



SUPREME PETROCHEM LTD

**ANNUAL REPORT
2011-2012**



BOARD OF DIRECTORS :

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

REGISTERED OFFICE :

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

CORPORATE OFFICE :

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

PLANTS :

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

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

BANKERS :

State Bank of India
 AXIS Bank Ltd.
 Central Bank of India
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 IndusInd Bank Ltd.
 ING Vysya Bank Ltd.
 The Karur Vysya Bank Ltd.

AUDITORS :

M/s. Parikh & Shah
 Chartered Accountants

INTERNAL AUDITORS :

G.M. Kapadia & Co.
 Chartered Accountants

REGISTRARS & TRANSFER AGENTS :

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

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SUPREME PETROCHEM LTD

Performance Highlights	₹ Lacs unless indicated otherwise				
	2011-12	2010-11	2009-10	2008-09	2007-08
Net Sales	227267.22	194369.87	161184.41	139496.39	148127.40
Other Income	648.76	866.92	270.93	297.48	322.55
Total Income	227915.98	195236.79	161455.34	139793.87	148449.95
Operating Profit (Profit before Financial Cost, Depreciation, Amortisation and Tax)	10269.33	16903.64	12876.19	7684.01	6432.99
Financial Cost	3199.28	2021.64	1789.50	2142.84	1916.94
Depreciation/Amortisation	2292.34	2037.02	2068.29	2040.60	1758.50
Profit Before Tax & Exceptional items	4777.71	12844.98	9018.40	3500.57	2757.95
Net Profit	3137.47	8769.07	6047.49	1918.44	2257.31
Paid up Equity Capital	9683.86	9683.86	9683.86	9683.86	9837.65
Reserves and Surplus	21146.38	19584.55	13966.84	9941.24	9010.53
Shareholders' Funds	30830.24	29268.41	23650.70	19625.10	18848.18
Deferred Tax Liability (Net)	4385.59	4096.64	4349.29	4555.14	4419.65
Loans	14493.02	16828.10	15510.66	13771.62	13972.63
Capital Employed	49708.85	50193.15	43510.65	37962.57	37294.03
Avg Capital Employed	49951.00	46851.90	40736.61	37628.30	36725.83
Earning Per Equity Share (₹)	3.24	9.06	6.24	1.96	2.29
Cash Earning Per Equity Share (₹)	5.61	11.16	8.38	4.09	4.08
Book Value (₹)	31.84	30.22	24.42	20.27	19.16
Dividend (%)	14.00	28.00	18.00	10.00	10.00
ROACE (%) (PBIT/Average capital Employed)	15.97	31.73	26.53	15.00	12.73
ROANW (%) (PAT/Average Net Worth)	10.44	33.14	27.95	9.97	12.58
Debt : Equity (Total Debt/Total Net Worth)	0.46	0.57	0.66	0.70	0.74
Total Outside Liabilities/ Total Net Worth	2.26	2.24	2.14	1.99	1.98



NOTICE

NOTICE is hereby given that the twenty third Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, October 04, 2012 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended June 30, 2012.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri S. J. Taparia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Satish Raheja, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Hasmukh Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Aziz Parpia, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situate present and future, in favour of Consortium of Banks including State Bank of India (SBI); IDBI Bank Ltd. (IDBI); Central Bank of India (CBI); ICICI Bank Ltd. (ICICI); ING Vysya Bank Ltd. (IVBL); The Karur Vysya Bank Ltd. (KVBL); AXIS Bank Ltd. (AXIS); The Hongkong And Shanghai Banking Corporation Ltd. (HSBC) and such other Banks as may be included in the Consortium from time to time in such manner and form as may be agreed to between the Banks and the Board in respect of the existing and future fund and non-fund based credit facilities upto an amount of ₹ 1000.00 crores extended/to be extended to the Company for meeting its Working Capital requirements, together with interest at the agreed rate, costs, charges, expenses and all other monies payable by the Company in terms of the facility agreements in respect of said Working Capital Facilities.

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

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as may be necessary on such of the assets of the Company both present and future, in such manner as the Board may direct, in favour of financial institutions, investment institutions and their subsidiaries, banks and other bodies corporate (hereinafter referred to as the 'Lending Agencies')/ Trustees for the holders of debentures/ bonds or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans/ external currency borrowings, debentures, bonds and other instruments of an equivalent aggregate value not exceeding ₹ 100.00 crores (Rupees one hundred crores only) together with the interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment, costs, charges, expenses and all other moneys payable by the Company to the Lending Agencies/Trustees under the respective Agreement/ Loan Agreements/ Debenture Trust Deeds to be entered into by the Company in respect of the said borrowings.

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

For and on behalf of the Board

**M. P. Taparia
Chairman**

Registered Office:

612, Raheja Chambers, Nariman Point,
Mumbai - 400 021
Date : July 18, 2012



NOTES

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

An explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item Nos. 8 & 9 of the notice is annexed.

Register of Members of the Company will remain closed from Thursday, September 27, 2012 to Thursday, October 04, 2012 (both days inclusive).

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

Members holding shares in physical form are advised to furnish, on or before September 26, 2012 particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in the dividend warrants/ payment instrument.

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

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

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

ANNEXURE TO THE NOTICE

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

ITEM NO. 8:

The Company has been availing credit facilities from Consortium of Banks to meet its Working Capital requirements. As required by the Banks, these credit facilities are to be secured by a appropriate mortgage/hypothecation/charge on the Company's immovable and movable properties on pari-passu basis. The consent of the members is now being sought to create such mortgage/hypothecation/charge on pari-passu basis with the existing mortgages/hypothecations/charges on the Company's immovable/movable properties wheresoever situate both present and future in favour of the Banks for Working Capital Facilities including fund and non-fund based facilities sanctioned/to be sanctioned by the Consortium of Banks upto an aggregate amount of ₹ 1000.00 crores. The resolution at Item No. 8 is considered necessary having regard to Section 293(1)(a) of the Companies Act, 1956.

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

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

ITEM NO. 9

The Company proposes to approach financial institutions, investment institutions and their subsidiaries, banks and other

bodies corporate and/or other Lending Agencies **to replace existing loans with new term loans/external commercial borrowings/debentures/bonds at better terms** for a sum not exceeding ₹ 100.00 crores (Rupees one hundred crores only).

The said term loans/external commercial borrowings/debentures/bonds when sanctioned/ availed of/subscribed to, may be secured by appropriate mortgage/charge in favour of respective financial institutions, investment institutions and their subsidiaries, banks and other bodies corporate (hereinafter referred to as the 'Lending Agencies')/Trustees for the holders of debentures/bonds on such of the assets of the Company both present and future, as may be decided by the Board of Directors. The resolution at Item No. 9 is considered necessary having regard to Section 293(1)(a) of the Companies Act, 1956.

The Directors commend the resolution at Item No. 9 for your approval.

None of the Directors of the Company may be deemed to be in any way concerned or interested in the resolution except Shri M. S. Ramachandran, who is a Director of ICICI Bank Limited. He will be concerned or interested in the resolution, to the extent of term loans that may be availed from/debentures or bonds that may be subscribed by ICICI Bank Limited.

For and on behalf of the Board

**M. P. Taparia
Chairman**

Registered Office:

612, Raheja Chambers, Nariman Point,

Mumbai - 400 021

Date : July 18, 2012

DIRECTORS' REPORT

Your Directors take pleasure in presenting the twenty third Annual Report together with Audited Accounts of your Company for the year ended June 30, 2012.

1. FINANCIAL RESULTS

(Rupees in lacs)

	2011-2012	2010-2011
Income (Net of Excise)	227915.98	195236.79
Profit before Tax	4777.72	12844.98
Tax expenses	1440.25	4074.69
Profit after tax	3337.47	8770.29
Prior period adjustments	199.99	(1.22)
Balance brought forward from Previous Year	3137.48	3960.55
Amount available for appropriation	7715.73	12729.62
Appropriation thereof :		
Dividend on equity shares (including corporate dividend tax)	1575.64	3151.36
Transfer to general reserve	2500.00	5000.00
Balance carried forward	3640.09	4578.26

Your Directors recommend a dividend of ₹ 1.40 per equity share for the year 2011-2012.

2. REVIEW OF OPERATIONS

The new plants for Expandable Polystyrene (including Cup Grade EPS) at your Company's existing site in Maharashtra commenced commercial production from February 2012. The plants are stabilised and products have been well accepted in both the domestic and export markets with your Company receiving repeat orders from its customers in overseas markets.

The increase in installed capacity of Speciality Compounds and Polymers (SPC) to 33500 TPA was implemented in January 2012 by installing 4 new lines.

Domestic Polystyrene market grew by only 1.2% during the year under review due to low growth of economy. Exports from India were substantially lower due to the unrest in the Gulf countries and continuing economic crisis in many European countries. High input prices plus weak rupee squeezed margins during the year under review.

Cup Grade has received good response from the export markets with repeat orders from certain customers. However, there were certain logistics issues in exports of EPS causing delays in the shipments. The same have recently been resolved.

Specialty Polymers and Compounds business of your Company recorded a drop of approx. 20% in volume over the previous year due to political/economic uncertainty in major export markets and difficult business environment in the country.

Extruded Polystyrene Insulation Board (XPS) production was streamlined with environment friendly blowing agent. Your Company's XPS boards under brand name 'INSUBOARD' were successfully used in several large commercial projects, green buildings and in cold storages across the Country. With increased product awareness demand is slowly growing with good response from all parts of the country.

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

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

4. HEALTH, SAFETY & ENVIRONMENT

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

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

Your Company has completed 4272 accident free days and 11.28 million accident free man hours as on June 30, 2012.

5. DIRECTORS

Shri S. J. Taparia, Shri Satish Raheja, Shri Has Mukh Shah and Shri Aziz Parpia, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures;
- the accounting policies are consistently applied and reasonable, prudent judgement and estimates are



made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the accounts on a going concern basis.

7. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company transferred an aggregate amount of ₹ 49.99 lacs during the year to the Investor Education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹ 200.82 lacs.

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

8. FIXED DEPOSIT SCHEME

The outstanding fixed deposits as on June 30, 2012 were ₹ 1919.77 lacs. There were 123 due but unclaimed deposits aggregating ₹ 36.80 lacs out of which 3 deposits aggregating ₹ 0.65 lacs have been paid as on the date of this report. There are no claimed and unpaid deposits.

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

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

10. PERSONNEL

Your Company continues to maintain harmonious industrial relations throughout the year. The Directors

acknowledge the sincerity and dedication of the employees.

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

Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

11. STATUTORY AUDITORS

The retiring auditors M/s. Parikh & Shah, Chartered Accountants having furnished the necessary certificate u/s. 224(1-B) of the Companies Act, 1956 are eligible for re-appointment. The members are requested to re-appoint the auditors. There are no qualifications or adverse remarks in the auditors' report.

12. COST AUDITORS

The Cost Audit Report for the year 2010-11 was filed with the authorities on December 24, 2011. The due date for the same was December 27, 2011. Kishore A. Bhatia, Cost Accountant has been reappointed to audit the cost accounts of the Company for the period July 01, 2011 to June 30, 2012.

13. ACKNOWLEDGEMENT

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

For and on behalf of the Board

**M. P. Taparua
Chairman**

Mumbai - 400 021
Date : July 18, 2012

ANNEXURE - I TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF THE (BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2012.

A. CONSERVATION OF ENERGY

Various energy saving schemes are part of the ongoing programme of energy conservation. Such schemes resulted in savings of 185186 units of electrical energy during the year under review.

B. TECHNOLOGY ABSORPTION

Technology for manufacture of Polystyrene is fully absorbed by your Company and has successfully been used to expand the installed capacity to 272000 TPA.

The technology for Expandable Polystyrene (EPS) was taken from SH Chemical Company, Republic of Korea. This technology has been absorbed by your Company.

The technology for the Cup Grade EPS received from Nova Chemical Inc. has been absorbed and further developments are in progress.

ANNEXURE - FORM A

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

A. Power and fuel consumption

		Current Year July 01, 2011 to June 30, 2012	Previous Year July 01, 2010 to June 30, 2011
1	Electricity		
	(a) Purchased		
	Units (KWH)	34440928	33506098
	Total amount (₹ Lacs)	2415.94	2000.67
	Rate/unit (₹)*	7.02	5.97
	(b) Own Generation		
	Through Diesel Generator		
	Units (KWH)	390438	246578
	Unit per ltr. of diesel oil	3.00	3.00
	Cost/Unit*	14.61	13.46
	(c) Own Generation		
	Through Gas Engine		
	Units (KWH)	NIL	809270@
	Unit per MMBTU of Gas	NIL	110.88
	Cost/Unit*	NIL	4.75
2	Furnace Oil		
	Quantity (MT)	2146.18	1986.14
	Total amount (₹ Lacs)	926.72	571.44
	Average rate (₹ per Kg.)*	43.18	28.77

B. Consumption per unit of production

Product	PS	EPS	XPS	PS	EPS	XPS
Electricity (KWH/MT)	199.33**	169.81	1494.10	175.87**	195.37	1984.10
Furnace Oil (Kgs/MT)	9.03	41.73	NIL	8.34	38.66	NIL

* Average of all plants

** Including Speciality Polymers and Compounds

@ Units generated on trial run of captive power plant

For and on behalf of the Board

M. P. Taparia
Chairman

Mumbai - 400 021
Date : July 18, 2012



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Economic uncertainties prevailing in European countries, slow recovery of US economy and political unrest in Gulf countries coupled with tight monetary policy adopted by Reserve Bank of India affected the GDP growth of India during fiscal year 2011-12 which dropped to 6.5% as against 8.5% in the previous year. Steep depreciation in the value of Rupee fuelled inflation, pulled down consumption in the country and contributed to slow growth of GDP.

Your Company's operations during the year suffered on account of negligible growth in domestic market of Polystyrene, fall in export sales, continuing depreciation in the value of Rupee in parity to US Dollar and wide fluctuation in all major raw material prices. These factors not only increased the cost but also resulted in lower volume sales in particular to the price sensitive sectors thus putting pressure on the margins of your Company. The year under review witnessed weakening of Rupee by over 26% and varying fluctuations upto 25% in the prices of Styrene Monomer the main raw material for your Company's products.

The domestic demand for Polystyrene grew by only 1.2% during the year. The growth was poor since the refrigerator industry, one of the major PS consumption sectors, witnessed marginal growth while water purifier industry had a negative growth. Other sectors did not grow as expected. All this pulled down the domestic consumption of Polystyrene. Increased usage of recycled material was also witnessed due to high prices of Polystyrene particularly in the products at lower end.

Exports of Polystyrene remained sluggish due to overall down turn in the various regions of the global economy. Continuing disturbances in many countries in the Gulf region, one of the major markets for your Company, and ongoing debt crises in Europe further compounded the situation.

The new plants for Expandable Polystyrene (EPS) including cup grade EPS at your Company's site in Maharashtra commenced commercial production on February 1, 2012. Your Company's total installed capacity for EPS thus stands at 72100 TPA considering its plant sites in Maharashtra and Tamil Nadu and is the largest in the country.

The plants are stabilised and products have been well accepted in the both domestic and export markets. The Cup Grade EPS has received encouraging response in export market with your Company receiving repeat orders from its customers. There were certain logistics issues relating to export of EPS causing delays in shipment. The same have recently been resolved.

Plastindia 2012 exhibition platform was used to reach all existing and potential customers of EPS in India. Dedicated seminar on use of EPS was organized by your Company in New Delhi over a period of two days focusing on various technologies practiced in processing, packaging, construction, decoration and cup grade applications. Your

Company created a platform to show case the opportunities and possibilities for EPS processing by bringing international companies to share their technologies. Your Company is making continuing efforts to increase the usage of Cup Grade EPS in the country.

Your Company is actively working with an European technology provider to popularise the process of light weight concrete in India. It is heartening to see some progress in the use of EPS in construction with the implementation of a few projects based on light weight 3 D panels for construction using EPS material.

The project for increasing the installed capacity of Specialty Polymers and Compounds (SPC) from 25000 TPA to 33500 TPA was completed in January, 2012. However SPC business suffered a drop of almost 20% in volume over the previous financial year due to the political uncertainty in the international market and difficult business environment in the country.

The shifting of the moulding operations by a large customer of your Company operating in South East Asia to China also resulted in major loss in export volumes in the SPC business.

Your Company's Extruded Polystyrene Insulation Board (XPS) branded as 'Insuboard' was used successfully in several large commercial projects, cold storages and green buildings across the country. Insuboard has been approved for use in the reefer/ refrigerated vans for carrying perishable items and also for packaging temperature sensitive pharmaceutical products.

XPS production was streamlined during the year with environment friendly blowing agent. Distribution chain for XPS was expanded during the year and is further being strengthened on a pan India basis to increase the product reach.

CAPITAL EXPENDITURE

Your Company completed the capital expenditure schemes relating to EPS and Cup Grade EPS, SPC and Captive Power Plant during the year without any cost overrun. A total capital expenditure of ₹ 6280 lacs was incurred during the year under review.

FINANCE

Your Company's total debt stands reduced to ₹ 14231 lacs as on June 30, 2012. Your Company is making efforts to shorten the working capital cycle and thereby plans to bring down total borrowings to about ₹ 7500 lacs by the end of the current year. As on June 30, 2012 your Company had a comfortable debt to equity ratio of 0.46:1 and total outside liabilities to networth ratio of 2.26:1.

OUTLOOK

Your Company estimates domestic Polystyrene demand growth of about 8% during the year 2012-13. The major drivers for this growth are expected to be:-

- i) Refrigeration Industry - which is estimated to grow at about 20% in the coming year. The industry currently at 10.5 million units is expected to grow to about 12.5 million



units in the year 2012-13. Major players are planning to export sizeable capacity to the African Countries.

- ii) Water Purifiers – with increased exports from India to many developing/underdeveloped countries in Gulf and African countries. Demand though currently at low ebb in India is likely to get a push since many large players are preparing to enter this market in the current year.
- iii) Rigid Transparent sheets – which were till now being sourced from China and Taiwan, while 3 manufacturers have already set up their plants in India, another 3 to 4 new entrepreneurs are likely to join this sector during the current year.
- iv) PS Foam Food Serveware - with food court culture getting popular in large cities and tier 2 and tier 3 towns and increased awareness about hygiene the demand from this sector will continue to grow. About 30 units have now started making foamed food service wares in India. The current annual demand from this sector is about 18000 MT which is likely to grow by 50% by this year end.

Exports of Polystyrene are likely to improve since it is noticed that political unrest in Gulf is now settling barring one or two countries. Moreover, the concerted efforts of the world leaders to push global economies back to growth path is likely to improve exports market for your Company's products.

Expandable Polystyrene : The domestic EPS sale is expected to grow by 10% during 2012-13. The construction industry which offers lot of scope for growth continues to be a thrust area for market development for your Company. EPS application in construction in India is only 10% with 90% EPS consumption in shape application. The ratio in China is 60% for construction and 40% in shape applications whereas in Europe it is 80% in construction and 20% for shape applications. Thus EPS use for construction in India continues to be low and is a challenging opportunity for your Company.

Speciality Polymers and Compounds: Considering the growth in the domestic appliances sector and the improving business environment in the international market, business outlook for SPC is positive both for domestic and export markets.

Extruded Polystyrene Insulation Board: Rising energy costs and growing concern about the environment augurs well for the use of XPS board in construction as an energy saving material. The income tax incentives by the Government of India for building cold chain facilities will help boost demand for XPS and EPS. A mandate for use of insulation material for energy saving in new buildings is under discussion at Central Government and also in various States. In the event it matures, demand for both EPS and XPS will get a jumpstart as both are approved insulation materials. Your Company is doubling its efforts to reach out to new customers in existing markets and in hitherto unexplored new markets by adding resources as required. Your Company is strengthening the distribution network to improve awareness about the advantages of this product and availability thereof.

Sale of 177120 MT of manufactured products during the year under review, are at the same level as in the previous year despite unfavourable market conditions. With the likely improvement in both domestic and export markets, product availability from the new EPS and Cup Grade EPS plants at Nagothane, your Company estimates a volume growth in its sales of manufactured products by 25% during the current year.

PROJECTS

Polystyrene : The debottlenecking of the existing PS 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.

Gas Power Project : The much awaited environment clearance for the 4000 KVA Captive Gas Engine Power plant is received. Consent to operate from Maharashtra Pollution Control Board is expected in next couple of weeks. Since the plant is mechanically complete in all respects the generation would start soon after receipt of consent to operate which is expected by end August'12. Your Company's total power bill will see savings of upto 20% once the said Captive Power Plant is operational.

Minor Port : The issue relating to construction of approach road is not yet resolved though it is making slow progress. The land owners' continue to demand increase in the selling prices on a regular basis. The land acquisition process is therefore proceeding at a slow pace.

RISK MANAGEMENT

Styrene Monomer the main raw material is wholly imported and therefore vulnerable to international pricing and demand/supply risk. To minimise the risks your Company enters into procurement contracts on annual basis for import of Styrene Monomer with inbuilt flexibility with regard to quantities. Your Company also looks to increase sales linked to raw material prices so that any increase in raw material cost is passed on.

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

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



HUMAN RESOURCES/INDUSTRIAL RELATIONS

Training of employees at various levels is an ongoing process to maintain high level of motivation and leadership development of employees. Campus recruitment at entry level of diploma engineers and management trainees fills the gap whenever internal resources are not available. Industrial relations were harmonious during the year under review.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company's system of internal controls is geared towards safeguarding and protecting assets against loss from unauthorized use or disposition.

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

AWARDS & RECOGNITION

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

1. Dun & Bradstreet – Rolta Corporate Awards 2011 as top Indian Company under the Petrochemicals and Polymers Sector.
2. Greentech Safety Gold Award 2011 – From Greentech Foundation, New Delhi for outstanding achievement in Safety Management .
3. Greentech Environment Excellence Award 2011 – from Greentech Foundation, New Delhi for outstanding achievement in Environmental Management.
4. National Safety Council of India – Safety Awards – 2010, Certificate of Merit in recognition for developing and implementing very effective management systems and procedures and achieving very good performance in Occupation, Safety and Health.

5. National Safety Council of India – Maharashtra Chapter, Maharashtra Safety Awards – 2010 for achieving lowest accident frequency rate in Chemical & Fertilizers Industry group Mumbai.
6. National Safety Council of India – Maharashtra Chapter, Maharashtra Safety Awards – 2010 for achieving longest accident free period in Chemical & Fertilizers Industry group Mumbai.
7. National Safety Award from Ministry of Labour, Govt. of India in recognition for outstanding performance in Industrial Safety as 'Runner Up' for the performance year 2009 based on Lowest Average Frequency Rate.

SOCIAL RESPONSIBILITY

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

- Water supply scheme for drinking water to villages with technical and financial support by your Company.
- Scholarships to school going and deserving students interested in pursuing higher technical education.
- Active participation in activities of District Crises Group.
- Extending help to local and district authorities for handling "Off Site Emergencies" such as road accidents, fire etc.

CAUTIONARY STATEMENT

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

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

CORPORATE GOVERNANCE

PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE:

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

1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors comprised of 10 members as on June 30, 2012. The Directors bring to the Board a wide range of experience and skills :

Name of the Director	Category	No. of outside Directorship		No. of Chairpersonship/ Membership in other Board/Committees		No of Shares Held
		Public	Private	Chairperson	Member	
M. P. Taparia	Non-Executive – Promoter/ Chairman	4	2	-	-	37733
Rajan B. Raheja	Non-Executive – Promoter	7	38	2	3	300
Aziz Parpia	Non-Executive – Independent	-	3	-	-	43101
B. L. Taparia	Non-Executive – Promoter	2	1	-	-	4834
Satish Raheja	Non-Executive – Promoter	3	-	-	-	-
S. J. Taparia	Non-Executive – Promoter	3	1	-	1	37733
Hasmukh Shah	Non-Executive – Independent	5	1	4	2	2800
R. Kannan	Non-Executive – Independent	5	-	1	2	-
M. S. Ramachandran	Non-Executive – Independent	5	-	3	8	-
Nihalchand Chauhan	Non-Executive – Independent	2	-	-	-	-
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	4	72	1	6	200

During the year under review the Board met on 5 occasions i.e. July 18, 2011; September 21, 2011; October 19, 2011; January 24, 2012 and April 23, 2012.

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

Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter/ Chairman	5	5	Yes
Rajan B. Raheja	Non-Executive – Promoter	5	4	No
Aziz Parpia	Non-Executive – Independent	5	3	No
B. L. Taparia	Non-Executive – Promoter	5	5	Yes
Satish Raheja	Non-Executive – Promoter	5	--	No
S. J. Taparia	Non-Executive – Promoter	5	5	Yes
Hasmukh Shah	Non-Executive – Independent	5	3	Yes
R. Kannan	Non-Executive – Independent	5	4	No
M. S. Ramachandran	Non-Executive – Independent	5	3	Yes
Nihalchand Chauhan	Non-Executive – Independent	5	5	Yes
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	5	5	Yes



2. AUDIT COMMITTEE:

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

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

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

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

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

During the year under review, the Audit Committee met on 4 occasions i.e. July 18, 2011; October 19, 2011; January 24, 2012 and April 23, 2012.

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

3. REMUNERATION COMMITTEE:

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

During the year under review, Remuneration Committee met on 1 occasion i.e. on April 23, 2012.

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

4. SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS:

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

Name of the Director	Category	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter/Chairman	75,000.00
Rajan B. Raheja	Non-Executive – Promoter	60,000.00
Aziz Parpia	Non-Executive – Independent	1,05,000.00
B. L. Taparia	Non-Executive – Promoter	75,000.00
Satish Raheja	Non-Executive – Promoter	--
S. J. Taparia	Non-Executive – Promoter	1,50,000.00
Hasmukh Shah	Non-Executive – Independent	60,000.00
R. Kannan	Non-Executive – Independent	1,35,000.00
M. S. Ramachandran	Non-Executive – Independent	45,000.00
Nihalchand Chauhan	Non-Executive – Independent	1,35,000.00
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	75,000.00
	TOTAL	9,15,000.00

5. INVESTORS' GRIEVANCE COMMITTEE:

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

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	20	20
Rajan B. Raheja	Non-Executive – Promoter	20	20
Aziz Parpia	Non-Executive – Independent	20	16
S. J. Taparia	Non-Executive – Promoter	20	19
Satish Raheja	Non-Executive – Promoter	20	--
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	20	20

Compliance Officer: Shri Rakesh Nayyar - Company Secretary.

During the period under review, your Company received 110 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and majority of these complaints were resolved within 30 days. There were NIL pending complaints as on June 30, 2012.

6. INVESTMENT COMMITTEE :

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

During the year under review the said Committee met on 5 occasions i.e. on July 18, 2011; October 19, 2011; January 05, 2012; April 23, 2012 and June 30, 2012.

Member	Category	Meetings Held	Meetings Attended
M.P. Taparia	Non-Executive – Promoter/ Chairman	5	5
Rajan B. Raheja	Non-Executive – Promoter	5	5
Aziz Parpia	Non-Executive – Independent	5	4
S.J. Taparia	Non-Executive – Promoter	5	4

7. FINANCE COMMITTEE :

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

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

During the year under review Finance Committee met on 5 occasions i.e. July 18, 2011; September 21, 2011; October 19, 2011; January 05, 2012 and April 23, 2012.

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairman	5	5
Rajan B. Raheja	Non-Executive – Promoter	5	4
Aziz Parpia	Non-Executive – Independent	5	3
B. L. Taparia	Non-Executive – Promoter	5	4
Satish Raheja	Non-Executive – Promoter	5	-
S. J. Taparia	Non-Executive – Promoter	5	4
Viren Raheja	Non-Executive – Alternate Director to Satish Raheja	5	5

8. CODE OF CONDUCT:

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



9. CEO/CFO CERTIFICATION:

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

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

The above certificates were placed before the Board at its meeting held on July 18, 2012.

10. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held :

Year		Location	Date	Time	Special Resolutions Passed
2008-2009	20th	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	06.10.2009	4.00 p.m.	Yes
2009-2010	21st	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	06.10.2010	4.00 p.m.	No
2010-2011	22nd	I. M. C., Walchand Hirachand Conference Hall, Mumbai – 20	21.09.2011	4.00 p.m.	Yes

No resolutions were passed through postal ballot last year.

11. SUBSIDIARY COMPANY:

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

12. DISCLOSURES:

a. Basis of related party transactions

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

b. Disclosure of Accounting Treatment

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

c. Risk Management

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

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

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



e. Disclosure of non-compliance of the Company

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

f. Whistle Blower Policy

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

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

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

14. MEANS OF COMMUNICATIONS:

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

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. PARTICULARS OF DIRECTORS:

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

Name of the Director	S. J. Taparia	Satish Raheja	Hasmukh Shah	Aziz Parpia
Age (Years)	66	48	77	83
Date of Appointment	22/11/1993	22/11/1993	18/10/1994	14/12/1989
Qualification	B. E. (Mechanical)	B. Sc. Business Management	B. A.	LLB
Experience of specific functional area	Expertise and rich experience in technical, operational and marketing aspects of industrial products. Actively involved in industry forum.	Is a Director of various Companies. He is a Non-resident Indian and has experience in Business Management.	Long experience in industry and is the Ex-Chairman of IPCL besides being the Member of the Board of Directors of reputed Companies.	Senior Solicitor and Advocate with long experience in legal field.
Chairman/Director of other Companies	The Supreme Industries Ltd. Supreme Capital Management Ltd. Oricon Enterprises Ltd.	Exide Industries Ltd. Prism Cement Ltd. ING Vysya Life Insurance Co. Ltd.	Gujarat Gas Co. Ltd. Micro Inks Ltd. Sun Pharmaceuticals Industries Ltd. Atul Ltd. Deepak Nitrite Ltd.	

17. GENERAL SHAREHOLDERS INFORMATION :

Annual General Meeting	:	Thursday, October 04, 2012 at 4.00 p.m. at I. M. C. Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.
Period under review	:	July 01, 2011 to June 30, 2012.
Date of Book Closure	:	September 27, 2012 to October 04, 2012 (both days inclusive).
Dividend Payment Date	:	October 11, 2012 dividend warrants will be posted on or after October 11, 2012
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
Stock Code	:	Bombay Stock Exchange Ltd. - 500405 National Stock Exchange of India Ltd. - SUPPETRO



Market Price Data:

(Rupees)

Month/Year	Stock Exchange Bombay		National Stock Exchange	
	High	Low	High	Low
July 2011	75.00	62.95	75.60	62.45
August 2011	76.40	70.15	74.70	70.50
September 2011	77.00	71.10	77.00	70.60
October 2011	75.45	63.00	75.45	63.15
November 2011	67.00	50.30	66.90	49.50
December 2011	54.00	42.00	53.95	41.05
January 2012	53.10	43.50	55.50	43.15
February 2012	54.50	47.00	54.80	47.10
March 2012	57.95	41.05	56.50	41.05
April 2012	46.45	41.55	46.60	41.75
May 2012	45.80	36.00	45.95	35.60
June 2012	45.50	40.30	45.50	40.50

COMPARISON WITH INDICES:

	July 2011 Opening	June 2012 Closing	% Rise (Fall)
BSE Sensex	18974.96	17429.98	(8.14)
NSE Nifty	5705.75	5278.90	(7.48)
SPL Shares	63.50	42.50	(33.07)

REGISTRAR AND TRANSFER AGENT

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

SHARE TRANSFER SYSTEM

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

DISTRIBUTION OF SHAREHOLDING (AS ON JUNE 30, 2012)

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
0001 - 5000	51411	90.29	8003078	8.26
5001 - 10000	2848	5.00	2430002	2.51
10001 - 20000	1229	2.16	1924178	1.99
20001 - 30000	441	0.77	1150037	1.19
30001 - 40000	173	0.30	627088	0.65
40001 - 50000	213	0.37	1021084	1.05
50001 - 100000	277	0.49	2095442	2.16
100001 & above	351	0.62	79587704	82.19
TOTAL	56943	100.00	96838613	100.00



CATEGORIES OF SHAREHOLDERS (AS ON JUNE 30, 2012)

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	58712000	60.63
2.	Mutual Funds and UTI	56483	0.06
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutional/Non-Government Institutions)	25250	0.03
4.	FII/Foreign Bodies Corporate	176447	0.18
5.	Private Corporate Bodies	4633229	4.78
6.	Indian Public	31896648	32.94
7.	NRIs	1314420	1.36
8.	Others (clearing members)	24136	0.02
	GRAND TOTAL	96838613	100.00

DEMATERIALISATION OF SHARES & LIQUIDITY :

Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited. 94.78% Shares have been dematerialised upto June 30, 2012.

PLANT LOCATION

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

ADDRESS FOR CORRESPONDENCE

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

SHAREHOLDERS' ASSISTANCE

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

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

- (1) Shri Ravi V Kuddyady/ Shri Pratap P. Jadhav/ Ms. Jean Ruke

Secretarial Department,
Supreme Petrochem Ltd,
Solitaire Corporate Park, Building No. 11, 5th Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East),
MUMBAI - 400 093

Telephone No. : 022-67091900 and 66935927
Fax No. : 022-40055681
E-mail : investorhelpline@spl.co.in



OR

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

OR

- (3) Shri Praveen Amlani
Karvy Computershare Private Limited,
Unit: Supreme Petrochem Ltd,
7, Andheri Industrial Estate,
Off Veera Desai Road, Andheri (W),
MUMBAI - 400 053
Telephone No. : 022-26730799/26730843
Fax No. : 022-26730305
E-mail : pbamlani@karvy.com
Website : Please visit us at <http://www.supremepetrochem.com> for financial and other information about the Company.

UNCLAIMED EQUITY SHARES

Pursuant to the provisions of revised Clause 5A(II) of the Listing Agreement, the Company has sent 3 reminders on May 05, 2011, June 29, 2011 and November 23, 2011 to those Members, whose share certificates have been returned undelivered. The Company is now in the process of transferring the unclaimed shares to an Unclaimed Shares Suspense Account. There were 1060 members with 96381 unclaimed shares on the date of this report.

For and on behalf of the Board

M. P. Taparia
Chairman

Mumbai - 400 021
Date : July 18, 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Supreme Petrochem Ltd

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Ltd, for the year ended on June 30, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our review of the relevant records and documents maintained by the Company and to the best of our information and according to the explanations given to us, in our opinion, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Place : Mumbai
Date : July 18, 2012

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

AUDITORS' REPORT

TO
THE MEMBERS OF
SUPREME PETROCHEM LIMITED

We have audited the attached Balance Sheet of SUPREME PETROCHEM LIMITED as at June 30, 2012 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. 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.

- (1) 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (2) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (3)
 - (a) Further to our comments in the Annexure referred to in paragraph (2) above, we report that we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - (d) 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 Section 211 (3C) of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the Directors, as on June 30, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the 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 :
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2012;
 - ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PARIKH & SHAH
Chartered Accountants
Firm Registration Number 107528W

D. B. MOHINI
Partner
Membership No.5681

Mumbai
Date : July 18, 2012

ANNEXURE TO AUDITORS' REPORT

Statement referred to in Paragraph 2 of the Auditors' Report of even date to the Members of SUPREME PETROCHEM LIMITED on the Accounts for the year ended June 30, 2012.

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

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) We are informed that the Company has verified part of fixed assets during the year as per its programme of physical verification of all fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies have been noticed on such verification.
 - (c) As per the information and explanations given to us, no substantial part of fixed assets has been disposed off during the year affecting the going concern status of the Company.
2.
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.



- (c) The Company is maintaining proper records of inventory. No material discrepancies were noted on verification between the physical stocks and the book records.
3. (a) The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. According to the information and explanations given to us, there were no contracts or arrangements the particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted by it from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal in this regard.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have 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, the Company has been regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and

other material statutory dues applicable to it, with the appropriate authorities and no such dues were in arrears, as at June 30, 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the statutory dues as at June 30, 2012 which have not been deposited on account of any dispute are as under :-

Sr. No.	Statutes	Nature of Dues	Period	Amount (₹ in Lacs)	Forum where dispute is pending		
1	Central Excise Act, 1944	Excise duty and penalty.	September, 2002 to March, 2011	89.05	Commissioner of Central Excise (Appeals)		
			July, 2011	38.63			
			April, 1996 to June, 2000	11.85	CESTAT		
			April, 2001 to July 2010	1866.05	CESTAT		
2	Service Tax (Finance Act 1994)	Service Tax and penalty.	April, 2003 to March, 2005	143.53	Commissioner of Central Excise (Appeals)		
			February, 2009 to January, 2011			2.51	
			April, 2004 to August, 2010	76.44	CESTAT		
3	Tamil Nadu VAT Act, 2006	VAT and penalty.	2005 – 2006	0.88	Commissioner/ Dy. Commissioner (Appeals)		
4	Income Tax Act, 1961	Income Tax and interest	Assessment Year 2006 – 2007 and	20.02	Commissioner of Income Tax (Appeal)		
			2009 – 2010			ITAT Bombay	
			2005 – 2006				High Court of Bombay
			1998 – 1999				

10. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks as at the date of Balance Sheet. The Company has no borrowing through debentures.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.



14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order, are not applicable to the Company. There are no investments held by the Company at the end of the year.
15. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company did not have outstanding debentures during the year and accordingly, the creation of securities thereof does not arise.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For PARIKH & SHAH
Chartered Accountants
Firm Registration Number 107528W

D. B. MOHINI
Partner
Membership No.5681

Mumbai
Date : July 18, 2012



BALANCE SHEET AS AT 30TH JUNE,2012

	Note	As at 30-06-2012	(₹ Lacs) As at 30-06-2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	9683.86	9683.86
Reserves and surplus	3	21146.38	19584.55
		30830.24	29268.41
Non-Current Liabilities			
Long-term borrowings	4	9408.57	10666.59
Deferred tax liabilities (Net)	5	4385.59	4096.64
Other long term liabilities	6	98.87	86.87
Long-term provisions	7	163.51	132.75
		14056.54	14982.85
Current Liabilities			
Trade payables	8	50772.48	42886.75
Other current liabilities	9	6597.85	7318.14
Short-term provisions	10	2585.02	4558.77
		59955.35	54763.66
	TOTAL	104842.13	99014.92
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	11	34248.94	23552.03
Intangible assets		236.71	244.17
Capital work-in-progress-tangible assets		5552.51	9688.41
		40038.16	33484.61
Long term loans and advances	12	1151.66	3699.29
Other non-current assets	13	610.71	489.99
		1762.37	4189.28
Current Assets			
Current investments	14	-	2.84
Inventories	15	26345.92	26015.22
Trade receivables	16	24328.92	21889.56
Cash and bank balances	17	3696.66	4188.04
Short-term loans and advances	18	8325.46	8918.14
Other current assets	19	344.64	327.23
		63041.60	61341.03
	TOTAL	104842.13	99014.92
Significant Accounting Policies	1		

The accompanying notes 1 to 40 form an integral part of the financial statements.

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No.5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

M. P. Taparia, Chairman

Rajan B. Raheja

Aziz Parpia

B. L. Taparia

S. J. Taparia

R. Kannan

Nihalchand Chauhan

Directors

Mumbai

Date : July 18,2012

Mumbai

Date : July 18,2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH JUNE,2012

(₹ Lacs)

	Note	Year 2011-2012	Year 2010-2011
INCOME			
Revenue from Operations	20		
Sale of goods		248795.08	207936.58
Less : Excise duty		23869.82	15807.91
		224925.26	192128.67
Other operating revenues		2341.96	2241.20
		227267.22	194369.87
Other Income	21	648.76	866.92
Total Revenue		227915.98	195236.79
EXPENSES			
Cost of materials consumed	22	139826.35	119658.02
Purchase of stock-in-trade	23	60239.27	48268.19
Changes in inventories of finished goods and stock-in-process	24	2075.24	(4055.84)
Employee benefits	25	2180.10	2191.87
Finance cost	26	3199.28	2021.64
Depreciation and amortisation expenses	27	2292.34	2037.02
Other expenses	28	13325.69	12270.91
Total Expenses		223138.27	182391.81
Profit Before Tax		4777.71	12844.98
Tax Expenses			
Current tax		1151.30	4327.34
Deferred tax		288.95	(252.65)
Profit After Tax		3337.46	8770.29
Prior period adjustments		8.09	(6.63)
Provision for prior period tax		191.90	7.85
Profit for the year		3137.47	8769.07
Earning per share (₹)			
Basic		3.24	9.06
Diluted		3.24	8.87
Nominal Value of Share		10.00	10.00

Significant Accounting Policies

1

The accompanying notes 1 to 40 form an integral part of the financial statements.

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No.5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

M. P. Taparia, Chairman

Rajan B. Raheja

Aziz Parpia

B. L. Taparia

S. J. Taparia

R. Kannan

Nihalchand Chauhan

Directors

Mumbai

Date : July 18,2012

Mumbai

Date : July 18,2012



CASH FLOW FOR THE YEAR : 2011 - 2012

	(₹ Lacs)	
	Year Ended Jun 30,2012	Year Ended Jun 30,2011
A. Cash Flow from Operating activities		
Net Profit before tax	4777.71	12844.98
Adjustment for :		
Depreciation	2277.89	2036.79
Miscellaneous expenditure	14.45	0.22
Interest received	(279.70)	(225.42)
Dividend received	(366.92)	(278.02)
Loss/(Profit) on sale of investments	0.42	(1.36)
Interest and finance charges	3199.28	1605.60
Loss on sale of fixed assets	8.13	9.95
(Expenses)/Income related to earlier year	(8.09)	(1.22)
Operating profit before working capital changes	4845.46	3146.54
	9623.17	15991.52
Adjustment For :		
Trade & Other receivables	(1882.98)	(589.98)
Inventories	(330.70)	(11869.93)
Trade paybles & other provisions	8115.80	13099.72
Foreign currency monetary item translation difference	(14.45)	12.20
Cash generated from operations	5887.67	652.01
Direct tax paid	15510.84	16643.53
Net Cash from Operating activities (A)	(1653.11)	(4590.71)
	13857.73	12052.82
B. Cash Flow from Investing activities		
Purchase of fixed assets	(6280.47)	(9406.58)
Sale of fixed assets	2.87	10.38
Sale of Investments	2.42	18.51
Interest received	279.70	225.42
Dividend received	366.92	278.02
Net cash used in investing activities (B)	(5628.56)	(8874.25)
C. Cash Flow from Financing activities		
Interest paid	(3199.28)	(1661.30)
Dividend & Dividend Tax paid	(3151.36)	(2032.60)
Proceeds from borrowings	(2369.92)	1126.67
Net cash from financing activities (C)	(8720.55)	(2567.23)
Net Change in cash & cash equivalents (A)+(B)+(C)	(491.38)	611.34
Opening balance of Cash & Cash equivalents	4188.04	3576.70
Closing balance of Cash & Cash equivalents	3696.66	4188.04

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

M. P. Taparia, Chairman

D. B. MOHINI

Partner

Membership No.5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

Rajan B. Raheja

Aziz Parpia

B. L. Taparia

S. J. Taparia

R. Kannan

Nihalchand Chauhan

Directors

Mumbai

Date : July 18,2012

Mumbai

Date : July 18,2012

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012****NOTE 1****SIGNIFICANT ACCOUNTING POLICIES****1] BASIS OF PREPARATION.**

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

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

2] USE OF ESTIMATES.

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

3] REVENUE RECOGNITION**[a] Income and Expenditure.**

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

[b] Export Incentives

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

4] FIXED ASSETS AND DEPRECIATION.**[a] Fixed Assets**

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

[b] Depreciation

Depreciation on Fixed Assets except freehold land is provided on "Straight Line Method" at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

5] INVESTMENTS.

Investments are stated at cost. Temporary diminution in the value of long term investments, meant to be held for a long period of time is not recognised.

6] INVENTORIES

Inventories are valued as under :

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

7] FOREIGN EXCHANGE TRANSACTIONS AND FORWARD CONTRACTS.

- i. Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Statement of Profit and Loss.
- ii. In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates" exchange differences arising in respect of long term foreign currency monetary items :
 - Used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.
 - Used for the purpose other than the acquisition of depreciable capital asset, are accumulated in Foreign Currency Monetary Item Translation Difference Account [FCMITDA] and amortised over the balance period of such liability.



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

8] CENVAT CREDIT

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

9] EMPLOYEE BENEFITS**[a] Short Term Employee Benefits**

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

[b] Post-employment Benefits**[i] Provident and Family Pension Fund**

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

[ii] Superannuation

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

[iii] Gratuity

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

[c] Other Long-Term Employee Benefits – Compensated Absences

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

10] SEGMENT REPORTING

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

11] TAXATION

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

12] CONTINGENT LIABILITIES.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012

(₹ Lacs)

	As at 30.06.2012	As at 30.06.2011
NOTE 2		
SHARE CAPITAL		
AUTHORISED		
12,50,00,000 (Previous Year 12,50,00,000) Equity Shares of ₹10 each	12500.00	12500.00
2,50,00,000 (Previous Year 2,50,00,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2500.00	2500.00
TOTAL	15000.00	15000.00
ISSUED, SUBSCRIBED AND PAID UP		
9,68,38,613 (Previous Year 9,68,38,613) Equity Shares of ₹10 each	9683.86	9683.86
TOTAL	9683.86	9683.86

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

2.2. In the financial year 2008-2009, The company bought back and extinguished 15,37,907 equity shares which has reduced the paid-up share capital of the company from ₹ 9837.65 Lacs to ₹ 9683.86 Lacs.

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

Name of the Shareholder	No. of Shares held	%	No. of Shares held	
			As At 30-06-2012	As At 30-06-2011
The Supreme Industries Limited	2,89,36,400	29.88	28,936,400	29.88
R. Raheja Investments Private Limited	2,89,36,400	29.88	28,936,400	29.88

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

Particulars	As At 30/06/2012	As At 30/06/2011
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	96,838,613	96,838,613
Add :	-	-
Less :	-	-
Equity Shares at the end of the year	96,838,613	96,838,613

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

**NOTE 3
RESERVES AND SURPLUS**

Capital Redemption Reserve		
Balance as per the last Balance Sheet	1529.79	1529.79
General Reserve		
Balance as per the last Balance Sheet	13476.50	8476.50
Add : Transferred from Profit and Loss Account	2500.00	5000.00
	15976.50	13476.50
Surplus		
Balance as per the last Balance Sheet	4578.26	3960.55
Add : Profit for the Year	3137.47	8769.07
Amount available for appropriations	7715.73	12729.62
Appropriations :		
Transfer to General Reserve	2500.00	5000.00
Proposed Dividend	1355.74	2711.48
Dividend Tax	219.90	439.88
	4075.64	8151.36
	3640.09	4578.26
	21146.38	19584.55

NOTE 4
LONG-TERM BORROWINGS

(₹ Lacs)

	Total		Non-current		Current maturities	
	As at 30-06-2012	As at 30-06-2011	As at 30-06-2012	As at 30-06-2011	As at 30-06-2012	As at 30-06-2011
Secured Loans						
From Banks						
Rupee term loans	12347.67	14072.42	8487.67	9244.42	3860.00	4828.00
Foreign currency term loan	-	349.37	-	-	-	349.37
Amount included under the head "Other current liabilities"					(3860.00)	(5177.37)
	12347.67	14421.79	8487.67	9244.42	-	-
Unsecured Loans						
Fixed deposits	1882.97	2186.69	920.90	1422.17	962.07	764.52
Amount included under the head "Other current liabilities"					(962.07)	(764.52)
	1882.97	2186.69	920.90	1422.17	-	-
Total	14230.64	16608.48	9408.57	10666.59		

4.1 Rupee Term Loans amounting to ₹ 12,347.67 Lacs (Previous Year ₹ 14,421.79) from Banks are secured by a first charge by way of mortgage of the Company's immovable properties including Plant and Machinery and by hypothecation of movable assets (except trade receivables) subject to prior charge in favour of Company's Bankers for working capital facilities.

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

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

Financial Year	₹ in Lacs
2012-2013	3860.00
2013-2014	4610.00
2014-2015	2947.67
2015-2016	930.00

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

Financial Year	₹ in Lacs
2012-2013	962.07
2013-2014	546.52
2014-2015	374.38

(₹ Lacs)

	As at 30.06.2012	As at 30.06.2011
NOTE 5		
Deferred Tax Liabilities		
Related to fixed assets	4442.78	4160.68
Foreign currency monetary item translation difference	-	0.07
	4442.78	4160.75
Deferred Tax Assets		
Amalgamation expenses	-	1.09
Voluntary retirement scheme	-	3.00
Provision for leave encashment	52.00	54.54
Provision for bonus	5.19	5.48
	57.19	64.11
Net Deferred Tax Liabilities	4385.59	4096.64
Opening Deferred Tax Liabilities	4096.64	4349.29
Net Deferred Tax expenses/(Income) for the Year	288.95	(252.65)



NOTE 6

OTHER LONG TERM LIABILITY

(₹ Lacs)

	Total		Non-current		Current maturities	
	As at	As at	As at	As at	As at	As at
	30-06-2012	30-06-2011	30-06-2012	30-06-2011	30-06-2012	30-06-2011
Security Deposits from Distributors	98.87	96.87	98.87	86.87	-	10.00
Amount included under the head "Other current liabilities"					-	(10.00)
	98.87	96.87	98.87	86.87	-	-

NOTE 7

LONG TERM PROVISIONS

	Total		Long-term portion		Short-term portion	
	As at	As at	As at	As at	As at	As at
	30-06-2012	30-06-2011	30-06-2012	30-06-2011	30-06-2012	30-06-2011
Provision for leave encashment	160.28	168.09	141.37	95.39	18.91	72.70
Interest on fixed deposits	77.86	94.03	22.14	37.36	55.72	56.67
Amount included under the head "Short term provisions"					(74.63)	(129.38)
	238.14	262.12	163.51	132.75	-	-

(₹ Lacs)

NOTE 8

TRADE PAYABLES

	As at 30.06.2012	As at 30.06.2011
Acceptances	47759.26	39879.19
Others	3013.22	3007.56
	50772.48	42886.75

NOTE 9

OTHER CURRENT LIABILITIES

Current maturities of long term borrowings	3860.00	5177.37
Current maturities of fixed deposits	962.07	764.52
Unclaimed fixed deposits	36.80	28.88
Accrued salaries and benefits	190.02	178.70
Statutory liabilities	708.19	594.39
Interest accrued and due on borrowings	-	100.00
Interest accrued but not due on deposits/others	1.62	1.29
Other liabilities	633.77	304.20
Unclaimed Dividend	205.38	168.79
	6597.85	7318.14

NOTE 10

SHORT TERM PROVISIONS

Proposed Dividend	1355.74	2711.48
Tax on Proposed Dividend	219.90	439.88
Income Tax (net of advance tax)	204.19	397.93
Leave encashment	18.91	72.70
Interest accrued on current maturities of fixed deposits	55.72	56.67
Other Provisions	730.56	880.11
	2585.02	4558.77

NOTE 11
FIXED ASSETS

(₹ Lacs)

PARTICULARS	GROSS BLOCK (COST)				DEPRECIATION				NET BLOCK	
	DURING THE YEAR				DURING THE YEAR					
	AS AT 30.06.2011	ADDITIONS / ADJUSTMENTS	DEDUCTIONS / ADJUSTMENTS	AS AT 30.06.2012	UPTO 30.06.2011	PROVIDED	DEDUCTIONS / ADJUSTMENTS	UPTO 30.06.2012	AS AT 30.06.2012	AS AT 30.06.2011
(A) Tangible Assets										
Land (Freehold)	2572.14	806.75	0.77	3378.12	-	-	-	-	3378.12	2572.13
Buildings	10705.44	3676.90	-	14382.34	2883.97	320.76	-	3204.73	11177.61	7821.48
Plant and Machinery	31408.70	8370.04	-	39778.74	18725.77	1822.43	-	20548.20	19230.54	12682.93
Office Equipments	202.02	30.18	3.07	229.13	92.20	10.15	1.97	100.38	128.75	109.82
Computers	345.25	27.04	6.87	365.41	168.62	66.00	5.53	229.09	136.33	176.63
Air-conditioners	53.15	4.19	15.80	41.54	24.16	2.24	11.65	14.75	26.79	28.99
Vehicles	168.59	-	7.24	161.35	61.17	13.60	3.59	71.18	90.17	107.42
Furniture and Fixtures	275.06	37.81	-	312.87	222.43	9.81	-	232.24	80.63	52.63
TOTAL A	45730.35	12952.91	33.75	58649.51	22178.32	2244.99	22.74	24400.57	34248.94	23552.03
Previous Year	45605.01	178.47	53.13	45730.35	20229.85	1981.26	32.79	22178.32	23552.03	
(B) Intangible Assets										
Computer Software	343.59	28.13	-	371.72	99.42	35.59	-	135.01	236.71	244.17
TOTAL B	343.59	28.13	-	371.72	99.42	35.59	-	135.01	236.71	244.17
Previous Year	301.26	42.33	-	343.59	43.88	55.54	-	99.42	244.17	
TOTAL A+B	46073.95	12981.04	33.75	59021.23	22277.74	2280.58	22.74	24535.57	34485.65	23796.20
Previous Year	45906.27	220.80	53.13	46073.94	20273.73	2036.80	32.79	22277.74	23796.20	

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

11.2 Additions/Deductions to Plant and Machinery included net deduction of ₹ 1.23 Lacs (previous year net Deduction of ₹ 9.73 Lacs) on account of decrease in rupee liability for repayment consequent upon fluctuation in exchange rates in respect of foreign currency loans .

11.3 Deduction/adjustments include assets scrapped.

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

NOTE 12
LONG TERM LOANS AND ADVANCES

(₹ Lacs)

	Total		Long-term		Short-term	
	As at	As at	As at	As at	As at	As at
	30-06-2012	30-06-2011	30-06-2012	30-06-2011	30-06-2012	30-06-2011
Unsecured, Considered Good						
Loans to employees	225.77	216.26	178.85	164.51	46.91	51.75
Capital advances	972.81	3534.78	972.81	3534.78	-	-
Amount included under the head "Short term Loans and advances"					(46.91)	(51.75)
	1198.57	3751.04	1151.66	3699.29	-	-

NOTE 13
OTHER NON-CURRENT ASSETS

(₹ Lacs)

	Total		Non-Current		Current	
	As at	As at	As at	As at	As at	As at
	30-06-2012	30-06-2011	30-06-2012	30-06-2011	30-06-2012	30-06-2011
Security deposits to vendors	263.41	264.40	263.41	264.18	-	0.22
Advance Income tax (Net of provision)	304.72	188.55	304.72	188.55	-	-
Deposits with statutory authorities	224.40	203.06	42.58	37.26	181.82	165.80
Amount included under the head "Current Assets"					(181.82)	(166.01)
	792.53	656.01	610.71	489.99	-	-

NOTE 14
CURRENT INVESTMENTS

(₹ Lacs)

	Face Value	Nos.	As at	Nos.	As at
	(₹)		30.06.2012		30.06.2011
Trade Investments					
In Shares					
In fully Paid up Equity Shares					
Finolex Industries Ltd.		10	-	4200	2.84
			-		2.84



	(₹ Lacs)	
	As at 30.06.2012	As at 30.06.2011
NOTE 15		
INVENTORIES		
Raw materials and packing materials	15047.79	13046.20
Stock-in-process	74.01	91.81
Finished goods	7020.01	9242.74
Finished goods in transit	1098.60	933.31
Stores and spares	1193.26	1177.06
Fuel	38.64	31.82
Stock-In-trade	1873.61	1492.28
	<u>26345.92</u>	<u>26015.22</u>
NOTE 16		
TRADE RECEIVABLES		
(Unsecured-Considered Good)		
Overdue for more than six months from due date	245.03	452.76
Others	24083.89	21436.80
	<u>24328.92</u>	<u>21889.56</u>
NOTE 17		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on hand	11.02	22.60
Balances with Banks		
Current accounts	255.69	323.09
Cash credit accounts	2046.19	2744.77
Cheques on hand	928.27	619.45
Deposits with bank (including interest accrued)	247.67	308.37
	<u>3477.82</u>	<u>3995.68</u>
Other Bank Balances		
Margin money deposit	2.44	0.97
Unclaimed Dividend	205.38	168.79
	<u>207.82</u>	<u>169.76</u>
	<u>3696.66</u>	<u>4188.04</u>
NOTE 18		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured-Considered Good)		
Prepaid expenses	962.33	647.69
Advance recoverable in cash or in kind	297.29	166.86
Balance with statutory authorities	7010.50	8016.49
Loans and advances to employees	55.34	87.10
	<u>8325.46</u>	<u>8918.14</u>
NOTE 19		
OTHER CURRENT ASSETS		
Deposits with statutory authorities	181.82	165.80
Other deposits	129.38	129.60
Other receivables	33.44	31.83
	<u>344.64</u>	<u>327.23</u>



	(₹ Lacs)	
	Year 2011-2012	Year 2010-2011
NOTE 20		
REVENUE FROM OPERATIONS		
Sale of goods	248795.08	207936.58
Less : Excise duty	23869.82	15807.91
	224925.26	192128.67
Other Operating Revenues		
Export incentives	1699.17	1533.72
Scrap sales	642.79	707.48
	2341.96	2241.20
	227267.22	194369.87

20.1

PARTICULARS OF SALE OF GOODS

(Manufactured and traded goods)

Polymers of Styrene and Petrochemicals

Others

218223.70	186919.80
6701.56	5208.87
224925.26	192128.67

NOTE 21

OTHER INCOME

Interest received on trade receivables

Interest received on bank fixed deposits

Dividend (gross)

Net gain on sale of investments

Bad debts recovered

Miscellaneous income

208.62	289.51
71.09	35.18
366.92	278.02
-	1.36
-	235.73
2.13	27.13
648.76	866.92

NOTE 22

MATERIALS CONSUMED

Raw materials (including packing materials)

Opening stock

Purchases

Less : Closing stock

13046.20	6176.64
141827.94	126527.58
15047.79	13046.20
139826.35	119658.02

22.1

PARTICULARS OF CONSUMPTION OF IMPORTED/INDIGENEOUS RAW MATERIALS (INCLUDING PACKING MATERIALS)

Raw materials (including packing materials)

(₹ Lacs)

	Year 2011-2012		Year 2010-2011	
	%		%	
Imported	93.58	131158.16	93.20	108,770.72
Indigenous	6.42	8668.19	6.80	10,887.30
	100.00	139826.35	100.00	119,658.02

Raw materials (including packing materials) consumed

	Year 2011-2012		Year 2010-2011	
Petrochemicals	114915.21	98646.88		
Others	24911.14	21011.14		
	139826.35	119658.02		

	(₹ Lacs)	
	Year 2011-2012	Year 2010-2011
NOTE 23		
PURCHASES OF TRADED GOODS		
Petrochemicals	59424.03	46932.64
Others	815.24	1335.55
	<u>60239.27</u>	<u>48268.19</u>
NOTE 24		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS		
Inventories (at close)		
Finished goods	8118.61	10176.05
Stock-in-process	74.01	91.81
	<u>8192.62</u>	<u>10267.86</u>
Inventories (at commencement)		
Finished goods	10176.05	6173.73
Stock-in-process	91.81	38.29
	<u>10267.86</u>	<u>6212.02</u>
	<u>2075.24</u>	<u>(4055.84)</u>
NOTE 25		
EMPLOYEE BENEFITS		
Salaries and wages	1947.00	1935.88
Contribution to provident and other funds	163.43	183.32
Staff welfare	69.67	72.67
	<u>2180.10</u>	<u>2191.87</u>
25.1		
As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :		
A. Gratuity		
I. Assumptions		
Discount Rate (Current)	8.50%	8.50%
Rate of return on Plan Assets Current Year	8.50%	8.50%
II. Table Showing Change in The Present Value of Defined Benefits Obligation		
Liability at the beginning of the year	280.07	189.57
Interest cost	23.81	15.17
Current Service cost	17.79	15.19
Past Service Cost (Vested benefit)	-	77.45
Benefits paid	(33.67)	(12.16)
Actuarial (gain)/ loss on obligations	14.91	(5.15)
Liability at the end of the year	302.91	280.07
III. Amount Recognised in the Balance Sheet		
Net (Liability)/Assets at the end of the year	29.26	(280.07)
Fair value of Plan Assets at the end of the year	-	(280.07)
Difference	-	-
Amount Recognised in the Balance Sheet	29.26	-



	(₹ Lacs)	
	Year 2011-2012	Year 2010-2011
IV. Expenses Recognised in the Income Statement		
Current Service Cost	17.79	15.19
Interest Cost	23.81	15.17
Expected Return on Plan Assets	(23.81)	-
Past Service cost (Vested benefit) recognized	-	71.51
Actuarial (gain)/ loss to be recognized	11.08	(11.38)
Expenses recognized in Profit & Loss	28.87	90.49
Opening net liability	-	189.57
Expenses as above	28.87	90.49
Employers Contribution paid	(58.12)	(280.06)
Closing net liability/(Assets)	(29.26)	-

B. Leave Encashment

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

C. Provident Fund

The provident fund contribution is made to a trust administered by the company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no shortfall as at 30th June, 2012.

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

Average holding period of assets	5.85 years
Guaranteed rate	8.25 %

NOTE 26

FINANCE COST

Interest on term loans	1335.38	919.34
Interest on fixed deposit	221.59	242.53
Interest others	959.62	443.73
Other borrowing costs	165.29	67.57
Net gain/loss on foreign currency transaction and translation	517.40	348.47
	<u>3199.28</u>	<u>2021.64</u>

NOTE 27

DEPRECIATION AND AMORTISATION OF EXPENSES

Depreciation	2277.89	2036.79
Amortisation	14.45	0.23
	<u>2292.34</u>	<u>2037.02</u>

NOTE 28

OTHER EXPENSES

Stores and spares consumed	506.88	564.72
Power	2415.94	2039.00
Fuel	991.83	610.06
Labour charges	3.52	9.54
Repairs to building	215.21	119.04
Repairs to machinery	188.02	169.38
Repairs to others	203.75	111.97
Commission on sales	764.99	883.38
Carriage outward	3695.02	3436.78
Rent, rates and taxes	309.46	271.80
Directors' fees	9.15	9.75
Insurance	402.12	289.74



	(₹ Lacs)	
	Year	Year
	2011-2012	2010-2011
Loss on sale of fixed assets (net)	8.13	9.95
Loss on sale of investments	0.42	-
Miscellaneous expenses	1389.51	1544.47
Increase/(Decrease) in excise duty included in opening and closing stock of finished goods	(149.56)	392.55
Net loss on foreign currency transaction and translation (Other than considered in financial cost)	2371.30	1808.78
	13325.69	12270.91

28.1

PARTICULAR OF CONSUMPTION OF IMPORTED/INDIGENOUS STORES & SPARES

Stores and spares

	2011-2012		2010-2011	
	%	(₹ Lacs)	%	(₹ Lacs)
Imported	32.71	165.78	37.49	211.71
Indigenous	67.29	341.10	62.51	353.01
	100.00	506.88	100.00	564.72

	(₹ Lacs)	
	Year	Year
	2011-2012	2010-2011

28.2

REMUNERATION TO STATUTORY AUDITORS

As auditors	13.25	11.50
For certification	4.13	1.40
For consultancy	2.91	1.50
Service tax	1.92	1.33
	22.21	15.73

28.3

EXPENDITURE IN FOREIGN CURRENCY

a. Interest	446.45	185.86
b. Membership and subscription	12.56	13.25
c. Seminar, training, exhibition & product development	40.83	28.52
d. Travelling expenses	12.02	29.61
e. Freight	-	18.79
f. Commission	195.13	117.01
g. Technical knowhow fees/Consultancy charges	123.66	109.87
h. Legal and professional fees	-	7.90
i. Bank charges	52.09	51.70

NOTE 29

CIF VALUE OF IMPORTS :

Raw materials and Traded goods	183989.60	161242.75
Stores and spares	196.21	183.83
Capital goods	1269.62	864.45

NOTE 30

INCOME IN FOREIGN CURRENCY

FOB value of exports	43533.19	41628.49
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NOTE 31

(₹ Lacs)

Contingent liabilities not provided for in respect of :

	Year 2011-2012	Year 2010-2011
i) Estimated value of contracts remaining to be executed on capital accounts and not provided for :	397.14	1179.62
ii) Letters of Credit opened by Bankers and outstanding at the year end.	12910.33	14592.33
iii) Bills discounted but not matured.	7527.52	11881.63
iv) Counter guarantees given to Banks against Banks' guarantees to Customs/ Sales Tax.	278.71	275.88
v) Disputed Excise / Service Tax demand.	2228.06	4994.08
vi) Disputed Sales Tax demand.	0.88	99.56
vii) Disputed Income Tax liability (matters under appeal)	499.41	716.66
viii) Other Claims.	71.31	71.31

NOTE 32

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

(a) Revenue

Sales (net of Excise Duty) & Operating Income

Within India

Outside India

180986.14	149649.81
46281.08	44720.06
227267.22	194369.87

(b) All the Assets of the Company except the trade receivables amounting to ₹ 3727.44 Lacs (30.06.2011 ₹ 4987.64 Lacs) are within India.

NOTE 33

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

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

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

b) Transactions with Related Parties

(₹ Lacs)

Sr. No.	Nature of Transactions*	Year	Promoters	Key Management Personnel
1	Sales of Goods (Net)	2011-12	5907.54	-
		2010-11	5255.55	-
2	Purchase of Goods	2011-12	218.19	-
		2010-11	79.53	-
3	Reimbursement of Expenses paid	2011-12	04.10	-
		2010-11	16.34	-
4	Commission on Sales	2011-12	-	-
		2010-11	5.62	-
5	Dividend Paid on Equity Shares	2011-12	1620.44	0.45
		2010-11	1041.71	0.29
6	Remuneration Paid	2011-12	-	90.99
		2010-11	-	119.64
7	Balance Receivable			
A	Sales of Goods	30th June 2012	434.02	-
		30th June 2011	555.35	-
8	Balance Payable			
A	Purchase of goods	30th June 2012	18.19	-
		30th June 2011	4.92	-

* All Transactions are on commercial basis at market rates



NOTE 34

(₹ Lacs)

		Year 2011-2012	Year 2010-2011
	Leasing - Operating Lease		
a.	Obligations on non cancellable leases		
	i) Not later than one year.	161.21	162.79
	ii) Later than one year and not later than five years.	14.17	32.60
	iii) Later than five years.	-	-
b	Lease rental expenses in respect of operating lease.	278.70	271.80
c	Contingent rent recognised in Profit and Loss account.	-	-

NOTE 35

Earnings per share (EPS)			
	Profit after tax (₹ Lacs)	3137.47	8769.07
	Number of equity shares at the beginning of the year.	96838613	96838613
	Number of equity shares at the end of the year.	96838613	96838613
	Weighted average number of shares outstanding for basic EPS during the year.	96838613	96838613
	Basic earning per share (Rupees) (Face value - ₹10/- per share)	3.24	9.05
	Profit after tax for computing Diluted EPS	3137.47	8772.53
	Weighted average number of shares for computing Diluted EPS during the year.	96838613	98870431
	Diluted earning per share (Rupees) (Face value - ₹ 10/- per share)	3.24	8.87

NOTE 36

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

NOTE 37

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

NOTE 38

a) Prior period adjustments include expenses ₹ 8.09 Lacs, (Previous year NIL) and income ₹ NIL (Previous year ₹ 6.63 Lacs).

NOTE 39

Trade Receivables/ Trade payables balances are subject to confirmation.

NOTE 40

Previous year's figures have been reworked, regrouped, rearranged and reclassified, wherever necessary, consequent to Revised Schedule VI under the Companies Act, 1956.

Signatures to Notes 1 to 40

As per our report attached

For PARIKH & SHAH

Chartered Accountants

Firm Registration Number 107528W

D. B. MOHINI

Partner

Membership No.5681

RAKESH NAYYAR

Executive Director

(Finance & Corporate Affairs)
and Company Secretary

M. P. Taparia, Chairman

Rajan B. Raheja

Aziz Parpia

B. L. Taparia

S. J. Taparia

R. Kannan

Nihalchand Chauhan

Directors

Mumbai

Date : July 18,2012

Mumbai

Date : July 18,2012



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

July 18, 2012

Dear Members,

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

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

Shri K. S. Reddy

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

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

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

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

Thanking you

Yours faithfully
For SUPREME PETROCHEM LTD

RAKESH NAYYAR
EXECUTIVE DIRECTOR &
COMPANY SECRETARY



E-Communication Registration Form

Dear Sir,

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

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

Folio No. : _____

E-mail ID : _____

Name of First/Sole Holder : _____

Signature of the First and Jt. Holder(s) : _____

(as per specimen Registered)



SUPREME PETROCHEM LTD

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

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING

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

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

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, October 04, 2012 at 4.00 p.m.

SIGNATURE OF THE MEMBER OR PROXY



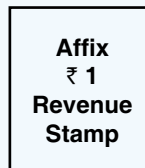
SUPREME PETROCHEM LTD

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

PROXY FORM

I/We _____ of _____ being member/s of SUPREME PETROCHEM LTD hereby appoint _____ of _____ or failing him/her _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, October 04, 2012 at 4.00 p.m.

Regd. Folio/Client ID No. _____



No. of shares held _____

(Signature of the Member/s)

Signed by the said _____ this _____ day of _____ 2012.

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

**Under construction (top) and completed (bottom) house using the
3 D Wall Panel system with SPL's EPS**



3 D Wall Panel System uses self-extinguishing Expandable Polystyrene (EPS) suitably shaped, which also acts as an insulating layer. On installations the panels are finished with the application of light concrete on both sides.



Under construction (top) and completed (bottom) house using the ICF system with SPL's EPS



Insulating Concrete Formwork (ICF) is a building system based on large, hollow lightweight EPS forms that interlock together without glue or mortar to provide a formwork system in to which concrete is poured. The EPS remains in place as insulation and is clad outside and inside with the chosen finishes.

BOOK POST

If undelivered please return to

Supreme Petrochem Ltd
(Secretarial Department)
Solitaire Corporate Park,
Building No. 11, 5th Floor,
Andheri-Ghatkopar Link Road, Chakala,
Andheri (East), Mumbai-400 093. INDIA