



# 70th Annual Report 2011-12

## LEADERSHIP THROUGH CAPABILITY



**Supreme**®

People who know plastics best

**THE SUPREME INDUSTRIES LIMITED**



**THE SUPREME INDUSTRIES LIMITED**

## **LEADERSHIP THROUGH CAPABILITY**

FOR SUPREME, THE REAL BENCHMARK OF EXCELLENCE AND LEADERSHIP IS THE COMPLETE SATISFACTION OF EVERY CUSTOMER.

AND WE HAVE SOUGHT TO ACHIEVE THIS AND CONTINUE TO DO SO THROUGH A VARIETY OF STRATEGIC INITIATIVES.

WE FOCUSED ON THE DEVELOPMENT OF VALUE ADDED PRODUCTS -- PRODUCTS THAT ARE DESIGNED TO OFFER SUPERIOR PERFORMANCE WITH GREATER DURABILITY AND ECONOMY.

SIMULTANEOUSLY, WE CONTINUE TO ENHANCE CAPABILITIES AND CAPACITIES RESULTING IN INCREASED PRODUCTION VOLUMES AT SEVERAL OF OUR PLANTS COUNTRYWIDE.

BY THESE MEASURES, WE SUCCESSFULLY MADE AVAILABLE A SUBSTANTIALLY LARGER NUMBER OF BETTER PRODUCTS IN THE MARKETPLACE. THIS, IN TURN, CONTRIBUTED TO GROWTH IN TURNOVER AND PROFITS -- EVEN IN THE FACE OF TRYING ECONOMIC CONDITIONS IN INDIA AS WELL AS THE WORLD.

INNOVATION AND DEVELOPMENT, ALWAYS A PRIORITY WITH US, HAS BEEN STEPPED UP WITH MORE INTENSIVE EFFORTS. IT RESULTED IN KEY ADDITIONS IN NEW PRODUCT CATEGORIES/APPLICATIONS WHICH HAVE NOW BECOME INTEGRAL PARTS OF THE EVER-GROWING SUPREME PORTFOLIO.

AND WE HAVE CONTINUED TO PROVIDE "NOT JUST PRODUCTS, BUT COMPLETE SOLUTIONS" FOR DIVERSE APPLICATIONS.

THIS REMAINS ONE OF OUR MAJOR STRENGTHS, AND ONE OF THE REASONS OF OUR REPUTATION AS AN ACKNOWLEDGED LEADER IN THE INDUSTRY.

## Performance Highlights

(₹ in Lacs)

	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Polymers Processed (MT)	91913	100053	95439	118115	130547	139239	172746	191704	224673	245700
Sales	79241.62	90925.15	93150.04	113067.09	132963.00	149882.45	180900.03	217159.45	266553.08	322241.39
Less: Excise Duty	9904.92	11297.96	11740.33	14860.69	16796.94	18860.35	15707.16	16585.69	22979.68	29536.66
Net Sales	69336.70	79627.19	81409.71	98206.40	116166.06	131022.10	165192.87	200573.76	243573.40	292704.73
Other Income	380.59	242.14	1003.30	466.61	666.76	893.91	904.53	1621.55	4294.66	4917.25
Total Income	69717.29	79869.33	82413.01	98673.01	116832.82	131916.01	166097.40	202195.31	247868.06	297621.98
Operating Profit (PBIDT + MISC.EXP/W/Off)	8774.47	8908.42	9008.77	10193.24	13629.66	15272.04	24698.97	30556.28	36709.23	48281.54
Interest	3271.54	2560.43	2508.59	2696.04	3300.57	3897.92	5456.03	3302.71	4250.19	5479.67
Gross Profit	5502.93	6347.99	6500.18	7497.20	10329.09	11374.12	19242.94	27253.57	32459.04	42801.87
Depreciation	3647.87	4139.01	3929.84	4134.10	4024.59	3951.04	5251.74	5292.03	6284.52	7246.28
Profit Before Tax & Exceptional Items	1855.06	2208.98	2570.34	3363.10	6304.50	7423.08	13991.20	21961.54	26174.52	35555.59
Tax & Exceptional Items	353.75	110.09	205.00	-656.08	-1291.36	-2310.88	-4251.24	-7489.00	-8773.42	-11504.00
Profit after Tax	1501.31	2098.89	2365.34	4019.18	5013.14	5112.20	9739.96	14472.54	17401.10	24051.59
Prior Years Adjustments	-73.49	7.99	-0.85	-23.37	2.22	-1.37	-1.35	10.48	95.90	
Net Profit	1427.82	2106.88	2364.49	3995.81	5015.36	5110.83	9738.61	14483.02	17497.00	24051.59
Paid up Equity Capital	1305.78	1339.08	1339.08	1381.08	2762.17	2762.17	2540.54	2540.54	2540.54	2540.54
Reserves and Surplus*	17069.45	18446.36	19409.84	18352.36	19576.27	22004.49	25990.94	35136.56	46278.92	61472.49
Shareholders' Funds	18375.23	19785.44	20748.92	19733.44	22338.44	24766.66	28531.48	37677.10	48819.46	64013.03
Loans	24099.87	20446.01	24653.54	23748.68	32717.48	44482.04	41571.19	38736.42	51123.74	34844.47
Deferred Tax Liability (Net)				4283.20	4733.20	5228.09	6428.09	6984.39	7953.80	8325.83
Capital Employed**	29571.52	36235.29	40613.76	36925.70	47047.01	58948.90	64101.50	63231.75	81373.58	90596.65
Net Fixed Assets***	31178.11	28164.46	29759.72	32367.14	33356.68	46113.78	54024.26	56118.37	74027.37	73804.86
Earning Per Equity Share (₹ )	2.19	3.15	3.53	5.79	3.63	3.70	7.67	11.40	13.77	18.93
Cash Earning Per Equity Share (₹ )	7.70	9.32	9.40	11.81	6.54	6.56	11.80	15.56	18.65	24.64
Book Value (₹ )	28.14	29.55	30.99	28.58	16.17	17.93	22.46	29.66	38.43	50.39
Dividend (%)	70.00	90.00	90.00	100.00	75.00	80.00	120.00	180.00	215.00	300.00
ROACE (%)****	9.88	10.82	10.33	12.11	19.37	19.27	27.83	38.09	39.80	44.69
ROANW (%) (PAT / Average Net Worth)	9.31	11.00	11.67	19.86	23.83	21.71	36.55	43.72	40.24	42.63
Debt : Equity (Long Term Debt / Total Net Worth)	0.59	0.83	0.95	0.65	0.89	1.17	1.02	0.49	0.50	0.29
Debt: Equity (Total Debt / Total Net Worth)	1.31	1.03	1.19	1.20	1.46	1.80	1.46	1.03	1.05	0.54

\* excluding revaluation reserves & after reducing miscellaneous expenditure

\*\* excluding revaluation reserves, miscellaneous expenditure, Working Capital Loans and Unsecured Loans

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

\*\*\*\* ROACE=PBIDT (excluding interest on working capital loans and unsecured loans)/Average Capital Employed



**Puducherry Unit of the Company won the TPM Excellence Award Category A – 2011 organized by Japan Institute of Plant Maintenance (JIPM).**  
- First Plastic Injection Molding Organization in India to achieve this award.



**The Company's Gadegaon Unit has been awarded with prestigious Green Certificate of Merit by Frost and Sullivan , a US based Company under it's Green Manufacturing Excellence Awards 2012 initiative (GMEA 2012) in recognition of company's contribution towards promotion and protection of environment, occupational health and safety, Energy Conservation, Bio Diversity and Social responsibility**



## Company Information

### BOARD OF DIRECTORS

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

### BANKERS

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

### AUDITORS

M/s. Chhogmal & Co.,  
Chartered Accountants

### REGISTERED OFFICE

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

### CORPORATE OFFICE

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

### WORKS

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

### OFFICES

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

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## Notice

NOTICE is hereby given that the Seventieth Annual General Meeting of the Company will be held at Walchand Hirchand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai – 400020, on Monday the 17th September, 2012 at 4.00 p. m. to transact with or without modification(s), as may be permissible, the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended 30th June, 2012.
2. To declare final dividend on Equity Shares for the Financial year ended 30th June, 2012 and to confirm the payment of Interim Dividend on Equity Shares by the Board of Directors of the Company.
3. To appoint a Director in place of Shri B. V. Bhargava, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. S. R. Taparia, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri. N. N. Khandwala, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

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

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if any necessary, the Company does hereby approve of the re-appointment of Shri V. K. Taparia, as Executive Director, for a further period of five years with effect from 1st July, 2013 to 30th June, 2018 and the payment of the remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz :-

#### (1) Salary

Monthly salary of Rs. 5,50,000/- (Rupees Five Lacs Fifty Thousand only) in the grade of Rs. 5,50,000 – Rs. 60,000 – Rs. 8,50,000 per month, during his tenure of office (first increment falling due on 1st July, 2014 ).

#### (2) Perquisites

- (a) Reimbursement of actual expenses incurred on housing, gas, electricity, water, furnishings, "life" / "medical" / "personal accident" insurance premium and club fees, as well as reimbursement of medical and hospital expenses incurred in India and or abroad for self and family as per the claims in that behalf received from the Executive Director provided that the aggregate of the said perquisites shall be restricted to an amount equal to two times his annual salary in a financial year. "Family" shall mean spouse and dependent children of the Executive Director.

- (b) Leave Travel concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company."

- (c) (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

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

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

#### (3) Commission

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

- (4) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, plus additional two weeks' leave at the end of every third year, encashment of leave at the end of the tenure being permitted.

- (5) Free use of motor car with chauffeur provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof.

- (6) Free telephone facility at residence. All charges including rental, call charges, etc. thereof shall be paid by the Company in full.

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

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

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

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

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

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

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

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

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business at Item No. 7 of the above Notice is annexed.
3. Register of Members and the Share transfer books of the Company will remain closed from Monday, 10th September, 2012 to Monday, 17th September, 2012 (both days inclusive).
4. The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 17th September, 2012 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on Saturday, the 8th September, 2012 as per details furnished by the Depositories for this purpose.
5. Pursuant to provisions of Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2005 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. **It may be noted that**

**once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie in respect thereof.**

6. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
7. As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the relevant details of persons seeking appointment/re-appointment as Directors are furnished in the Corporate Governance Report forming part of the Annual Report.

By order of the Board

**O. P. Roongta**

Sr. Vice-President (Finance) & Secretary

### Registered Office

612, Raheja Chambers,  
Nariman Point,  
Mumbai 400 021

Dated : 20th July, 2012

## Explanatory Statement under Section 173(2) of The Companies Act, 1956

### ITEM NO. 7

The existing term of the office of Shri V. K. Taparia, Executive Director, expires on 30th June, 2013. Apart from being involved generally in corporate strategy, long term business plans and other incidental activities of the Company, Shri V. K. Taparia has for quite some time been looking after and is responsible for the following activities of the Company :

- a) Company's business in all spheres of activities relating to Production, marketing, procurement of working capital, Business development, expansion and overall administration pertaining to :
  - (i) Performance packing products which includes Multilayer Films for various applications.
  - (ii) Protective Packaging products which includes Expanded Polyethylene foam, Cross-Link Foam, Air Bubble Film, net and tubes and products made thereof.
- b) He is the driving force and leading the IT Team of the Company for upgrading its computerization, ERP implementation and other related areas,
- c) He has represented the Company on various organizations such as Plast India Foundation, OPPI and other institutions,

Accordingly, subject to the approval of the members and such other approvals as may be necessary, the Board of Directors have proposed the re-appointment of Shri V. K. Taparia as Executive Director, for a further period of five years commencing from 1st July, 2013 upon the terms and conditions as set-out in the resolution mentioned in this item of the notice.

Considering his competence and rich and varied experience in various functional areas set out hereinabove, as also the envisaged growth in the activities of the Company and as compared to the remuneration presently being paid to persons holding similar positions in the country, the terms of his re-appointment and remuneration as set out in the resolution and which may also be deemed to be a part of this explanatory statement are considered to be just, fair and reasonable. The Resolution is accordingly commended for your approval.

A brief profile of Shri V. K. Taparia is given in the particulars of Directors under the caption "Corporate Governance" and members' attention is also invited thereto.

The above alongwith the resolution in Item No. 7 of the accompanying Notice may also be treated as an abstract of the terms of the appointment of Shri V. K. Taparia, as Executive Director, pursuant to Section 302 of the Companies Act, 1956.

Shri V. K. Taparia, Shri B.L. Taparia, Shri M. P. Taparia and Shri S. J. Taparia are concerned and / or interested in the resolution.

By order of the Board

**O. P. Roongta**

Sr. Vice-President (Finance) & Secretary

### Registered Office

612, Raheja Chambers,  
Nariman Point,  
Mumbai 400 021

Dated : 20th July, 2012

## Directors' Report

The Directors have great pleasure in presenting the 70th Annual Report together with the Audited Financial Statements for the financial year ended 30th June 2012.

### 1. FINANCIAL RESULTS

	(₹ in lacs)	
	Current Year	Previous Year
Total Income (net)	<b>297621.98</b>	247868.06
Profit before interest, depreciation and tax	<b>48281.54</b>	36709.23
Interest and financial charges	<b>5479.67</b>	4250.19
Depreciation, Amortization and Impairment	<b>7246.28</b>	6188.62
<b>Profit Before Tax</b>	<b>35555.59</b>	26270.42
Provision for Current Tax	<b>11131.98</b>	7804.00
Deferred Tax	<b>372.02</b>	969.42
Net Profit available for Appropriation	<b>24051.59</b>	17497.00
<b>Appropriation:</b>		
Interim Dividend	<b>1905.40</b>	1651.35
Proposed (final) Dividend	<b>5716.21</b>	3810.80
Tax on Dividend	<b>1236.41</b>	892.48
Transferred to General Reserve	<b>15193.57</b>	11142.37
	<b>24051.59</b>	17497.00

### 2. DIVIDEND

	₹	₹
(i) Dividend on 12,70,26,870 Equity Shares of ₹ 2/- each @ 300% i.e. ₹ 6/- per share (Previous year on 12,70,26,870 Equity Shares of ₹ 2/- each @ 215% i.e. ₹ 4.30 per share) as under:		76,21,61,220
Interim Dividend @ 75% i.e. ₹ 1.50 per share (already paid in February 2012)	19,05,40,305	
Final Dividend recommended @ 225% i.e. ₹ 4.50 per share	57,16,20,915	
(ii) Corporate Dividend Tax as applicable (including ₹ 3,09,10,401/- paid on Interim Dividend)		12,36,41,604
		88,58,02,824

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

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

#### FIXED DEPOSITS

The amount of Fixed Deposits has decreased from ₹ 2635.18 lacs to ₹ 1745.41 lacs. Out of deposits which matured during the year, 272 deposits amounting to be ₹ 43.37 lacs remained unclaimed as on 30th June, 2012 of which ₹ 4.70 lacs have since been renewed/refunded.

### 4. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2012 and of the Profit of the Company for that period;



III. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. the annual accounts have been prepared on a going concern basis.

## **5. CORPORATE GOVERNANCE**

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

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

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

## **7. PERSONNEL**

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

## **8. SUPREME PETROCHEM LIMITED (SPL)**

The Board of Directors of Supreme Petrochem Ltd. (SPL) – promoted jointly by your Company and the R Raheja Group has recommended a dividend of ₹ 1.40 per equity share of ₹10 each for the year ended June 30, 2012. Net revenues and net profit of SPL for the year were ₹ 2272.67 Crores and ₹ 31.37 Crores respectively.

SPL's new plants for Expandable Polystyrene (including Cup Grade EPS) commenced commercial production from February 2012. SPL's total installed capacity for EPS thus stands at 72,100 TPA considering its plant sites in Maharashtra and Tamil Nadu and is the largest in the country.

The debottlenecking of the existing Polystyrene lines to increase the production capacity of premium value added grades by 50000 TPA within the overall capacity of 272000 TPA is progressing as per schedule and is likely to be completed by the quarter ended December 31, 2012.

The environment clearance for the 4000 KVA Captive Gas Engine Power plant has been received. Consent to operate is awaited from Maharashtra Pollution Control Board. The plant is expected to start operations by September 2012.

## **9. SUBSIDIARY COMPANY**

The Supreme Industries Overseas (FZE), a wholly owned subsidiary of the Company incorporated in SAIF Zone, UAE continues to support company's plans to increase exports in Gulf and Middle East countries. In spite of negative sentiments and slowdown in construction activity globally, it has managed to secure growth during the year under review, though marginally, in exports of piping system. It has presence in more than 17 countries in the region and customers are being well serviced by the company. This company has made a loss of AED 29,579 during the year.

## **10. CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements form part of this Annual Report.

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

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

## **11. DIRECTORS**

Shri B. V. Bhargava, Shri S. R. Taparia and Shri N. N. Khandwala, Directors of the Company retire by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

## 12. AUDITORS

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

## 13. ACKNOWLEDGEMENT

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

Place: Mumbai  
Date: 20th July, 2012

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

## Annexure to the Directors' Report

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

### 1. CONSERVATION OF ENERGY

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

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

### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

#### A. Research & Development (R&D)

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

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

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

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

To modify the process parameters to improve the quality.

Expenditure on R & D : Not significant.

#### B. Technology Absorption

a. The Company has renewed its agreement with

M/s. Wavin Overseas B.V., Netherlands for its Plastics Piping Division.

- b. The Company has taken technical know-how for manufacture of Cross Laminated Films and Products from Mr. Ole-Bendt Rasmussen, Switzerland and the Technology is fully absorbed. The exclusive rights granted to the Company to manufacture and sell of XF Products in entire South Asia and whole of Africa have now been extended to include entire East Asia (except Mongolia).

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

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned and used	₹ in Lacs
Foreign Exchange Earned	6802.84
Foreign Exchange Used	55496.23

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 20th July, 2012

## 1. OVERVIEW

The World economy is moving into a slower growth phase principally due to the problems faced by the European economy and bleak prospects of US economy. This has also slowed down Chinese and Indian Economy. In this situation, it was expected that the commodity prices may remain at a lower level for a longer period. Commodity prices came down to some extent. But, recently, Company is seeing reverse trend especially in the price of Crude Oil and commodity plastics.

From the low level reached in the market, fluctuation in the prices of Commodity plastics was between USD 50 to 100 per ton in the last 2-3 weeks. Indian economy is further adversely affected due to non-decisiveness of Centre and various State Governments on various pending issues which may push the GDP growth to a lower level of around 6.5% during the year 2012-13.

## 2. INDUSTRY STRUCTURE AND DEVELOPMENT

The consumption of Plastics in the Country increased by only 6% in the year 2011-12 which shows significant slowdown in the consumption of Plastics in our country.

It rarely happens that the growth of consumption of Plastics is lower than the GDP growth. Normally, it is around 1.5 plus times of GDP growth in our country.

This low growth may be due to high cost of raw material exacerbated by Rupee depreciation which might have led to increased use of reprocessed plastics material. Lower consumption of Plastics may also be due to increase in imports of plastics products from neighbouring countries e.g. China. The Company suspects that a large volume of plastics products are imported by under invoicing the import costs.

In this situation, Company is encouraged by the building up of local plants for the manufacturing of various polymers in India. H P/ Mittal at Bhatinda is expected to start their plant to produce 500,000 tons of Polymers. The plant is expected to go into production during this year. ONGC's Dahej plant at Gujarat may also go into production by 2013-14. Reliance has also taken effective steps to put up a large cracker complex at Jamnagar, Gujarat. Government funded Petrochemical plant at Assam is also taking shape.

Gas prices have become quite low in USA. For the first time after more than a decade, several new crackers establishment have been announced in USA for putting green field Polymer manufacturing facilities in next 5/6 years. Thus Company feels quite comfortable that it may be able to procure its raw material requirements adequately from local and imported sources.

Non-implementation of Goods and Service Tax (GST) has inordinately delayed the integration of the country's economy fully. It is still unclear whether GST can be in place even in 2013-14. However, the Central and State Governments continue to allocate larger sums of monies to boost Agricultural productivity and to improve the facilities for potable water supply and sanitation. These moves of the Governments have given additional

opportunity to the Company to boost its business in Agriculture, potable water supply and sanitation.

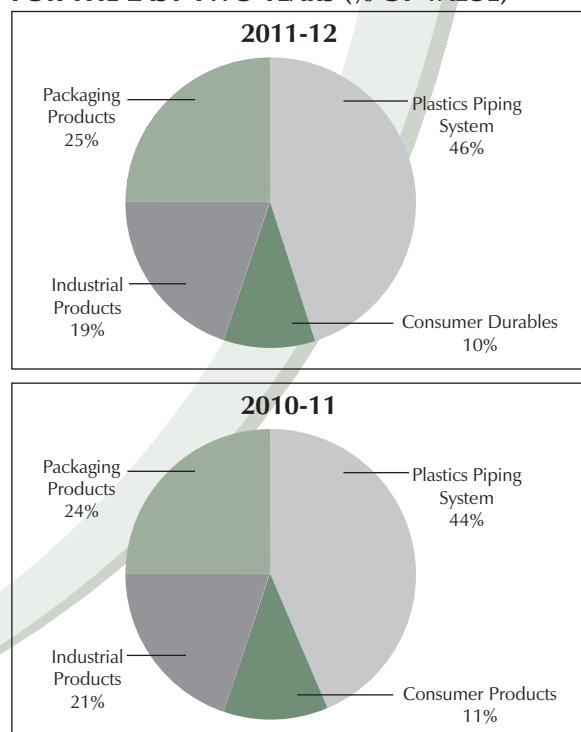
Company is coming out with cost efficient alternatives to cater to these segments compared to the products made from conventional materials.

## 3. PRODUCT GROUPS

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

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

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



The net turnover (including other income) of the Company under review was ₹ 2976.22 Crores (including ₹ 88.03 Crores by way of trading in other related products and ₹ 69.16 Crores from sale of premises) as against ₹ 2478.68 Crores (including ₹ 62.94 Crores by way of trading in

other related products and ₹ 39.75 Crores from sales of premises) of the previous year.

The Company has processed (excluding discontinued business of PP Mats) 2,45,700 tons of Polymers as against 2,23,751 tons of Polymers in the previous year, reflecting a growth of 9.81 % in Polymer consumption.

The Company exported (excluding discontinued business of PP Mats) goods worth US\$ 13.49 million as against US\$ 11.21 million in the previous year registering a growth of 20.34%.

Profit before interest, depreciation and exceptional items and taxes during the year under review has gone up by 31.52% from ₹ 367.09 Crores to ₹ 482.82 Crores during the year.

## **4. COMPANY'S STRENGTH AND GROWTH DRIVERS**

### **4.1 Manufacturing Sites**

The Company had a plant to manufacture rigid PVC film at Malanpur. Its operations were discontinued long back. Land and Building were mostly lying idle. A small area was being used for Poly Foam Products.

With increase in demand of Plastics pipe products, the company has decided to utilize this facility to put up a large facility to manufacture Plastics Pipe System. Accordingly, Protective Packaging Products manufacturing which were produced there in small way were shifted to another unit and same land and building are being used to put up plastics pipe system plant at an investment of around ₹ 150 Crores over a period of two years. Part of the capacity may be operational by October 2012.

Apart from activating this unit in a big way, the Company has plans to commence production of Composite Cylinders at Halol, Protective Packaging Products at Hosur and also the start up of production of Cross Laminated film products at another site at Halol. These plants are scheduled to go into production- one after another- starting from September 2012 onwards.

Beginning January 2013, the Company will have 22 plants spread across the country manufacturing a spectrum of products to meet the requirements of its customers of varied quality plastics products in cost effective manner.

The Company is quite encouraged by diversifying into production of Composite Products. The Company is looking into additional product segments which may add to the composite product portfolio, apart from making LPG Cylinders. The Company's plans to include additional products in this product group may crystallise in the current year.

The Company continues to remain focussed to manufacture plastics products. The product portfolio is selected in such a manner that neither it has to compete against imported plastics products nor it is affected by the products made by the un-organized sector in the country in an adverse manner.

### **4.2 Distribution Network**

The Company considers its distributors as a valuable asset. They are spread throughout the country. With the strong retail network serviced by the distributors, it enables the

Company to distribute its products in a cost effective manner to its customers. The Company's products command respect in the segments it operates due to its superior quality, range and service, and continuous introduction of newer products in that product group.

### **4.3 Growth Drivers**

The Company's focus remains to supply quality functional plastics products along with innovation in each product segment where the Company is operating. The growth impetus of each product is fully taken care of by the Company to invest adequate sums of monies year after year. During the financial year 2012-13, the Company intends to commit fresh investment of around ₹ 200 Crores to augment the products produced at existing units and to initiate action to support green field projects – i.e. Two units at Halol in Gujarat and one unit at Hosur in Tamil Nadu along with large investments at its existing site at Malanpur in M.P.

The Company may be investing monies out of this investment plan to add new products in composite segment in the current year. The Company is also investing large sums of money for automation of its production process at different plants to improve the production efficiency.

The Company is seeing increasing potential to participate in export markets. The company is taking steps to boost the export of plastics pipe system, Cross Laminated film products and Performance Packaging film, during the current year. Company may add other products also in this year to boost export quantum growth in the current year.

## **5. OPERATIONAL PERFORMANCE**

### **5.1 Plastics Piping Systems**

The growth of PVC Pipes and Fittings business is becoming more dependent on availability of adequate quantities of raw material.

There has been no addition to the capacity of local PVC resin producers. It clearly indicates that growth in this business may depend largely on the Imports. The quantum of Imports may soon reach the level of local PVC resin production. Local production is currently around 1.2 million tons annually.

Your Company is managing imports of PVC resin at affordable prices. The Company's growth has been around 17% in volume terms.

During the year under review, there was a lull in the infrastructure sector. The farming community was quite active because of adequate water availability, good yield and support from Government by way of enhancing minimum support prices for various agricultural products. The demand from Housing segments was also encouraging.

The Company is encouraged by demand pull from Housing and Agricultural sector. The Company has, therefore, taken a decision to expand the capacity for both PVC Pipes and Fittings and CPVC Pipe System in the current year. The Company will have fresh installed capacity of 50,000 MT p.a. available at its new location at Malanpur in Madhya Pradesh in two phases. The new



capacity of first phase will become operational from October 2012 in part and full capacity of first phase will be in place by March 2013. This capacity enhancement will enable your Company to meet the growing demand of various sectors. Moreover the Malanpur location will enable your Company to focus on the unrepresented areas of MP, Rajasthan and other North Indian states in a cost efficient manner.

The Knowledge Centre activities at Gadegaon were largely appreciated by all the visitors from various architects, consultants, farmers and plumbing fraternity. The Company had more than 5000 visitors at Knowledge Centre during the year. The Company expects more number of visitors during the coming years.

The Company has entered into a Memorandum of Understanding with IAPMO (International Association of Plumbing and Mechanical Officials). Through IAPMO the Company's people will have more knowledge and exposure to "Uniform Plumbing Codes" adopted all over the world. Similarly, they will gain knowledge about recent developments in various plumbing sectors including new products installation techniques and training. This knowledge will be subsequently utilized for training all the plumbers and visitors coming to Knowledge Centre. Through training at Knowledge Centre, the Company would like to give a message - "Better Plumbing for Better Life".

Most of the Company's channel partners, dealers and sub-dealers have also visited Knowledge Centre. They all have acknowledged that this has provided them enough knowledge and education about Company's various products, applications and they are benefited by increase in their volume of business in Plastics Piping System.

The Company is also benefited indirectly by attracting potential entrepreneurs from building material segment to take the distributorship of Company's Plastics Piping Division.

The Government of India has put a renewed focus on Sanitation Sector across all the Urban and Rural areas. The Company expects that its products may move well in the Sanitation Sectors in the coming years.

The Inspection Chambers and Eco-Drain Pipes have gained acceptance in the market. As a result the business of NU-Drain System may increase multifold in near future.

Manhole with 1.2 mtr diameter is getting ready. The Company may launch this product immediately after the monsoon is over. This Manhole may create increased demand for Pipes and Fittings in various applications like storm water projects and sewage transportation projects. Once it is established and accepted by Government and Semi Government bodies including Municipal Corporation, this business may see good growth potential. The Company expects to obtain all approvals and technical clearances during the following months for this system.

During the year under review, the Company sold 137.60 million meters of Pipes and sold 168.37 million pcs of Fittings registering a growth of 22.82%.

The Company's product portfolio increased to 5577 numbers against earlier 5311 numbers, thus adding 266 new products during the year under review.

The Company's Value Added Product sale in this category reached 24.24% to total sales against 21.87% of the previous year. Company's focus continues to remain to increase the percentage of Value Added Products in this system.

To meet the growing demand of Hi-Tech SWR System for use in Hi-rise Apartments, the Company plans to introduce the new series of Hi-Tech SWR System around November/December 2012.

On demand of its channel partners, the Company has planned to extend the range of its plumbing products to include varieties of Bath Room Fittings. These Fittings will be made from engineering plastics. They will supplement the CP Fittings in terms of aesthetics, performance and user friendly product design.

The Company expects to launch these Fittings by January 2013. This will enable Company's channel partners to widen on their product portfolio and business volume.

Due to slowing down of economy in U K and Australian markets, the Company's exports in this segment could not reach the anticipated growth target. It registered a meager growth of 3% during the year under review by value.

The Kanpur Unit operations are running satisfactorily. The Company's plan to expand its capacity to 20000 T. P.A. may be in place by January /March 2013. The Company had plans to expand the capacity in a big way at that site. The same has been put on hold due to erratic power supply.

Your Company's CPVC product business grew nearly 60% on year on year basis in value terms. The Company expects to achieve the similar growth during the current year. The Company has taken adequate steps to expand the capacity of CPVC production to meet the growing demand of CPVC System. Your Company will be able to source adequate quantity of raw material required to meet the expected growth in demand.

The PPRC Plastics System has grown only 8% by value. The Company has plans to enter new areas of application to improve the sale of PPRC products in International markets. The Company anticipates a decent growth in this segment during coming years.

The Company's HDPE Pipe System sale witnessed a growth of around 14%.

The Company has an effective annual production capacity based on product mix of around 5000 MT of HDPE Pipes. The Company sold last year 2679 MT of HDPE Pipes. Based on quality feedback from its various customers the Company expects a better utilization of the capacity from Trade & Industrial projects in the current year.

## **5.2 Consumer Products**

### **5.2.1 Furniture**

The Company has its furniture manufacturing activity at 5 locations viz: Puducherry (UT), Durgapur (West Bengal), Lalru (Punjab), Gadegaon (Maharashtra) and Guwahati

(Assam) to cater effectively to different geography of country.

Turnover of Furniture Business has gone up from ₹ 279 Crores to ₹ 292 Crores, thereby registering a growth of 5% in value terms. The Company's strategy of participating selectively in commodity furniture products pulled down the overall business volume by 10% as some of the furniture products were contributing negative margin.

The company has re-casted its investment plan to increase the range of value added products in the current year itself. Thus, it will broaden the range of value added furniture products. This will further build the superior brand image of Company's products for its aesthetics and durability.

The launch of Designer Chair 'DIVA' is well received by the market for its uniqueness of having inbuilt metal legs for stability, gas molded plastic seat for strength and transparent back for aesthetic beauty. The launches of Gas Moulded Chairs for the first time in the country have been very well appreciated by the channel partners and consumers. There is still no chair, as of now in India, which can compare with above chairs in quality durability and aesthetics.

Company now plans to introduce few more models in painted upholstered Plastics Chair to enhance the volume further of this range. A new Paint shop is being planned at Durgapur for catering to East market with newer Painted and Upholstered Plastic Chairs models.

The Company had good success with its strategic initiative that has paved the way for its future business. The Company's milestone of 1/3rd business with Premium Products sales was further excelled by more than 5% in the previous year. It has reached to a level of 38% of overall sales. The company intends to further increase share of Premium Products sales by another 8% plus in value during next twelve months which will help the business to grow profitably.

There has been a delay in getting the plot registered in the Company's name at Andhra Pradesh even after allotment and making full payment to APIIC at Ongole Growth centre. This was due to their internal technical reasons with court. The Company has, therefore, abandoned the Andhra Project for Furniture manufacturing as of now.

The Company has 253 Exclusive Franchise Show Rooms on All-India basis displaying entire range of Supreme Furniture to the customer in a nice ambience.

The company's furniture products enjoy good acceptance in the market for its quality, design, color and range. "Supreme" brand is perceived as a premium brand in the country in plastics Furniture and enjoys a reputation of bringing many products and concepts first time in the country.

## 5.2.2 MATS

As reported last year, the mat division was closed down by November 2011. Most of the equipments have been sold.

Only machines which were to be scrapped are left out. They may be sold by August 2012. There have been a few enquiries for the Company's land & building also which

Company shall evaluate and decide appropriately in due course of time.

## 5.3 Industrial Products

### 5.3.1 Industrial Components

On the backdrop of encouraging business trend observed during second half of FY 10 -11 and highest ever Capex executed during the same year, the Division planned ambitious growth of 27% for 2011-12. However, due to general slowdown in the demand of high ticket products and delays in start up of customers' new projects, division achieved overall 11% growth in its revenue.

There has been degrowth of 7% in value in consumer durable sector. This was mainly due to a major reduction in off take from one of our important customer. However, Company could grow healthy 26% in value in Auto sector.

Layout improvements in old units at Noida and Talegaon have significantly improved working environment which has started yielding results in terms of Quality, Safety and productivity. The development of interior parts including Cockpit Assembly, undertaken at Talegaon plant, during last year for one of the prestigious commercial vehicle project of Tata Motors is nearing completion and supplies are expected to start during later part of this year after various ongoing vehicle testing stages by the customer. Development of parts for recently launched Two Wheeler 'Vespa' by Piaggio, completed and supplies started. Both these projects are expected to improve revenue of Talegaon plant significantly in future.

A focused drive undertaken at Noida plant to widen customer and product portfolio to counter vulnerability due to dependence on limited customer/product base, started yielding results. The plant has bagged order from two major Japanese companies in Consumer Durable Sector and few other customers in the same and Auto sector. Company expects good growth during the year because of these initiatives.

Khushkhhera plant capacity augmentation resulted in to doubling of plant capacity. During the year, the plant achieved 46% revenue growth. Company expects robust growth during the current year also. Several actions have been initiated to consolidate the operations for future growth sustenance at that Unit.

New facility at Chennai which became operational during FY 10-11, is getting stabilized in terms of production and operations. Although, initially plant was catering only to Consumer Durable sector for one of the company's major customers, Company has now developed new customers in Auto Sector, to smoothen demand volatility.

Company has been selected for plastic parts required for Washing Machines being launched in India by one of the large MNCs in Consumer Durable Sector and development activity for the same will start soon. Supplies for the same are expected to start from FY 13 -14.

All these initiatives should generate significant growth at Chennai plant during this year and in coming years. Due to severe power shortage in Tamil Nadu during significant period of the year, there was adverse effect on smooth running of operations. However, Company ensured trouble free supplies to customers, even running the plant

by using expensive captive power. Although the power situation has improved to some extent, it is still far from satisfactory.

At Puducherry plant, all plastic parts for the next model of Radiance, i.e. 'All plastic body Washing Machine', were fully established as per the requirement of productivity, Quality and Delivery norms specified by the customer. Company expects that this should result in to continuous and sustained growth at Puducherry plant. This plant, which also caters to company's other Divisions, i.e. Furniture and Material Handling, bagged 'TPM Excellence Award' from Japan Institute of Plant Maintenance (JIPM) Japan, during the year.

Durgapur and Gadegaon facilities which were expanded last year to meet the potential demand from one of the major customers from Durable Sector remained largely underutilized due to technical snag in the product at customer's end. This resulted in sharp drop with respect to projected demand. Company has taken up initiative to utilize the capacity by launching new product range which will start during the current year. This will also generate significant revenue in future.

The new machines and equipments which are being added are with energy efficient technologies and will ensure better Quality, Productivity, Safety and lower cost. To negate the impact of lowering margins due to various cost increases and to remain competitive, Company makes continuous efforts to remain a lean manufacturer. Company is also in discussion with its various customers for price corrections for the old continuing businesses.

Company is continuously putting efforts to establish and improve Energy Management System at all the locations. This initiative of the company, apart from cost reduction, will support Environment and Green initiatives.

As a part of up-gradation and implementation of Quality Management Systems, all plants are re-certified for ISO/TS 16949, EMS & OHSAS for latest up-graded versions.

Puducherry plant was certified by latest Integrated Management System (IMS) during the year and currently Chennai plant is working on the same. There has been continuous thrust on Safety, Health, Hygiene and Environment.

Overall rating of the company by all its customers is good. Your Company is considered a highly dependable and valuable supplier. Company received various Awards and Recognitions from time to time from its customers for its support in Quality, Cost, Delivery and new product development etc.

The journey towards excellence is being cultivated as a culture and will be continuous. Efforts are being accelerated to increase customer and product base, bring in new technology, automation, effective cost management to ensure sustained growth with profits.

### 5.3.2 Material Handling Products

The Company achieved a value growth of approx. 17% and a volume growth of approximate 10% during last year. The division is recording continuous growth in the business. The Company continues to service its client with least lead-time at economical cost by manufacturing at six own manufacturing sites spread across the country.

Anticipating the customer's future needs, the Company has now moved to giving heavy duty Industrial crates by developing several models with superior product design to cater to quality conscious customers in automobile, appliance and logistics industry. Supplies of these products have started. The Company's products for a heavy-duty requirement in Fishery Industry have also been well accepted. The Company expects to have good growth in this segment.

The Company's business to soft drink customers fared well. Business prospects for this year are also promising, as per indications from the customers.

Company has fabrication facilities at locations other than manufacturing, as well, to develop tailor made crates to meet specific requirements of applications at customers end. This is helping in a big way to replace conventional material usage while handling products at customers end. These are value added products for your Company. The company has upgraded its fabrication facilities with automation and usage of newer materials.

The Roto Moulding facility of Company at Gadegaon is functioning well. It has also been strengthened with PU facility to meet specific heavy-duty requirement with supply of PU filled Roto Moulded items. The Company has a range of Roto Moulded Pallets.

The Company expects a good growth for its Pallet business during next year. Company also plans to launch very heavy duty Plastic Pallets without Steel reinforcement in the Indian market for the first time.

The Company continues to be a leader in the Injection Moulded Pallet business in India. It has further enhanced product portfolio with unique application focused products. The Company's enhanced Injection Moulding Pallet making capacity at Gadegaon is functioning well. The plans have been drawn for even better utilization of capacity.

The Company has been successful in replacing wooden Pallet for Grain and Seeds Storage application. The necessary statutory approvals from BIS of Plastic Pallet specifications for Grain Storage application are through. It should result into geometric business growth for this application.

## 5.4 Packaging Products

### 5.4.1 Packaging Films

The Performance films business had a tough year. Growth was lower at 6.8% v/s expected growth of 20%.

The government's policy to buy five layer films for distribution of oil continued to be a dampner against an expected revival. Also, all competitors expanded capacity. At the same time, several new players entered this field, rendering the business to be extremely competitive, capacity far outstripping demand. However, with an overall growth in business this year, business for the Company may be better in this year.

Exports were 672 tons against 571 tons last year. As per the projections received from the Company's existing customers, the Company expects exports to grow to 800 tons this year. The Company has initiated special drive to



boost export of this product. The Company expects the business to grow around 15% by volume this year.

#### **5.4.2 Protective Packaging Products**

The year was challenging for the division, to retain the growth rate. The growth rate for the first three Quarters of the year was 16% in Value and 9% Volume over the corresponding period last year. This has improved, in the last Quarter with a Value growth of 23% and Volume growth of 19%. The overall year on year growth was 17% in Value and 13% in Volume over the corresponding period last year. The division is expecting 15% volume growth in the coming year.

Urse plant has been fully stabilized and some of the products lines are running close to full capacity.

The second unit at Hosur may start by Sept 2012. In the first phase the plant will be started with cross link block foam and directly extruded cross link PE foam. The existing production capacity of cross link block foam will be enhanced from 1640 MTPA to 2400 MTPA during the year. The division is planning to enter into manufacturing of Gaskets, especially for the Automobile sector. This new conversion facility will start in Hosur unit – II, in the second half of the year.

##### **(A) Packaging Application**

Non-Cross Linked Foam capacity was enhanced from 9400 MTPA to 10300 MTPA during last year and is expected to increase 11900 MTPA during the current year. While competition in this product category has increased, the division expects to continue growing in the segment. The product enjoys a good brand image in the market.

New products and new applications are being developed in the cross linked foam product category. This will ensure higher utilization of all cross linked product manufacturing facilities.

##### **(B) Construction Sector**

Growth achieved 33% in value and 39% in volume against last year. Though the construction industry is still struggling, the Company expects to have reasonable growth in the coming year as well. A large number of architects are now approving the Company's products for various upcoming Projects. This is a result of constant efforts by the marketing team.

The division had problems in disposing off the cross-linked PE foam wastages. Several initiatives have been taken to reduce the selling of these wastages. The division is pleased to inform that a new application has been developed using one type of product wastage which has found good acceptance in the market.

##### **(C) Insulation Application**

The growth recorded during last year was 39% in value and 35% in volume. Considering the acceptability of Company's extruded cross-linked PE foam in the insulation sector by several consultants and growing demand, a new manufacturing facility is being set up at Hosur (Unit – II). The existing capacity of 1100 MTPA will be enhanced to 1650

MTPA during the year. This will be the 3rd Plant for this product category and will reduce the cost and logistic challenges that are being faced to service the South Indian market from the existing plants located at Malanpur & Urse. "INSUreflector", the other range of insulation product, is also well accepted by the market and consultants. The division expects to launch several new variants of INSUreflector in the current year. This product has established its advantage in the industrial roofing shed under-deck insulation against other products being offered by many other companies.

The NBR PVC hose launched last year has not successfully picked up as the prices for imported products is quite low. However, efforts are being taken by the division to reduce density of its products, thereby making it cost competitive. Besides efforts are on to introduce class "O" BS 476, part 6 and 7 category products. This is specified for many projects. Business for the same is expected to start from the second quarter of the current financial year. Both these initiatives should set this business in the right track.

##### **(D) Technological Development**

To retain the business growth, especially for the standard product, extensive Research and Development work has been carried out during the year to reduce the compounding cost and to improve the productivity and quality.

For the first time in India, 16 Kg/m<sup>3</sup> density Foam has been developed with all quality features similar to 20 Kg/m<sup>3</sup> density Foam, at Company's Malanpur Plant. The new standard has been achieved by modifying the equipment design and by upgrading the process technology.

The new range of products are developed with ROHS and REACH compliance to cater the market demand of hazard free products.

Two of the Company's Insulation products are now enlisted in IGBC (Indian Green Building Council) website.

#### **5.4.3 Cross Laminated Film**

Business for Cross Laminated Film & Products grew by 13% in volume terms & by 24% in value terms. The company sold 16999 tons of Products against 15050 tons during the previous year. Exports grew by 30% to 1836 tons from 1412 tons. There was strong demand for company's products in domestic & international markets during the year under review which outpaced the product availability.

The company foresees a strong demand for its products in local market during the current year as well. Despite anaemic growth of world economy the company has done well on the export front. The company is eyeing to scale a new peak of 3300 tons in exports during the current year by entering new markets of Africa, U.S.A. & Myanmar supported by strong demand in the existing European & Asian markets. The company expects to sell the entire available capacity of around 24000 tons in the Current Year from the existing & new unit.



The spurt in demand both in local as well as international markets has prompted company to advance its expansion plans. The company has already purchased land at Halol in Gujarat for putting up new unit. The construction of production unit is in full swing at that location. The company plans to more than double the existing capacity in two phases at the new site. In the first phase, the annual capacity will be expanded by 12000 tons for which orders have already been placed. The first phase will be fully operational by April 2013. In the second phase the capacity will be expanded by another 8000 tons which shall be in place by April 2014.

Besides, the capacity at the existing two units which is of 18000 tons will be enhanced to 19000 tons by debottlenecking. The new fabrication site at Puducherry has been put into operation which together with the induction of new contractors at new unit in Halol will enhance the fabrication capacity commensurate with the expanded film production capacity. However the impetus will be on automation of some of the activities involved in fabrication to overcome the constraint of labour availability. The company's collaborator has already taken steps in these directions.

The company has entered into an agreement with its collaborator whereby the exclusive rights to manufacture & sell XF products in entire South Asia & whole of Africa have been extended to include entire East Asia (except Mongolia).

The exclusive rights to manufacture & sell products (developed from New Technologies which includes Cross Line Bonded Film & Cross Plastic Film) in India & SAARC countries have been extended to include entire South Asia & East Asia (except Japan & Mongolia). The collaborator has also granted the company a first right of refusal for acquiring similar exclusive rights for each country of Africa.

The Company sold 244 tons of Cross Line Bonded Film products, a next generation XF film during the year under review. The Company has installed balancing equipments for manufacturing this film on one other machine. With the increase in production the company expects to sell around 1000 tons of this film product in the current year.

Two of the licensees of the company's collaborator, one in U.S.A. & another in Europe may start commercial production of Cross Plastic Film during current year. Based on the commercial success of the product the company may consider putting up similar facility at new unit in Halol.

## 5.5 Construction Business

Due to awareness of climate change and increasing focus on other pressing environmental issues, the concept of Green Building is steadily becoming the norm and standard practice in real estate sector across the country. The developers are gradually realizing the advantages of Green Building in India and thus it is expected good growth in the demand of Green Building. A number of large Corporate Houses are making it sure that their office buildings or factories are constructed with sustainability in mind, as such the future of Green Building concept is looking bright at the moment.

In this backdrop, the Company is delighted to inform that the Corporate Green Park "Supreme Chambers" has been awarded Platinum Certificate under "LEED India Core and Shell Rating System" by Indian Green Building Council (IGBC) and it is second such building in Mumbai to get this prestigious "LEED India Core and Shell Platinum Rating".

The prestigious magazine "Construction Week" in its edition of June 2012, has handpicked 10 of India's very best Commercial Green Buildings, out of Top 200 Green Buildings spread across the cities of India to illustrate the Country's green drive in which "Supreme Chambers" ranked 2nd to get such esteemed status.

The Corporate Green Park, which has been built with passion by the Company is fully ready for occupation. The Company has received Occupation Certificate from Municipal Corporation of Greater Mumbai. Adequate supply of water, electricity and other requisite utilities have already been commissioned. Two occupants have already started functioning business activities from their respective premises from "Supreme Chambers" and the other two occupants shall also commence their business activities shortly from their respective premises at the said location. Due to Supreme Chambers' strategic location, proximity to domestic and international airports, easy connectivity to (i) Railway Station (ii) Western Express Highway and (iii) Upcoming Metro Junction, it remains the prime choice of destination for perfect business centre.

It was the endeavour of the Company to make eco-friendly, green featured corporate park that would promote the Company's image of manufacturing green products and which projects it as a Brand Ambassador.

The Company has incurred ₹ 140.57 Crores towards Cost of Construction as on 30th June, 2012, which together with the estimated Outstanding Expenses/ Liabilities may reach to ₹ 155 Crores. The Company has realized ₹ 127.07 Crores net from the sale of six of its Office Blocks comprising about 81,682 sq. ft., out of Total Saleable Area of around 2.79 Lacs sq. ft. which includes realization of ₹ 69.16 Crores from sale of 41,678 sq.ft during the year under review.

Real Estate Market is reeling under the burden of high interest rate, inflation and slower economic growth domestically and weak economy globally & therefore the demand for real estate property particularly commercial premises has remained sluggish in all prime business centres in India for quite some time. This sentiment may remain subdued for some more time.

Under the circumstances, the Company has adopted wait and watch policy and is waiting for the appropriate time for improvement in the sentiments in the real estate sector which shall lead to the growth in demand for commercial property market. The Company is hopeful that with slowing down of new construction of commercial premises in Greater Mumbai, the Company may have good demand for its ready to use premises, with occupation certificate in place, in near future.

## 5.6 New Initiatives

Your company has chosen to foray into Composites having excellent growth potential. Consumption of Fiber Glass Products in India is around 1.2 lacs tons per annum against which consumption in China is over one million tons.

With excellent properties of Fibre Glass and varied application opportunities available, It is expected that there will be healthy growth in composite products business.

### 5.6.1 Composite LPG Cylinder

It is a known fact that steel cylinders are in use at most of the household for LPG. Presently over 18 Crores steel cylinders are in use in our country and three oil marketing companies buy over 1 crore cylinders per year.

Due to existence of huge market, your Company has decided to venture into composite LPG cylinder for household use. Although, these cylinders are expensive compared to steel cylinders but they are safer and accident free as they do not explode unlike steel cylinders. This will save precious human lives.

The cylinder being translucent, the level of gas can also be seen which will be an added advantage for the consumers. Empty cylinders will weigh half of the weight of present steel cylinders so they are easy to carry and also aesthetically better looking.

In order to supply very safe cylinders, Company has ordered a very modern plant with complete automation so that quality of cylinders is fully assured.

Company has committed to invest ₹ 70 Crores for production capacity of 5 lacs cylinders per annum. Equipments are expected to reach the plant site at Halol (Gujarat) by first week of Dec'2012. Trial runs are likely to commence from first week of Jan'2013 and Company hopes to commence production before end of March'2013.

Company is happy to inform that cylinders made on our equipment has passed all the requisite tests based on EN and ISO Standards. Company expects to get the formal acceptance certificate from testing authorities by Sept'2012.

### 5.6.2 Composite Pipes

M/s. NBL Corporation of Japan has the patented technology and process to manufacture High Pressure Composite Pipes where burst pressure is 100 Mpa. Company has entered in to a technical tie up with its collaborator M/s. NBL Corporation of Japan on exclusivity basis for India. These composite pipes are very suitable for down hole and casing pipes for oil and gas industry. These are much lighter in weight compared to present special steel pipes in use. They are anti-corrosive which is very much desirable for these applications. Our collaborator has already secured trial order for 6 kms from ONGC for down hole tubing. Order is likely to be executed by Company's collaborator in August / September 2012.

Company has taken effective steps to produce these pipes and has ordered first small size plant to produce 15,000 pipes per annum. Presently the plant is under

manufacturing at Japan. Investment in the initial capacity of this plant would be about ₹ 10 Crores and together with the cost of building and other infrastructure, total cost of the project is likely to be around ₹ 16 Crores. This plant will also be in the same campus having the cylinder plant at Halol location. As per present schedule, equipments ordered are likely to arrive at plant site by October 2012 and company expects to start commercial production from November 2012.

Company is also looking for other suitable opportunities in composite sector.

## 6. OVERALL GROWTH PROSPECTS

The Indian economy with its demographic advantage, entrepreneurial drive and innovative attitude is destined to cross GDP of USD 5 Trillion per annum from the current level of GDP of 1.5 Trillion per annum before the year 2020. The company is seeing adequate opportunities to go on growing in its businesses. The company's focus is thus to give further impetus to its growth plan by giving additional drive to grow.

In the current year 2012-13, Company sees volume growth of Plastics in the country between 10-12%. However, the Company is aiming to grow its business by 25% in value term in the current year. Company expects to achieve growth of around 16% in volume in the current year. The increased percentage of turnover growth compared to volume growth will be due to increased share of value added products and normal inflation prevalent in the economy.

## 7. FINANCE

The Total Borrowing levels as on 30.06.2012 was ₹ 351.10 Crores as compared to ₹ 514.28 Crores as on 30.06.2011. This is despite the increase in the crude oil prices and consequent increase in the polymer prices coupled with abrupt depreciation of Indian Rupee vis a vis Dollar during the year which necessitated higher Working Capital requirements. The Company has repaid Term Loan installments and fixed deposits aggregating ₹ 72.41 Crores including pre-payment of outstanding amount of Term Loan ₹ 12.50 Crores bearing higher rate of interest. The Company has not taken any fresh Secured Term Loan during the year under review.

The Interest and Financial Cost in absolute terms have gone up to ₹ 54.80 Crores during financial year 2011-12 from ₹ 42.50 Crores during financial year 2010-11, principally, due to (i) increase in the cost of Short term/ Long term borrowings in view of prevalence of higher interest rate regime (ii) increase in the hedging cost on Foreign Currency Loans and (iii) deployment of larger funds for working capital requirements during most part of the year. The outstanding Interest bearing liabilities as on 30-06-2012 bears average Interest rate of 9.50% p.a. vis-a-vis 9.72% p.a. as on 30-06-2011. It is expected that interest rates may soften during the year.

The Company has judiciously managed its Working Capital requirements by availing Buyer's Credit for importing Raw Materials/ Capital Goods, by way of fully hedged foreign exchange exposure and raising short term resources through placement of Commercial Papers, at competitive rates. Company's focus shall remain to closely monitor

and reduce its borrowing level & also to bring down total interest cost below 1% of the total turnover in the coming year/s.

During the year under review company had committed investment of around ₹ 280 Crores out of which around ₹ 73.40 Crores only have been put to ground during the year mainly to augment certain capacities, new moulds and balancing equipments at its several existing sites. Work at Halol for Cross laminated Film products, at Hosur for Protective Packaging Products and at Halol for Composite Cylinders project is in full swing and shall be in operation during the current year. Company has made total outflow towards capital investment during the year under review to the tune of ₹ 169 Crores including outstanding Capex payments of previous year. The same has been funded through the internal accruals of the Company.

During the year 2012-13, the Company envisages total Capex including commitments for 2013-14 of about ₹ 400 Crores including existing commitments, mainly on the following segments.

To set up new Manufacturing Unit to produce Cross Laminated Film Products at Halol (Gujarat).

To set up production of Plastics Piping System facility at erstwhile closed down Unit of PVC Film Business at Malanpur (M.P.) and utilize existing Land, Building and other infrastructure already in place.

To set up new manufacturing facility of Protective packaging Products at Hosur (Tamilnadu).

To put up the unit to manufacture Composite LPG Cylinders at Halol (Gujarat).

To acquire requisite Land in West Bengal to set up new unit for Plastics Piping System, Protective Packaging Products and Industrial components in Eastern India.

To create additional capacities & Product Range and to install automation and balancing equipments at all its existing sites and product groups.

The Company envisages a total capital investment outlay in excess of about ₹ 1100 Crores over a period of five years from 2011-12 to 2015-16 in addition to Capex for new products in Composites. In view of Company's potential to generate healthy cash flows from its operations together with better management of Working Capital, the Company is reasonably confident to fund its future expansions from Internal Accruals and Suppliers' Credit. Moreover the sale proceeds from "Supreme Chambers" will provide additional funds to meet its future Capex requirements.

CRISIL has assigned the Rating on the Bank facilities to "AA-/Stable" and reaffirmed Short Term Debt programme Rating as A1+, which reflects the sustained improvement in Company's business risk profile backed by increase in contribution from value added products, improved profitability and prudent Working Capital management.

## 8. INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job

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

## 9. HUMAN RESOURCES

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

## 10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is aware and committed towards the Corporate Social Responsibility by addressing social development imperatives of Society, especially in the areas of rural developments, education, healthcare and protection & promotion of environment.

The Company's, Gadegaon Unit, in furtherance of its above objectives had under taken following social work activities during the year 2011-2012

### 10.1 Mobile Health Centre

The Company has provided Mobile Health Centre in remote tribal area of Tal-Dhadgaon in Dist: Nandurbar of Maharashtra State. The Company has adopted a total 26 villages in Dhadgaon. One Ambulance Van manned by qualified Medical Officer / Nurse and Lady Social Counselor equipped with primary medicines etc. have been provided for the benefit of unprivileged population free of cost. Total population of these villages is 24137 who are beneficiaries of the services of health centre.

The Medical Staff of Mobile Dispensary / Health Center also conduct health awareness program for school children's and girls of Ashramshalas. This year total 1667 students from various schools and total 421 students from Ashram Shala participated in health checkup and education programme. The Centre also organizes educational programs for prevention of communicable and non communicable diseases, preventive, curative measures, first-aid services etc.



## 10.2 Sanitation Facilities

This year with an aim to promote Govt. National Program "Human Defecation", Supreme has provided second Unit of ladies public toilet with capacity of 12 blocks for 300 ladies to Gadegaon village on 5th June 2012. The toilet unit is equipped with all basic amenities. The facility is widely appreciated by the women of the village and popularly called "Gappa Souchalaya".

Total population of women in Gadegaon village is around 1500. The first unit of public toilet with capacity of 24 blocks for 600 women have already been provided last year. This year second unit of toilet with capacity of 12 blocks is provided for 300 women. We have proposed to provide third and fourth unit of toilet at two different locations covering 12 blocks each for remaining 600 women during the next year.

## 10.3 Safety Awareness

In view of fostering safety consciousness amongst the neighbouring villagers and families, various safety activities are conducted time to time. This includes celebration of environment day, road safety week, and mock drills. This has created very good awareness about safety amongst the local community and their family. During fire safety week, we organized workshop at Gadegaon village on the subject of "Safety in handling LPG Gas Cylinder". The Safety Officer of M/s. Bharat Petroleum Corporation, Jalgaon presented demonstration on safe handling of Cylinders. Around two hundred ladies from Gadegaon, Neri, Hingna villages have actively participated in the drive.

On the eve of fire safety week, Unit has organized Drawing, Slogans; Essay Competition amongst the school children's of Gadegaon wherein successful participants were awarded suitable prizes on the concluding day of a week long celebration.

## 10.4 Vermi Compost Project

The Company has developed vermi culture composting project at the factory premises. We are generating 3 MT. of manure per month through the project. The tree leaves waste material, waste food of canteen etc. is collected for the vermi composting.

The Company encourages the neighboring farmers / Villagers to visit the project and educate them how to generate organic fertilizer. This is ongoing activity at our factory.

## 10.5 Institute – Industry Partnership

The Company encourages the students from various education institutes viz Engineering, Polytechnic, Pharmacy, Management etc. to visit the factory to take live project and impart education in their respective field. During the year as many as 615 students from various colleges and institutes visited the factory for in-plant training.

## 10.6 Green Certificate of Merit

The Company's Gadegaon Unit has been awarded with prestigious Green Certificate of Merit by Frost and Sullivan, a US based Company in recognition of company's contribution towards promotion and protection of environment, occupational health and safety, Energy Conservation, Bio Diversity and Social responsibility.

## CAUTIONARY STATEMENT

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



## PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

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

### 1. BOARD OF DIRECTORS:

(i) As at 30th June 2012 the Board comprised of 9 Directors.

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

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

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

(ii) During the Financial Year 2011 – 2012 the Board met on Five occasions i.e. on 25th July, 2011, 14th September 2011, 21st October, 2011, 25th January, 2012 & 25th April 2012 :

Attendance of Directors at the Board Meetings held during 2011-12 and the last Annual General Meeting held on 14th September, 2011

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B L Taparia	Promoter / Non Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	5	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	5	Yes
Shri S. R. Taparia	Independent / Non Executive Director	5	5	Yes
Shri H. S. Parikh	Independent / Non Executive Director	5	5	Yes
Shri B. V. Bhargava	Independent / Non Executive Director	5	5	Yes
Shri N. N. Khandwala	Independent / Non Executive Director	5	5	Yes
Shri Y. P. Trivedi	Independent / Non Executive Director	5	2	No

### 2. AUDIT COMMITTEE:

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

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

## Composition and Attendance of Members at the Meetings of the Audit Committee held during 2011 – 2012

Members	Category	Meetings held	Meetings attended
Shri H S Parikh -Chairman	Independent	5	5
Shri S R Taparia	Independent	5	5
Shri N N Khandwala	Independent	5	5

### 3. REMUNERATION COMMITTEE :

#### (i) Brief Terms of reference:

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

#### (ii) Composition

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

### 4. SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE :

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

#### Composition :

Members	Category	Meetings Held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent	4	4
Shri S. R. Taparia	Independent	4	4

During the year, the company received 127 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which have been duly resolved in time

### 5. (A) REMUNERATION PAID TO DIRECTORS DURING 2011 – 2012 :

Sr No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Shri B L Taparia	Promoter / Non Executive Chairman	75000			75000
2	Shri M P Taparia	Promoter / Managing Director		7678662	36890785	44569447
3	Shri S J Taparia	Promoter / Executive Director		8257034	36890785	45147819
4	Shri V K Taparia	Promoter / Executive Director		6911433	36890785	43802218
5	Shri S R Taparia	Independent / Non Executive Director	210000			210000
6	Shri H S Parikh	Independent / Non Executive Director	150000			150000
7	Shri B V Bhargava	Independent / Non Executive Director	75000			75000
8	Shri N N Khandwala	Independent / Non Executive Director	210000			210000
9	Shri Y P Trivedi	Independent / Non Executive Director	30000			30000
	<b>Total</b>		<b>750000</b>	<b>22847129</b>	<b>110672355</b>	<b>134269484</b>

### (B) EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 30TH JUNE 2012 :

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	367398
2)	Shri S. R. Taparia	2630
3)	Shri H. S. Parikh	155730
4)	Shri B. V. Bhargava	17500
5)	Shri N. N. Khandwala	260750
6)	Shri Y. P. Trivedi	20010

### 6. CEO / CFO CERTIFICATION :

The Managing Director and the Sr. Vice-President (Finance) & Secretary 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 the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) They have indicated to the Auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

The above Certificate was placed before the Board Meeting held on 20th July, 2012.

## 7. GENERAL BODY MEETINGS

Location and time of last Three AGM's held :

Year	Location	Date	Time
2009 – 67th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai-400 020	10th September, 2009	4.00 p.m.
2010 – 68th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai-400 020	14th September, 2010	4.00 p.m.
2011 – 69th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai-400 020	14th September, 2011	4.00 p.m.

## 8. COMMUNICATION TO SHAREHOLDERS:

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

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

## 9. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES :

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

## 10. MANAGEMENT DISCUSSION AND ANALYSIS :

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

## 11. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS :

During the financial year 2011-12, There was no other change in the composition of the Board of the Company.

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

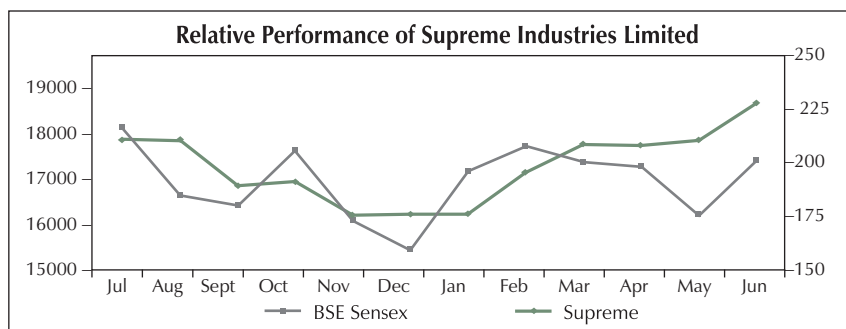
Name of the Directors	Mr. B. V. Bhargava	Mr. S. R. Taparia	Mr. N. N. Khandwala	Mr. V. K. Taparia
Date of Birth	16/04/1936	24/10/1928	04/07/1933	26/10/1955
Date of Appointment	25/09/1996	10/09/1966	23/09/1982	29/10/1984
Expertise in specific functional area	Overall guidance in forming Business Policies	Overall guidance in forming Business Policies and Corporate Social Responsibility Work	Stocks & Shares and Social Work	Overall guidance in forming Business Policies, Incharge of Packaging Products & leading the IT Team.
Qualifications	M. Com., L.L.B.	B.A. (Hons.), L.L.B.	Inter Science	B. Com.
Chairman / Director of other companies	1. CRISIL Limited 2. Excel Crop Care Ltd. 3. Grasim Industries Ltd. 4. J. K. Lakshmi Cement Ltd. 5. L&T Infrastructure Finance Company Ltd. 6. Grasim Bhiwani Textiles Ltd. 7. L&T Finance Holding Limited	1. Venu Plantations Ltd. 2. Megh Exim Pvt. Ltd. 3. Anilkumar Inv. & Fin. Pvt. Ltd. 4. R. C. Taparia Inv. & Fin. (I) Pvt. Ltd. 5. Laxmi-Vilas Mansions Pvt. Ltd.	NIL	1. Venktesh Investment and Trading Co. Pvt. Ltd. 2. World Presidents' Organization
No. of Equity Shares held in the Company	17500	2630	260750	344890

## 12. DISCLOSURES

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

## 13. GENERAL SHAREHOLDER INFORMATION.

- (i) Registered Office : 612, Raheja Chambers, Nariman Point, Mumbai 400 021.
- (ii) Book Closure Date : From 10th September, 2012 to 17th, September, 2012. (Both days inclusive)
- (iii) AGM Date & Venue : On Monday the 17/09/2012 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai – 400 020.
- (iv) Dividend payment : Within the statutory time limit.
- (v) Listing on Stock Exchanges : (i) Bombay Stock Exchange (BSE), (ii) National Stock Exchange of India Ltd., (NSE),
- (vi) Listing Fees : Annual Listing Fees for the year 2012 – 2013 have been paid to both the Stock Exchanges.
- (vii) Trading Group : (i) BSE : "B-1" Group,  
(ii) NSE : "Other Securities"
- (viii) Stock Codes : (i) BSE : 509930  
(ii) NSE : SUPREMEIND
- (ix) Relative performance of Supreme Share Price v/s. BSE Sensex :



- (x) Key Financial Reporting Dates F.Y. 2012 – 2013.
  - Unaudited Results for the First Quarter ended September 30, 2012 : On or before 15th November, 2012
  - Unaudited Results for the Second Quarter ended December 31, 2012 : On or before 15th February, 2013
  - Unaudited Results for the Third Quarter ended March 31, 2013 : On or before 15th May, 2013
  - Audited Results for the F.Y. 2012 - 2013 : On or before End August, 2013
- (xi) Shareholders Assistance : Shares Department  
Investors Service Department : The Supreme Industries Limited  
Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai 400 021.  
Phone Nos. : 22820072, 22851656, 22851159-60  
Fax No. : 22851657  
E-mail : investor@supreme.co.in

## 14. DISTRIBUTION OF SHAREHOLDING (AS ON 30TH JUNE, 2012)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	21561	77.14	2676437	2.10
501 – 1000	2296	8.22	1914537	1.51
1001 – 2000	1748	6.25	2634102	2.07
2001 – 3000	753	2.70	1911109	1.50
3001 – 4000	316	1.13	1126587	0.89
4001 – 5000	299	1.07	1417157	1.12
5001 – 10000	492	1.76	3606316	2.84
Over 10001	485	1.73	111740625	87.97
<b>Total</b>	<b>27950</b>	<b>100.00</b>	<b>127026870</b>	<b>100.00</b>



## 15. CATEGORIES OF SHAREHOLDERS (AS ON 30TH JUNE, 2012)

Category	No. of Shareholders	Voting Strength (Percentage)	Number of Shares held
Promoters	12	49.62	63027345
Non Residents Individuals / OCB	591	0.59	745023
Companies	456	7.76	9860669
FII's / FI's / Mutual Fund / Bank	72	20.38	25889313
Individuals	26819	21.65	27504520
<b>Total</b>	<b>27950</b>	<b>100.00</b>	<b>127026870</b>

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

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

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

Contact Person : Shri Ansar Sheikh

Tel No. 28470652, 40430200 • Fax No. 28475207

E-mail : investor@bigshareonline.com

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

## 17. DEMATERIALISATION OF SHARES

123606360 Shares are Dematerialised (as on 30.06.2012) (97.31% of total Shares viz. 127026870 shares)

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

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

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

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
July – 2011	215.00	179.00	210.90	216.05	180.25	211.20
August – 2011	235.00	192.80	210.35	237.00	190.45	210.50
September – 2011	223.00	178.10	189.25	245.10	180.00	188.90
October – 2011	206.40	179.00	190.70	210.10	174.05	192.30
November – 2011	199.95	165.10	175.50	200.00	164.00	175.50
December – 2011	180.65	160.10	176.00	180.00	140.95	176.10
January – 2012	188.95	172.05	175.95	190.00	161.60	175.15
February – 2012	202.00	173.00	194.00	202.00	173.10	194.35
March – 2012	209.90	188.00	208.15	210.40	187.00	208.20
April – 2012	213.00	202.00	207.20	211.90	201.30	207.65
May – 2012	220.90	199.55	209.10	221.00	199.60	209.70
June – 2012	237.65	200.30	226.95	240.00	195.00	222.95

## 20. CODE OF CONDUCT

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

### Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 30th June, 2012.

For The Supreme Industries Limited

**M. P. Talaria**  
Managing Director

Mumbai : 20th July, 2012

## Auditor's Certificate

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

We have examined the compliance of conditions of corporate governance by M/s. The Supreme Industries Limited for the year ended on 30th June, 2012, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

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

Mumbai: 20th July, 2012

## List of Promoters of the Company

List of Promoters of the Company belonging to the Taparia Group, pursuant to Regulation 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

1. Venktesh Investment & Trading Company Private Limited
2. Jovial Investment & Trading Company Private Limited
3. Boon Investment & Trading Company Private Limited
4. B. L. Taparia & Family
5. M. P. Taparia & Family
6. S. J. Taparia & Family
7. V. K. Taparia & Family
8. Vivek Taparia & Family
9. Any Company / entity promoted / to be promoted by any one of the above.

**Family for the above purpose includes the spouse, dependent children and parents.**

## Auditors' Report to the Shareholders

We have audited the annexed Balance Sheet of THE SUPREME INDUSTRIES LTD., Mumbai as at 30th June 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- 1) As required by the Companies (Auditor's Report) Order, 2003 as amended by The Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956; our comments on the matters specified in the paragraphs 4 and 5 of the said Order are annexed herewith.
- 2) Further to our comments in the Auditor's Report referred to in paragraph 1 above:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. The reports on the accounts of Branches audited under Section 228 of the Companies Act, 1956 by persons other than ourselves, have been forwarded to us, as required by Clause (c) Sub - Section (3) of the said section and that we have taken due notice in our report of the points raised in the reports of the said Branch Auditors.
- 3) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books.
- 4) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 5) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 6) On the basis of information and explanations given to us and written representations received from the directors as on 30th June 2012 and taken on record by the board, we report that no director is disqualified from being appointed as director of the company under Section 274 (1) (g) of the Companies Act, 1956.
- 7) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet of the state of affairs of the company as at 30th June 2012
  - b. in the case of the Statement of Profit and Loss of the profit for the year ended on that date and
  - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## Annexure to the Auditors' Report

- 1) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us the Company has a phased program for physical verification of the fixed assets of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. During the year there is no disposal of substantial part of fixed assets, affecting going concern assumption.
- 2) a. The stock of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company has maintained proper records of inventory, no material discrepancies were noticed on physical verification of stocks as compared to book records and the discrepancies noticed have been properly dealt with in the books of account.

- 3) In respect of loans, secured or unsecured, granted or taken by the company from / to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956:
- Company's has not granted unsecured loans to parties listed in the register maintained under section 301 of the Companies Act 1956. Sub clause (b), (c) and (d) are not applicable.
  - The Company has accepted unsecured loans from two companies, listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was ₹ 3355 lacs and the balance as the end of the year was ₹ Nil.
  - In our opinion the rate of interest and other terms and conditions of such loan is *prima facie* not prejudicial to the interest of the company.
  - In respect of aforesaid loan company is regular in repaying the principal amount and interest thereon.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in internal control system have been identified by the management or the internal auditors of the company during the year. During the course of audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.
- 5) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions with Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or other relevant provision of the Act and the rules framed there under, for acceptance of public deposits. Since the company has not defaulted in repayment of deposits, compliance of section 58AA or obtaining any order from the company law board, National Company Law Tribunal or RBI or any other court or tribunal does not arise.
- 7) On the basis of the internal audit reports reviewed by us, we are of the opinion that, the company has an internal audit system commensurate with size and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of Sub-section (1) of section 209 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9) a. According to the records of the Company and information and explanations given to us, Provident Fund, Investor Education and Protection Fund, Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues have been deposited regularly during the year with the appropriate authorities. According to the records of the Company and information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues were in arrears as at 30th June, 2012 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Sales Tax, Custom Duty, Excise Duty, Entry tax and other statutory dues as at the last day of the financial year are as follows.

Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	485.65	1994 to 2010	CESTAT
	Excise Duty	28.77	2005 to 2008	Commissioner of CE (Appeals), LTU Mumbai
The Central Sales Tax Act, 1956	Sales Tax	16.83	1995-1996	Revisionary Board, West Bengal
		42.58	2003 to 2006	Jt. Commissioner (ST, Appeals), West Bengal
		0.68	1992-1998	Asstt. Comm. Commercial Tax, Gwalior
		16.54	2007-2008	Asstt. Comm. Commercial Tax, Gwalior
West Bengal Sales Tax Act, 1994	Sales Tax	54.92	2003 to 2005	Additional Commissioner
U.P Trade Tax Act	Entry Tax	23.97	2000-2001	Hon' ble High Court
	Entry Tax	12.11	2002-2003	Tribunal
	Sales Tax	10.61	2002-2007	Tribunal
	Sales Tax	3.64	2004-2005	Jt. Commissioner, Appeal
M.P. Commercial Tax Act	Entry Tax	11.67	2008-2009	Comm. Commercial Tax
	VAT	0.27	2007-2008	Asstt. Comm. Commercial Tax, Gwalior
T.N. Sales Tax Act	Entry Tax	163.07	2003 to 2012	Hon'ble High Court, Madras



Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	18.62	2008-2009	Asst. Commissioner Provident Fund
Employee State Insurance Act, 1948	ESIC	13.71	Prior to 1989-90	ESIC Court, Mumbai
Local Authority – Asansol Durgapur Development Authority	Development Fee	74.51	2009-2010	Asansol Durgapur Development Authority-Durgapur
Punjab Vat Act, 2005 & CST Act, 1956	Vat & CST	176.89	2007-08 to 2009-10	Asst. Commissioner (Appeals), Patiala
Profession Tax Act	Profession Tax	0.78	2009-2010	Deputy Commissioner Profession Tax (Durgapur) WB
	<b>TOTAL</b>	<b>1155.82</b>		

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

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

**Chintan Shah**  
Partner  
M.No.: 107490  
Mumbai, 20th July, 2012

## Balance Sheet as on 30th June, 2012

₹ in lacs

	Note	As at 30th June 2012		As at 30th June 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	2	2540.54		2540.54	
Reserves and surplus	3	<u>61605.59</u>	<u>64146.13</u>	<u>46416.48</u>	48957.02
<b>NON - CURRENT LIABILITIES</b>					
Long-term borrowings	4	10487.60		20783.94	
Deferred tax liabilities (net)	5	8325.83		7953.80	
Other long-term liabilities	6	132.43		286.29	
Long-term provisions	7	<u>1089.30</u>	<u>20035.16</u>	<u>896.66</u>	29920.69
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	8	14884.64		23941.11	
Trade payables	9	20606.12		16066.56	
Other current liabilities	10	19992.82		21588.66	
Short-term provisions	7	<u>7996.79</u>	<u>63480.37</u>	<u>6255.12</u>	<u>67851.45</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			<u><u>147661.66</u></u>		<u><u>146729.16</u></u>
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	11	73881.58		74097.87	
Intangible assets	11	56.38		67.06	
Capital work-in-progress	11	3380.96		2617.06	
Non-current investments	12	3364.12		3364.49	
Long-term loans and advances	13	6184.27		3680.46	
Other non-current assets	14	<u>21.82</u>	<u>86889.13</u>	<u>25.62</u>	83852.56
<b>CURRENT ASSETS</b>					
Inventories	15	31401.28		34540.50	
Trade receivables	16	17167.94		15301.23	
Cash and bank balances	17	1386.50		1395.33	
Short-term loans and advances	13	10535.31		11414.91	
Other current assets	14	<u>281.50</u>	<u>60772.53</u>	<u>224.63</u>	<u>62876.60</u>
<b>TOTAL ASSETS</b>			<u><u>147661.66</u></u>		<u><u>146729.16</u></u>

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

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

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

Mumbai, 20th July, 2012

**B. L. Taparia**  
Chairman

**S. J. Taparia**  
Executive Director

**O. P. Roongta**  
Sr. Vice-President (Finance)  
& Secretary

For and on behalf of the board

**M. P. Taparia**  
Managing Director

**V. K. Taparia**  
Executive Director

**H. S. Parikh**

**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

**Y. P. Trivedi**

Directors

Mumbai, 20th July, 2012

# Statement of Profit and Loss for the year ended 30th June, 2012

**Supreme®**  
People who know plastics best

ANNUAL REPORT  
2011-2012

	Note	2011 - 2012	2010 - 2011
<b>INCOME</b>			
Revenue from operations	18	296530.47	246898.25
Other income	19	1091.51	969.81
<b>EXPENDITURE</b>			
Cost of materials consumed	20	184486.49	157601.82
Purchases of Traded Goods	21	10341.12	8582.11
Changes in inventories of finished goods, work-in-progress and traded goods	22	1316.74	(1970.09)
Employee benefits expenses	23	11205.20	9642.88
Other expenses	24	41990.89	37302.11
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>		<b>48281.54</b>	<b>36709.23</b>
Finance costs	25	5479.67	4250.19
Depreciation and amortisation expenses	26	7246.28	6284.52
Depreciation for Earlier Years Provided for/(-) Written Back		-	(95.90)
<b>PROFIT BEFORE TAX</b>		<b>35555.59</b>	<b>26270.42</b>
<b>TAX EXPENSES</b>			
Current tax		11131.98	7804.00
Deferred Tax		372.02	969.42
<b>PROFIT AFTER TAX</b>		<b>24051.59</b>	<b>17497.00</b>
<b>EARNINGS PER SHARE</b>			
Basic & Diluted Earning Per Share	35	18.93	13.77
(Face value of ₹ 2 each)			
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

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

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

Mumbai, 20th July, 2012

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**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

**Y. P. Trivedi**

Directors

Mumbai, 20th July, 2012

## Cash Flow Statement for the year ended 30th June, 2012

	For the Year Ended 30th June 2012		For the Year Ended 30th June 2011	
₹ in Lacs				
<b>A CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		35555.59		26174.52
Adjustments :				
Add :				
Depreciation	7246.28		6284.52	
Leasehold Assets Premium W/off	13.35		12.14	
Interest (Net)	5479.67	12739.30	4250.19	10546.85
		48294.89		36721.37
Less :				
Dividend Received	813.86		522.91	
Profit / (Loss) on sale of Investments	79.93		—	
Profit /(Loss) on sale of Assets	182.25		444.90	
Lease Rent etc. Received	—	1076.04	2.00	969.81
Operating Profit before working capital changes		47218.85		35751.56
Adjustments :				
Less:				
Inventories	(3139.22)		5476.22	
Trade & Other Receivable	3543.97		7485.02	
Trade & Other Payable	(10.73)	394.02	(7541.17)	5420.07
Cash Generated from Operations		46824.83		30331.49
Interest Paid		(5775.74)		(4375.75)
Direct Taxes Paid		(11668.24)		(8960.20)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		29380.85		16995.54
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	8103.76			25835.74
Sale of Fixed Assets	(484.99)			(1152.24)
Sale of Investments (Net)	(80.30)			—
Purchase of Investment	—			2.86
Interest Received	(296.07)			(125.55)
Dividend Received	(813.86)			(522.91)
Lease Rent Received	—			(2.00)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		6428.54		24035.90
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Increase)/Decrease in Long Term & Short Term Borrowings		16317.63		(12387.33)
Dividend & Corporate Dividend Tax paid		6643.51		5776.86
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		22961.14		(6610.47)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>		(8.83)		(429.89)
Opening Balance at beginning of the year		1395.33		1825.22
Closing Balance at end of the year		1386.50		1395.33

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

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

Mumbai, 20th July, 2012

**B. L. Taparia**  
Chairman

**S. J. Taparia**  
Executive Director

**O. P. Roongta**  
Sr. Vice-President (Finance)  
& Secretary

For and on behalf of the board

**M. P. Taparia**  
Managing Director

**V. K. Taparia**  
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**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

**Y. P. Trivedi**

Directors

Mumbai, 20th July, 2012



# Notes to the Financial Statements for the year ended 30th June, 2012

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS OF ACCOUNTING

- a) The financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principles, the Companies Accounting Standards Rules, 2006 and relevant provisions of Companies Act, 1956. The accounting is on the basis of a going concern concept.
- b) The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.

### B. REVENUE RECOGNITION

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

### C. FIXED ASSETS

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

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

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

### E. DEPRECIATION & AMORTISATION

#### Tangible Assets

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

## Notes to the Financial Statements for the year ended 30th June, 2012

### Intangible Assets

Cost of software and ERP package and other intangible assets are amortised over a period of four years.

### F. INVESTMENTS

All long term investments are stated at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary, in the opinion of the management.

### G. INVENTORIES

Inventories of plastic goods are valued as under :-

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

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

### H. ASSETS TAKEN ON LEASE

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

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

### I. FOREIGN CURRENCY TRANSACTIONS

#### A. Initial Recognition

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

#### B. Measurement of Foreign Currency Items at the Balance Sheet Date

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

#### C. Forward Exchange Contracts.

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

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

### J. EMPLOYEE BENEFITS

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

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

## Notes to the Financial Statements for the year ended 30th June, 2012

(b) Defined Benefit Plan :-

Gratuity.

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

Provident Fund.

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

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

3. Leave Liability.

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

### K. RESEARCH & DEVELOPMENT EXPENDITURE

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

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

Issue expenses are adjusted against the Securities Premium Account.

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

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

### M. TAXES ON INCOME

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

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, are recognized only to the extent there is virtual certainty supported by convincing evidence of its realization.

### N. PROVISIONS AND CONTINGENT LIABILITIES

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

### O. CONSTRUCTION BUSINESS

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

a. Revenue recognition.

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

b. Cost recognition.

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

c. Valuation of inventory.

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

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

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

## Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

### 2. SHARE CAPITAL

	As at 30-June-12	As at 30-June-11
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	3000.00	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	1120.00	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	3380.00	3380.00
	<u>7500.00</u>	<u>7500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	2540.54	2540.54
<b>TOTAL SHARE CAPITAL</b>	<u>2540.54</u>	<u>2540.54</u>

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

The details of Shareholders holding more than 5% Equity shares :

Name of the Shareholders	As at 30-June-12		As at 30-June-11	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt. Ltd.	20206592	15.91%	19906592	15.67%
Jovial Investment and Trading Company Pvt. Ltd.	19847082	15.62%	19847082	15.62%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693082	15.50%
HDFC Mutual Fund	9589848	7.55%	2508442	1.97%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%

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

	As at 30-June-12		As at 30-June-11	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

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

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



# Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

## 3. RESERVES AND SURPLUS

	As at 30-June-12		As at 30-June-11	
<b>REVALUATION RESERVE</b>				
As per last Balance Sheet	137.55		142.01	
Less: Transferred to Depreciation and Amortisation	4.40		4.39	
Transferred to Leasehold Land	0.06	133.09	0.07	137.55
<b>CAPITAL RESERVE</b>		244.59		244.59
<b>SECURITIES PREMIUM ACCOUNT</b>		4748.52		4748.52
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	41064.19		29921.82	
Add : Transferred from Statement of Profit and Loss	15193.57	56257.76	11142.37	41064.19
<b>CAPITAL REDEMPTION RESERVE</b>		221.63		221.63
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet	—		—	
Add: Profit for the year	24051.59		17497.00	
Less: Appropriations				
Interim dividend paid on Equity Shares	1905.40		1651.35	
Corporate Dividend Tax Paid	309.10		274.27	
Proposed Dividend on Equity Shares	5716.21		3810.80	
[Dividend per share ₹ 4.50 (previous year ₹ 3.00)]				
Provision for Corporate Dividend Tax	927.31		618.21	
Transferred to General reserve	15193.57	—	11142.37	—
<b>TOTAL RESERVES AND SURPLUS</b>		<b>61605.59</b>		<b>46416.48</b>

## 4. LONG TERM BORROWINGS

	Non-Current		Current	
	30-June-12	30-June-11	30-June-12	30-June-11
<b>SECURED</b>				
Rupee Loans from Banks	—	3250.00	2500.00	3500.00
Foreign Currency Loans from Banks	6355.40	9684.00	3328.60	796.00
	6355.40	12934.00	5828.60	4296.00
Rupee Loans from Others	3509.20	6064.75	2555.56	1305.56
Total Secured	9864.60	18998.75	8384.16	5601.56
<b>UNSECURED</b>				
Fixed Deposits	377.69	1525.60	1324.35	1056.72
Deferred payment liabilities (Under Sales Tax Deferral Scheme)	236.27	259.59	24.23	44.65
Long term maturities of finance lease obligations	9.04	0.00	5.38	0.00
Total Unsecured	623.00	1785.19	1353.96	1101.37
Amount included under the head "Other Current Liabilities" (Refer Note 10)	—	—	(9738.12)	(6702.93)
<b>TOTAL LONG TERM BORROWINGS</b>	<b>10487.60</b>	<b>20783.94</b>	<b>—</b>	<b>—</b>

### NOTES :

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

Immovable properties of the company, situated at certain locations of the company.

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

## Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

Maturity Profile and Interest Range of Long term borrowings are as set out below :

Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	11.25 - 13.50	2259.20	1250.00	
Foreign Currency Loans	7.50 - 9.00	3634.80	2720.60	
Fixed Deposits	7.50 - 9.25	377.69		
Deferred Payment Liabilities	Interest Free	7.24		229.03
Finance Lease Obligations	4.66	9.04		

### 5. DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar. 31, 2012 (Previous Year Mar. 31, 2011)

	As at 30-June-12	As at 30-June-11
<b>Deferred Tax Liabilities</b>		
Depreciation	8399.48	8115.03
<b>Deferred Tax Assets</b>		
Amount to be claimed on payment basis	(73.65)	(161.23)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>8325.83</b>	<b>7953.80</b>

### 6. OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	30-June-12	30-June-11	30-June-12	30-June-11
Trade / security deposits	58.26	128.31	87.36	91.67
Others	74.17	157.98	—	—
Amount included under the head "Other Current Liabilities" (Refer Note 10)	—	—	(87.36)	(91.67)
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>132.43</b>	<b>286.29</b>	<b>—</b>	<b>—</b>

### 7. PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-12	30-June-11	30-June-12	30-June-11
Provision for employee benefits:	926.23	776.88	903.57	840.15
<b>Provision - Others:</b>				
Provision for Income Tax (Net of Advances)	—	—	444.48	980.77
Proposed Dividend	—	—	5716.21	3810.80
Provision for Corporate Dividend Tax	—	—	927.31	618.21
Provision for Wealth Tax	—	—	5.22	5.19
Others	163.07	119.78	—	—
<b>TOTAL PROVISIONS</b>	<b>1089.30</b>	<b>896.66</b>	<b>7996.79</b>	<b>6255.12</b>

### 8. SHORT TERM BORROWINGS

	As at 30-June-12		As at 30-June-11	
<b>SECURED</b>				
Working Capital Loans:				
From Banks (Cash Credit Accounts)	830.42		6472.13	
Foreign currency Loans - Buyer's Credit	5109.13		4249.63	
		5939.55		10721.76
<b>UNSECURED</b>				
Foreign Currency Loans - Buyer's Credit	8945.09	8945.09	13219.35	13219.35
<b>TOTAL SHORT TERM LIABILITIES</b>		<b>14884.64</b>		<b>23941.11</b>

#### NOTES :

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

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

# Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

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

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

## 9. TRADE PAYABLES

	As at 30-June-12	As at 30-June-11
Micro, Small and Medium Enterprises	559.89	400.31
Others	20046.23	15666.25
<b>TOTAL TRADE PAYABLES</b>	<b>20606.12</b>	<b>16066.56</b>

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

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

## 10. OTHER CURRENT LIABILITIES

	As at 30-June-12	As at 30-June-11
Current maturities of long-term debt } (Refer Note 4)	9732.74	6702.93
Current maturities of finance lease obligations }	5.38	-
Current Portion of other long-term liabilities (Refer Note 6)	87.36	91.67
Interest accrued but not due on borrowings	534.38	507.84
Investor Education and Protection Fund (Refer Note 48)	194.59	186.64
Statutory Dues	3304.64	2702.95
Payables - Capital Goods	1746.20	6970.63
Advances from customers	3082.37	3196.58
Other payables	1305.16	1229.42
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>19992.82</b>	<b>21588.66</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at June 30, 2012 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.35 lacs (Previous year ₹ 0.35 lacs).

## 11. FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1-July-11	Additions During the Year	Deductions/ Adjustment During The Year	As At 30-June-12	As At 1-July-11	For The Year	Deductions/ Adjustment During The Year	As At 30-June-12	As At 30-June-12	As At 30-June-11
<b>A. Tangible assets</b>										
Freehold Land	1339.73	898.04	-	2237.77	-	-	-	-	2237.77	1339.73
Leasehold Land	1112.35	1.23	13.41	1100.17	-	-	-	-	1100.17	1112.35
Buildings	24716.33	1749.55	26.14	26439.74	5100.45	771.76	0.41	5871.80	20567.94	19615.88
Plant, Machinery & Electrical Installations	69251.60	2942.20	2419.40	69774.40	24835.25	4407.85	2325.14	26917.96	42856.44	44416.35
Moulds & Dies	17674.93	1186.16	249.75	18611.34	12701.37	1387.01	102.68	13985.70	4625.64	4973.56
Furniture, Fixture & Office Equipments	3055.44	190.81	267.92	2978.33	1839.35	354.50	252.07	1941.78	1036.55	1216.09
Vehicles - Owned	862.83	28.91	34.12	857.62	438.09	117.22	27.06	528.25	329.37	424.74
- Under Finance Lease	-	16.59	-	16.59	-	1.95	-	1.95	14.64	-
Sundry Equipments	1576.29	314.77	31.11	1859.95	577.12	188.11	18.34	746.89	1113.06	999.17
<b>Total Tangible Assets</b>	<b>119589.50</b>	<b>7328.26</b>	<b>3041.85</b>	<b>123875.91</b>	<b>45491.63</b>	<b>7228.40</b>	<b>2725.70</b>	<b>49994.33</b>	<b>73881.58</b>	<b>74097.87</b>
<b>B. Intangible Assets</b>										
Computer software	608.61	11.60	-	620.21	541.55	22.28	-	563.83	56.38	67.06
<b>Total Intangible Assets</b>	<b>608.61</b>	<b>11.60</b>	<b>-</b>	<b>620.21</b>	<b>541.55</b>	<b>22.28</b>	<b>-</b>	<b>563.83</b>	<b>56.38</b>	<b>67.06</b>
<b>Total (A+B)</b>	<b>120198.11</b>	<b>7339.86</b>	<b>3041.85</b>	<b>124496.12</b>	<b>46033.18</b>	<b>7250.68</b>	<b>2725.70</b>	<b>50558.16</b>	<b>73937.96</b>	<b>74164.93</b>
Previous year	96586.78	24527.04	915.71	120198.11	40326.40	6288.91	582.13	46033.18	74164.93	54300.35
<b>C. Capital Work-in-Progress</b>									<b>3380.96</b>	<b>2617.06</b>
									<b>77318.92</b>	<b>76781.99</b>

NOTES : 1. Buildings include the cost of ownership premises in Co-operative Societies ₹ 157.31 Lacs ( Previous Year ₹ 157.31 Lacs).

## Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

### 12. NON - CURRENT INVESTMENTS

	Face Value (₹)	Quantity 30-June-12	30-June-11	Amount 30-June-12	30-June-11
<b>INVESTMENTS IN</b>					
<b>GOVERNMENT &amp; TRUST SECURITIES</b>					
National Saving Certificate				0.06	0.06
Sub Total				0.06	0.06
<b>OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	1000	1000	0.10	0.10
Samarpan Fabricators Ltd.	100	1350	1350	0.75	0.75
Super Bazaar Co-op. Stores Ltd.	10		1000	—	0.10
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	1	1	18.88	18.88
Sub Total				19.73	19.83
<b>OTHERS - QUOTED &amp; FULLY PAID UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)	10	28936400	28936400	3337.50	3337.50
Symphony Ltd.	10	—	600	—	0.27
Vijaya Bank Ltd.	10	3200	3200	0.77	0.77
Central Bank of India	10	5874	5874	6.01	6.01
Unimers India Ltd.	10	500	500	0.05	0.05
Sub Total				3344.33	3344.60
Total				3364.12	3364.49
Aggregate Value of Quoted Investments				3344.33	3344.60
At Cost				3344.33	3344.60
At Market Value				12159.96	18260.43
Aggregate Value of Unquoted Investments				19.79	19.89
At Cost				19.79	19.89

### 13. LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	30-June-12	30-June-11	30-June-12	30-June-11
Capital Advances (Advance for Capital Goods)	3647.63	1167.06	—	—
Sundry Deposits	1171.63	949.78	140.05	97.86
<b>Other Loans and Advances</b>				
Advances/claims recoverable in cash or in kind	1100.42	1266.11	6897.26	5251.93
Prepaid Expenses	20.35	55.05	167.56	225.28
Advance payment of Income Tax (net)	—	—	2283.29	4406.21
Balance with Government Authorities	133.37	187.48	812.70	1200.71
Advance to employees	70.42	40.14	180.47	164.36
Others	40.45	14.84	53.98	68.56
<b>TOTAL LOANS AND ADVANCES</b>	<b>6184.27</b>	<b>3680.46</b>	<b>10535.31</b>	<b>11414.91</b>

### 14. OTHER ASSETS

	<b>Long Term (Non-Current)</b>		<b>Short-Term (Current)</b>	
	30-June-12	30-June-11	30-June-12	30-June-11
Accruals	21.82	25.62	194.33	12.00
Assets held for disposal	—	—	8.25	—
Others	—	—	78.92	212.63
<b>TOTAL OTHER ASSETS</b>	<b>21.82</b>	<b>25.62</b>	<b>281.50</b>	<b>224.63</b>



# Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

## 15. INVENTORIES

	As at 30-June-12		As at 30-June-11	
Raw Materials and Components [(including goods in transit ₹ 240.77 Lacs (Previous year ₹ 820.86 Lacs)]	12168.10		12724.98	
Reusable Material	518.92		636.48	
Stores, Spare parts, and consumables	689.21		598.50	
Packing Material	426.48		403.30	
Finished / Semi-Finished Goods [(including goods in transit ₹ 46.89 Lacs (Previous year ₹ 10.69 Lacs)]	7143.52		8748.95	
Finished Goods for Resale	635.79	21582.02	457.08	23569.29
Commercial Complex		9819.26		10971.21
<b>TOTAL INVENTORIES</b>		<b>31401.28</b>		<b>34540.50</b>

## 16. TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

### Overdue for more than six months from due date

Considered good	463.33		574.68	
Considered doubtful	80.06	543.39	80.11	654.79

### Others

Considered good		16704.61		14726.55
Less: Provision for doubtful trade receivables		(80.06)		(80.11)

### TOTAL TRADE RECEIVABLES

	17167.94		15301.23
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## 17. CASH AND BANK BALANCES

### Cash and Cash Equivalents

Cash on hand	84.81		94.42	
Cheques on hand	4.86		15.87	
Remittance in Transit	17.33		43.04	

### Balance with Scheduled Banks in :

Current Accounts		758.41		832.85
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### Other Bank Balances

Deposit Accounts (Earmarked)	379.83		284.86	
Unpaid Dividends and FD Interest	141.26	521.09	124.29	409.15

### TOTAL CASH AND BANK BALANCES

	1386.50		1395.33
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## 18. REVENUE FROM OPERATIONS

Sales of Plastic Products	276436.49		232879.07	
Income from Processing	548.91		425.29	
Construction Business	6916.00		3975.21	
Others	8803.33		6293.83	

### Other operating income

Industrial Promotion Subsidy	3203.23		2810.92	
Sundry Receipts	534.07		409.12	
Claims & Refunds	3.58		30.32	
Liabilities No Longer Required (written off)	84.86	3825.74	74.49	3324.85

### TOTAL REVENUE FROM OPERATIONS

	296530.47		246898.25
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## 19. OTHER INCOME

Dividend Income	813.86		522.91	
Profit on sale of Capital Assets (Net)	182.25		444.90	
Profit on sale of Investments	79.93		—	
Commission Income	15.47		—	
Lease Rent Income	—		2.00	

### TOTAL OTHER INCOME

	1091.51		969.81
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## Notes to the Financial Statements for the year ended 30th June, 2012

	2011-2012	2010 - 2011
<b>20. COST OF MATERIALS</b>		
Cost of Raw Material Consumed	177559.79	151472.20
Cost of Packing Material Consumed	4634.40	4677.17
Cost of Premises Sold	2292.30	1452.45
<b>TOTAL COST OF MATERIALS</b>	<b>184486.49</b>	<b>157601.82</b>
<b>21. PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>10341.12</b>	<b>8582.11</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods/ Semi Finished Goods	8748.95	6472.98
Resale of finished goods (Traded Goods)	457.08	348.07
	<b>9206.03</b>	<b>6821.05</b>
<b>Inventories at the end of the year</b>		
Finished Goods / Semi Finished Goods	7143.52	8748.95
Resale of finished goods (Traded Goods)	635.79	457.08
	<b>7779.31</b>	<b>9206.03</b>
<b>Change in Inventories</b>	<b>1426.72</b>	<b>(2384.98)</b>
Increase / (Decrease) in Excise Duty on Finished Goods	(109.98)	414.89
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>1316.74</b>	<b>(1970.09)</b>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	9977.19	8544.07
Contribution to Provident & Other Fund	510.15	465.98
Staff Welfare Expenses	717.86	632.83
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>11205.20</b>	<b>9642.88</b>
*includes remuneration to MD and ED ₹ 1335.19 Lacs (Previous year ₹ 1007.72 Lacs)		
<b>24. OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	2587.41	2334.06
Labour Charges	6262.16	5155.05
Power & Fuel	11708.18	10021.51
Water Charges	76.63	68.63
Repairs & Maintenance of Building	264.65	534.51
Repairs & Maintenance of Plant & Machinery	1088.24	1027.40
Repairs & Maintenance (Others)	262.59	234.82
Directors' Fees	7.50	6.75
Rent, Rates & Taxes	693.79	595.18
Insurance	160.54	162.72
Charity & Donations	106.70	72.81
Legal & Professional Fees	520.26	453.04
Travelling & Conveyance	1223.72	1225.16
Vehicle Expenses	257.99	229.99
Advertisement & Publicity	1888.82	1787.00
Freight and Forwarding Charges	4245.51	4084.94
Printing, Stationery & Communication	702.96	682.27
Royalty	173.07	43.94
Commission & Discount	8563.70	7463.93
Sales Tax	19.62	79.03
Bad Debts / Provision for Doubtful Debts	4.08	21.55
Plant Security Services	374.73	310.15
Foreign Currency Exchange Fluctuation (Net)	19.95	65.21
Miscellaneous Expenses	778.09	642.46
<b>TOTAL OTHER EXPENSES</b>	<b>41990.89</b>	<b>37302.11</b>

# Notes to the Financial Statements for the year ended 30th June, 2012

	2011-2012		₹ in Lacs 2010 - 2011	
<b>25. FINANCE COSTS</b>				
Interest Expenses	5518.11		4033.12	
Other borrowing costs	257.63	5775.74	342.62	4375.74
Less: Interest Received		(296.07)		(125.55)
<b>TOTAL FINANCE COSTS</b>		<b>5479.67</b>		<b>4250.19</b>
<b>26. DEPRECIATION AND AMORTISATION EXPENSES</b>				
Depreciation and Amortisation	7250.68		6288.92	
Less : Transferred from revaluation reserve [Refer Note No. 39(b)]	(4.40)		(4.40)	
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>7246.28</b>		<b>6284.52</b>
<b>27. RAW MATERIAL AND COMPONENTS CONSUMED</b>				
Commodity Plastics	149766.26		126634.36	
Engineering Plastics	3349.52		2755.05	
Additives	15092.70		13549.28	
Others	9351.31		8533.52	
<b>TOTAL RAW MATERIAL AND CONSUMED</b>		<b>177559.79</b>		<b>151472.21</b>
<b>28. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL &amp; STORES &amp; SPARE PARTS CONSUMED</b>				
	2011 - 2012		2010 - 2011	
	Value	%	Value	%
Raw Materials				
Imported	65899.27	37.11%	66603.91	43.97%
Indigenous	111660.52	62.89%	84868.30	56.03%
Total	177559.79	100.00%	151472.21	100.00%
Stores & Spares				
Imported	152.29	5.89%	49.05	2.10%
Indigenous	2435.12	94.11%	2285.01	97.90%
Total	2587.41	100.00%	2334.06	100.00%
<b>29. STOCK &amp; TURNOVER</b>				
<b>Products</b>	<b>Sales Value</b>	<b>Closing Inventory</b>	<b>Opening Inventory</b>	
<b>Manufactured Products</b>				
Injection Moulded Products	107389.98 (93460.06)	5087.10 (3487.26)	6538.91 (2749.34)	
Extruded Products	165793.78 (135511.94)	2056.42 (5233.16)	2181.50 (3717.16)	
Machinery & Moulds	47.94 (113.27)	— (28.53)	28.53 (6.49)	
<b>Trading Products</b>				
Injection Moulded Products	687.84 (269.84)	29.40 (2.69)	243.09 (49.52)	
Extruded Products	532.11 (691.68)	— —	— (34.45)	
<b>Others</b>	10473.09 (8597.07)	606.39 (454.39)	213.99 (264.10)	

Figures in brackets refer to previous year

The turnover does not include sale of scrap of ₹ 315.08 lacs (Previous year ₹ 529.05 lacs)

## Notes to the Financial Statements for the year ended 30th June, 2012

₹ in Lacs

	2011-2012	2010 - 2011
<b>30. VALUE OF IMPORTS ON CIF BASIS</b>		
Raw Material & Components	49300.99	51357.08
Stores & Spares	205.94	49.51
Capital Goods	4604.03	6397.79
<b>TOTAL VALUE OF IMPORTS ON CIF BASIS</b>	<b>54110.96</b>	<b>57804.38</b>
<b>31. PAYMENT TO AUDITORS</b>		
Audit Fees	26.53	20.90
Tax Audit Fees	16.46	12.70
Taxation Matters	0.60	0.50
In other capacity	31.22	23.73
<b>TOTAL PAYMENT TO AUDITORS</b>	<b>74.81</b>	<b>57.83</b>
<b>32. EXPENDITURE IN FOREIGN CURRENCY</b>		
Interest	954.95	947.90
Other matters	430.32	263.77
<b>TOTAL EXPENDITURE IN FOREIGN CURRENCY</b>	<b>1385.27</b>	<b>1211.67</b>
<b>33. EARNING IN FOREIGN CURRENCY</b>		
Export (On FOB Basis)	6802.84	6171.25
<b>TOTAL EARNING IN FOREIGN CURRENCY</b>	<b>6802.84</b>	<b>6171.25</b>
<b>34. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
	2011 - 2012	2010 - 2011
	Final* Interim	Final** Interim
Number of Non-resident Shareholders	640 629	576 683
Number of Shares held on which dividend were paid	10391498 10782873	1524051 9146337
Gross Dividend (₹ in Lacs)	311.74 161.74	198.13 118.90
Nominal Value of Equity Shares (₹ per share)	2.00 2.00	10.00 2.00
* For the year ended 30th June 2011 ** For the year ended 30th June 2010		
<b>35. EARNINGS PER SHARE (EPS)</b>		
Profit after tax (PAT) available for Equity Shareholders (Rs. in lacs)	24051.59	17497.00
Weighted Average Number of Equity Shares	127026870	127026870
Nominal value of Equity Shares	2.00	2.00
Basic / Diluted earning per Equity Share	18.93	13.77
<b>36. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS"</b>		
The Gratuity Funds for the employees' are administered by Life Insurance Corporation of India under Group Gratuity Scheme. Liability of Gratuity has been valued by an independent actuary as on 31st March 2012 and has been provided accordingly. The disclosure in respect of the defined Gratuity Plan are given below:		
	As at 31st March, 2012	As at 31st March, 2011
<b>Assumptions</b>		
Discount Rate	8.25%	8.25%
Salary Escalation	6.00%	6.00%
<b>Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of the period	935.24	776.44
Interest cost	77.16	62.12
Current Service Cost	99.61	78.33
Plan Amendment	134.92	
Benefits Paid	(37.05)	(26.17)
Actuarial (gain)/Loss on obligations	(109.12)	44.52
Present value of obligations as at end of the period	1100.75	935.24
<b>Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	806.95	643.33
Expected return on plan assets	66.57	51.47
Contributions	138.81	124.71



# Notes to the Financial Statements for the year ended 30th June, 2012

	As at 31st March, 2012	As at 31st March, 2011
Benefits Paid	(37.05)	(26.17)
Actuarial (gain)/Loss on Plan assets	18.64	13.61
Fair value of plan assets at the end of year	993.92	806.95
Total Actuarial Gain/(loss) to be recognized	127.76	(30.92)
<b>Actual return on plan assets</b>		
Expected return on plan assets	66.57	51.47
Actuarial Gain/(Loss) on Plan assets	18.63	13.61
Actual return on plan assets	85.21	65.07
Amount Recognized in the Balance Sheet		
<b>Present value of obligations as at the end of the year</b>	1100.76	935.24
Fair value of plan assets as at the end of the year	993.92	806.95
Funded status (shortfall)	106.84	128.29
Net Asset/(liability) recognized in balance sheet	(106.84)	(128.29)
<b>Expenses recognized in statement of Profit &amp; Loss</b>		
Current Service Cost	99.61	78.33
Interest cost	77.16	62.12
Expected return on plan assets	(66.57)	(51.47)
Past service cost (vested benefit) recognized	134.92	—
Net Actuarial (gain)/Loss recognized in the year	(127.76)	30.92
Expenses recognized in statement of Profit & Loss	117.36	119.89
<b>Break up of Plan Assets as a percentage of total plan assets</b>		
Insurer Managed Assets	100%	100%
<b>Balance Sheet Reconciliation</b>		
Open Net Liability	128.29	133.11
Expenses as above	117.36	119.89
Employers Contribution Paid	(138.82)	(124.71)
Closing Net Liability	106.84	128.29
<b>37. CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>2011 - 2012</b>	<b>2010 - 2011</b>
<b>CONTINGENT LIABILITIES</b>		
Bills/Cheques discounted	1407.91	742.71
Bank Guarantees issued by Bankers	1182.60	1120.74
Claim against the company including Show-cause-cum-demand	1006.29	963.41
Notices in relation to Central Excise and Service Tax not acknowledged as Debts		
Disputed Income Tax Demands	1925.13	2039.64
Disputed Sales Tax / Entry Tax Demands	581.51	600.78
Other claims against the company not acknowledged as debts	152.90	169.79
Future obligation of exports towards imported capital goods at concessional rate of duty under EPCG Scheme.	6779.41	6779.41
<b>COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	14771.68	4696.70
Unexpired Letter of Credit issued by bankers	6344.51	341.20
<b>38. (a)</b> The company has capitalised interest amounting to ₹ 167.98 lacs (Previous year ₹ 51.70 lacs) on payments made towards various projects under implementation.		
(b) Interest of ₹ 242.35 lacs (Previous year ₹ 559.44 lacs) incurred during the year attributable to the property business is included in the cost of constructed property.		
<b>39. (a)</b> Depreciation has been provided at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956 except where the Company has reassessed the life of certain buildings, plant & machinery and accordingly revised the useful life of those assets. The Company has charged depreciation at higher rates than those specified under Schedule XIV of the Companies Act, 1956 on such assets. During the year company has reassessed life of certain plant & machinery and charged depreciation at higher rates, above change have resulted in higher depreciation for the year by ₹ 60.06 lacs (Previous year Nil) and correspondingly the profit for the year is lower by a similar amount.		
(b) Depreciation on incremental value due to revaluation is provided at the rates specified in Schedule XIV to the Companies Act, 1956. The additional charge of depreciation due to such revaluation is ₹ 4.40 lacs (Previous year ₹ 4.39 lacs). An equivalent amount has been transferred from Revaluation Reserve to Depreciation and Amortisation expenses.		

## Notes to the Financial Statements for the year ended 30th June, 2012

- (c) ₹ 0.06 (Previous year ₹ 0.06 lacs) has been transferred from Revaluation Reserve to Leasehold Land Account being the amortisation in the value of Lease Premium due to efflux of time.
- 40.** In respect of construction business determination of profit / losses and realisability of the construction project involves making estimates by the company which are of technical nature, concerning the percentage of completion, cost to completion and foreseeable losses to completion. Profits from construction activity and valuation of inventory of commercial complex is based on such estimate. In the opinion of the management, the net realizable value of such inventory will not be lower than costs so included therein.
- 41.** Forward contract premium of ₹ 270.12 lacs (Previous year ₹ 180.99 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company.
- 42.** (a) Company had setup a mega project at Gadegaon, Maharashtra and is entitled for Industrial Promotion subsidy for eligible period under Package Scheme of Incentives, 2001 of Government of Maharashtra. A sum of ₹ 3121.31 lacs (Previous year ₹ 2810.92 lacs) accrued for the year has been included in other operating income.  
(b) Company has undertaken an expansion at Jalgaon Unit and is eligible for incentive under Package Scheme of Incentive 2007. A sum of ₹ 81.92 lacs (Previous Year Nil) accrued for the year has been included in other operating income.

### 43. SEGMENT INFORMATION

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

Primary Business Segments

	Plastics	Construction	Total
<b>Revenue</b>			
Net Income (There is no inter segment revenue)	289614.47	6916.00	296530.47
Segment Result			
Segment Profit	35566.68	4377.07	39943.75
Add: Other Income			1091.51
Profit Before Interest and taxes			41035.26
Less: Interest (net)			5479.67
Taxes			11504.00
Profit after taxes			24051.59
<b>Other Information</b>			
Segment Assets	137736.43	9925.23	147661.66
Segment Liabilities	67805.54	740.64	68546.18
Capital Expenditure	7339.86	—	7339.86
Depreciation / Amortisation	7246.28	—	7246.28

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

### 44. DISCLOSURE ON RELATED PARTY TRANSACTIONS:

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	Total
Purchase of goods	— (—)	5290.36 (5124.48)	— (—)	5290.36 (5124.48)
Sale of goods	223.47 (255.45)	173.42 (20.07)	— (—)	396.89 (275.52)
Interest expense	— (—)	125.00 (91.03)	— (—)	125.00 (91.03)
Rendering of services - Paid- excluding taxes	61.20 (42.16)	— (15.25)	— (—)	61.20 (57.41)
Dividend Received	— (—)	810.21 (520.85)	— (—)	810.21 (520.85)
Dividend Paid	— (—)	2688.60 (2304.09)	147.62 (154.41)	2836.22 (2458.50)
Inter Corporate Deposits received	— (—)	6640.00 (3875.00)	— (—)	6640.00 (3875.00)
Remunerations	— (—)	— (—)	1361.93 (1018.65)	1361.93 (1018.65)

## Notes to the Financial Statements for the year ended 30th June, 2012

(₹ in lacs)

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	Total
Outstanding at year-end				
- Receivable	152.04 (88.79)	26.16 (41.85)	– (–)	178.20 (130.64)
- Payable	24.55 (17.73)	805.80 (628.07)	1117.02 (817.41)	1947.37 (1463.21)

\* Figures in bracket relate to previous year.

Names of related parties and description of relationship:

Subsidiary Company: The Supreme Industries Overseas FZE

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

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

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

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

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

(₹ in lacs)

Period	Total MLP	Interest	Principal Amount
Not later than 1 year	5.94	0.56	5.38
Later than 1 year and not later than 5 years	9.40	0.36	9.04
Later than 5 years	Nil	Nil	Nil

In the previous year the Principal amount, Interest & Total MLP were NIL.

46. (a) Provision for Income Tax liability has been made in the accounts based on the profits for the financial year ended 30th June, 2012, though the tax payable will be determined based on the taxable income for the period 1.4.2011 to 31.3.2012 (A/Y: 2012-13).

- (b) The Company has recognised deferred tax provision for the year aggregating to ₹ 372.02 lacs in the Statement of Profit & Loss (Previous Year ₹ 969.42 lacs).

- (c) Corporate Tax includes provision for wealth tax ₹ 4.00 lacs (Previous year ₹ 4.00 lacs).

47. Commitment charges / processing fee paid / payable on Borrowings is being amortised over the period of such borrowings.

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

(₹ in Lacs)

a. Unclaimed Dividend	₹ 128.45	(Previous Year ₹ 109.65)
b. Unclaimed Matured Deposits & Interest	₹ 66.14	(Previous Year ₹ 76.99)
Total	₹ 194.59	(Previous Year ₹ 186.64)

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

Name of the Instrument	Currency & Aggregate Amount	Purpose
a. Forward Purchase	US \$ 46.36 million (Previous Year US \$ 48.10 million)	Hedging
Currency & Interest Rate Swap	US \$ 21.60 million (Previous Year US\$ 23.50 million)	Hedging
b. Open Foreign Exchange Exposures		
Receivable	US \$ 1.00 million (Previous Year US\$ 1.33 million)	
Payable	US \$ 22.51 million (Previous Year US\$ 9.37 million)	

50. The previous year's figures have been re-grouped / re-classified to conform to this year's classification which is as per the Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statements as on 30th June 2012.

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

1. The Financial Year of the Subsidiary Company ended on : 30th June 2012.
2. Date from which it became Subsidiary : 10th December, 2005.
3. a) No. of shares held by The Supreme Industries Ltd. (Holding Company) with its nominees in the subsidiary at the end of the financial year of the subsidiary : 1 no. Equity Shares of UAE DHS 1,50,000 each fully paid up each.
- b) Extent of Interest of Holding Company at the end of the financial year of the subsidiary : 100%
4. The net aggregate amount of the Subsidiary's profit after deducting losses, so far as it concerns the members of the Holding Company.
  - a) Not dealt with in Holding Company's accounts.
    - i) For the Financial Year ended 30th June, 2012 : ₹ 4.03 lacs Loss
    - ii) For the Previous Financial years : ₹ 3.38 lacs Loss
  - b) Dealt with in Holding Company's accounts.
    - i) For the Financial Year ended 30th June, 2012 : Nil
    - ii) For the Previous Financial years : Nil
5. Changes in the Holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the Holding Company's financial year : None
6. Material changes between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of
  - a) Fixed Assets : Nil
  - b) Investments : Nil
  - c) Money lent by the subsidiary : Nil
  - d) Money borrowed by the subsidiary for any purpose other than meeting current liabilities : Nil

For and on behalf of the board		
<b>B. L. Taparia</b> Chairman	<b>M. P. Taparia</b> Managing Director	<b>H. S. Parikh</b>
		<b>N. N. Khandwala</b>
<b>S. J. Taparia</b> Executive Director	<b>V. K. Taparia</b> Executive Director	<b>B. V. Bhargava</b>
		<b>S. R. Taparia</b>
<b>O. P. Roongta</b> Sr. Vice-President (Finance) & Secretary		<b>Y. P. Trivedi</b>

Mumbai, 20th July, 2012

} Directors

### Financial Summary

#### RELATING TO SUBSIDIARY COMPANY AS ON 30.06.2012

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 30.06.12	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Tax	Provision For Tax	Profit (Loss)	Proposed Dividend
1	The Supreme Industries Overseas (FZE)	AED	15.14	18.88	(2.50)	213.53	213.53	NIL	312.31	(4.03)	NIL	(4.03)	NIL

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

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

We have audited the attached consolidated Balance Sheet of The Supreme Industries Limited and its subsidiary; hereinafter referred to as the "Group" as at June 30, 2012, the consolidated statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. In respect of the financial statements of subsidiary, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors. The details of the assets and revenues in respect of these subsidiary to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other Auditors:

	Total assets	Total revenues	Net Loss
Foreign subsidiary	₹ 213.53 lacs	₹ 312.31 lacs	₹ 4.03 lacs.

The investment in the associate has been stated at "equity method" as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

2. We further report that in respect of an associate, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the associates is based on these audited financial statements. The details of the net carrying cost of investment and current year's share of profit or (loss) in respect of these associates to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other Auditors:

	Net carrying cost of investment	Current year share of profit / (loss)
Associate	₹ 3337.50 lacs	₹ 930.97 lacs

3. We report that, unless stated otherwise, the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements", AS 23, and "Accounting for Investments in Associates in Consolidated Financial Statements" notified under sub section 3C of section 211 of the Companies Act, 1956, and on the basis of the separate audited financial statements of the SUPREME Group included in the consolidated financial statements.
4. We report that on the basis of the information and explanations given to us and on the consideration of report of other auditors on separate financial statement and on the other financial information of the components of the group, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at June 30, 2012;
  - b) in the case of the consolidated statement of Profit & Loss of the consolidated results of operations of the Group for the year ended on that date
  - c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

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

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

Mumbai, 20th July, 2012.



## Consolidated Balance Sheet as on 30th June, 2012

₹ in lacs

	Note	As at 30th June 2012		As at 30th June 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share capital	2	2540.54		2540.54	
Reserves and surplus	3	67132.03	69672.57	52230.33	54770.87
<b>NON - CURRENT LIABILITIES</b>					
Long-term borrowings	4	10487.60		20783.94	
Deferred tax liabilities (net)	5	8325.83		7953.80	
Other long-term liabilities	6	132.43		286.29	
Long-term provisions	7	1089.31	20035.17	896.66	29920.69
<b>CURRENT LIABILITIES</b>					
Short-term borrowings	8	14884.64		23941.11	
Trade payables	9	20614.23		16069.12	
Other current liabilities	10	20005.00		21588.66	
Short-term provisions	7	7996.79	63500.66	6255.12	67854.01
<b>TOTAL EQUITY AND LIABILITIES</b>			153208.40		152545.57
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	11	73882.34		74100.03	
Intangible assets	11	56.38		67.06	
Capital work-in-progress	11	3380.96		2617.06	
Non-current investments	12	8874.14		9162.00	
Long-term loans and advances	13	6186.21		3682.01	
Other non-current assets	14	21.82	92401.85	25.61	89653.77
<b>CURRENT ASSETS</b>					
Inventories	15	31401.27		34540.50	
Trade receivables	16	17116.73		15286.56	
Cash and bank balances	17	1441.46		1419.53	
Short-term loans and advances	13	10565.59		11420.57	
Other current assets	14	281.50	60806.55	224.64	62891.80
<b>TOTAL ASSETS</b>			153208.40		152545.57

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

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

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

Mumbai, 20th July, 2012

**B. L. Taparia**  
Chairman

**S. J. Taparia**  
Executive Director

**O. P. Roongta**  
Sr. Vice-President (Finance)  
& Secretary

For and on behalf of the board

**M. P. Taparia**  
Managing Director

**V. K. Taparia**  
Executive Director

**H. S. Parikh**

**N. N. Khandwala**

**B. V. Bhargava**

**S. R. Taparia**

**Y. P. Trivedi**

Directors

Mumbai, 20th July, 2012

# Consolidated Statement of Profit and Loss for the year ended 30th June, 2012

**Supreme**  
People who know plastics best

ANNUAL REPORT  
2011-2012

	Note	2011 - 2012	2010 - 2011
<b>INCOME</b>			
Revenue from operations	18	296564.76	246945.75
Other income	19	281.29	448.96
<b>EXPENDITURE</b>			
Cost of materials consumed	20	184486.49	157601.82
Purchases of Traded Goods	21	10341.12	8599.91
Changes in inventories of finished goods, work-in-progress and traded goods	22	1316.74	(1970.09)
Employee benefits expenses	23	11249.67	9677.93
Other expenses	24	41981.46	37296.99
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>		47470.57	36188.15
Finance costs	25	5480.71	4251.04
Depreciation and amortisation expenses	26	7248.51	6286.92
Depreciation for Earlier Years Provided for/(-) Written Back		-	(95.90)
<b>PROFIT BEFORE TAX</b>		34741.35	25746.09
<b>TAX EXPENSES</b>			
Current tax		11131.98	7804.00
Deferred Tax		372.02	969.42
<b>PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>		23237.35	16972.67
Add : Share of Profit (+)/Loss(-) in associate for the period		930.97	2611.46
<b>GROUP PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>		24168.32	19584.13
<b>EARNINGS PER SHARE</b>			
Basic & Diluted Earning Per Share (Face value of ₹ 2 each)	29	19.03	15.42
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For **CHHOGMAL & CO.**  
FRN - 101826W  
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M. No. 107490

Mumbai, 20th July, 2012

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Directors

Mumbai, 20th July, 2012

## Consolidated Cash Flow Statement for the year ended 30th June, 2012

	For the Year Ended 30th June 2012		For the Year Ended 30th June 2011	
₹ in Lacs				
<b>A CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		34745.47		25648.52
Adjustments For :				
Add :				
Depreciation	7248.51		6286.92	
Leasehold Assets Premium W/off	13.35		12.14	
Interest (Net)	5480.71	12742.57	4251.04	10550.10
		47488.04		36198.62
Less :				
Dividend Received	3.64		2.06	
Profit / (Loss) on sale of Investments	79.93		—	
Profit /(Loss) on sale of Assets	182.25		444.90	
Lease Rent etc. Received	—	265.82	2.00	448.96
Operating Profit before working capital changes		47222.22		35749.66
Adjustments for :				
Less:				
Inventories	(3139.23)		5476.22	
Trade & Other Receivable	3532.44		7509.95	
Trade & Other Payable	(28.46)	364.75	(7550.58)	5435.59
Cash Generated from Operations		46857.47		30314.07
Interest Paid		(5776.78)		(4376.00)
Direct Taxes Paid		(11668.24)		(8960.20)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		29412.45		16977.87
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		8104.60		25836.08
Sale of Fixed Assets		(484.99)		(1152.24)
Sale of Investments (Net)		(80.30)		—
Purchase of Investment		—		2.86
Interest Received		(296.07)		(125.55)
Dividend Received		(3.64)		(2.06)
Dividend Received from Associate Company		(810.22)		(520.85)
Lease Rent Received		—		(2.00)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		6429.38		24036.24
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Increase)/Decrease in Long Term & Short Term Borrowings		16317.62		(12387.33)
Dividend & Corporate Dividend Tax paid		6643.52		5776.86
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		22961.14		(6610.47)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>		21.93		(447.90)
Opening Balance at beginning of the year		1419.53		1867.43
Closing Balance at end of the year		1441.46		1419.53

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

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

Mumbai, 20th July, 2012

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**Y. P. Trivedi**

Directors

Mumbai, 20th July, 2012

# Notes to Consolidated Financial Statements for the year ended 30th June 2012

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS FOR PREPARATION:

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

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

₹ in Lacs

## 2. SHARE CAPITAL

	As at 30-June-12	As at 30-June-11
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	3000.00	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	1120.00	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	3380.00	3380.00
	<u>7500.00</u>	<u>7500.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	2540.54	2540.54
<b>TOTAL SHARE CAPITAL</b>	<u>2540.54</u>	<u>2540.54</u>

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

The details of Shareholders holding more than 5% equity shares :

Name of the Shareholders	As at 30-June-12		As at 30-June-11	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt. Ltd.	20206592	15.91%	19906592	15.67%
Jovial Investment and Trading Company Pvt. Ltd.	19847082	15.62%	19847082	15.62%
Venkatesh Investment and Trading Company Pvt. Ltd.	19693081	15.50%	19693082	15.50%
HDFC Mutual Fund	9589848	7.55%	2508442	1.97%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%

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

	As at 30-June-12		As at 30-June-11	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

### Terms/rights attached to Equity shares :

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

### 3. RESERVES AND SURPLUS

	As at 30-Jun-12		As at 30-Jun-11	
<b>REVALUATION RESERVE</b>				
As per last Balance Sheet	137.55		142.01	
Less: Transferred to Depreciation & Amortisation	4.40		4.39	
Transferred to Leasehold Land	0.06	133.09	0.07	137.55
<b>CAPITAL RESERVE</b>		246.37		246.37
<b>SECURITIES PREMIUM ACCOUNT</b>		4748.52		4748.52
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	46877.83		33509.16	
Add : Adjustment due to Associate Grouping	(405.49)		139.17	
Add : Transferred from Statement of Profit and Loss	15310.30	61782.64	13229.50	46877.83
<b>CAPITAL REDEMPTION RESERVE</b>		221.63		221.63
<b>FOREIGN EXCHANGE TRANSLATION RESERVE</b>		-0.22		-1.57
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet	—		—	
Add: Profit for the year	24168.32		19584.13	
Less : Appropriations				
Interim dividend paid on Equity Shares	1905.40		1651.35	
Corporate Dividend Tax Paid	309.10		274.27	
Proposed Dividend on Equity Shares	5716.21		3810.80	
[Dividend per share ₹ 4.50 (previous year ₹ 3.00)]				
Provision for Corporate Dividend Tax	927.31		618.21	
Transferred to General reserve	15310.30	—	13229.50	—
<b>TOTAL RESERVES AND SURPLUS</b>		<b>67132.03</b>		<b>52230.33</b>

### 4. LONG TERM BORROWINGS

	Non-Current		Current	
	30-June-12	30-June-11	30-June-12	30-June-11
<b>SECURED</b>				
Rupee Loans from Banks	—	3250.00	2500.00	3500.00
Foreign Currency Loans from Banks	6355.40	9684.00	3328.60	796.00
	6355.40	12934.00	5828.60	4296.00
Rupee Loans from Others	3509.20	6064.75	2555.56	1305.56
Total Secured	9864.60	18998.75	8384.16	5601.56
<b>UNSECURED</b>				
Fixed Deposits	377.69	1525.60	1324.35	1056.72
Deferred payment liabilities (Under Sales Tax Deferral Scheme)	236.27	259.59	24.23	44.65
Long term maturities of finance lease obligations	9.04	0.00	5.38	0.00
Total Unsecured	623.00	1785.19	1353.96	1101.37
Amount included under the head "Other Current Liabilities" (Refer Note 10)	—	—	(9738.12)	(6702.93)
<b>TOTAL LONG TERM BORROWINGS</b>	<b>10487.60</b>	<b>20783.94</b>	<b>—</b>	<b>—</b>

#### NOTES :

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

Immovable properties of the company, situated at certain locations of the company.

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



# Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

Maturity Profile and Interest Range of Long Term borrowings are as set out below :

Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	11.25 - 13.50	2259.20	1250.00	
Foreign Currency Loans	7.50 - 8.30	3634.80	2720.60	
Fixed Deposits	7.50 - 9.25	377.69		
Deferred Payment Liabilities	Interest Free	7.24		229.03
Finance Lease Obligations	4.66	9.04		

## 5. DEFERRED TAX LIABILITY (Net)

Calculated based on income up to Mar. 31, 2012 (Previous Year Mar. 31, 2011)

	As at 30-June-12	As at 30-June-11
<b>Deferred Tax Liabilities</b>		
Depreciation	8399.48	8115.03
<b>Deferred Tax Assets</b>		
Amount to be claimed on payment basis	(73.65)	(161.23)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>8325.83</b>	<b>7953.80</b>

## 6. OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	30-June-12	30-June-11	30-June-12	30-June-11
Trade / security deposits received	58.26	128.31	87.36	91.67
Others	74.17	157.98	—	—
Amount included under the head "Other Current Liabilities (Refer Note 10)	—	—	(87.36)	(91.67)
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>132.43</b>	<b>286.29</b>	<b>—</b>	<b>—</b>

## 7. PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-12	30-June-11	30-June-12	30-June-11
Provision for employee benefits:	926.23	776.88	903.57	840.15
<b>Provision - Others:</b>				
Provision for Income Tax (Net of Advances)	—	—	444.48	980.77
Proposed Dividend	—	—	5716.21	3810.80
Provision for Corporate Dividend Tax	—	—	927.31	618.21
Provision for Wealth Tax	—	—	5.22	5.19
Others	163.08	119.78	—	—
<b>TOTAL PROVISIONS</b>	<b>1089.31</b>	<b>896.66</b>	<b>7996.79</b>	<b>6255.12</b>

## 8. SHORT TERM BORROWINGS

	As at 30-June-12		As at 30-June-11	
<b>SECURED</b>				
Working Capital Loans:				
From Banks (Cash Credit Accounts)	830.42		6472.13	
Foreign currency Loans - Buyer's Credit	5109.13		4249.63	
		5939.55		10721.76
<b>UNSECURED</b>				
Foreign Currency Loans - Buyer's Credit	8945.09	8945.09	13219.35	13219.35
<b>TOTAL SHORT TERM LIABILITIES</b>	<b>14884.64</b>			<b>23941.11</b>

### NOTES :

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

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

## Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

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

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

### 9. TRADE PAYABLES

	As at 30-June-12	As at 30-June-11
Micro, Small and Medium Enterprises	559.89	400.31
Others	20054.34	15668.81
<b>TOTAL TRADE PAYABLES</b>	<b>20614.23</b>	<b>16069.12</b>

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

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

### 10. OTHER CURRENT LIABILITIES

	As at 30-June-12	As at 30-June-11
Current maturities of long-term debt	9732.74	6702.93
Current maturities of finance lease obligations	5.38	-
Current Portion of other long-term liabilities (Refer Note 6)	87.36	91.67
Interest accrued but not due on borrowings	534.38	507.84
Investor Education and Protection Fund	194.59	186.64
Statutory Dues	3304.64	2702.95
Payables - Capital Goods	1746.20	6970.63
Advances from customers	3082.37	3196.58
Other payables	1317.34	1229.42
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>20005.00</b>	<b>21588.66</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at June 30, 2012 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 0.35 lacs (Previous year ₹ 0.35 lacs).

### 11. FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1-July-11	Additions During the Year	Deductions/ Adjustment During The Year	As At 30-June-12	As At 1-July-11	For The Year	Deductions/ Adjustment During The Year	As At 30-June-12	As At 30-June-12	As At 30-June-11
<b>A. Tangible assets</b>										
Freehold Land	1339.73	898.04	-	2237.77	-	-	-	-	2237.77	1339.73
Leasehold Land	1112.36	1.23	13.41	1100.18	-	-	-	-	1100.18	1112.36
Buildings	24716.33	1749.55	26.14	26439.74	5100.45	771.76	0.41	5871.80	20567.94	19615.88
Plant, Machinery & Electrical Installations	69251.60	2942.20	2419.40	69774.40	24835.25	4407.85	2325.14	26917.96	42856.44	44416.35
Moulds & Dies	17674.93	1186.16	249.75	18611.34	12701.34	1387.01	102.68	13985.67	4625.67	4973.59
Furniture, Fixture & Office Equipments	3058.07	191.64	267.92	2981.79	1840.96	355.06	252.07	1943.95	1037.84	1217.11
Vehicles										
Owned	871.94	28.91	34.12	866.73	446.10	118.89	27.06	537.93	328.80	425.84
Under Finance Lease	-	16.59	-	16.59	-	1.95	-	1.95	14.64	
Sundry Equipments	1576.29	314.77	31.11	1859.95	577.12	188.11	18.34	746.89	1113.06	999.17
Total Tangible Assets	119601.25	7329.09	3041.85	123888.49	45501.22	7230.63	2725.70	50006.15	73882.34	74100.03
<b>B. Intangible Assets</b>										
Computer software	608.61	11.60	-	620.21	541.55	22.28	-	563.83	56.38	67.06
Total Intangible Assets	608.61	11.60	-	620.21	541.55	22.28	-	563.83	56.38	67.06
Total (A+B)	120209.86	7340.69	3041.85	124508.70	46042.77	7252.91	2725.70	50569.98	73938.72	74167.09
Previous year	96586.78	24527.04	915.71	120198.11	40326.40	6288.91	582.13	46033.18	74164.93	54300.35
<b>C. Capital Work-in-Progress</b>										
									3380.96	2617.06
									<b>77319.68</b>	<b>76784.15</b>

NOTES : 1. Buildings include the cost of ownership premises in Co-operative Societies ₹ 157.31 Lacs ( Previous Year ₹ 157.31 Lacs).

# Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

## 12. NON - CURRENT INVESTMENTS

	Face Value (₹)	Quantity 30-June-12	30-June-11	Amount 30-June-12	30-June-11
<b>INVESTMENTS IN</b>					
<b>GOVERNMENT &amp; TRUST SECURITIES</b>					
National Saving Certificate				0.06	0.06
Sub Total				0.06	0.06
<b>OTHERS - UNQUOTED AND FULLY PAID-UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	1000	1000	0.10	0.10
Samarpan Fabricators Ltd.	100	1350	1350	0.75	0.75
Super Bazaar Co-op. Stores Ltd.	10		1000	—	0.10
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	1	1		
Sub Total				0.85	0.95
<b>OTHERS - QUOTED &amp; FULLY PAID-UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)	10	28936400	28936400	2834.84	2834.83
Add: Goodwill on acquisition				502.66	502.66
Add: Accumulated share in profit / (-) loss at the beginning of the year				5408.15	3725.81
Add: Share in profit / (-) loss - current year				937.51	2620.29
Less: Unrealised Profit for Stock in hand				(6.54)	(8.84)
Less: Dividend received during the year				(810.22)	(520.86)
				8866.40	9153.89
Symphony Ltd.	10	—	600	—	0.27
Vijaya Bank Ltd.	10	3200	3200	0.77	0.77
Central Bank of India	10	5874	5874	6.01	6.01
Unimers India Ltd.	10	500	500	0.05	0.05
Sub Total				8873.23	9160.99
Total				8874.14	9162.00
Aggregate Value of Quoted Investments					
At Cost				8873.23	9160.99
At Market Value				12159.96	18260.43
Aggregate Value of Unquoted Investments					
At Cost				0.91	1.01

## 13. LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-12	30-June-11	30-June-12	30-June-11
Capital Advances (Advance for Capital Goods)	3647.63	1167.06	—	—
Sundry Deposits	1173.57	951.33	140.05	97.86
<b>Other Loans and Advances</b>				
Advances/claims recoverable in cash or in kind	1100.42	1266.11	6923.74	5252.45
Prepaid Expenses	20.35	55.05	171.36	230.42
Advance payment of Income Tax (net)	—	—	2283.29	4406.21
Balance with Government Authorities	133.37	187.48	812.70	1200.71
Advance to employees	70.42	40.14	180.47	164.36
Others	40.45	14.84	53.98	68.56
<b>TOTAL LOANS AND ADVANCES</b>	<b>6186.21</b>	<b>3682.01</b>	<b>10565.59</b>	<b>11420.57</b>

## 14. OTHER ASSETS

	Long Term (Non-Current)		Short-Term (Current)	
	30-June-12	30-June-11	30-June-12	30-June-11
Accruals	21.82	25.61	194.33	12.00
Assets held for disposal	—	—	8.25	—
Others	—	—	78.92	212.64
<b>TOTAL OTHER ASSETS</b>	<b>21.82</b>	<b>25.61</b>	<b>281.50</b>	<b>224.64</b>

## Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

### 15. INVENTORIES

	As at 30-June-12		As at 30-June-11	
Raw Materials and Components [(including goods in transit ₹ 240.77 Lacs (Previous year ₹ 820.86 Lacs)]	12168.09		12724.98	
Reusable Material	518.92		636.48	
Stores, Spare parts, and consumables	689.21		598.50	
Packing Material	426.48		403.30	
Finished / Semi-Finished Goods [(including goods in transit ₹ 46.89 Lacs (Previous year ₹ 10.69 Lacs)]	7143.52		8748.95	
Finished Goods for Resale	635.79	21582.01	457.08	23569.29
Commercial Complex		9819.26		10971.21
<b>TOTAL INVENTORIES</b>		<b>31401.27</b>		<b>34540.50</b>

### 16. TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

#### Overdue for more than six months from due date

Considered good	463.33		574.67	
Considered doubtful	80.06	543.39	80.11	654.78

#### Others

Considered good	16653.40		14711.89	
Less: Provision for doubtful trade receivables	(80.06)		(80.11)	

#### TOTAL TRADE RECEIVABLES

17116.73 15286.56

### 17. CASH AND BANK BALANCES

#### Cash and Cash Equivalents

Cash on hand	85.17		95.62	
Cheques on hand	4.86		15.87	
Remittance in Transit	17.33		43.04	

#### Balance with Scheduled Banks in :

Current Accounts	813.01		855.85	
------------------	--------	--	--------	--

#### Other Bank Balances

Deposit Accounts (Earmarked)	379.83		284.86	
Unpaid Dividends and FD Interest	141.26	521.09	124.29	409.15

#### TOTAL CASH AND BANK BALANCES

1441.46 1419.53

### 18. REVENUE FROM OPERATIONS

Sales of Plastic Products	276470.78		232926.33	
Income from Processing	548.91		425.29	
Construction Business	6916.00		3975.21	
Others	8803.33		6293.83	

#### Other operating income

Industrial Promotion Subsidy	3203.23		2810.92	
Sundry Receipts	534.07		409.36	
Claims & Refunds	3.58		30.32	
Liabilities No Longer Required (written off)	84.86	3825.74	74.49	3325.09

#### TOTAL REVENUE FROM OPERATIONS

296564.76 246945.75

### 19. OTHER INCOME

Dividend Income	3.64		2.06	
Profit on sale of Capital Assets (Net)	182.25		444.90	
Profit on sale of Investments	79.93		—	
Commission Income	15.47		—	
Lease Rent Income	—		2.00	

#### TOTAL OTHER INCOME

281.29 448.96

# Notes to Consolidated Financial Statements for the year ended 30th June 2012

	2011-2012	2010 - 2011
<b>20. COST OF MATERIALS</b>		
Cost of Raw Material Consumed	177559.79	151472.20
Cost of Packing Material Consumed	4634.40	4677.17
Cost of Premises Sold	2292.30	1452.45
<b>TOTAL COST OF MATERIALS</b>	<b>184486.49</b>	<b>157601.82</b>
<b>21. PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>10341.12</b>	<b>8599.91</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods/ Semi Finished Goods	8748.95	6472.98
Resale of finished goods (Traded Goods)	457.08	348.07
	<b>9206.03</b>	<b>6821.05</b>
<b>Inventories at the end of the year</b>		
Finished Goods/ Semi Finished Goods	7143.52	8748.95
Resale of finished goods (Traded Goods)	635.79	457.08
	<b>7779.31</b>	<b>9206.03</b>
<b>Change in Inventories</b>	<b>1426.72</b>	<b>(2384.98)</b>
Increase/(Decrease) in Excise Duty on Finished Goods	(109.98)	414.89
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>1316.74</b>	<b>(1970.09)</b>
<b>23. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	10021.66	8579.12
Contribution to Provident & Other Fund	510.15	465.98
Staff Welfare Expenses	717.86	632.83
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>11249.67</b>	<b>9677.93</b>
*includes remuneration to MD and ED ₹ 1335.19 Lacs (Previous year ₹ 1007.72 Lacs)		
<b>24. OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	2587.41	2334.06
Labour Charges	6262.16	5155.05
Power & Fuel	11708.18	10021.51
Water Charges	76.63	68.63
Repairs & Maintenance of Building	264.65	534.51
Repairs & Maintenance of Plant & Machinery	1088.24	1027.40
Repairs & Maintenance (Others)	262.59	234.82
Directors' Fees	7.50	6.75
Rent, Rates & Taxes	698.48	600.35
Insurance	160.54	162.72
Charity & Donations	106.70	72.81
Legal & Professional Fees	523.43	455.26
Travelling & Conveyance	1232.89	1229.01
Vehicle Expenses	257.99	229.99
Advertisement & Publicity	1894.70	1798.95
Freight and Forwarding Charges	4245.51	4084.94
Printing, Stationery & Communication	713.60	691.49
Royalty	173.07	43.94
Commission & Discount	8514.36	7421.40
Sales Tax	19.62	79.03
Bad Debts/Provision for Doubtful Debts	5.90	21.55
Plant Security Services	374.73	310.15
Foreign Currency Exchange Fluctuation (Net)	20.15	65.21
Miscellaneous Expenses	782.43	647.46
<b>TOTAL OTHER EXPENSES</b>	<b>41981.46</b>	<b>37296.99</b>



## Notes to Consolidated Financial Statements for the year ended 30th June 2012

₹ in Lacs

### 25. FINANCE COSTS

	2011-2012	2010 - 2011
Interest Expenses	5518.11	4033.12
Other borrowing costs	258.67	343.47
Less: Interest Received	(296.07)	(125.55)
<b>TOTAL FINANCE COSTS</b>	<b>5480.71</b>	<b>4251.04</b>

### 26. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and Amortisation	7252.91	6291.31
Less : Transferred from revaluation reserve	(4.40)	(4.39)
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>7248.51</b>	<b>6286.92</b>

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

Name of the subsidiary	Country of Incorporation	Proportion of Ownership As on 30th June, 2012
The Supreme Industries Overseas FZE	Sharjah (UAE)	100%
Name of the Associate	Country of Incorporation	Proportion of Ownership As on 30th June, 2012
Supreme Petrochem Limited	India	29.88%

### 28. The audited financial statement of the subsidiary and associate are available as on 30th June, 2012 and same have been considered for the preparation of the consolidated financial statements.

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

		2011-12	2010-11
Profit after tax (PAT) available for Equity shareholders (₹ in Lacs)		24,168.32	19,584.13
Weighted Average Number of Equity Shares	Nos.	12,70,26,870	12,70,26,870
Nominal Value of Equity Shares	₹	2.00	2.00
Basic / diluted earning per Equity Share	₹	19.03	15.42

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

## THE SUPREME INDUSTRIES LIMITED

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

Date : 20.07.2012

Dear Shareholder,

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

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

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

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

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

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

Unit - The Supreme Industries Limited,

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

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

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

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

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

Best regards,

For **The Supreme Industries Limited**

Sd/-

**O. P. Roongta**

*Sr. Vice-President (Finance)*

*& Company Secretary*

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### E-Communication Registration Form

Dear Sir,

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

I agree to receive the documents as referred in letter dated 20.07.2012, in electronic mode. Please register my e-mail address in your records, being my consent towards the same.

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

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

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

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

## This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a template for writing or drawing. The margins are consistent on all sides.

**THE SUPREME INDUSTRIES LIMITED**  
Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021

**ATTENDANCE SLIP**  
**70TH ANNUAL GENERAL MEETING**

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

I/We hereby record my/our presence at the 70th Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020 on Monday, the 17th September, 2012 at 4.00 p.m.

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

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

Signature \_\_\_\_\_

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

Signature \_\_\_\_\_

**THE SUPREME INDUSTRIES LIMITED**  
Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021

**PROXY FORM**

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

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

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

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

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

\_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 70th Annual General Meeting of the Company to be held on Monday, the 17th September, 2012 at 4.00 p.m. and at any adjournment thereof.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Affix  
Re. 1/-  
Revenue  
Stamp

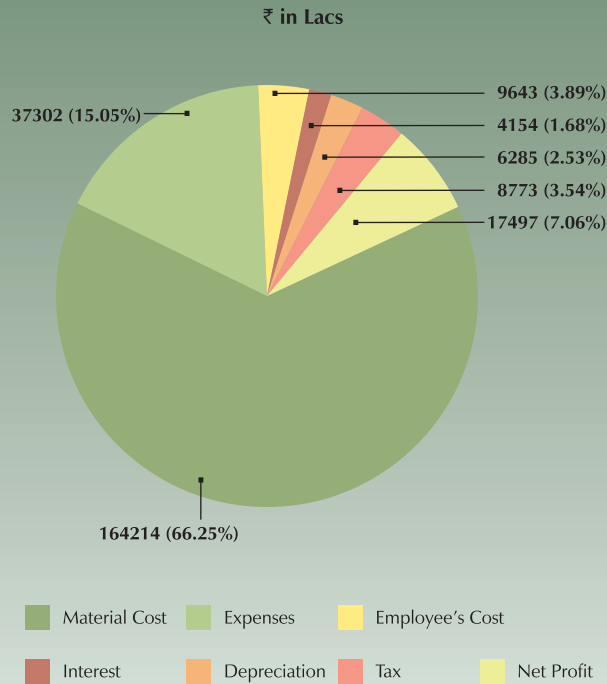
Signature

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

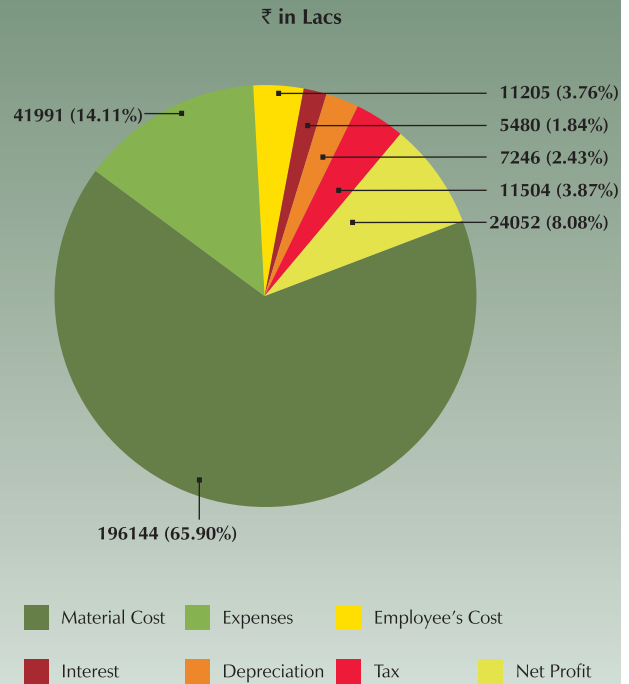




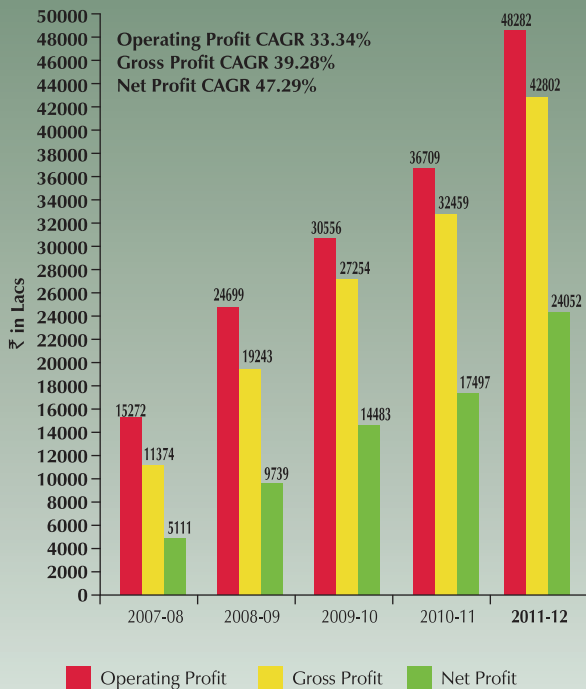
## Distribution of Revenue 2010-11



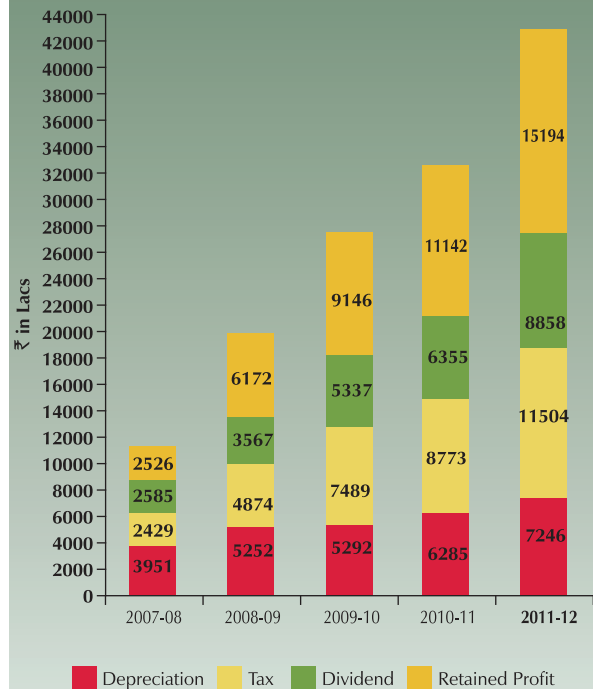
## Distribution of Revenue 2011-12



## Operating, Gross And Net Profits



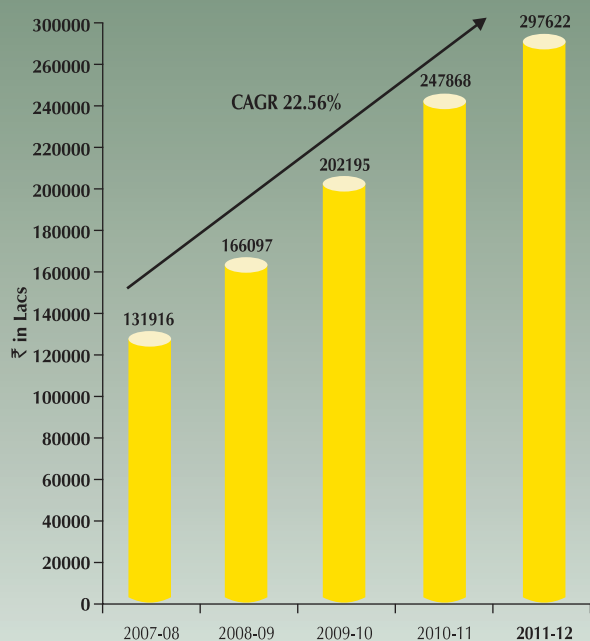
## Distribution of Profit



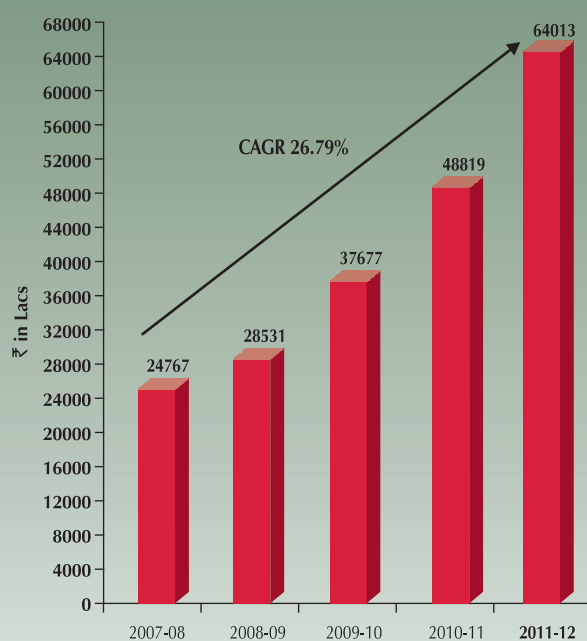
## Gross And Net Fixed Assets



## Income



## Shareholders' Funds



# LEADERSHIP THROUGH CAPABILITY

## *Supreme*

### *Leadership is responsibility*

A mantle that Supreme has donned with ease and commitment.

By leading the Indian plastics industry from the front and catalyzing its growth through dynamic initiatives of its own.

By developing breakthrough new products that fulfill vital needs and improve lifestyles.

By bringing the world closer to India with its technologies and opportunities.

By improving lives and contributing to society, as a socially responsible corporate citizen.

By helping preserve the environment through caring and proactive practices.



## *Growth*

### *Enhancing the strength to perform better*

Amongst the country's largest plastic processors, **Supreme** converts around 250,000 tonnes of polymers every year.

Not surprisingly, it also offers the most comprehensive plastic products portfolio in India.

The turnover of Supreme Industries Ltd is set to touch Rs. 60,000 million by the year 2015-16.

Armed with these sinews of growth -- and the strength of its existing 19 state-of-the-art plants & 3 new plants that are coming up this year -- Supreme stands out as a player who can make a difference.



## *Innovation*

### *Newer & better products, every time*

At **Supreme**, Research & Development has fuelled powerful new innovations in India. Like SWR Plumbing Systems, Painted Furniture, Cross-laminated Film Products, Multi-layer High Barrier Films, Low Density Cross-linked PE Foam, Injection Moulded Pallets, Underground Drainage System & Chambers, and many more...

Products that were more than just 'firsts'.

Products that opened the doors to new application possibilities.

Products that also showed how to get 'more for less'... and in better ways too.



## *Range*

### *More products for more needs*

**Supreme** manufactures India's largest and most comprehensive range of plastic products.

Products developed painstakingly with the world's best technologies, after extensive research.

Products created to make life more convenient, more comfortable and eco-friendly.

Our product portfolio: Plastic Piping Systems, Protective Packaging Products, Material Handling Products, Cross-laminated Films & Products, Industrial Moulded Components, Performance Films and Moulded Furniture. Products that are the benchmark of excellence in their category.

Products that meet Indian needs with the power of world class quality.





The Supreme Industries Stall at Plast India 2012  
held at Pragati Maidan, New Delhi



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

**THE SUPREME INDUSTRIES LIMITED**

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

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

Regd. Office : 612 Raheja Chambers, Nariman Point, Mumbai 400 021, India  
Tel.: (022) 22851656, 22820072 Fax : (91-22) 22851657