MANAGERIAL PERSONNEL

- (1) Remuneration to Directors by way of sitting fees for attending meetings is presently as follows:-
 

Board Meeting	: ₹ 50,000/- per meeting
Nomination & Remuneration Committee Meeting	: ₹ 30,000/- per meeting
Audit Committee Meeting	: ₹ 30,000/- per meeting
Independent Directors Meeting	: ₹ 50,000/- per meeting

 The Nomination and Remuneration Committee will review and recommend to the Board any revision in sitting fees from time to time.
- (2) At present the Company does not have any Executive Director on its Board to whom remuneration is paid. Hence a policy in this regard will be considered at an appropriate time.
- (3) Considering profitability and uneven earnings it is recommended not to distribute any share of profits to the Directors till further review.
- (4) The remuneration to Key Managerial Personnel viz. the Manager/CFO and the Company Secretary is as per the remuneration policy for employees of the Company. The Managerial Remuneration would be in compliance with the requirements of the Companies Act, 2013 including

its Schedules, the Rules framed thereunder approval of shareholders and the requirements of the Listing Agreement with the Stock Exchanges.

- (5) Any fees paid to the Directors for rendering any legal or consultancy services to the Company on a professional basis shall not be included in the definition of Remuneration to Directors.

### OTHER EMPLOYEES

#### Objective:

To define and streamline company's Remuneration Structure & to define the criteria for the same.

#### Categories of Employees:

- i. Unionised
- ii. Non Unionised

#### Remuneration Structure:

##### i. Unionised:

The Remuneration Structure of Unionised category of Employees is governed by the Agreement between the Union Workers and the Company.

##### ii. Non Unionised:

##### a. Entry Level Recruitments (Trainees)

As per prevailing structure.

##### b. Lateral Recruitments

Lateral Recruitments are done on the basis of Organization's manpower requirement and placed in one of the existing functional level group/grade. For lateral recruitment salary and personal pay is fixed as may be agreed with the candidate (while fixing this criticality of position, prevailing salary structure in similar companies and the experience of the candidate are considered). Other allowances and benefits are as fixed for various grades.

#### Performance Assessment / Appraisal:

Performance appraisal is conducted once in a year for all employees.

The Employees are appraised on the following factors:-

1. Key Responsibilities
2. Functional Competencies
3. Behavioral Competencies

Employees are assessed on the 4 rating Scale i.e. 4 – Excellent, 3 – Good, 2 – Average & 1 - Needs Improvement.

Considering the competition, similar sized companies in other industries and company's performance, the range of percentage hike is fixed.

#### Grade Revision

The Grades are reviewed and revised, if necessary, once in three years to bring them in line with changed market conditions.

**ANNEXURE-2****FORM No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 30<sup>th</sup> June, 2015

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
SUPREME PETROCHEM LTD

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Supreme Petrochem Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Supreme Petrochem Ltd's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 30<sup>th</sup> June, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Supreme Petrochem Ltd for the financial year ended on 30<sup>th</sup> June, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) Other laws as are applicable to the Company as per representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

- (a) The Company has an unspent amount of ₹ 130.52 lakhs against the amount of ₹ 134.50 lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**  
Company Secretaries

P. N. Parikh  
Partner

Place: Mumbai  
Date: July 21, 2015

FCS No:327 CP No:1228



This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**‘Annexure A’**

To,  
The Members  
Supreme Petrochem Ltd

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

P. N. Parikh  
Partner

Place: Mumbai  
Date: July 21, 2015

FCS No:327 CP No:1228

## ANNEXURE - 3

### FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related party referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

1)

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH							
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification of entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date of which the special resolution was passed in general meeting as including under the first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable							

### 2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any(₹ in lacs)	Date(s) of approval by the Board	Amount paid as advance, if any
(a)	(b)	(c)	(d)	(e)	(f)
The Supreme Industries Ltd - Co Promoter	Sales, purchase or supply of any goods or materials and availing of any services in connection with the purchase or sale of goods or material including storage thereof	As per individual purchase order	Sales: 1926.09 Purchase:356.63	Not applicable as at arm's length basis not material transactions. However placed before Audit Committee every quarter	NIL



## ANNEXURE - 4

### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15

(a) Amount to be spent for the financial year : ₹134.50 lacs

(b) Amount unspent : ₹130.52 lacs

(c) Manner in which amount spent during the financial year:

(₹ In lacs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program Wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period FY 2014-15	Amount Spent Direct or through Implementing Agency
1	Promoting Education	Clause (ii)	Villages in proximity to Company's plant in District Raigad, Maharashtra	26.50	2.92	2.92	Direct
2	Protection of Natural Heritage, Art and Culture	Clause (v)	Villages in proximity to Company's plant in District Raigad, Maharashtra	2.00	1.06	1.06	Direct

## ANNEXURE-5

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on June 30, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I REGISTRATION AND OTHER DETAILS

i) CIN	L23200MH1989PLC054633
ii) Registration Date	14-12-1989
iii) Name of the Company	Supreme Petrochem Ltd
iv) Category / Sub-Category of the Company	Public Company /Limited by shares
v) Address of the Registered office and contact details	Solitaire Corporate Park, Building No.11, 5 <sup>th</sup> Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Ganchibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel : +91 40 67162222 / 33211000

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

As per Attachment A

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable

#### IV SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

As per Attachment B



- |                                                                                                                 |                     |
|-----------------------------------------------------------------------------------------------------------------|---------------------|
| ii) Shareholding of Promoters                                                                                   | As per Attachment C |
| iii) Change in Promoters' Shareholding                                                                          | Not Applicable      |
| iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) | As per Attachment D |
| v) Shareholding of Directors and Key Managerial Personnel                                                       | As per Attachment E |

#### V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

As per Attachment F

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- |                                                                          |                     |
|--------------------------------------------------------------------------|---------------------|
| A. Remuneration to Managing Director, Whole-time Director and/or Manager | As per Attachment G |
| B. Remuneration to other Directors                                       | As per Attachment H |
| C. Remuneration of Key Managerial Personnel other than MD/MANAGER/WT     | As per Attachment I |

#### VII PENALTIES / PUNSHMENT/ COMPOUNDING OF OFFENCES

Not Applicable

### ATTACHMENT- A

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below :

Sl. No.	NIC Code of main products/service	Name and Description of main products / service	% to total turnover of the Company
1	201	Manufacture and Trading of Petrochemicals	96.35

### ATTACHMENT- B

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

	Category of shareholders	No. of shares held at the beginning of the year 01/07/2014				No. of shares held at the end of the year 30/06/2015				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	<b>Promoters</b>									
	(1) <b>Indian</b>									
	a) Individual/HUF	-	-	-	-	-	-	-	-	-
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	58712000	-	58712000	60.84	58712000	-	58712000	60.84	-
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any Other....	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>-</b>
	(2) <b>Foreign</b>									
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	(b) Other - Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	(d) Banks/FI	-	-	-	-	-	-	-	-	-

i) Category-wise Share Holding

	Category of shareholders	No. of shares held at the beginning of the year 01/07/2014				No. of shares held at the end of the year 30/06/2015				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	(e) Any Other....	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>-</b>
B.	<b>Public Shareholding</b>									
	<b>1. Institutions</b>									
	(a) Mutual Funds	659	55000	55659	0.06	565	55000	55565	0.06	(0.17)
	(b) Banks / FI	15855	22250	38105	0.04	16402	22250	38652	0.04	1.44
	(c) Central Govt	-	-	-	-	-	-	-	-	-
	(d) State Govt(s)	-	-	-	-	-	-	-	-	-
	(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(f) Insurance Companies	-	-	-	-	-	-	-	-	-
	(g) FIs	106317	12800	119117	0.12	109317	12800	122117	0.13	2.52
	(h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
	(i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B) (1)</b>	<b>122831</b>	<b>90050</b>	<b>212881</b>	<b>0.22</b>	<b>126284</b>	<b>90050</b>	<b>216334</b>	<b>0.22</b>	<b>1.62</b>
	<b>2. Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian	4584196	126403	4710599	4.88	4183635	123836	4307471	4.46	(8.56)
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	10051255	3661483	13712738	14.21	9879062	3540839	13419901	13.91	(2.14)
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	17457725	156000	17613725	18.25	18085248	156000	18241248	18.90	3.56
	c) Others (specify)									
	Clearing Members	198155	-	198155	0.21	182356	-	182356	0.19	7.97
	Foreign Bodies	16867	-	16867	0.02	16867	-	16867	0.02	-
	Non Resident Indians	565104	636400	1201504	1.25	658892	623400	1282292	1.33	6.72
	Trusts	123489	-	123489	0.13	123489	-	123489	0.13	-
	<b>Sub-total (B) (2)</b>	<b>32996791</b>	<b>4580286</b>	<b>37577077</b>	<b>38.94</b>	<b>33129549</b>	<b>4444075</b>	<b>37573624</b>	<b>38.94</b>	<b>-</b>
	<b>Total shareholding (B) = (B)(1)+(B) (2)</b>	<b>33119622</b>	<b>4670336</b>	<b>37789958</b>	<b>39.16</b>	<b>33255833</b>	<b>4534125</b>	<b>37789958</b>	<b>39.16</b>	<b>-</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>91831622</b>	<b>4670336</b>	<b>96501958</b>	<b>100.00</b>	<b>91967833</b>	<b>4534125</b>	<b>96501958</b>	<b>100.00</b>	<b>-</b>


**ATTACHMENT - C**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01/07/2014			Shareholding at the end of the year 30/06/2015			% of change in share holding during the year
		No. shares	% of total of shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	The Supreme Industries Ltd	28936400	29.99	-	28936400	29.99	-	-
2	R Raheja Investments Pvt. Ltd	28936400	29.99	-	28936400	29.99	-	-
3	Boon Investment And Trading Company Pvt. Ltd.	279734	0.29	-	279734	0.29	-	-
4	Jovial Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	-
5	Venktesh Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	-

**ATTACHMENT - D**
**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding					Cumulative shareholding during the year (01-07-2014 to 30-06-2015)	
		No. of shares at the beginning 01-07-2014/ end of the year 30-06-2015	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Urmila D Shah	900030	0.93	01/07/2014	-	Nil movement during the year		
		900030	0.93	30/06/2015			900030	0.93
2	Preeti N Shah	900000	0.93	01/07/2014	-	Nil movement during the year		
		900000	0.93	30/06/2015			900000	0.93
3	Sonal D Shah	900000	0.93	01/07/2014	-	Nil movement during the year		
		900000	0.93	30/06/2015			900000	0.93
4	Hathway Investments Pvt. Ltd.	784400	0.81	01/07/2014	-	Nil movement during the year		
		784400	0.81	30/06/2015			784400	0.81
5	Bharat Jaikrishna Taparia	739557	0.75	01/07/2014	-	Nil movement during the year		
		739557	0.75	30/06/2015			739557	0.75
6	Ramesh P Mehta	680281	0.70	01/07/2014	-	Nil movement during the year		
		680281	0.70	30/06/2015			680281	0.70
7	Gagandeep Credit Capital Pvt. Ltd.	850000	0.89	01/07/2014		Transfer		
				17/10/2014	-200000		650000	0.67
		650000	0.67	30/06/2015			650000	0.67
8	Coronet Investments Pvt. Ltd.	635300	0.66	01/07/2014	-	Nil movement during the year		
		635300	0.66	30/06/2015			635300	0.66
9	Dhanesh S Shah	600000	0.62	01/07/2014	-	Nil movement during the year		
		600000	0.62	30/06/2015			600000	0.62
10	Nimesh Sumatilal	546224	0.57	01/07/2014		Transfer		
				14/11/2014	+53776		600000	0.62
		600000	0.62	30/06/2015			600000	0.62

ATTACHMENT - E

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding					Cumulative shareholding during the year (01-07-2014 to 30-06-2015)	
		No. of shares at the beginning 01-07-2014/ end of the year 30-06-2015	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	M P Taparia Non Executive Promoter/Chairman	37733	0.04	01/07/2014	-	Nil movement during the year		
		37733	0.04	30/06/2015			37733	0.04
2	Rajan B Raheja Non Executive Promoter	300	-	01/07/2014		Transfer	-	-
		400	-	30/06/2015	+100		400	-
3	Bajranglal Taparia Non Executive Promoter	4834	-	01/07/2014	-	Nil movement during the year	-	-
		4834	-	30/06/2015			4834	-
4	S J Taparia Non Executive Promoter	37733	0.04	01/07/2014	-	Nil movement during the year		
		37733	0.04	30/06/2015			37733	0.04
5	Hasmukh Shah Independent Director	2800	-	01/07/2014	-	Nil movement during the year		
		2800	-	30/06/2015			2800	-
6	Ameeta Parpia Independent Director	21900	0.02	01/07/2014	-	Nil movement during the year		
		21900	0.02	30/06/2015			21900	0.02
7	R Kannan Independent Director	-	-	01/07/2014	-	Nil holding/ movement during the year		
		-	-	30/06/2015			-	-
8	Nihalchand Chauhan Independent Director	-	-	01/07/2014	-	Nil holding/ movement during the year		
		-	-	30/06/2015			-	-
9	M S Ramachandran Independent Director	-	-	01/07/2014	-	Nil holding/ movement during the year		
		-	-	30/06/2015	-		-	-
10	S Sivaram Independent Director	-	-	01/07/2014	-	Nil holding/ movement during the year		
		-	-	30/06/2015			-	-
11	N Gopal Manager	15943	0.02	01/07/2014	-	Nil movement during the year		
		15943	0.02	30/06/2015			15943	0.02
12	Rakesh Nayyar CFO	500	-	01/07/2014	-	Nil movement during the year		
		500	-	30/06/2015			500	-
13	Ravi V Kuddyady Company Secretary	452	-	01/07/2014	-	Nil movement during the year		
		452	-	30/06/2015			452	-




**ATTACHMENT- F**
**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Amount (₹ in lacs)

	Secured loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.07.2014)</b>				
(i) Principal Amount	2790	441.77	-	3231.77
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	27.96	-	27.96
<b>TOTAL (I+II+III)</b>	2790	469.73	-	3259.73
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	2790	469.73	-	-
<b>Net Change</b>	2790	469.73	-	-
<b>Indebtedness at the end of the financial year (30.06.2015)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (I+II+III)</b>	-	-	-	-

**ATTACHMENT- G**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER**

(₹ in lacs)

SL. No.	Particulars of Remuneration	Name of the Manager N Gopal	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	138.35	138.35
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	16.43	16.43
	(c) Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others	-	-
	<b>TOTAL (A)</b>	<b>154.78</b>	<b>154.78</b>
	Ceiling as per the Act		<b>280.69</b>

ATTACHMENT - H

B. REMUNERATION TO OTHER DIRECTORS

(₹ in Lacs)

SL No.	Particulars of Remuneration	Name of the Directors						
		Hasmukh Shah	M S Ramachandran	Nihalchand Chauhan	R Kannan	Ameeta Parpia	S Sivaram	Total Amount
1.	<b>Independent Director</b>							
	- Fee for attending Board / Committee Meetings	2.80	2.50	3.70	4.15	3.65	2.00	
	- Commission	-	-	-	-	-	-	
	- Others	-	5.00	-	-	-	-	
	<b>TOTAL (1)</b>	<b>2.80</b>	<b>7.50</b>	<b>3.70</b>	<b>4.15</b>	<b>3.65</b>	<b>2.00</b>	<b>23.80</b>
		Name of the Directors						
		M P Taparia	Rajan B Raheja	B L Taparia	S J Taparia			
2.	<b>Other Non-Executive Director</b>							
	- Fee for attending Board/Committee Meetings	2.15	2.15	2.15	3.65			
	- Commission	-	-	-	-			
	- Others	-	-	-	-			
	<b>TOTAL (2)</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>	<b>3.65</b>			<b>10.10</b>
	<b>TOTAL (B) = (1+2)</b>							<b>33.90</b>
	Overall Ceiling as per the Act	Not Applicable						

ATTACHMENT I

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In lacs)

SL No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Rakesh Nayyar *	Company Secretary Ravi V Kuddyady**	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	157.36	10.74	168.10
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	0.72	0.42	1.14
	(c) Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- Others	-	-	-
5.	Others	-	-	-
	<b>TOTAL</b>	<b>158.08</b>	<b>11.16</b>	<b>169.24</b>

\* Company Secretary upto 22.04.2015

\*\* Company Secretary w.e.f. 22.04.2015

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY OVERVIEW

As per the Economic Survey of India, the Indian economy grew at 7.3% in 2014 – 15 as compared to 6.9% in 2013-14. The economic outlook improved due to pro growth economic reforms initiated by the Government, lower oil prices and improved FDI inflows. Hike in the foreign direct investment limits in Defence, Railways, Insurance, faster environmental clearances, transparent auction based natural resource allocation, passing of mining bill have all helped improve business environment and attract investments.

Sharp drop in oil prices provided a major relief to large net importer like India. Decline in crude prices has helped in controlling the trade deficit and easing inflation. Price of Brent crude is currently hovering around at US \$ 60 per barrel and is likely to remain at this level in the near future as per the forecasts made by various industry experts. This will certainly help the industries whose raw material costs are linked to crude price as lower prices will help in demand growth.

Consumer price inflation declined to 5.6% in 2014 – 15 bringing much relief to the people of the country. Reduced current account deficit to 1.3% of GDP during 2014 – 15 coupled with policy measures taken by Reserve Bank of India resulted in a relatively stable exchange rate environment. Lowering of interest rates will also help in boosting demand in the near term.

Though the macro-economic indicators showed much improvement during the year 2014–15, the recovery on the ground has been rather slow. Lower inflation has not resulted in significant improvement in demand conditions as is evident from the poor industrial production, housing and credit growth numbers. However, the Government's focus to promote local manufacturing by launching 'Make in India' campaign should help industry in the medium term.

### INDUSTRY OVERVIEW

The continuous fall in the price of crude oil during October 2014 to December 2014 quarter resulted in a sharp correction in the price of Styrene Monomer (SM) the main raw material for your Company's products. SM price witnessed a drastic fall of more than US \$ 550 per MT in one quarter adversely affecting selling price of your Company's products and also resulting in inventory loss.

The domestic selling price of Polystyrene (PS) saw a steep fall of almost 26% during October to December 2014 quarter. The falling prices deterred the processors from stocking the Company's products. Instead they consumed their inventory expecting still lower prices in future. These factors culminated in your Company reporting a loss of ₹48.19 crores for the half year ended December 2014.

Styrenics market started stabilising from mid-February and this bought back the customers to the market and encouraged them to start stocking. With improved sentiments in the market place and increased demand your Company could recover the losses incurred during first half of the year under review and earn profit before tax of ₹56.29 crores for the year.

Your Company's sales volume of all products put together including exports was lower by 4.5% as compared to the previous year due to fall in exports. Export volumes dropped to 25.5% of total sales volumes during the year from 33.3% in the previous year. Domestic market volumes were, however, up by 6.7% during the year under review. Your Company's sales revenue was lower at ₹2655.73 crores as compared to previous year sales revenue of ₹3270.15 crores due to fall in the price of Styrene Monomer which resulted in lower prices for finished products.

**Polystyrene (PS)** : Domestic market grew by 7.7% during 2014-15 as against a negative growth of 9.7% in the previous year. The jump in demand was seen mainly in the 2<sup>nd</sup> half of the year under review as the lower prices fuelled increased consumption not only in consumer durables segment but also in sector such as food service ware, jewellery, writing instrument, stationery, water purifiers and rigid sheets. Food service ware is seeing major demand growth with new capacities starting production and existing plants enhancing production capacity. Water purifiers also witnessed a quantum jump in demand during the year.

Exports were adversely affected during the year due to several factors. Exports to Europe were affected due to weakness of Euro currency which made your Company's products far less competitive in comparison to local European product. Exports to Nigeria, Tunisia and Egypt were low due to political unrest and weak economic conditions in these countries. Non-applicability of concessional duty on Indian exports to Turkey vis-a-vis other exporting countries like Egypt and Korea also adversely affected your Company's export to Turkey, a key market for your Company's exports.

Restructuring of PS business by US producers opened up significant opportunities and helped in improving your Company's exports to USA.

**Expandable Polystyrene (EPS)**: Domestic market grew by 6.6% in 2014-15 in comparison to a degrowth of 5.2% in the previous year. Lower prices buoyed demand from the cold storage, construction and packaging sectors. Continuous efforts to increase the usage of EPS in construction sector were made during the year.

Customer base for your Company's Food Grade EPS exports is firmly established in markets allowed by the technology provider. Off-take agreement quantities were lower than expected due to severe competition from a South East Asian producer.

**Speciality Polymers and Compounds Business (SPC)**: SPC business did not show the anticipated growth in volumes in the domestic market. Your Company also lost significant export markets in the Middle East due to political instability and in South East Asia due to shifting of manufacturing base of some of the Company's principal customers from Singapore-Malaysia to China.

**Extruded Polystyrene Insulation Board (XPS)**: XPS sales volume grew by 35% during the year under review. The distribution network has increased your Company's share in

various regions of the country. Continued improvement in quality has made your Company the first choice XPS supplier to major and prestigious building projects. Your Company recently received a single order of 7500 m<sup>3</sup> from a large educational institution who after testing the product are confident of meeting energy efficiency. Intensive marketing by your Company has reduced dependence on imported products during the year under review. Continuous interaction with various regulatory authorities and Government agencies has helped in DDA & Noida giving FSI concession & rebate in property taxes for Green Buildings using Insulation as one of the measures. Your Company's active participation in various Seminars/Exhibitions related to building industry has helped in positioning your Company as a key player in building insulation market.

## FINANCE

Your Company has become a debt free Company as on June 30, 2015 with all debts having been repaid during the year under review. This should help in preserving the cash flows for Company's operations with reduced finance cost.

## CAPITAL EXPENDITURE

There was no major capital expenditure during the year under review except normal capital expenditure.

Since your Company has adequate capacities already built up and with no additions of new plant/capacity planned, no major capital expenditure is envisaged during the year 2015-16.

The estimated capital expenditure for the year 2015-16 is around ₹ 22 crores for replacement/renewal of equipment for energy conservation, HSE (health, safety, environment) and other plants improvement projects.

## OUTLOOK

With the GDP growth projections at 7.8% for 2015-16 your Company is confident of achieving growth in all the Company's products as under:

**Polystyrene (PS):** Your Company expects favourable market conditions created by the stability in raw material and finished goods prices to help in growing the domestic demand in PS. Your Company is taking measures to arrest migration of PS applications to other competing polymers while protecting traditional PS market. Your Company has started helping small and medium sized businesses in beads and bangles sector by providing technology support and creating environment for growing these businesses. Your Company expects domestic PS market to grow by 5-6% during the period July 2015 to March 2016.

Your Company is working out strategies to grow exports of Polystyrene in traditional and new markets so as to increase the exports volumes to 35-40% of total volume sales during July 2015 – March 2016.

PS exports to Turkey are likely to improve as the Company expects Turkish Government to rectify the duty structure which is different from EU norms thus restoring Company's share in the Turkish market.

**Expandable Polystyrene (EPS):** Your Company is relentlessly promoting 3 D EPS panels as a means of rapid construction

with added benefit of energy efficient building envelopes. Use of Geo Foam is firmly established in developed countries like USA, Japan and certain European countries in infrastructure development projects in roads, airport runway construction, embankments for rail & roadways. Your Company is sparing no effort to bring this new technology to India. Defence authorities are looking at Geo Foam Technology with keen interest and are being provided all assistance by your Company's business development teams to enable them to quickly embrace and commercialise. Your Company expects EPS market to grow by 10-11% during July 2015 – March 2016 with increased usage in packaging and construction

**Speciality Polymers and Compounds (SPC):** Requisite steps have been taken to strengthen Sales & Marketing organisation as well as distributor network, which would enhance volumes & improve margins. Several new grades have been developed which is expected to further improve your Company's position in this rapidly growing segment. Intensive efforts are being made to increase export volumes by developing a wider customer base to weather changing market conditions.

**Extruded Polystyrene Insulation Board (XPS):** The various initiatives in the XPS business detailed in the section of industry overview are directed towards making your Company the undisputed leader in XPS Insulation business in all segments like Commercial and Residential Buildings, Cold Storages, Industrial applications like Reefer Containers, Insulated Packaging for Pharmaceutical Exports etc.

## 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. However, a part of the requirement is sourced on spot basis so as to float with fluctuations in the market demand and to guard against price volatility. Your Company also looks to increase sales linked to raw material prices so that any increase/decrease in raw material cost has an adequate cushion to protect the margin.

The global economic scenario and the dollar-rupee parity has a direct effect on pricing of your Company's PS business. To overcome these risk of pricing due to foreign exchange volatility your Company hedges open foreign exchange exposure relating to imports so as 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.

## 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 received the following awards and recognition during the year under review :

- “Suraksha Puraskar” (For year 2014) from National Safety Council of India in recognition of developing and implementing very effective management systems and procedures and achieving very good performance in OSH for the assessment period 2011 to 2014.
- Two Greentech Safety Gold Awards (for year 2014 and for year 2015) from Greentech Foundation,

New Delhi for outstanding achievement in Safety Management.

- Greentech Environment Gold Award (For year 2014) from Greentech Foundation, New Delhi for outstanding achievement in Environment Management.
- Your Company has completed 5367 accident Free Days as on 30<sup>th</sup> June 2015 which amounts to 14.20 million man-hours of accident free operation.

#### **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 and other statutes and other incidental factors.



## CORPORATE GOVERNANCE

### PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE:

Your Company believes that good Corporate Governance is the foundation for a truly sustainable Company. Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all Employees of the Company for enhancement of shareholder value while keeping in view interests of other stakeholders. Good governance ensures adoption of best business practices and accountability of the person in-charge of the Company's operations. Your Company is fully committed to the principles of integrity, transparency and compliance with regulations in all dealings with the Government, Customers, Suppliers, Employees and other Stakeholders. 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, 2015. 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 DIN No. 00112461	Non-Executive - Promoter/Chairman	4	3	1	2	37733
Rajan B. Raheja DIN No. 00037480	Non-Executive - Promoter	5	11	2	2	400
B. L. Taparia DIN No. 00112438	Non-Executive - Promoter	2	1	—	—	4834
S. J. Taparia DIN No. 00112513	Non-Executive - Promoter	4	4	1	1	37733
Hasmukh Shah DIN No. 00152195	Non-Executive - Independent	2	1	3	1	2800
R. Kannan DIN No. 00380328	Non-Executive - Independent	4	—	1	1	-
M. S. Ramachandran DIN No. 00943629	Non-Executive - Independent	5	—	6	10	-
Nihalchand Chauhan DIN No. 00021782	Non-Executive - Independent	1	—	—	1	-
Ameeta Parpia DIN No. 02654277	Non-Executive - Independent	3	—	3	2	21900
Dr. S. Sivaram * DIN No. 00009900	Non-Executive - Independent	3	3	1	6	-

During the year under review the Board met on 5 occasions i.e. July 18, 2014; September 22, 2014; October 16, 2014; January 21, 2015 and April 22, 2015.

\*Appointed as an Additional Director w. e. f. September 23, 2014.

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
B. L. Taparia	Non-Executive – Promoter	5	5	Yes
S. J. Taparia	Non-Executive – Promoter	5	5	Yes
Hasmukh Shah	Non-Executive – Independent	5	4	Yes
R. Kannan	Non-Executive – Independent	5	5	Yes
M. S. Ramachandran	Non-Executive – Independent	5	4	Yes



Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
Nihalchand Chauhan	Non-Executive – Independent	5	5	Yes
Ameeta Parpia	Non-Executive – Independent	5	4	No
Dr. S. Sivaram *	Non-Executive – Independent	3	3	-

\*Appointed as an Additional Director w. e. f. September 23, 2014.

## 2. AUDIT COMMITTEE:

Your Company had constituted an Audit Committee, the Composition of Audit Committee is as under:

Name of the Director	Category
R. Kannan	Chairman – Non-Executive Independent
S. J. Taparia	Non-Executive – Promoter
Nihalchand Chauhan	Non-Executive – Independent
Ameeta Parpia	Non-Executive – Independent

The Audit Committee's composition meets with requirements of provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Audit Committee has the following powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice and
- to secure attendance of outsiders with relevant expertise, if it considers necessary

Role of Audit Committee includes the following:

The Audit Committee primarily acts in line with Section 177 of the Companies Act, 2013 and Clause 49(III) D of the Listing Agreement. The Committee oversees the Company's financial reporting process and internal control system and ensures that the financial statements are correct, sufficient and credible. The Committee reviews the annual and quarterly financial statements before submission to the Board for approval. The Committee also reviews related party transactions of the Company and approves the transactions which are in line with the Related Party Transactions Policy of the Company.

The Committee has been entrusted with the responsibility of reviewing Internal Audit findings and ensuring adequacy of internal control systems. The Committee recommends to the Board appointment of external auditors and payment of fees. The Committee holds regular discussions with the internal, statutory and cost auditors about their scope of audit and holds post audit discussions with the auditors.

The Audit Committee functions under the overall supervision of the Board of Directors of the Company.

During the year under review, the Audit Committee met on 4 occasions i.e. July 18, 2014; October 16, 2014; January 21, 2015 and April 22, 2015.

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

## 3. NOMINATION AND REMUNERATION COMMITTEE:

Your Company had constituted an Nomination And Remuneration Committee on July 18, 2014 on dissolution of the Remuneration Committee, the Composition of Nomination And Remuneration Committee is as under:

Name of the Director	Category
Hasmukh Shah	Non-Executive – Independent/Chairman
S. J. Taparia	Non-Executive – Promoter
R. Kannan	Non-Executive – Independent
Ameeta Parpia	Non-Executive – Independent

The Nomination And Remuneration Committee's composition meets with requirements of provisions of Section 178(1) of the Companies Act, 2013.

The Nomination and Remuneration Committee performs the following functions:

The Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. The Committee also formulates criteria for evaluation of Independent Directors and the Board. It devises policy on Board diversity and identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company has disclosed the Remuneration Policy and the details of the remuneration paid to all Directors in the Directors Report.

The Nomination And Remuneration Committee functions under the overall supervision of the Board of Directors of the Company.

During the year under review, the Nomination and Remuneration Committee met on 2 occasions i.e. July 18, 2014 and April 22, 2015.

Member	Category	Meetings held	Meetings Attended
Hasmukh Shah	Non-Executive - Independent/Chairman	2	1
S. J. Taparia	Non-Executive – Promoter	2	2
R. Kannan	Non-Executive – Independent	2	2
Ameeta Parpia	Non-Executive – Independent	2	2

#### 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	2,15,000
Rajan B. Raheja	Non-Executive – Promoter	2,15,000
B. L. Taparia	Non-Executive – Promoter	2,15,000
S. J. Taparia	Non-Executive – Promoter	3,65,000
Hasmukh Shah	Non-Executive – Independent	2,80,000
R. Kannan	Non-Executive – Independent	4,15,000
M. S. Ramachandran*	Non-Executive – Independent	2,50,000
Nihalchand Chauhan	Non-Executive – Independent	3,70,000
Ameeta Parpia	Non-Executive – Independent	3,65,000
Dr. S. Sivaram **	Non-Executive – Independent	2,00,000
	<b>TOTAL</b>	<b>28,90,000</b>

\* Shri M. S. Ramachandran was paid an amount of ₹ 5,00,000/- during the year under review for rendering services of a professional nature.

\*\* Appointed as an Additional Director w. e. f. September 23, 2014

The Company has no Stock Option Scheme

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company has constituted an Stakeholders Relationship Committee on July 18, 2014 on dissolution of the Investors' Grievance Committee, the composition of Stakeholders Relationship Committee is as under:

Name of the Director	Category
M. P. Taparia	Non-Executive – Promoter/Chairman
Rajan B. Raheja	Non-Executive – Promoter
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

The Stakeholders Relationship Committee of Directors looks into the specific complaints received from the stakeholders of the Company viz. shareholders, debenture holders, deposit holders, if any, and any other security holders and resolves the grievances of security holders of the Company including complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends and also approves transfer of Securities.

The details of Stakeholders Relationship Committee Meetings held during the period under review is listed below:

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	19	19
Rajan B. Raheja	Non-Executive – Promoter	19	18
S. J. Taparia	Non-Executive – Promoter	19	18
Ameeta Parpia	Non-Executive – Independent	19	17

**Compliance Officer:** Shri Ravi V Kuddyady, was appointed as Company Secretary, w. e. f. April 22, 2015 in place of Shri Rakesh Nayyar, who continues as Chief Financial Officer of your Company.

During the period under review, your Company received 101 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, 2015.

#### 6. INVESTMENT COMMITTEE:

Your Company had constituted an Investment Committee of Directors to oversee the purchase/sale of investments made by the Company from time to time. With the investments having been disposed off, your Directors decided to dissolve the said Committee, accordingly the Investment Committee was dissolved on July 18, 2014.

#### 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 includes:

- 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;
- Authorisation to invest temporary surplus funds in money market investments and delegate financial powers for approved projects capital expenditure and
- Opening/Closing of Bank Accounts and authorise officials of the Company for operating of Bank Accounts;

During the year under review the Finance Committee met on 5 occasions i.e. August 13, 2014; September 27, 2014; December 24, 2014; April 23, 2015 and June 18, 2015.

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	5	5
Rajan B. Raheja	Non-Executive – Promoter	5	5
B. L. Taparia	Non-Executive – Promoter	5	2
S. J. Taparia	Non-Executive – Promoter	5	5
Ameeta Parpia	Non-Executive – Independent	5	5

#### 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Your Company has constituted Corporate Social Responsibility Committee as mandated by Schedule VII of the Companies Act, 2013 on July 18, 2014, to perform the following functions:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause above and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee functions under the overall supervision of the Board of Directors of the Company. During year under review the Corporate Social Responsibility Committee comprising of the following Directors met on 2 occasions i.e. September 22, 2014 and April 22, 2015.

Member	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	2	2
Rajan B. Raheja	Non-Executive – Promoter	2	2
Hasmukh Shah	Non-Executive – Independent	2	2

## 9. INDEPENDENT DIRECTORS:

Your Company has appointed Shri Has Mukh Shah, Shri R. Kannan, Shri M. S. Ramachandran, Shri Nihalchand Chauhan and Miss Ameeta Parpia as Independent Directors to hold Office for a consecutive term of five years w. e. f. September 22, 2014 pursuant to the provisions of the Companies Act, 2013.

Your Company appointed Dr. S. Sivaram as an Additional Director on September 23, 2014 to hold Office upto the date of the ensuing Annual General Meeting.

During the year under review the Independent Directors met on one occasion i.e. April 22, 2015.

Member	Category	Meetings held	Meetings Attended
Has Mukh Shah	Non-Executive – Independent/Chairman	1	1
R. Kannan	Non-Executive – Independent	1	1
M. S. Ramachandran	Non-Executive – Independent	1	1
Nihalchand Chauhan	Non-Executive – Independent	1	1
Ameeta Parpia	Non-Executive – Independent	1	1
Dr. S. Sivaram *	Non-Executive – Independent	1	1

\*Appointed as Additional Director w. e. f. September 23, 2014

## 10. 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](http://www.supremepetrochem.com). For the year under review, all Directors and Senior Management have confirmed their adherence to the provisions of the said code.

## 11. CEO/CFO CERTIFICATION:

The Manager and the CFO heading the finance function have certified to the Board that:

- They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
- 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.
- 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.
- They have indicated to the Auditors and the Audit Committee that there were no:
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements and
  - 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 21, 2015.

## 12. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held :

Year		Location	Date	Time	Special Resolutions Passed
2011-2012	23 <sup>rd</sup>	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400020	04.10.2012	4.00 p.m.	No
2012-2013	24 <sup>th</sup>	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400020	18.10.2013	4.00 p.m.	No
2013-2014	25 <sup>th</sup>	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400020	22.09.2014	4.00 p.m.	Yes





The following Special Resolutions were passed at the 25<sup>th</sup> Annual General Meeting held on September 22, 2014.

- (1) Approval u/s. 188 of the Companies Act, 2013 to related party transactions with The Supreme Industries Ltd not exceeding ₹ 50 crores p.a.
- (2) Consent u/s. 180(1)(a) of the Companies Act, 2013 to secure working capital facilities from Banks upto an amount of ₹ 1500 crores.
- (3) Consent u/s. 180(1)(a) of the Companies Act, 2013 to secure term loans not exceeding an amount of ₹100 crores from lending agencies.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

### **13. SUBSIDIARY COMPANY:**

Your Company does not have any Subsidiary Company.

### **14. 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 (Please refer to note no. 34). 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 notified under Section 133 of The Companies Act, 2013 read together with Rules 7 of The Companies (Accounts) Rules 2014.

#### **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/Vigil Mechanism -**

A Whistle Blower Policy/Vigil Mechanism has been adopted by the Board of Directors on July 18, 2014. No personnel have been declined access to the Audit Committee.

### **15. IMPLEMENTATION OF CODE OF INTERNAL PROCEDURE & CONDUCT FOR REGULATING, MONITORING & REPORTING OF TRADING BY INSIDERS:**

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.

### **16. 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.

### **17. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

# 18. PARTICULARS OF DIRECTORS:

Particulars of Directors seeking re-appointment are given below:

Name of the Director	Rajan B. Raheja	B. L. Taparia	Dr. S. Sivaram
Age (Years)	62	80	68
Date of Appointment	14/12/1989	22/11/1993	23/09/2014
Qualification	B. Com	B. A.	M. Sc. (Chemistry) from IIT, Kanpur and PhD and DSc (h.c.) from Purdue University, W. Lafayette, Indiana USA
Experience of specific functional area.	<p>He is the Promoter of R. Raheja Group. He started his business career over 40 years ago. His business range includes batteries, cable television, ceramic tiles, cement, construction and petrochemicals. He is also on the Board of many other well known Companies.</p> <p>Over the years Shri Raheja has also been dedicating himself to various educational and charitable Trusts.</p>	<p>He is Chairman of The Supreme Industries Limited. Started his business career over 57 years ago. Has long experience in managing businesses. Also associated with Philanthropic activities.</p>	<p>Dr. Sivaram is presently a CSIR Bhatnagar Fellow at the National Chemical Laboratory (NCL), Pune, India. Prior to this, he served as the eighth Director of NCL (2002-10).</p> <p>Dr. Sivaram is a highly decorated scientist with numerous awards to his credits. He is a recipient of the Vishwakarma Medal (INSA), Silver Medal of the Chemical Research Society of India, Millennium Medal of the Indian Science Congress Association, Distinguished Alumnus Award of IIT, Kanpur, Professor S.R. Palit Memorial Award of the Indian Association for Cultivation of Science, K.G. Naik Gold Medal of M.S. University, Baroda, FICCI Award in Physical Sciences, Om Prakash Bhasin Award, Goyal prize in Applied Sciences and the Distinguished Material Scientist of the Year Award, 2011 bestowed by Materials Research Society of India The President of India conferred the coveted civilian honor, Padma Shri, on Dr. Sivaram in 2006.</p> <p>He has mentored the Ph.D. thesis of 36 students and published over 210 papers in peer reviewed scientific journals. He is cited as an inventor in 49 granted European and US as well as 52 Indian patents.</p>
Chairman/Director of other Companies	Exide Industries Ltd., Exide Life Insurance Co. Ltd., Hathway Cable & Datacom Ltd., Juhu Beach Resorts Ltd. and Prism Cement Ltd.	The Supreme Industries Ltd. and Supreme Capital Management Ltd.	Apcotex Industries Ltd., Asian Paints Ltd., GMM Pfaunder Ltd., Entrepreneurship Development Centre, CSIR Tech Pvt. Ltd., and Deepak Nitrite Pvt. Ltd.
Shareholding in the Company	400	4834	—
Relationship with other Directors	—	Brother of Shri M P Taparia and Uncle of Shri S J Taparia	—
No of Meetings attended	5	5	3


**17. GENERAL SHAREHOLDERS INFORMATION :**

Annual General Meeting	Wednesday, September 23, 2015 at 4.00 p.m. at I.M.C. Walchand Hirachand Conference Hall, Churchgate, Mumbai - 400 020
Period under review	July 01, 2014 to June 30, 2015
Date of Book Closure	Monday, September 21, 2015 to Wednesday, September 23, 2015 (both days inclusive)
Dividend Payment Date	September 30, 2015 - Dividend warrants will be posted on or after September 30, 2015.
Listing on Stock Exchanges	BSE Limited, National Stock Exchange of India Ltd.
Stock Code	BSE Limited - 500405, National Stock Exchange of India Ltd.- SUPPETRO
Payment of Listing Fees	Annual Listing Fees for the year 2015-16 have been paid by the Company to BSE and NSE
Payment of Depository Fees	Annual Custody/Issuer Fees for the Year 2015-16 will be paid by the Company to NSDL/CDSL on receipt of the invoices.

Market Price Data:

(₹)

	BSE Limited		National Stock Exchange of India Ltd.	
Month/Year	High	Low	High	Low
July 2014	94.00	74.90	94.20	73.65
August 2014	82.95	73.10	83.00	73.55
September 2014	98.45	76.00	98.50	76.00
October 2014	89.00	75.00	89.70	74.70
November 2014	80.60	74.00	80.55	74.10
December 2014	77.05	70.00	86.00	70.00
January 2015	79.70	65.80	79.70	65.80
February 2015	72.50	65.50	73.25	66.25
March 2015	70.00	62.55	70.60	63.65
April 2015	74.80	63.10	74.90	63.10
May 2015	82.45	68.50	82.00	68.05
June 2015	90.00	71.50	90.25	71.75

**COMPARISON WITH INDICES:**

	July 2014 Opening	June 2015 Closing	% Rise (Fall)
BSE Sensex	25469.94	27780.83	9.07
NSE Nifty	7629.00	8368.50	9.69
SPL Shares	91.25	83.65	(8.33)

**REGISTRAR AND TRANSFER AGENT :** Karvy Computershare Private Limited,  
Karvy Selenium Tower B, 6<sup>th</sup> Floor, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, HYDERABAD - 500 032

**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, 2015)**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
0001 - 5000	44868	90.19	6937473	7.19
5001 - 10000	2443	4.91	2062318	2.14
10001 - 20000	1094	2.20	1706111	1.77
20001 - 30000	430	0.87	1119843	1.16
30001 - 40000	175	0.35	633014	0.66
40001 - 50000	159	0.32	755073	0.78
50001 - 100000	259	0.52	1963564	2.03
100001 & above	318	0.64	81324562	84.27
<b>TOTAL</b>	<b>49746</b>	<b>100.00</b>	<b>96501958</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS (AS ON JUNE 30, 2015)**

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	58712000	60.84
2.	Mutual Funds and UTI	55565	0.06
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutional/Non-Government Institutions)	38652	0.04
4.	FII/Foreign Bodies Corporate	122117	0.12
5.	Private Corporate Bodies	4307471	4.46
6.	Indian Public	31661149	32.81
7.	NRIs	1282292	1.33
8.	Others (clearing members)	322712	0.34
	<b>GRAND TOTAL</b>	<b>96501958</b>	<b>100.00</b>

**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 95.30% Shares have been dematerialised upto June 30, 2015.

**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:**  
Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg,  
Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East),  
MUMBAI - 400 093

**SHAREHOLDERS' ASSISTANCE:**

The Secretarial Department operates from the Company's Registered 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 Kuddyady/Shri Finian Lopez/Ms. Jean Bhandary**

Secretarial Department,  
Supreme Petrochem Ltd,  
Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, 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,  
 Karvy Selenium Tower B, 6<sup>th</sup> Floor, Plot No. 31 & 32,  
 Gachibowli, Financial District, Nanakramguda,  
 Serilingampally, HYDERABAD - 500 032

Telephone No.: 040-67161526, Toll Free No. : 1800-3454-001

Fax No. : 040-23420814

E-mail - [reddy.ks@karvy.com](mailto:reddy.ks@karvy.com), [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Web Site - [www.karvy.com](http://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](mailto:pbamlani@karvy.com)

**EQUITY SHARES IN SUSPENSE ACCOUNT:**

Details pursuant to Clause 5A (II) of the Listing Agreement.

	No. of Shareholders	No. of Shares
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1026	89298
No. of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	3	134
No of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	3	134
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1023	89164

For and on behalf of the Board

**M. P. Taparia**

**Chairman**

CIN : L23200MH1989PLC054633

**Registered Office :**

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

Phone : +91 22 67091900; Fax : +91 22 40055681

email : [investorhelpline@spl.co.in](mailto:investorhelpline@spl.co.in)

website: [www.supremepetrochem.com](http://www.supremepetrochem.com)

Date : July 21, 2015



## 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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges of India.

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 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 **G. M. Kapadia & Co.**  
Chartered Accountants  
Firms Registration No. 104767W

**(Rajen Ashar)**  
Partner  
Membership No.048243

Place : Mumbai  
Date : July 21, 2015

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Supreme Petrochem Limited

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Supreme Petrochem Limited** ("the Company") which comprise the Balance sheet as at June 30, 2015, Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on June 30, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No: 104767W

**Rajen Ashar**

Partner

Membership No: 048243

**Place : Mumbai**

**Dated: July 21, 2015**

## ANNEXURE TO THE AUDITOR'S REPORT

### Annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management during the year according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (ii) (a) The inventory have been physically verified at reasonable intervals by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of such inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) The Company has not granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a) & (b) of the clause 3(iii) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with the size

of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.

- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that 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 other Tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act, in respect of Company's products to which the said rules are made applicable 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 records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income- tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at June 30, 2015 for a period of more than 6 months from the date they became payable.

(b) The particulars of statutory dues that have not been deposited on account of disputes are as under:

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
1	Central Excise Act, 1944	Valuation in case of Related Party	April 2001- Aug 2014	403.40	CESTAT
		Valuation- Supplies	Dec 2012 - Aug 2014	15.95	Commissioner (Appeals)
		Valuation- Loading Charges	June 2000 - Jan 2006	108.59	CESTAT
		Duty Liability	April 1996 - Jun 2000	11.85	CESTAT
		Cenvat Credit Availed	Sep 2002 - Aug 2009	19.29	Commissioner (Appeals)
			April 2006 - Sep 2009	1.47	CESTAT
			Oct 2009 - July 2010	1.04	CESTAT
			June 2012	3.23	Commissioner (Appeals)
			Nov 2012 - Aug 2012	0.44	Commissioner (Appeals)

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
			July 2009	55.03	Commissioner Office (SCN)
			Sep 2013 - June 2014	0.42	
		Excise Duty on Short Receipts after Job Work Rebate refund	April 2005 - March 2008 July-2013 Dec-2013	2.11 7.56 1.79	CESTAT
2	Service Tax (Finance Act 1994)	Service Tax and penalty.	April 2004 - Jul-2007 April 2005 - Sep-2009 Jan 2011 - Oct-2011 Sep 2004 - Aug-2013 April 2003 - Mar-2005 April 2011 - Mar-2013 Sep 2013 - June-2014 Sep 2011 - June-2014	44.21 14.92 5.88 452.45 188.42 296.77 105.24 3.63	CESTAT  Commissioner Office (SCN)
3	Central Excise Act, 1944 (Tamil Nadu)	Availment of Cenvat Credit	March 2008 Feb 2008 – June 2008  April 2009-Dec 2009  Jan 2010-Oct 2010 Nov 2010 – Oct 2011	23.16 16.52  3.35  0.61 0.16	CESTAT Jt. Commissioner of Central Excise Asst/Deputy Commissioner of Central Excise Superintendent of Central Excise
4	Service Tax (Finance Act 1994) (Tamil Nadu)	Availment of Service tax credit & Penalty	Sep 2010 – Nov 2012 Dec 2012 – Sep 2013 Jan 2009-Aug 2014	8.91 5.67 13.87	CESTAT Commissioner (Appeals) Superintendent / Asst./ Deputy Commissioner of Central Excise
5	Tamil Nadu VAT Act, 2006	VAT and penalty.	2005-2006 2012-2013 2010-2011 2003-2004	0.88 1.20 7.43 2.61	Deputy Commissioner (Commercial tax)  Asst. Commissioner (Commercial tax)
6	Income Tax Act, 1961	Income Tax, interest and penalty	Assessment Year 2007-2008	44.43	Commissioner of Income Tax (Appeal)
			2005-2006 2006 - 2007 2008-2009	30.96 4.71 121.26	ITAT

- (c) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses as at June 30, 2015. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (ix) We have been informed that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.
- (x) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us and on the basis of the records examined by us, we have to state that the Company has prima facie

applied the term loan for the purpose for which it was obtained.

- (xii) 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, no material fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriation of assets) on or by the company has been noticed or reported during the year by the Company.

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No: 104767W

**Place : Mumbai**  
**Dated: July 21, 2015**

**Rajen Ashar**  
Partner  
Membership No: 048243





## BALANCE SHEET AS AT JUNE 30, 2015

(₹ Lacs)

Particulars	Note No	As at 30-06-2015	As at 30-06-2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share capital	2	9650.20	9650.20
Reserves and surplus	3	27986.23	26777.04
		<b>37636.43</b>	36427.24
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	-	930.00
Deferred tax liabilities (Net)	5	4848.40	4924.15
Other long term liabilities	6	146.87	120.37
Long-term provisions	7	149.47	135.99
		<b>5144.74</b>	6110.51
<b>Current Liabilities</b>			
Trade payables	8	39300.87	49072.73
Other current liabilities	9	3085.06	4942.20
Short-term provisions	10	2974.36	1810.68
		<b>45360.29</b>	55825.61
<b>TOTAL</b>		<b>88141.46</b>	98363.36
<b>ASSETS</b>			
Non-Current Assets			
Fixed assets	11		
Tangible assets		34346.64	36905.94
Intangible assets		166.74	222.79
Capital work-in-progress-tangible assets		427.33	398.74
		<b>34940.71</b>	37527.47
Long term loans and advances	12	697.83	817.13
Other non-current assets	13	1619.15	1240.07
		<b>2316.98</b>	2057.20
<b>Current Assets</b>			
Inventories	14	18799.69	17925.97
Trade receivables	15	23896.35	33720.41
Cash and cash equivalents	16	3249.85	2317.28
Short-term loans and advances	17	4364.72	4572.12
Other current assets	18	573.16	242.91
		<b>50883.77</b>	58778.69
<b>TOTAL</b>		<b>88141.46</b>	98363.36
Significant Accounting Policies	1		

The accompanying notes 1 to 42 form an integral part of the financial statements.

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board  
Chairman

M P Taparia

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
Dr S Sivaram

Directors

Mumbai  
Date: July 21, 2015

Mumbai  
Date: July 21, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30, 2015

(₹ Lacs)

Particulars	Note No	Year 2014-2015	Year 2013-2014
<b>INCOME</b>			
Revenue from Operations	19		
Sale of goods		294356.30	358185.05
Less : Excise duty		30445.41	34661.26
		263910.89	323523.79
Other operating revenues		1342.87	2905.99
		265253.76	326429.78
Other Income	20	319.16	585.55
<b>Total Revenue</b>		<b>265572.92</b>	<b>327015.33</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	168787.86	209268.32
Purchase of stock-in-trade	22	69833.49	85889.18
Changes in inventories of finished goods and work-in-process	23	(3596.68)	2826.06
Employee benefit expenses	24	3192.60	2827.05
Finance costs	25	1660.02	2284.39
Depreciation and amortisation expenses	26	2364.19	2873.74
Other expenses	27	17702.14	16647.58
<b>Total Expense</b>		<b>259943.62</b>	<b>322616.32</b>
<b>Profit Before Tax</b>		<b>5629.30</b>	<b>4399.01</b>
<b>Tax Expenses</b>			
Current tax		2100.06	1338.00
Deferred tax		251.70	52.11
<b>Profit After Tax</b>		<b>3277.54</b>	<b>3008.90</b>
Prior period adjustments(Net) (Refer Note 41)		15.42	(31.31)
Provision for prior period tax		(308.00)	(18.78)
<b>Profit for the year</b>		<b>3570.12</b>	<b>3058.99</b>
<b>Earning per share (₹)</b>			
Basic		3.70	3.16
Diluted		3.70	3.16
Nominal Value of Share		10.00	10.00

Significant Accounting Policies

1

The accompanying notes 1 to 42 form an integral part of the financial statements.

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

M P Taparia

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
Dr S Sivaram

For and on behalf of the Board

Chairman

Directors

Mumbai  
Date: July 21, 2015

Mumbai  
Date: July 21, 2015



## CASH FLOW FOR THE YEAR : 2014 - 2015

(₹ Lacs)

	Year Ended June 30, 2015	Year Ended June 30, 2014	
<b>A. Cash Flow from Operating Activities</b>			
Net profit before tax	5629.30	4399.01	
Adjustments for :			
Depreciation & amortisation expenses	2364.19	2873.74	
Interest received	(1.89)	(40.61)	
Dividend received	(174.41)	(326.43)	
Loss/(Profit) on sale of investments	(5.35)	(1.92)	
Interest and finance charges	1660.02	2284.39	
Loss on sale/scrapping of fixed assets	9.39	5.70	
Foreign exchange fluctuation assets & liability	92.83	(67.87)	
(Expenses)/Income related to earlier year	(15.42)	31.31	4758.31
Operating profit before working capital changes	9558.66		9157.32
Adjustment for :			
Trade & other receivables	9581.93	(1757.72)	
Inventories	(873.72)	4027.33	
Trade payables & other provisions	(9299.49)	(86.18)	2183.43
Cash generated from operations	8967.38		11340.75
Direct tax paid	(983.94)		(1851.83)
Net cash from operating activities (A)	7983.44		9488.92
<b>B. Cash Flow from Investing Activities</b>			
Purchase of fixed assets	(667.28)	(693.55)	
Sale of fixed assets	6.56	5.90	
Sale of investments	5.35	1.92	
Interest income	1.89	40.61	
Dividend income	174.41	326.43	
Net cash used in investing activities (B)	(479.07)		(318.69)
<b>C. Cash Flow from Financing Activities</b>			
Buy back of shares	-	(218.38)	
Interest and finance charges paid	(1660.02)	(2284.39)	
Dividend & dividend tax paid	(1693.54)	(2832.41)	
Proceeds from borrowings	(3218.24)	(4291.70)	
Net cash from financing activities (C)	(6571.80)		(9626.88)
<b>Net Change in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	932.57		(456.65)
Opening balance of cash & cash equivalents	2317.28		2773.93
Closing balance of cash & cash equivalents	3249.85		2317.28

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board

M P Taparia Chairman

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
Dr S Sivaram

Directors

Mumbai  
Date: July 21, 2015

Mumbai  
Date: July 21, 2015

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015.

### NOTE 1

#### 1] Corporate Information

Supreme Petrochem Ltd (The Company) a public limited company incorporated under the Companies Act, 1956 is engaged in the manufacture of Polystyrene (PS), Expandable Polystyrene (EPS), Speciality Polymers & Compounds and Extruded Polystyrene (XPS) with manufacturing facilities at Nagothane Dist Raigad, Maharashtra and Ammulavoyil Village, Manali New Township, Chennai, Tamil Nadu. The Company also has a captive gas power plant at Nagothane.

### SIGNIFICANT ACCOUNTING POLICIES

#### 2] Basis of Preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to section 129(1) of the Companies Act, 2013 (the Act), and clause 6 of the General Instructions given in Schedule III to the Act the items contained in the enclosed financial statements are in accordance with the Accounting Standards as referred to herein. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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 III to the Companies Act, 2013. 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.

#### 3] Use of Estimates

The preparation of financial statements in conformity with Indian generally accepted accounting principles (GAAP) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognised in periods in which the results are known/ materialised in accordance with the requirements of the respective accounting standard, as may be applicable.

#### 4] Revenue Recognition

##### [a] Income and Expenditure

Income and expenditure are accounted on accrual basis and is recognised when it is reasonably certain of the ultimate collection.

##### [b] Sale of Goods

Domestic sales are accounted on passing of risks and rewards attached to the goods to customers. Export sales are accounted on date of bill of lading. Gross sales include Excise duty but excludes Value Added Tax/ Central Sales Tax and are net of trade discounts.

##### [c] Dividend Income

Dividend income is recognised for when the right to receive is established.

##### [d] Export Incentives

Benefits on account of entitlement to import duty-free raw materials under the Advance Authorization 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."

#### 5] Fixed Assets, Capital Work-in-progress, Depreciation and Amortization:

##### Fixed Assets

##### [a] Tangible Assets

Tangible assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets, and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to any item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

**[b] Capital Work-in-progress,**

Projects under which assets are not ready for their intended use are shown as Capital-Work-in-Progress.

**[c] Intangible Assets**

Intangible assets are recognised only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets and any cost directly attributable to bringing the asset to its working condition for the intended use.

**[d] Depreciation and Amortization**

Depreciation is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.

When significant parts of the fixed assets are required to be replaced at interval, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciable amount for assets is the cost of an asset less its estimated residual value.

In case of certain assets, based on the technical evaluation, the Company uses different useful life than those prescribed in Schedule II to the Companies Act, 2013. Such class of assets and their estimated useful lives are as under:

Assets	Useful Life
Plant and Machinery	15 to 25 Years

Intangible assets are amortized over the estimated period of future economic benefit of the asset or a period of six years, whichever is lower.

**6] Impairment of Assets**

The carrying amounts of Tangible and Intangible assets are tested for impairment at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

**7] Inventories**

Inventories are valued as under :

- [a] Raw materials, packing material, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving weighted average basis.
- [b] Stock in process is valued at lower of cost (on a moving weighted average basis) and net realizable value.
- [c] Finished goods (including in transit) are valued at cost (on a 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.

**8] Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash / cheques in hand, demand deposits with banks and other short-term investments with an original maturity of three months or less.

**9] Foreign Exchange Transactions and Forward Contracts**

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.



Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of loan.

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. Option contracts entered into to hedge foreign currency hedge are marked to market at the date of balance sheet. The difference between premium paid and the current market value of the option is taken to the statement of Profit and Loss account. Gains if any, are ignored. Profit or loss on cancellations/ renewals of forward contracts and options are recognized as income or expense during the year.

## 10] 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.

## 11] 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] 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 using the Projected Unit Cost Method, Actuarial gains and losses are recognized in the Statement of Profit and Loss.

#### [iii] 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 subject to the contribution not exceeding Rs.1,00,000/- p.a. except in the case of Manager where the upper limit of Rs.1,00,000/- is not applicable. 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.

#### [iv] 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.

## 12] 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) notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 except Geographical segment as reportable segment.

## 13] Taxation

[a] The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.

- [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 and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the Statement of Profit and Loss in the period of enactment of the change.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax Assets on carry forward of unabsorbed depreciation and tax losses are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized.

#### **14] 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.

- a) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in the case of
  - i. probable obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
  - ii. possible obligation, unless the probability of out flow of resources is remote.
- b) Contingent Assets are neither recognised nor disclosed.

A Contingent Liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

#### **15] Provision**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates of the management.

#### **16] Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long - term investments are carried at cost. Diminution, if any, other than temporary, is provided for. Current investments are carried at lower of cost or fair value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

#### **17] Leases**

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss.

#### **18] Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or production of qualifying assets are capitalised as the cost of the respective assets. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

#### **19] Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, share split, etc., if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Particulars	(₹ Lacs)	
	As at 30-06-2015	As at 30-06-2014
<b>NOTE 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 (Previous Year 125,000,000) Equity Shares of ₹ 10 each	<b>12500.00</b>	12500.00
25,000,000 (Previous Year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 10 each	<b>2500.00</b>	2500.00
	<b>15000.00</b>	15000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
96,501,958 (Previous Year 96,501,958) Equity Shares of ₹ 10 each	<b>9650.20</b>	9650.20
	<b>9650.20</b>	9650.20

2.1. In the financial year 2013-2014, the company bought back and extinguished 336655 equity shares which has reduced the paid-up share capital of the company from ₹ 9683.86 lacs to ₹ 9650.20 lacs. (Refer note 32)

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

Name of the Shareholder	No. of Shares As at 30-06-2015	% held	No. of Shares As at 30-06-2014	% held
The Supreme Industries Limited	<b>28,936,400</b>	<b>29.99</b>	28,936,400	29.99
R. Raheja Investments Private Limited	<b>28,936,400</b>	<b>29.99</b>	28,936,400	29.99

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

Particulars	(₹ Lacs)	
	As at 30-06-2015 No. of Shares	As at 30-06-2014 No. of Shares
Equity Shares at the beginning of the year	96,501,958	96,838,613
Less : Shares cancelled on buy back of Equity Shares (Refer Note 32)	-	336,655
Equity Shares at the end of the year	<b>96,501,958</b>	<b>96,501,958</b>

2.4. 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. 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)

Particulars	As at 30-06-2015	As at 30-06-2014
<b>NOTE 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Balance as per the last Balance Sheet	1563.46	1529.79
Add : Transfer from General Reserve on account of Buy back of Equity Shares	-	33.67
	1563.46	1563.46
<b>General Reserve</b>		
Balance as per the last Balance Sheet	21258.12	19976.50
Add : Transferred from Profit and Loss Account	2000.00	1500.00
Less : Transfer to Capital Redemption Reserve on account of Buy back of Equity Shares	-	33.67
Less : Premium on buy back of Equity Shares	-	184.71
	23258.12	21258.12
<b>Surplus</b>		
Balance as per the last Balance Sheet	3955.46	4090.01
Less : Adjustment relating to transitional provision contained in schedule II (Refer Note 33)	618.72	-
Add : Profit for the Year	3570.12	3058.99
<b>Amount available for appropriations</b>	6906.86	7149.00
<b>Appropriations :</b>		
Transfer to General Reserve	2000.00	1500.00
Proposed Dividend	1447.53	1447.53
Dividend Tax	294.68	246.01
	3742.21	3193.54
	3164.65	3955.46
	27986.23	26777.04

**NOTE 4****LONG-TERM BORROWINGS**

(₹ Lacs)

	Total		Non-current		Current maturities	
	As at 30-06-2015	As at 30-06-2014	As at 30-06-2015	As at 30-06-2014	As at 30-06-2015	As at 30-06-2014
<b>Secured Loans</b>						
<b>From Banks</b>						
Rupee term loans	-	2790.00	-	930.00	-	1860.00
Amount included under the head "Other current liabilities"	-	2790.00	-	930.00	-	(1860.00)
	-	2790.00	-	930.00	-	-
<b>Unsecured Loans</b>						
Fixed deposits	-	413.62	-	-	-	413.62
Amount included under the head "Other current liabilities"	-	413.62	-	-	-	(413.62)
	-	413.62	-	-	-	-
<b>Total</b>	-	3203.62	-	930.00	-	-

- 4.1** Rupee Term Loans amounting to ₹ Nil (Previous Year ₹ 2790.00 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.

		(₹ Lacs)
Particulars	As at 30-06-2015	As at 30-06-2014
<b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	4936.29	4986.59
	<u>4936.29</u>	<u>4986.59</u>
<b>Deferred Tax Assets</b>		
Provision for leave encashment	75.13	52.24
Provision for gratuity	9.13	-
Provision for bonus	3.63	10.20
	<u>87.89</u>	<u>62.44</u>
<b>Net Deferred Tax Liabilities</b>	<b>4848.40</b>	<b>4924.15</b>
Opening Deferred Tax Liabilities	4924.15	4872.04
	<u>(75.75)</u>	<u>52.11</u>
Deferred Tax Assets adjusted against retained earning (Refer Note 33)	327.45	-
<b>Net Deferred Tax expenses/(income) for the Year</b>	<b>251.70</b>	<b>52.11</b>
	<u>251.70</u>	<u>52.11</u>
<b>NOTE 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Security Deposits from Distributors	146.87	120.37
	<u>146.87</u>	<u>120.37</u>
<b>NOTE 7</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for leave encashment	149.47	135.99
	<u>149.47</u>	<u>135.99</u>
<b>NOTE 8</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	39300.87	49072.73
	<u>39300.87</u>	<u>49072.73</u>



(₹ Lacs)

Particulars	As at 30-06-2015	As at 30-06-2014
<b>NOTE 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowings	-	1860.00
Current maturities of fixed deposits	-	413.62
Unclaimed fixed deposits	9.69	24.31
Accrued salaries and benefits	314.79	347.45
Statutory liabilities	900.30	1080.51
Interest accrued but not due on deposits/others	14.76	1.75
Interest accrued on current maturities of fixed deposits	-	27.96
Advances from Customers	580.73	322.91
Other liabilities	-	3.84
Excise duty on closing stock	969.12	582.75
Unclaimed dividend	295.67	277.10
	<b>3085.06</b>	<b>4942.20</b>
<b>NOTE 10</b>		
<b>SHORT TERM PROVISIONS</b>		
Proposed dividend	1447.53	1447.53
Tax on proposed dividend	294.68	246.01
Income tax (net of advance tax)	1138.13	99.43
Leave encashment	67.63	17.71
Gratuity	26.39	-
	<b>2974.36</b>	<b>1810.68</b>

**NOTE 11**  
**FIXED ASSETS**

(₹ Lacs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	DURING THE YEAR					DURING THE YEAR						
	As at 30-06-2014	Adjust- ments	Additions	Disposal	As at 30-06-2015	Upto 30-06-2014	Adjust- ments (Refer Note No. 33)	Provided/ Adjust- ments	Disposal	Upto 30-06-2015	As at 30-06-2015	As at 30-06-2014
<b>(A) Tangible Assets</b>												
Land (Freehold)	3418.22	-	121.21	-	3539.43	-	-	-	-	-	3539.43	3418.22
Buildings	15599.36	(15.35)	8.41	-	15592.42	4038.50	359.68	471.81	-	4869.99	10722.43	11560.86
Plant and Machinery	46124.11	-	531.21	63.07	46592.25	24689.87	491.96	1,690.38	51.35	26820.86	19771.39	21434.24
Office Equipments	231.54	17.52	2.64	-	251.70	118.38	60.71	43.89	-	222.98	28.72	113.16
Computers	468.12	(2.17)	15.12	0.44	480.63	298.52	19.94	52.50	0.44	370.52	110.11	169.60
Air-conditioners	40.56	-	13.49	-	54.05	13.02	10.24	9.08	-	32.34	21.71	27.54
Vehicles	169.84	-	15.82	9.16	176.50	69.40	-	23.44	4.93	87.91	88.59	100.44
Furniture and Fixtures	331.20	-	2.49	-	333.69	249.32	3.64	16.47	-	269.43	64.26	81.88
<b>TOTAL A</b>	<b>66382.95</b>	<b>-</b>	<b>710.39</b>	<b>72.67</b>	<b>67020.67</b>	<b>29477.01</b>	<b>946.17</b>	<b>2307.57</b>	<b>56.72</b>	<b>32674.03</b>	<b>34346.64</b>	<b>36905.94</b>
Previous Year	63089.19	-	3358.67	64.91	66382.95	26727.97	-	2802.35	53.31	29477.01	36905.94	-
<b>(B) Intangible Assets</b>												
Computer Software	491.46	-	0.56	-	492.02	268.67	-	56.62	-	325.29	166.74	222.79
<b>TOTAL B</b>	<b>491.46</b>	<b>-</b>	<b>0.56</b>	<b>-</b>	<b>492.02</b>	<b>268.67</b>	<b>-</b>	<b>56.62</b>	<b>-</b>	<b>325.29</b>	<b>166.74</b>	<b>222.79</b>
Previous Year	415.13	-	76.33	-	491.46	197.28	-	71.39	-	268.67	222.79	-
<b>TOTAL A+B</b>	<b>66874.41</b>	<b>-</b>	<b>710.95</b>	<b>72.67</b>	<b>67512.69</b>	<b>29745.68</b>	<b>946.17</b>	<b>2364.19</b>	<b>56.72</b>	<b>32999.32</b>	<b>34513.38</b>	<b>37128.73</b>
Previous Year	63504.32	-	3435.00	64.91	66874.41	26925.25	-	2873.74	53.31	29745.69	37128.73	-

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 Disposal/adjustments include assets scrapped.

11.3 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.

11.4 Adjustment column in gross block relates to certain regrouping of assets



(₹ Lacs)

	Total		Long-term		Current Maturity	
	As at 30-06-2015	As at 30-06-2014	As at 30-06-2015	As at 30-06-2014	As at 30-06-2015	As at 30-06-2014

**NOTE 12**

**LONG TERM LOANS AND ADVANCES**

**Unsecured, Considered Good**

Loans to employees	161.26	225.51	110.53	157.56	50.73	67.95
Capital advances	587.30	659.57	587.30	659.57	-	-
Amount included under the head "Short term loans and advances"	-	-	-	-	(50.73)	(67.95)
	<u>748.56</u>	<u>885.08</u>	<u>697.83</u>	<u>817.13</u>	<u>-</u>	<u>-</u>

(₹ Lacs)

	As at 30-06-2015	As at 30-06-2014
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**NOTE 13**

**OTHER NON-CURRENT ASSETS**

Security deposits to vendors	365.40	262.67
Advance Income tax (Net of provision)	1061.31	830.74
Deposits with statutory authorities	57.17	11.39
Others	135.27	135.27
	<u>1619.15</u>	<u>1240.07</u>

**NOTE 14**

**INVENTORIES**

Raw materials and packing materials	7746.74	10489.96
Stock-in-process	165.46	54.36
Finished goods	9141.74	5156.50
Finished goods in transit	253.32	752.97
Stores and spares	1459.79	1430.81
Fuel	32.64	41.37
	<u>18799.69</u>	<u>17925.97</u>

**NOTE 15**

**TRADE RECEIVABLES**

(Unsecured-Considered Good)

Overdue for more than six months from due date	262.21	265.12
Others	23634.14	33455.29
	<u>23896.35</u>	<u>33720.41</u>

**NOTE 16**

**CASH AND CASH EQUIVALENTS**

1. Balances with banks		
Current accounts	220.47	108.32
Margin money deposit	-	0.44
Cash credit accounts	2089.31	1631.76
Bank deposit with more than 12 months maturity	177.57	163.46
	<u>2487.35</u>	<u>1903.98</u>
2. Cheques on hand	454.67	30.10
3. Cash on hand	12.16	21.72
4. Others		
a. Escrow account *	-	84.38
b. Unclaimed dividend	295.67	277.10
	<u>295.67</u>	<u>361.48</u>
	<u>3249.85</u>	<u>2317.28</u>

\* Escrow account is for Buy Back of Shares



	(₹ Lacs)	
	As at 30-06-2015	As at 30-06-2014
<b>NOTE 17</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured-Considered Good)		
Current maturity of loan to employees	50.73	67.95
Prepaid expenses	353.93	533.09
Advance recoverable in cash or in kind	1038.53	35.41
Balance with statutory authorities	2908.93	3928.32
Advances to employees	12.60	7.35
	<u>4364.72</u>	<u>4572.12</u>
<b>NOTE 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits with statutory authorities	75.19	203.68
Other deposits	371.11	3.79
Other receivables	126.86	35.44
	<u>573.16</u>	<u>242.91</u>
		(₹ Lacs)
	Year 2014-2015	Year 2013-2014
<b>NOTE 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of goods	294356.30	358185.05
Less : Excise duty	30445.41	34661.26
	<u>263910.89</u>	<u>323523.79</u>
<b>OTHER OPERATING REVENUES</b>		
Duty benefit on raw material import for exports	914.49	2124.32
Other export benefit	33.50	247.63
Scrap sales	394.88	534.04
	<u>1342.87</u>	<u>2905.99</u>
	<u>265253.76</u>	<u>326429.78</u>
<b>19.1</b>		
<b>PARTICULARS OF SALE OF GOODS</b>		
(Manufactured and traded goods)		
Polymers of Styrene and Petrochemicals	255881.29	317710.92
Others	8029.60	5812.87
	<u>263910.89</u>	<u>323523.79</u>
<b>NOTE 20</b>		
<b>OTHER INCOME</b>		
Interest received on trade receivables	45.87	27.64
Interest received on bank fixed deposits	1.89	40.61
Interest received Others	2.86	1.32
Gain on sale of Investment (net)	5.35	1.92
Dividend (gross)	174.41	326.43
Miscellaneous income	88.78	187.63
	<u>319.16</u>	<u>585.55</u>

(₹ Lacs)

	Year 2014-2015	Year 2013-2014
<b>NOTE 21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
<b>Raw materials (including packing materials)</b>		
Opening stock	10489.96	9976.75
Purchases	166044.64	209781.53
	<u>176534.60</u>	<u>219758.28</u>
Less : Closing stock	7746.74	10489.96
	<u>168787.86</u>	<u>209268.32</u>

**21.1****Particulars of consumption of Imported/Indigenous raw materials (including packing materials)**

Raw materials (including packing materials)

	Year 2014-2015 %	(₹ Lacs)	Year 2013-2014 %	(₹ Lacs)
Imported	93.06	157079.05	95.56	199979.31
Indigenous	6.94	11708.81	4.44	9289.01
	<u>100.00</u>	<u>168787.86</u>	<u>100.00</u>	<u>209268.32</u>

**Raw materials (including packing materials) consumed**

(₹ Lacs)

	Year 2014-2015	Year 2013-2014
Petrochemicals	147879.37	188121.35
Others	20908.49	21146.97
	<u>168787.86</u>	<u>209268.32</u>

**NOTE 22****PURCHASES OF STOCK-IN-TRADE**

Petrochemicals	69816.82	85833.51
Others	16.67	55.67
	<u>69833.49</u>	<u>85889.18</u>

**NOTE 23****CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS****Inventories (at close)**

Finished goods	9395.05	5909.47
Stock-in-process	165.46	54.36
	<u>9560.51</u>	<u>5963.83</u>

**Inventories (at commencement)**

Finished goods	5909.47	8645.77
Stock-in-process	54.36	144.12
	<u>5963.83</u>	<u>8789.89</u>

<b>Total</b>	<u>(3,596.68)</u>	<u>2826.06</u>
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(₹ Lacs)

	Year 2014-2015	Year 2013-2014
<b>NOTE 24</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	2849.80	2539.27
Contribution to provident and other funds	207.44	190.53
Staff welfare expenses	135.36	97.25
	<b>3192.60</b>	<b>2827.05</b>

**24.1**

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

**A. Gratuity****I. Assumptions**

Discount Rate (Current)	8.30%	8.95%
Rate of return on Plan Assets Current Year	8.30%	8.70%

**II. Changes in the defined benefit obligation :**

Liability at the beginning of the year	371.48	363.99
Interest cost	33.25	28.21
Current Service cost	22.57	23.82
Benefits paid	(14.01)	(58.08)
Actuarial (gain)/ loss on obligations Due to Change in Financial Assumption	17.24	13.53
Actuarial (gain)/ loss on obligations Due to Experience	97.50	-
Liability at the end of the year (a)	528.03	371.47

**III. Changes in the fair value of plan assets :**

Fair value of plan assets at the beginning of the year	450.17	441.75
Expected return on plan assets	39.16	38.43
Employer's contributions	34.82	30.18
Actuarial (gain)/ loss on plan assets	(8.51)	(2.12)
Benefits paid	(14.01)	(58.08)
Fair value of plan assets at the end of the year (b)	501.63	450.16

**IV. Balance Liability (a-b)**

	26.40	(78.69)
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**V. Actual Return on plan Assets :**

Expected return on plan assets	39.16	38.43
Actuarial gain / (loss) on plan assets	(8.51)	(2.12)
Actual return on plan assets	30.65	36.31

**VI. Expenses Recognised in Statement of Profit and Loss :**

Current Service Cost	22.57	23.82
Interest Cost	(5.92)	28.21
Expected Return on Plan Assets	-	(38.43)
Past Service cost (Vested benefit) recognized	-	-
Actuarial (gain)/ loss to be recognized	123.25	15.65
<b>Expenses recognized in Profit &amp; Loss</b>	<b>139.90</b>	<b>29.25</b>

**VII. The Categories of plan assets as a percentage of total plan are as follows :**

Insurer managed funds	100%	100%
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**VIII. Amounts for the current and previous four periods are as follows :**

(₹ Lacs)

Particulars	2015	2014	2013	2012	2011
Defined benefit obligation	528.03	371.47	363.99	-	-
Plan assets	501.63	450.16	441.75	-	-
(Surplus) / deficit	26.40	(78.69)	(77.76)	-	-
Experience adjustments on plan liabilities	97.50	39.75	7.61	-	-
Experience adjustments on plan assets	(8.51)	(2.12)	8.87	-	-

**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, 2015.

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

Average holding period of assets	5.23 years
Guaranteed rate	8.75%

(₹ Lacs)

	Year 2014-2015	Year 2013-2014
<b>NOTE 25</b>		
<b>FINANCE COST</b>		
Interest on term loans	421.71	604.57
Interest on fixed deposits	27.95	96.29
Interest others	756.53	1118.40
Other borrowing costs	118.93	117.55
Net loss on foreign currency transaction and translation	334.90	347.58
	<u>1660.02</u>	<u>2284.39</u>
<b>NOTE 26</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	2307.58	2802.36
Amortisation	56.61	71.38
	<u>2364.19</u>	<u>2873.74</u>
<b>NOTE 27</b>		
<b>OTHER EXPENSES</b>		
Consumption of stores and spares	791.05	719.12
Power	3795.77	3594.78
Fuel	347.38	431.79
Repairs to building	73.29	160.58
Repairs to machinery	277.32	322.83
Repairs to others	244.29	417.03
Commission on sales	733.20	746.78
Carriage outward	5148.52	5081.18
Bad debts written-off	172.23	-
Rent, rates and taxes	337.79	316.29
Directors' fees	28.90	9.75
Insurance	395.47	422.25
Loss on sale/scraping of fixed assets (net)	9.39	5.70
Auditors remuneration	33.82	22.02
Corporate social responsibility expenses (refer note 39)	3.35	-
Miscellaneous expenditure	1845.97	1812.66
Increase/(Decrease) in excise duty included in opening and closing stock of finished goods	386.37	(401.30)
Net loss on foreign currency transaction and translation (Other than considered as financial cost)	3078.03	2986.12
	<u>17702.14</u>	<u>16647.58</u>



## 27.1

## Particular of consumption of imported/indigenous stores &amp; spares

## Stores and Spares

	2014-2015		2013-2014	
	%	(₹ Lacs)	%	(₹ Lacs)
Imported	31.29	247.48	27.41	197.08
Indigenous	68.71	543.57	72.59	522.04
	100.00	791.05	100.00	719.12

(₹ Lacs)

	Year 2014-2015	Year 2013-2014
<b>Payment to Statutory Auditors</b>		
For audit fees	15.00	15.00
For taxation matters	5.05	1.89
For other services	6.27	1.38
For limited review	7.50	3.75
Service tax	4.13	2.72
	37.95	24.74

## 27.3

## Expenditure in Foreign Currency

a. Interest	132.73	183.77
b. Membership and subscription	11.77	25.04
c. Seminar, training, exhibition & product development	17.60	32.57
d. Travelling expenses	16.03	14.34
e. Commission	221.59	253.65
f. Legal and professional fees	8.82	24.33
g. Bank charges	109.62	128.21
h. Royalty	42.88	43.89
i. Demurrage charges	1.57	18.55

## NOTE 28

## CIF VALUE OF IMPORTS

Raw materials and traded goods	217764.11	275188.37
Stores and spares	175.48	407.71
Capital goods	42.40	50.16

## NOTE 29

## INCOME IN FOREIGN CURRENCY

FOB value of exports	50148.09	76317.74
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## NOTE 30

(₹ Lacs)

	2014-2015	2013-2014
<b>(i) Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debt; (matters pending in court/ arbitration. No cash outflow is expected in future).		
Disputed Excise/ Service Tax demand.	<b>2015.59</b>	3156.84
Disputed Sales Tax demand.	-	12.13
Disputed Income Tax liability (matters under appeal)	<b>805.03</b>	806.73
(b) Counter guarantees given to banks against guarantees issued by the banks.		
Guarantee issued for buyback of shares.	-	760.00
Other bank guarantees.	<b>250.83</b>	218.46
(c) Other money for which the Company is contingently liable		
Letter of Credit opened by Bankers and outstanding at the year end.	<b>21774.59</b>	16878.58
Bills discounted but not matured	<b>3149.61</b>	2543.28
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	<b>155.78</b>	235.05

The management has estimated the provisions for pending litigation, claims and demands (including cases relating to direct and indirect taxes) on its assessment of probability for these demands crystallising against the Company in due course. The difference between the amount demanded and provision made is disclosed as contingent liabilities.

## 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

Outside India

Total

<b>212478.67</b>	245489.36
<b>52775.09</b>	80940.42
<b>265253.76</b>	326429.78

- (b) All the Assets of the Company except the trade receivables amounting to ₹ 2239.39 lacs (Previous Year : ₹ 4101.87 lacs) are within India.

## NOTE 32

Company commenced buyback of its equity shares from May 2, 2014 for a period of six months i.e. upto October 31, 2014. The maximum and minimum number of equity shares to be bought back, as approved by the Board are 6,000,000 and 24,10,715 respectively, at a price not exceeding ₹ 70/- per equity share. During the year the Company has bought back and extinguished Nil (336,655) equity shares.

The equity shares buyback was met as under :

- (a) Transfer from General Reserve being amount equal to face value of (336655) nos of equity shares of ₹ 10/- each.

- (b) Utilised from General Reserve towards premium on buyback of (336655) nos equity shares

-	33.67
-	184.71
-	218.38

## NOTE 33

Effective from July 1, 2014, the useful lives of fixed assets have been revised in accordance with Schedule II to the Companies Act, 2013 (the Act). Where cost of a part of the asset is significant, as considered by the management, to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part has been determined separately. Further based on transitional provision provided in Note 7(b) of Schedule II to the Act, the depreciation in respect of assets / component of the asset having no useful life remaining on July 01, 2014, amounting to ₹ 946.17 lacs (Net of Deferred tax of ₹ 327.45 lacs) is accounted as onetime debit to the retained earnings. Due to above, depreciation charge for the year ended June 30, 2015 is lower by ₹ 235.89 lacs.


**NOTE 34**

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

(₹ lacs)

Sr. No.	Nature of Transactions*	Year	Promoters The Supreme Industries Ltd.	Key Management Personnel Shri N. Gopal
1	Sales of Goods (Net)	<b>2014-15</b> 2013-14	<b>1926.09</b> 2467.81	- -
2	Purchase of Goods	<b>2014-15</b> 2013-14	<b>356.63</b> 316.81	- -
3	Reimbursement of Expenses paid	<b>2014-15</b> 2013-14	- 12.20	- -
4	Commission on Sales	<b>2014-15</b> 2013-14	- 1.60	- -
5	Remuneration Paid	<b>2014-15</b> 2013-14	- -	<b>154.78</b> 141.79
6	Balance Receivable			
A	Sales of Goods	<b>30th June 2015</b> 30th June 2014	<b>175.12</b> 212.61	- -
7	Balance Payable			
A	Purchase of goods	<b>30th June 2015</b> 30th June 2014	<b>106.62</b> 5.64	- -

\* All Transactions are on commercial basis at market rates

**Dividend**

Sr. No.	Nature of Transactions		2014-2015	2013-2014
1	Dividend paid on Equity Shares			
	The Supreme Industries Ltd.	Promoters	<b>434.00</b>	723.41
	R. Raheja Investments Pvt. Ltd.	Promoters	<b>434.00</b>	723.41
	N. Gopal	Key Management Personnel	<b>0.24</b>	0.40

**NOTE 35**

(₹ lacs)

	Leasing - Operating Lease	2014-2015	2013-2014
	The Company has taken premises on operating lease :		
a.	Obligations on non cancellable leases		
	i) Not later than one year.	<b>210.71</b>	219.66
	ii) Later than one year and not later than five years.	<b>591.09</b>	782.80
b	Lease rental expenses in respect of operating lease.	<b>291.05</b>	268.65

**NOTE 36**

(₹ lacs)

<b>EARNINGS PER SHARE (EPS)</b>	<b>2014-2015</b>	<b>2013-2014</b>
Profit after tax	<b>3570.12</b>	3058.99
Number of equity shares at the beginning of the year.	<b>96501958</b>	96838613
Number of equity shares at the end of the year.	<b>96501958</b>	96501958
Weighted average number of shares outstanding for basic EPS during the year.	<b>96501958</b>	96804411
Basic earning per share (Rupees) (Face value – ₹ 10/- per share)	<b>3.70</b>	3.16
Profit after tax for computing Diluted EPS	<b>3570.12</b>	3058.99
Weighted average number of shares for computing Diluted EPS during the year.	<b>96501958</b>	96804411
Diluted earning per share (Rupees) (Face value – ₹10/- per share)	<b>3.70</b>	3.16

**Note 37**

In the opinion of the Board, the current assets and loans and advances are stated at value not less than its realizable value 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 38**

According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2015 as follows :

(₹ lacs)

<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
Amount due and outstanding to suppliers at the end of the accounting year *	-	1.18
Interest paid during the year	-	-
Interest payable at the end of the accounting year	-	-
Interest accrued and unpaid at the end of the year	-	-

\* In absence of any intimation received from vendors in the previous year regarding the status of their registration under “The Micro Small and Medium Enterprises Development Act, 2006” the Company was unable to comply with the disclosures required to be made under said act in the previous year.

**NOTE 39**

The provisions of Section 135 of the Companies Act, 2013 are applicable to the entities incorporated in India. Details are as indicated below:

(a) Gross amount required to be spent by the company during the year : ₹ 134.50 lacs .

(b) Amount spent during the year on :

(₹ lacs)

		<b>In cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	<b>3.35</b>	-	<b>3.35</b>
	Total	<b>3.35</b>	-	<b>3.35</b>


**NOTE 40**
**DISCLOSURE OF FOREIGN CURRENCY EXPOSURE :**

(a) Forward exchange contracts to hedge the foreign currency exposure for payments to be made against imports & borrowings.

	As as June 30, 2015		As as June 30, 2014	
Currency	Amount in Foreign Currency	Amount ₹ Lacs	Amount in Foreign Currency	Amount ₹ Lacs
USD	62122131	39537.63	30438358	18317.80

(b) Particulars of unhedged foreign currency asset/ liability as at Balance Sheet date :

		2014 - 2015		2013 - 2014	
Currency	Nature	Amount in Foreign Currency	Amount ₹ Lacs	Amount in Foreign Currency	Amount ₹ Lacs
USD	Liability	4863006	3095.06	46053401	27714.80
CHF				220	0.15
GBP				2000	2.05
USD	Asset	1987724	1265.09	5373158	3233.57
EURO		36538	26.02	94256	77.43

**NOTE 41**

Prior period adjustments include expenses of ₹ 23.43 lacs (Previous year ₹ 101.26 lacs) and income ₹ 8.01 lacs (Previous year ₹ 132.57 lacs).

**NOTE 42**

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

Signatures to Notes 1 to 42

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

M P Taparia

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
Dr S Sivaram

Chairman

Directors

For and on behalf of the Board

Mumbai  
Date: July 21, 2015

Mumbai  
Date: July 21, 2015

**SUPREME PETROCHEM LTD.****CIN: L23200MH1989PLC054633**

Registered Office: Solitaire Corporate Park,  
Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,  
Andheri-Ghatkopar Link Road, Chakala,  
Andheri (East), Mumbai - 400 093  
Tel: +91 22 67091900 ; Fax : +91 22 40055681  
Email: investorhelpline@spl.co.in  
website: www.supremepetrochem.com

**BALLOT FORM**

(In lieu of e-voting)

1. Name :  
Registered Address :  
of the sole / First named Shareholder

2. Name(s) of the Joint Shareholder(s) if any :

3. Registered Folio No./DP ID No./Client ID No. :

4. Number of Equity Shares held :

5. I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 26<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, September 23, 2015 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sr. No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Audited Financial Statement for the financial year ended June 30, 2015 together with the Reports of the Board of Directors and Auditors' thereon.			
2	Declaration of Dividend on Equity Shares			
3	Re-appointment of Shri Rajan B. Raheja (DIN: 00037480) who retires by rotation			
4	Re-appointment of Shri B. L. Taparia (DIN: 00112438) who retires by rotation			
5	Ratification of appointment of M/s. G M Kapadia & Co. as Statutory Auditors until the conclusion of Annual General Meeting to be held in calendar year 2018.			
6	Appointment of Dr. S. Sivaram (DIN: 00009900) as an Independent Director			
7	Consent of the Member of the company for payment of remuneration to Cost Auditors, pursuant to provisions of section 148 of the Companies Act, 2013 and Rules framed thereunder for the financial year ending March 31, 2016			
8	Adoption of new set of Article of Association of the Company.			

Place :

Date :

Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutiniser by 5.00 p.m. on September 22, 2015 shall only be considered.

**E-VOTING**

Users who wish to opt for e-voting may use the following login credentials.

Event (e-voting) No.	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com>

## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Shri P. N. Parikh or failing him Ms. Jigyasa N. Ved of Parikh & Associates, Company Secretaries at the Registered Office of the Company: Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai - 400 093 or to email id supreme.scrutiniser@gmail.com, so as to reach by 5.00 p.m. on September 22, 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form will not be considered.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID - Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.



## ANNEXURE TO THE DIRECTORS' REPORT

Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

List of employees of the Company employed throughout the financial year 2014-15 and were paid remuneration not less than ₹ 60 lacs per annum.

Sr. No.	Name	Age	Designation	Remuneration (₹)	Qualification	Experience (No. of Years)	Date of Commencement of Employment	Previous Employment & Designation
1	Shri Gopal N.	69	Executive Director (Styrenics) & Manager	1,54,78,162	B.Tech. (Chem.) M. Sc., DIC. (Advanced Chemical Engineering)	46	12.11.1990	Reliance Petrochemicals Ltd. -General Manager
2	Shri Nayyar Rakesh	58	Executive Director (Finance & Corporate Affairs) & CFO	1,58,08,375	B.Com (Hons) ACMA, ACS, AIIA	39	15.04.1992	IL&FS - Consultant

### Notes:

- None of the employees mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the employees mentioned above hold more than 2% of the shares of your Company, along with their spouse and dependent children.
- All appointments are contractual and terminable by notice on either side.
- Remuneration includes salary, bonus, various allowances and perquisites as valued under the Income Tax Act, 1961.

For and on behalf of the Board

**M. P. Taparia**  
Chairman

CIN : L23200MH1989PLC054633

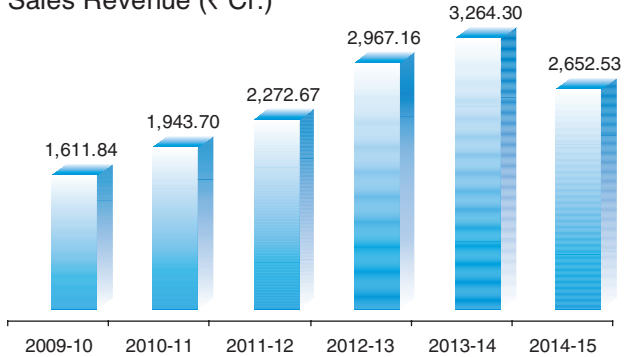
### Registered Office :

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com

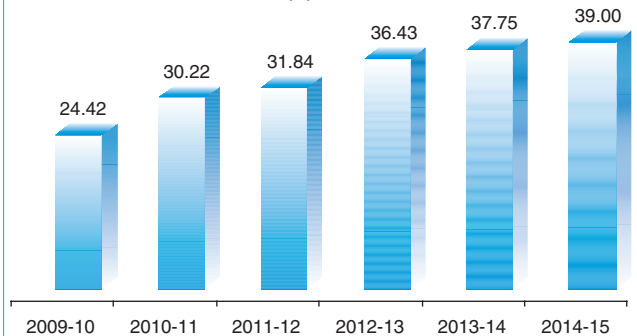
Date : July 21, 2015

## FINANCIAL HIGHLIGHTS

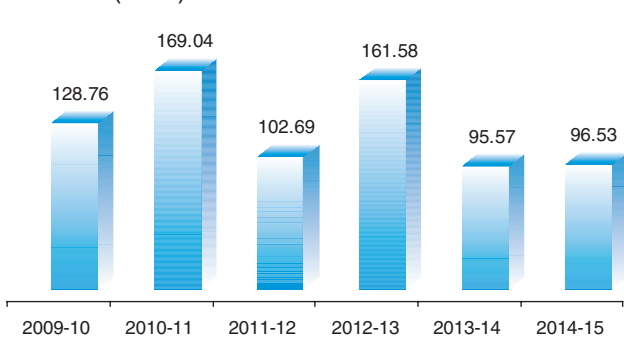
Sales Revenue (₹ Cr.)



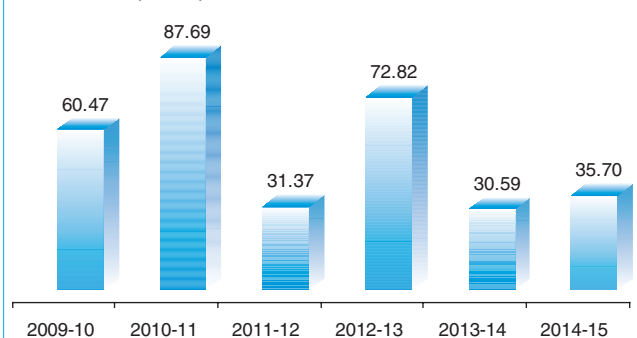
Book Value Per Share (₹)



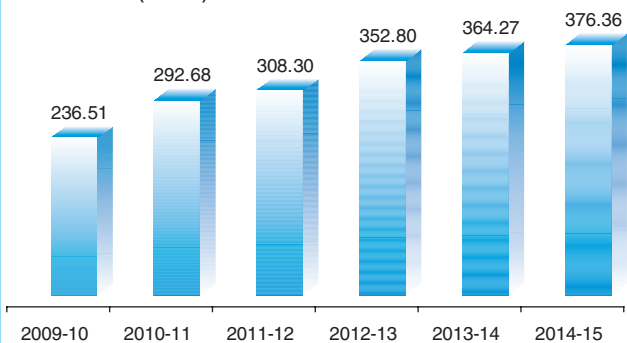
EBIDTA (₹ Cr.)



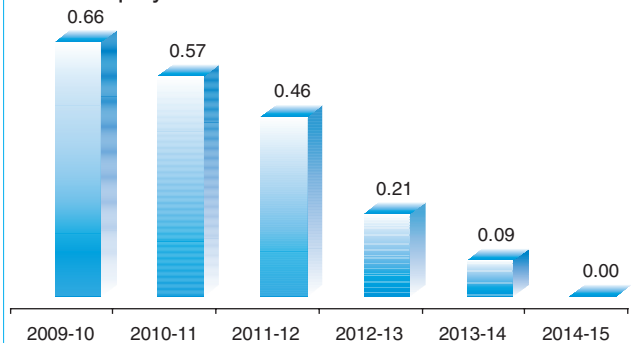
Net Profit (₹ Cr.)



Net Worth (₹ Cr.)



Debt : Equity





## **SUPREME PETROCHEM LTD**

Solitaire Corporate Park, Building No - 11, 5th Floor, 167 Guru Hargovindji Marg,  
Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400 093, Maharashtra, India.  
Website: [www.supremepetrochem.com](http://www.supremepetrochem.com)



# SUPREME PETROCHEM LTD

## Regd. Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,  
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400 093. INDIA

☎ : 91-22-6709 1900 ● CIN : L23200MH1989PLC054633

Website : [www.supremepetrochem.com](http://www.supremepetrochem.com) ● E-mail : [corporate@spl.co.in](mailto:corporate@spl.co.in)

o/c

Ref: CFA/CS/18/AGM\_26/2015-2016

September 3, 2015

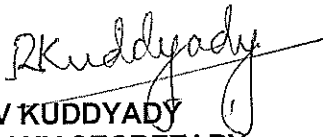
BSE Limited  
Phiroze Jeejeebhoy Towers,  
1st Floor, Dalal Street,  
**MUMBAI - 400 001**

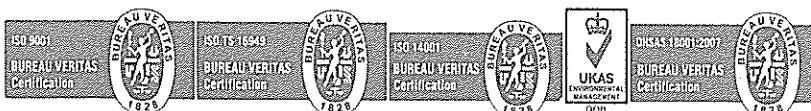
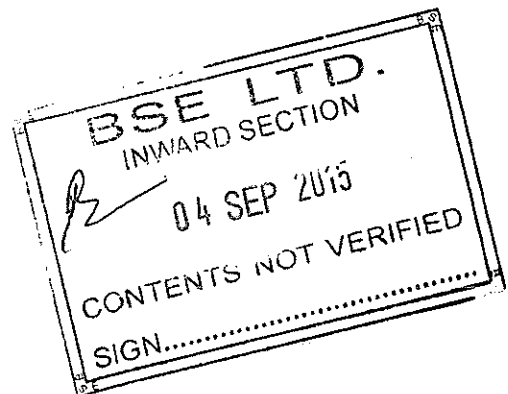
Dear Sir,

Enclosed please find six copies of our Annual Report for the year 2014-15 alongwith covering letter in Form A.

Thanking you,

Yours faithfully,  
for **SUPREME PETROCHEM LTD**

  
**RAVI V KUDDYADY**  
**COMPANY SECRETARY**



Fax - Marketing : 022-6709 1925, Accts. & Secretarial : 022-4005 5681, Export : 022-6709 1924  
CMS : 022-6709 1926, Commercial : 022-4005 5682, HRD : 022-4005 5685



# SUPREME PETROCHEM LTD

Regd. Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400 093. INDIA

☎ : 91-22-6709 1900 • CIN : L23200MH1989PLC054633

Website : www.supremepetrochem.com • E-mail : corporate@spl.co.in

Ref: CFA/CS/18/AGM\_26/2014-2015


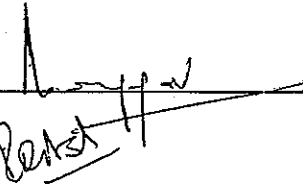
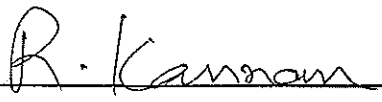
August 26, 2015

BSE Limited  
Phiroze Jeejeebhoy Towers  
1st Floor, Dalal Street  
Mumbai - 400 001

Dear Sir,

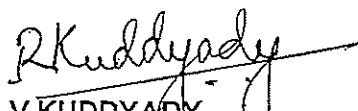
## FORM A

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

1.	Name of the Company	<b>SUPREME PETROCHEM LTD</b>
2.	Annual financial statements for the year ended	June 30, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	<u>Signed by</u> Shri N. Gopal, Manager  Shri Rakesh Nayyar, Chief Financial Officer  G M Kapadia & Co., Auditor of the Company  Shri R Kannan, Chairman Audit Committee	  

Thanking you

Yours faithfully,  
For SUPREME PETROCHEM LTD

  
RAVI V KUDDYADY  
COMPANY SECRETARY



Fax - Marketing : 022-6709 1925, Accts. & Secretarial : 022-4005 5681, Export : 022-6709 1924  
CMS : 022-6709 1926, Commercial : 022-4005 5682, HRD : 022-4005 5685