



SUPREME PETROCHEM LTD

**ANNUAL REPORT
2013-2014**

**BOARD OF DIRECTORS:**

M. P. Taparia, Chairman
 Rajan B. Raheja
 B. L. Taparia
 Satish Raheja - upto May 27, 2014
 S. J. Taparia
 Hasmukh Shah
 M. S. Ramachandran
 R. Kannan
 Nihalchand Chauhan
 Ameeta Parpia

REGISTERED OFFICE :

612, Raheja Chambers, Nariman Point, Mumbai – 400 021
(Upto September 30, 2014)
 CIN : L23200MH1989PLC054633

CORPORATE OFFICE :

Solitaire Corporate Park, Building No. 11, 5th Floor, Andheri-
 Ghatkopar Link Road, Chakala, Andheri (East), Mumbai - 400 093
(Registered Office from October 01, 2014)

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.
 ING Vysya Bank Ltd.
 The Hongkong & Shanghai Banking Corporation Ltd.
 The Karur Vysya Bank Ltd.

AUDITORS :

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

REGISTRARS & TRANSFER AGENTS :

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

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PERFORMANCE HIGHLIGHTS

₹ Lacs unless indicated otherwise

| | 2013-2014 | 2012-2013 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|--|------------------|-----------|-----------|-----------|-----------|-----------|
| Net Sales | 326429.78 | 296715.90 | 227267.22 | 194369.87 | 161184.41 | 139496.39 |
| Other Income | 585.55 | 538.52 | 648.76 | 866.92 | 270.93 | 297.48 |
| Total Income | 327015.33 | 297254.42 | 227915.98 | 195236.79 | 161455.34 | 139793.87 |
| Operating Profit | 9557.14 | 16157.72 | 10269.33 | 16903.64 | 12876.19 | 7684.01 |
| (Profit before Financial Cost, Depreciation, Amortisation and Tax) | | | | | | |
| Financial Cost | 2284.39 | 2388.17 | 3199.28 | 2021.64 | 1789.50 | 2142.84 |
| Depreciation/Amortisation | 2873.74 | 2770.61 | 2292.34 | 2037.02 | 2068.29 | 2040.60 |
| Profit Before Tax & Exceptional items | 4399.01 | 10998.94 | 4777.71 | 12844.98 | 9018.40 | 3500.57 |
| Net Profit for the year | 3058.99 | 7282.33 | 3137.47 | 8769.07 | 6047.49 | 1918.44 |
| Paid up Equity Capital | 9650.20 | 9683.86 | 9683.86 | 9683.86 | 9683.86 | 9683.86 |
| Reserves and Surplus | 26777.04 | 25596.30 | 21146.38 | 19584.55 | 13966.84 | 9941.24 |
| Shareholders' Funds (Net Worth) | 36427.24 | 35280.16 | 30830.24 | 29268.41 | 23650.70 | 19625.10 |
| Deferred Tax Liability (Net) | 4924.15 | 4872.04 | 4385.59 | 4096.64 | 4349.29 | 4555.14 |
| Loans | 3203.62 | 7468.85 | 14230.64 | 16608.48 | 15510.66 | 13771.62 |
| Capital Employed | 44555.01 | 47621.05 | 49446.47 | 49973.53 | 43510.65 | 37962.57 |
| Average Capital Employed | 46088.03 | 48533.76 | 49710.00 | 46742.09 | 40736.61 | 37628.30 |
| Earning Per Equity Share (Rs.) | 3.16 | 7.52 | 3.24 | 9.06 | 6.24 | 1.96 |
| Cash Earning Per Equity Share (Rs.) | 6.13 | 10.38 | 5.61 | 11.16 | 8.38 | 4.09 |
| Book Value (Rs.) | 37.75 | 36.43 | 31.84 | 30.22 | 24.42 | 20.27 |
| Dividend (%) | 15.00 | 25.00 | 14.00 | 28.00 | 18.00 | 10.00 |
| ROACE (%) (PBIT/Average Capital Employed) | 14.50 | 27.58 | 16.05 | 31.81 | 26.53 | 15.00 |
| ROANW (%) (PAT/Average Net Worth) | 8.53 | 22.03 | 10.44 | 33.14 | 27.95 | 9.97 |
| Debt : Equity (Total Debt/Total Net Worth) | 0.09 | 0.21 | 0.46 | 0.57 | 0.66 | 0.70 |
| Total Outside Liabilities/ Total Net Worth | 1.56 | 1.78 | 2.25 | 2.24 | 2.14 | 1.99 |

NOTICE

NOTICE is hereby given that the twenty fifth 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 Monday, September 22, 2014 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, 2014.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri M. P. Taparia, (DIN: 00112461) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. J. Taparia, (DIN: 00112513) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. G. M. Kapadia & Co., Chartered Accountants, (Registration No. 104767W) be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the calendar year 2018 at a remuneration to be decided by the Audit Committee of Directors of the Company".

SPECIAL BUSINESS:

6. Appointment of Shri Hasmukh Shah as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Shri Hasmukh Shah (DIN:00152195), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years effective from September 22, 2014 upto September 21, 2019".

7. Appointment of Shri R. Kannan as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Shri R. Kannan (DIN: 00380328), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years effective from September 22, 2014 upto September 21, 2019".

8. Appointment of Shri M S Ramachandran as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Shri M S Ramachandran (DIN:00943629), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years effective from September 22, 2014 upto September 21, 2019".

9. Appointment of Shri Nihalchand Chauhan as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Shri Nihalchand Chauhan (DIN:00021782), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of



whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years effective from September 22, 2014 upto September 21, 2019”.

10. Appointment of Ms. Ameeta Parpia as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Ms. Ameeta Parpia (DIN:02654277), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years effective from September 22, 2014 upto September 21, 2019”.

11. To approve the remuneration of the Cost Auditors’ of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under and subject to all other approvals, if any, the consent of the Company be and is hereby accorded to the payment of remuneration of ₹3.00 lacs to M/s. Kishore Bhatia & Associates, Cost Accountants appointed by the Board of Directors of the Company (Registration No.00294) to conduct the audit of the cost records of the Company for the financial year ending June 30, 2015.”

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

“RESOLVED THAT pursuant to Section 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if required and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri N. Gopal as a Manager of the Company and to his being paid and provided remuneration, benefits and amenities as the Manager of the Company for the period July 10, 2014 to February 29, 2016 on the terms, conditions and stipulations contained in the Agreement between the Company and Shri N. Gopal a copy whereof is placed before the meeting and for the purpose of identification,

is initialed by the Chairman with liberty to the Board of Directors of the Company (the Board) to alter, vary and modify the terms and conditions of the said appointment and the agreement in such manner as may be agreed to between the Board and Shri N Gopal.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded, pursuant to Section 188 of the Companies Act, 2013 and the rules framed thereunder, to contracts or arrangements with The Supreme Industries Limited with respect to :

- a) sale, purchase or supply of any goods or materials; and
- b) availing of any services in connection with the purchase or sale of goods or material including storage thereof

provided that the total amount for such purchase or sale of goods or material including amounts payable for services rendered in this connection shall not exceed ₹ 50 crores per annum”.

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to mortgaging and/or charging by the Board of Directors of the Company (‘the Board’) of all the immovable and movable properties of the Company wheresoever situate present and future, in favour of Company’s 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 provide such facilities 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 ₹ 1500.00 crores extended/to be extended to the Company for meeting its Working Capital requirements, together with interest at the agreed rate, costs, charges, expenses and all other monies payable by the Company in terms of the facility agreements in respect of said Working Capital Facilities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the 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”.

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

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 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 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 commercial 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 monies 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

CIN : L23200MH1989PLC054633

Registered Office :

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

Phone : +91 22 67091900 ;

Fax : +91 22 40055681

email : investorhelpline@spl.co.in

website: www.supremepetrochem.com

Date : July 18, 2014



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN 10% (TEN) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at item Nos. 6 to 15 of the notice is annexed hereto.
3. Register of Members of the Company will remain closed from Friday, September 19, 2014 to Monday, September 22, 2014 (both days inclusive).
4. Members who hold shares in de-materialised form are requested to write their Client ID and DP ID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. Members holding shares in physical form are advised to furnish, on or before September 15, 2014 particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in the dividend warrants/payment instrument.
6. To receive faster communication of all shareholders communications, including Annual Reports the Members are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their e-mail address with Karvy Computershare Private Limited, Hyderabad.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. **Voting through electronic means**

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on July 31, 2014 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate

in the e-voting process, through the e-voting platform provided by Karvy Computershare Pvt. Ltd. (Karvy).

The instructions for e-voting are as under:

A. For members who receive notice of annual general meeting through email:

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your Folio/DP Client ID will be your User-ID.

| | |
|-----------|---|
| User – ID | For Members holding shares in Demat Form:- a) For NSDI :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company |
| Password | Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice |
| Captcha | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) Please contact toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from September 12, 2014 @ 9.00 AM to September 14, 2014 @ 6.00 PM
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., '**Supreme Petrochem Ltd**'
- ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FIIs/ Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to supreme.scrutiniser@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- xiv) Members may alternatively cast their votes using the Ballot Form which is sent along with this Notice and is also available on the website of the Company. Please refer instructions under heading C below for more details.

B. For members who receive the notice of annual general meeting in physical form:

- i. Members holding shares either in demat or physical mode who are in receipt of the Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice. Please refer instructions under heading C below for more details.
- ii. Members may alternatively opt for e-voting, for which the USER ID and initial password are provided at the bottom of the Ballot Form. Please follow steps from Sl. No.(i) to (xii) under heading A above to vote through the e-voting platform.

C. For members who wish to vote using Ballot Form:

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutiniser, Shri P. N. Parikh (FCS 327) or failing him Ms. Jigyasa N. Ved (FCS 6488) of Parikh & Associates, Company Secretaries, so as to reach on or before September 14,

2014 by 6.00 p.m. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final. In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

D. General instructions:

- i. The E-voting period commences from 9.00 a.m. on September 12, 2014 and ends on 6.00 p.m. on September 14, 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of July 31, 2014 may cast their votes electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. The Company has appointed Shri P. N. Parikh (FCS 327) or failing him Ms. Jigyasa N. Ved (FCS 6488) of Parikh & Associates, Company Secretaries (CP No.1228) having address as 111, 11th Floor, Sai Dwar CHS Ltd, Sab TV Lane, Opp Laxmi Industrial Estate, Off Link Road, Andheri (West), Mumbai - 400 053 as the Scrutiniser to the e-voting process, (including voting through Ballot Form received from the members).
- iii. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iv. In the event of a poll, please note that the members who have exercised their right to vote by electronic means/ through ballot form as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- v. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the twenty fifth annual general meeting of the Company scheduled to be held on September 22, 2014. At the said annual general meeting, the Chairman shall declare the results of voting on the resolutions set out in the Notice. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.supremepetrochem.com and on the website of Karvy - www.karvy.com, within two (2) days of the passing of the resolutions at the twenty fifth annual general meeting of the Company and shall also be communicated to the Stock Exchanges.



ANNEXURE TO THE NOTICE

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

ITEM NO. 6, 7, 8, 9 & 10

Shri Hasmukh Shah, Shri R Kannan, Shri M S Ramachandran, Shri Nihalchand Chauhan and Ms. Ameeta Parpia have been appointed as Independent Directors of the Company, at various times, pursuant to clause 49 of the Listing Agreement, whose office was liable to retirement by rotation. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in Section 149 of the Act, which has been notified w.e.f. April 1, 2014, who are not liable to retire by rotation and shall hold office for a term upto five consecutive years.

Accordingly, it is proposed to appoint Shri Hasmukh Shah, Shri R Kannan, Shri M S Ramachandran, Shri Nihalchand Chauhan and Ms. Ameeta Parpia as Independent Directors under Section 149 of the Act and clause 49 (revised) of the Listing Agreement to hold office for five consecutive years from September 22, 2014 to September 21, 2019.

Name: Hasmukh Shah

Age: 79

Qualification: B. A.

Experience: Long experience in industry and is the Ex-Chairman of IPCL besides being the Member of the Board of Directors of reputed Companies.

Other Directorships: Micro Inks Ltd.; Sun Pharmaceuticals Industries Ltd. and Atul Ltd.

Name: R. Kannan

Age: 66

Qualification: M. Tech. Chemical Engineering and Chartered Financial Analyst.

Experience: He was formerly General Manager of ICICI Limited, in charge of the Oil & Gas division and thereafter Director of The Institute of Financial Management and Research, Chennai. He is currently a faculty Member of the Institute and is considered an expert in the Oil, Gas and Petrochemical Industry.

Other Directorships: The Jeypore Sugars Co. Ltd.; ITCOT Consultancy & Services Ltd.; V. Ramakrishna Sugars Ltd.

Name: M S Ramachandran

Age: 69

Qualification: B E (Mechanical)

Experience: Former Chairman of IOC. Attended advanced Management Programme from Ashridge Management College in England and IIM in Ahmedabad. Also served as the Executive Director of Oil Co-ordination Committee. One of the foremost authorities on the Oil, Gas and Petrochemical Sector and is associated with many national and international companies. Inducted into the Hall of Fame at Chemtech Pharma Bio Award Function in April 2005.

Other Directorships: ICICI Bank Ltd., Gulf Oil Corporation Ltd., Gulf Oil Lubricants India Ltd., Ester Industries Ltd. and International Paper APPM Ltd.

Name: Nihalchand Chauhan

Age: 78

Qualification: B. Com. (Hons.) L.L.B., CAIIB.

Experience: He is respected and well known personality in Banking and Financial circles, has over 55 years experience in domestic and International Banking. His rich and varied experience includes long stints with State Bank of India and Arab Monetary Fund, Abudhabi.

Other Directorships: Kabra Extrusion Technik Ltd.

Name: Ameeta Parpia

Age: 49

Qualification: B. A. LLB.

Experience: Senior Solicitor and Advocate with long experience in legal field.

Other Directorship : Prism Cement Ltd and Raheja QBE General Insurance Company Ltd.

Shri Hasmukh Shah, Shri R Kannan, Shri M S Ramachandran, Shri Nihalchand Chauhan and Ms. Ameeta Parpia, Non-executive Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, these Directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

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

The Directors commend the resolution at Item No. 6, 7, 8, 9 & 10 for your approval.

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

ITEM NO. 11:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on July 18, 2014, have approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records for the financial year ended June 30, 2015 on a remuneration of ₹ 3.00 lacs.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014 the

remuneration payable to the cost auditors has to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.11 of the Notice for ratification of remuneration payable to the cost auditors for the financial year ending June 30, 2015.

The Directors commend the resolution at Item No.11 for your approval.

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

ITEM NO. 12:

The Board of Directors at their meeting held on April 21, 2014 have appointed Shri N. Gopal as Manager of the Company for the period July 10, 2014 to February 29, 2016 subject to approval of the Members of the Company and other statutory approvals as may be necessary.

The qualifications and experience of Shri N. Gopal together with the responsibilities entrusted to him have been taken into account by the Remuneration Committee of Directors which has recommended the following remuneration:

REMUNERATION:

- (a) Not exceeding ₹ 175.00 lacs per annum (inclusive of ex-gratia, if any).

In case, accommodation is provided to Shri N. Gopal by the Company, the same shall be valued as per the Income Tax Rules.

In case the Company does not provide accommodation to Shri N. Gopal, he shall be entitled to House Rent Allowance. The value of the accommodation or the House Rent Allowance paid shall form a part of the remuneration stated above.

- (b) The above remuneration may be increased by the Board (or any Committee thereof constituted for the purpose) in its discretion in one or more steps at any time or from time to time during the tenure of the Agreement.
- (c) The remuneration shall not exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) or any amendment made thereto, without the approval of the Central Government.

Shri N. Gopal shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable by the Company not exceeding half a months salary for each completed year of service.
- iii) Encashment of leave at the end of the tenure as per the rules of the Company.

The Company will provide a car to Shri N. Gopal and shall reimburse expenses incurred by him for use of and maintenance of the car. The driver's salary shall also be reimbursed to Shri N. Gopal as per the rules of the Company.

The Company shall pay the bills for cellular and landline telephones used by Shri N. Gopal, for official purposes. Personal long distance calls on telephone shall be billed by the Company to Shri N. Gopal.

Shri N. Gopal shall be entitled to reimbursement of all actual expenses, including entertainment and traveling, incurred in the course of the Company's business.

Shri N. Gopal shall be entitled to earned/privilege leave on full pay and allowances as per Rules of the Company.

In the event of absence or inadequacy of profits of the Company for any year, Shri N. Gopal shall be entitled to the aforesaid remuneration and reimbursement of expenses during the currency of this Agreement, subject to receipt of requisite approvals, if any.

The Agreement with Shri N. Gopal can be inspected at the Secretarial Department of the Company at Solitaire Corporate Park, Building No. 11, 5th Floor, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai 400 093 between 11.00 a.m. to 5.00 p.m. on any working day from Monday to Friday.

The Directors commend the resolution at Item No. 12 for your approval.

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

ITEM NO. 13

Your Company in the ordinary course of business proposes to enter into arrangements with The Supreme Industries Limited for the sale, purchase or supply of goods or material or for the availing of services for sale or storage of your Company's products. Though these transactions will be at arms length, it is considered prudent to obtain the members' approval under section 188 of the Companies Act, 2013 by way of a Special Resolution to such transactions not exceeding ₹ 50 crores in a year. Members may note that the aggregate sum of ₹ 50 crores per annum for all types of transactions with The Supreme Industries Limited is less than 1.4% of your Company's turnover for financial year 2013-14.

The Directors commend the resolution at Item No. 13 for your approval.

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

**ITEM NO. 14:**

The Company has been availing credit facilities from its Banks to meet its Working Capital requirements. As required by the Banks, these credit facilities are to be secured by an 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 existing Banks and such other Banks as may provide from time to time Working Capital Facilities including fund and non-fund based facilities upto an aggregate amount of ₹ 1500.00 crores. The resolution at Item No. 14 is considered necessary having regard to Section 180(1)(a) of the Companies Act, 2013.

The Directors commend the resolution at Item No. 14 for your approval.

None of the Directors of the Company and Key Managerial Personnel and their relatives 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. 15

The Company proposes to approach investment institutions and their subsidiaries, banks and other bodies corporate and/or other Lending Agencies for term loans/external commercial borrowings/debentures/bonds for a sum not exceeding ₹ 100.00 crores (Rupees one hundred crores only) for capital expenditure and for general corporate purposes including to augment long term resources for working capital requirements of the Company.

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 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. 15 is considered necessary having regard to Section 180(1)(a) of the Companies Act, 1956.

The Directors commend the resolution at Item No. 15 for your approval.

None of the Directors of the Company and Key Managerial Personnel and their relatives 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. Talaria

Chairman

CIN : L23200MH1989PLC054633

Registered Office :

612, Raheja Chambers

Nariman Point,

Mumbai – 400 021

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

email : investorhelpline@spl.co.in

website: www.supremepetrochem.com

Date : July 18, 2014

DIRECTORS' REPORT

Your Directors take pleasure in presenting the twenty fifth Annual Report together with Audited Accounts of your Company for the year ended June 30, 2014.

1. FINANCIAL RESULTS

(Rupees in lacs)

| | 2013-2014 | 2012-2013 |
|--|----------------|-----------------|
| Income (Net of Excise) | 326429.78 | 296715.90 |
| Profit before Tax | 4399.01 | 10998.96 |
| Tax expenses | 1390.11 | 3732.45 |
| Profit after tax | 3008.90 | 7266.51 |
| Prior period income (net) | 50.09 | 15.82 |
| Balance brought forward from Previous Year | 3058.99 | 7282.33 |
| Amount available for appropriation | 7149.00 | 10922.42 |
| Appropriation thereof : | | |
| Dividend on equity shares (including corporate dividend tax) | 1693.54 | 2832.41 |
| Transfer to general reserve | 1500.00 | 4000.00 |
| Balance carried forward | 3955.46 | 4090.01 |

2. DIVIDEND

Your Directors recommend a dividend of ₹ 1.50 per equity share for the year 2013-2014. The dividend subject to approval of members at the annual general meeting in September 2014, shall be paid to the members whose names appear in the register of members as on date of applicable book closure.

3. REVIEW OF OPERATIONS

The markets for your Company's products continued to be weak in the year under review due to high inflation, wild fluctuations in rupee value, lower growth in industrial production, low consumer confidence and poor offtake of consumer durables. The domestic Polystyrene (PS) and Expandable Polystyrene (EPS) markets declined by 9.5% and 5.2% respectively during the year under review.

The traditional export markets continued to be affected due to uncertain economic and political situation in these markets. Your Company could increase its exports of PS and EPS by changing the focus to other markets/customers.

The Speciality Polymers and Compounds (SPC) business recorded a marginal increase of 4.6% in volume whereas the Extruded Polystyrene Insulation Board (XPS) business has shown healthy growth over the previous year.

Despite the weak economic conditions in both domestic and international markets your Company could maintain

its volumes with a marginal decline of 0.8% during the year under review. With the installation of stable Government at centre, continued excise duty relief to the consumer durables market, increased disposable income in the hands of consumers and improvement in consumer confidence it is expected that the sales volume of your Company's products will be better in 2014-15 as compared to the year under review.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

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

5. HEALTH, SAFETY & ENVIRONMENT

Both the Environmental Management System and Occupational Health and Safety Management System continued to be maintained by your Company as per the ISO 14001:2004 Standard and OHSAS 18001:2007 Standard respectively.

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

HSE Performance Index for the period under review was in the "Excellent" Range.

Your Company has completed 5002 Accident Free Days as on 30th June 2014 which amounts to 13.30 million man-hours of accident free operation.

6. DIRECTORS

Shri M. P. Taparia and Shri S. J. Taparia, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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

Shri Satish Raheja resigned from the Board of Directors of the Company w.e.f. May 27, 2014 for personal reasons. The Board places on record its appreciation of his invaluable guidance and contribution to the Company as a member of the Board of Directors.

Pursuant to the provisions of the Companies Act, 2013 and of the revised clause 49 of the Listing Agreement with the Stock Exchanges your Company proposes to appoint Shri Hasamukh Shah, Shri R Kannan, Shri M S Ramchandran Shri Nihalchand Chauhan and Ms. Ameeta Parpia as Independent Directors on the Board of the Company. The resume of the Directors is given in the notice of the Annual General Meeting.



7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

8. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company transferred an aggregate amount of ₹ 21.77 lacs during the year to the Investor Education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹ 223.72 lacs.

The unclaimed dividends on equity shares paid in November 2007 will be due for transfer to the Fund in December 2014. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the R & T Agents.

9. FIXED DEPOSIT SCHEME

The outstanding fixed deposits as on June 30, 2014 were ₹ 4.33 crores including due but unclaimed deposits aggregating ₹ 24.31 lacs out of which 9 deposits aggregating ₹ 2.12 lacs have been paid as on the date of this report. There are no claimed and unpaid deposits. Pursuant to provisions of Section 74 of the Companies Act, 2013 your Company proposes to repay all outstanding fixed deposits by March 31, 2015.

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

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

11. PERSONNEL

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

acknowledge the sincerity and dedication of the employees.

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

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

12. AUDITORS' REPORT

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

13. COST AUDITORS

The Cost Audit Report for the year 2012-13 was filed with the authorities on the due date, December 27, 2013. Kishore A. Bhatia, Cost Accountant has been appointed to audit the cost accounts of the Company for the period July 01, 2013 to June 30, 2014.

14. CHANGE OF REGISTERED OFFICE

Almost all the major activities of the Company are carried out from its Corporate office at Andheri (East), Mumbai. It is therefore proposed for administrative convenience to shift the registered office of the Company to Solitaire Corporate Park, Building No. 11, 5th floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai- 400 093 w.e.f from October 1, 2014.

15. 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**

Place : Mumbai
Date : July 18, 2014

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, 2014.

A. CONSERVATION OF ENERGY

Various energy saving schemes are part of the ongoing programme of energy conservation. Such schemes resulted in savings of 1146320 KWH units of electrical energy during the year under review. However lower utilization of PS capacity due to dampened domestic demand resulted in higher consumption per unit of PS production.

B. TECHNOLOGY ABSORPTION

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

ANNEXURE - FORM A

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

A. Power and fuel consumption

| | | Current Year | Previous Year |
|----------|-----------------------------|--------------------------------|--------------------------------|
| | | July 01, 2013 to June 30, 2014 | July 01, 2012 to June 30, 2013 |
| 1 | Electricity | | |
| | (a) Purchased | | |
| | Units (KWH) | 29345091 | 26533826 |
| | Total amount (₹ Lacs) | 2221.87 | 2074.51 |
| | Rate/unit (₹)* | 7.57 | 7.82 |
| | (b) Own Generation | | |
| | Through Diesel Generator | | |
| | Units (KWH) | 227617 | 297298 |
| | Unit per ltr. of diesel oil | 2.87 | 3.01 |
| | Cost/Unit* | 20.01 | 16.66 |
| | (c) Own Generation | | |
| | Through Gas Engine | | |
| | Units (KWH) | 7423184 | 10705192 |
| | Unit per MMBTU of Gas | 112.57 | 102 |
| | Cost/Unit* | 7.84 | 8.28 |
| 2 | Furnace Oil | | |
| | Quantity (MT) | 918.84 | 2122.536 |
| | Total amount (₹ Lacs) | 386.56 | 841.383 |
| | Average rate (₹ per Kg.)* | 42.07 | 39.64 |

B. Consumption per unit of production

| Product | Current Year 2013-14 | | | Previous Year 2012-13 | | |
|----------------------|----------------------|---------|---------|-----------------------|---------|---------|
| | PS | EPS | XPS | PS | EPS | XPS |
| Electricity (KWH/MT) | 204.22** | 113.19* | 1663.37 | 199.93** | 139.46* | 1583.69 |
| Furnace Oil (Kgs/MT) | 1.187 | 18.93 | NIL | 5.48 | 36.88 | NIL |
| Natural Gas (Kgs/MT) | 7.545 | 27.98 | NIL | 2.80 | 15.43 | NIL |

* Average of all plants

** Including Speciality Polymers and Compounds

For and on behalf of the Board

M. P. Taparia
Chairman

Place : Mumbai
Date : July 18, 2014



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

The growth of the Indian economy was impacted during the year 2013-14 due to policy paralysis, lack of governance and government spending coupled with high inflation, volatility in the value of the rupee, rising cost of industrial inputs and economic uncertainties. All this led to a new low in consumer confidence and weak demand for consumer products. Indian economy recorded its second successive year of sub 5% GDP growth at 4.7%.

The global economy is witnessing a gradual recovery. Global GDP recorded a 2.9% growth in 2013. With continued strengthening of some of the major economies in the western world it is expected that the global economy will record a better GDP growth of around 3.4% in 2014. This will help the developing economies like India in the form of increased export opportunities.

It is hoped that with the installation of a stable Government with clear majority post general elections the governance framework will get strengthened and the speed of reforms will gather momentum resulting in revival of economy. The worst appears to be behind us and going forward the economy is likely to pick up pace. In the Finance Bill, 2014 the Government has provided a thrust to infrastructural growth, manufacturing housing and rural area development which will create enough employment opportunities thus boosting demand for consumer products.

INDUSTRY OVERVIEW

The Domestic Polystyrene (PS) industry witnessed two different patterns in first half and second half of the year under review. The domestic PS industry faced a difficult business environment during the first half of the year, which saw shrinking of domestic market by almost 16% in view of high Styrene Monomer (raw material) prices, depreciation of rupee and lower import duty on Polystyrene from Singapore (1.15%). High prices of PS led to use of alternate materials like ABS and Polypropylene and increased consumption of reprocessed PS in certain consumer applications by some processors thereby affecting sale of PS. Sluggish demand in segments like Refrigerator, Water purifier, Washing Machine and Coolers also contributed to the fall in demand.

The stable Rupee, reduction in Styrene Monomer prices, extended summer, demand increase in Refrigerators and other appliances, Rigid Transparent Sheets, Food Service Wares, Pen and Stationery in the second half of the year resulted in restricting the degrowth for the entire year to 9.5%.

The Expandable Polystyrene (EPS) domestic market saw a degrowth of 5.2%. However, your Company was able to grow its share by 7.2% due to consolidation of capacities in the domestic sector. In last one year the Company noticed that EPS processors see value in building manufacturing capacity for 3D wall panel systems. Six plants have already come on stream in India with installed capacity of 500 MT per month and are currently operating at 15% efficiency. Your Company

is focusing on promotion of use of these systems as partition walls in township projects and in high rise buildings where movement of bricks is difficult. This market is growing gradually on a sustainable basis. Promotion of small beads in non food applications is undertaken in various applications including thin walled rigid boxes for packaging and lost foam technology to make complicated casted components.

Your Company's Speciality Polymers and Compounds Business (SPC) recorded a marginal increase in volume despite political & economic uncertainties in international markets. With the Company's renewed focus on Masterbatch & PP Compounds businesses, these product groups registered a robust growth in volume over last financial year. New customers have been acquired for White and UV Masterbatches in the domestic as well as international markets. Prospects for growth in these areas are encouraging.

The process of establishing a large retail distribution network for developing the market for Extruded Polystyrene Insulation Board (XPS) is progressing satisfactorily resulting in robust volume growth of 20% over last year. The revamping of the production line to further improve quality including reduction in density of the XPS Board has given a boost to the sales effort. Products for new applications as per market demand have been introduced. Your Company's manufacturing process is based on best environmental practices. The Company is pleased to inform that all its grades are CFC (Chloro Fluoro Carbon) & HCFC (Hydro Chloro Fluoro Carbon) free. HFC's (Hydro Fluoro Carbon) which are permitted in rest of the world are used as blowing agents. In tune with latest advances in Europe, your Company has also introduced CO₂ based grades to significantly reduce green gas emissions. Product is recognised and accepted for roof insulation along with water proofing systems in various segments like commercial buildings, hotels, hospitals, institutions and SEZ buildings. The growth in construction sector, cold chains and storages has fuelled demand.

Export market continued to be difficult since PS producers in Middle East, Egypt, Singapore and Taiwan have no sizeable domestic market and hence resort to exporting even with very low margin in order to utilize their capacity at reasonable levels. Your Company not only could retain its presence but was successful in developing new customers and markets while retaining its margin in this difficult environment due to superior quality and culture to provide amazing services to its customers.

Your company continues its policy of pursuing small and medium sized customers, to protect margins in such competitive environment. Due to rationalisation of PS capacity in Europe, your company is able to participate in European countries with reasonably good margins. This trend is expected to continue in the coming financial year also. Similar restructuring has taken place in USA, which is expected to allow your company to increase volumes in North America.

Your company has been able to establish a decent customer base for EPS Food grade in all territories allowed by the Technology provider. Off-take agreement with the Technology provider for South East Asia market is also established smoothly. Standard and fire resistant grade export of EPS to several countries has also been established. One of the main challenges for EPS export is the new tougher international regulation about shipment of Hazardous Cargoes. Your company is working closely with several shipping companies to overcome this hurdle.

FINANCE

Your Company's total debt stands reduced to ₹ 3203 lacs as on June 30, 2014. Total borrowings have been brought down by about ₹ 4265 lacs during the year. As on June 30, 2014 your Company has a very healthy debt to equity ratio of 0.09 and total outside liability to networth ratio of 1.60. Your Company expects to be debt free on net basis by June 30, 2015.

CAPITAL EXPENDITURE

Your Company has completed all planned capital expenditure schemes and has no major capital expenditure programme except normal capital expenditure required for replacement of old and fatigued equipment and some balancing equipment for its EPS plants. The total capital expenditure estimated for the year 2014-15 is around ₹ 25 crores.

OUTLOOK

Polystyrene: Your Company expects the favourable factors seen in the second half of the year under review viz. the demand increase in refrigerator and other appliances, rigid transparent sheet, food serviceware, stationery etc. to continue. The Company therefore expects the domestic PS market to grow by 5% during the year 2014-15. Your Company is hopeful of maintaining its export market share.

With the removal of anomaly in the customs notification for application of concessional rate of duty on imports of PS from Singapore under Comprehensive Economic Cooperation Agreement (CECA) in the budget the duty application stands restored to 7.5% from 1.15%. Your Company hopes that with this correction in import duty ratio, imports from Singapore would reduce substantially thus increasing the market available to domestic players. The domestic prices of PS which till now were not remunerative due to imports from Singapore under CECA would be able to provide a fair return on investments made.

Expandable Polystyrene: The domestic EPS market is expected to grow by about 10% in 2014-15. Though packaging continues to be the main application for EPS and forms a major part of domestic demand, growth is expected to be more from block applications in cold storages and construction industry. Use of light weight concrete has caught attention of Ready Mix Concrete companies wherein coated EPS beads are mixed with cement and water in a specified proportion. Scarcity of sand is likely to drive this application in time to come. Small size beads in this application can be

used for making light weight insulating bricks and blocks. With the country's focus on infrastructure development, use of EPS blocks as Geofom material in construction of roads and bridges looks promising.

Speciality Polymers and Compounds: Business outlook for the coming year is positive considering the growth expected in the domestic appliances sector and the improving business environment in the international market. This should enhance the market for Speciality Polymers and Compounds.

Extruded Polystyrene Insulation Board (XPS): Efforts are being taken to promote insulation at national level as the most energy efficient and cost effective way of achieving energy savings objectives, and XPS is an important contributor. Your Company has joined hands with other insulation material manufacturers to form an association called India Insulation Forum which is working very closely with Bureau Of Energy Efficiency to specify insulation guidelines to construction industry. Efforts are being taken to get BIS specification. Notification of 'Energy Conservation Building Code' (ECBC) by State Governments is expected to generate more demand for product in time to come.

RISK MANAGEMENT

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

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

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

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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



INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

AWARDS & RECOGNITION

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

- 'Certificate of Appreciation' (For year 2013) from National Safety Council of India for demonstrating good safety performance.
- 'Certificate of Merit' (For year 2013) From National Safety Council – Maharashtra Chapter for continuous longest accident free period.
- Greentech Safety Gold Award (For year 2013) from Greentech Foundation, New Delhi for outstanding achievement in Safety Management.
- Greentech Environment Silver Award (For year 2013) from Greentech Foundation, New Delhi for outstanding achievement in Environment Management

CORPORATE SOCIAL RESPONSIBILITY

Your Company has always been aware of its social responsibility towards society and considers it an integral part of its business.

Some of the important initiatives taken by SPL as part of Corporate Social Responsibility around its plant at villages Amdoshi and Wangani :-

- (i) Provision of financial and technical help for water supply scheme.

A drinking water supply scheme for supply of treated drinking water for the two villages coming under Amdoshi-Wangani Group Grampanchayat was executed with financial and technical help from SPL. The scheme is operational and is working satisfactorily .

- (ii) Notebooks and School Bags are being given every year to students from the nearby three villages.
- (iii) Scholarships are given to take care of entire expenses of Meritorious Students from the nearby three villages for Degree or Diploma courses in Engineering or Graduation in Science. Up till now 10 students including two girls have taken advantage of the Scholarship.
- (iv) Financial help is given for cultural activities in the nearby villages
- (v) Help is given to local and district authorities for handling of offsite emergencies such as road accidents, fire etc. The Company has extended help during the railway accident that took place near its factory site in the month of May 2014.

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.

Government of India has entered into various FTAs under which aggressive imports of appliances on duty free basis has affected local production thus making an adverse impact on local consumption of Polystyrene. Imports of appliances under FTAs particularly with Thailand amongst other ASEAN Nations is contributing to lower capacity utilization of domestic Polystyrene industry.

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 9 members as on June 30, 2014. 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 | 3 | - | - | 37733 |
| Rajan B. Raheja | Non-Executive – Promoter | 6 | 37 | 2 | 2 | 300 |
| B. L. Taparia | Non-Executive – Promoter | 2 | 1 | - | - | 4834 |
| S. J. Taparia | Non-Executive – Promoter | 4 | 3 | - | - | 37733 |
| Hasmukh Shah | Non-Executive – Independent | 2 | 1 | 2 | 1 | 2800 |
| R. Kannan | Non-Executive – Independent | 3 | - | 1 | 1 | - |
| M. S. Ramachandran | Non-Executive – Independent | 5 | - | 4 | 10 | - |
| Nihalchand Chauhan | Non-Executive – Independent | 1 | - | - | 1 | - |
| Ameeta Parpia | Non-Executive – Independent | 2 | - | 1 | 3 | 21900 |

During the year under review the Board met on 5 occasions i.e. July 17, 2013; August 19, 2013; October 18, 2013; January 20, 2014 and April 21, 2014.

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

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

* Resigned w.e.f. May 27, 2014

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 6 occasions i.e. July 17, 2013; August 19, 2013; October 17, 2013; November 14, 2013; January 20, 2014 and April 21, 2014.

| Members | Category | Meetings held | Meetings Attended |
|--------------------|-----------------------------|---------------|-------------------|
| R. Kannan | Non-Executive – Independent | 6 | 3 |
| S. J. Taparia | Non-Executive – Promoter | 6 | 5 |
| Nihalchand Chauhan | Non-Executive – Independent | 6 | 6 |
| Ameeta Parpia | Non-Executive – Independent | 6 | 6 |

3. REMUNERATION COMMITTEE:

Your Company has constituted an independent Remuneration Committee to decide the 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, the Remuneration Committee met on 1 occasion i.e. July 17, 2013.

| Member | Category | Meetings held | Meetings Attended |
|---------------|--------------------------------------|---------------|-------------------|
| Hasmukh Shah | Non-Executive – Independent/Chairman | 1 | 1 |
| S. J. Taparia | Non-Executive – Promoter | 1 | 1 |
| R. Kannan | Non-Executive – Independent | 1 | 1 |
| Ameeta Parpia | 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 |
| Rajan B. Raheja | Non-Executive – Promoter | 75,000 |
| B. L. Taparia | Non-Executive – Promoter | 60,000 |
| Satish Raheja * | Non-Executive – Promoter | -- |
| S. J. Taparia | Non-Executive – Promoter | 1,50,000 |
| Hasmukh Shah | Non-Executive – Independent | 60,000 |
| R. Kannan | Non-Executive – Independent | 1,05,000 |
| M. S. Ramachandran | Non-Executive – Independent | 45,000 |
| Nihalchand Chauhan | Non-Executive – Independent | 1,65,000 |
| Viren Raheja | Non-Executive – Alternate Director to Satish Raheja | 60,000 |
| Ameeta Parpia | Non-Executive – Independent | 1,80,000 |
| | TOTAL | 9,75,000 |

* Resigned w.e.f. May 27, 2014

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 | 23 | 23 |
| Rajan B. Raheja | Non-Executive – Promoter | 23 | 22 |
| S. J. Taparia | Non-Executive – Promoter | 23 | 17 |
| Satish Raheja * | Non-Executive – Promoter | 23 | - |
| Ameeta Parpia | Non-Executive – Promoter | 23 | 22 |
| Viren Raheja | Non-Executive – Alternate Director to Satish Raheja | 23 | 18 |

* Resigned w.e.f. May 27, 2014

Compliance Officer: Shri Rakesh Nayyar - Company Secretary.

During the period under review, your Company received 155 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, 2014.

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 Investment Committee met on 4 occasions i.e. July 02, 2013; October 01, 2013; January 11, 2014 and April 02, 2014

| Member | Category | Meetings Held | Meetings Attended |
|-----------------|------------------------------------|---------------|-------------------|
| M.P. Taparia | Non-Executive – Promoter/ Chairman | 4 | 4 |
| Rajan B. Raheja | Non-Executive – Promoter | 4 | 4 |
| S.J. Taparia | Non-Executive – Promoter | 4 | 2 |
| Ameeta Parpia | Non-Executive – Independent | 4 | 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:

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

During the year under review the Finance Committee met on 8 occasions i.e. July 02, 2013; July 17, 2013; August 19, 2013; October 17, 2013; January 20, 2014; April 02, 2014; April 21, 2014 and May 23, 2014.

| Members | Category | Meetings held | Meetings Attended |
|-----------------|---|---------------|-------------------|
| M. P. Taparia | Non-Executive – Promoter/Chairman | 8 | 8 |
| Rajan B. Raheja | Non-Executive – Promoter | 8 | 8 |
| B. L. Taparia | Non-Executive – Promoter | 8 | 7 |
| Satish Raheja * | Non-Executive – Promoter | 8 | - |
| S. J. Taparia | Non-Executive – Promoter | 8 | 6 |
| Viren Raheja | Non-Executive – Alternate Director to Satish Raheja | 8 | 6 |
| Ameeta Parpia | Non-Executive – Independent | 8 | 8 |

* Resigned w.e.f. May 27, 2014



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, 2014.

10. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held :

| Year | | Location | Date | Time | Special Resolutions Passed |
|-----------|------------------|---|------------|-----------|----------------------------|
| 2010-2011 | 22 nd | I. M. C., Walchand Hirachand Conference Hall, Mumbai – 400020 | 21.09.2011 | 4.00 p.m. | Yes |
| 2011-2012 | 23 rd | I. M. C., Walchand Hirachand Conference Hall, Mumbai – 400020 | 04.10.2012 | 4.00 p.m. | No |
| 2012-2013 | 24 th | I. M. C., Walchand Hirachand Conference Hall, Mumbai – 400020 | 18.10.2013 | 4.00 p.m. | No |

No resolutions were passed through postal ballot last year.

11. SUBSIDIARY COMPANY:

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

12. DISCLOSURES:

a. Basis of related party transactions

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

b. Disclosure of Accounting Treatment

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



c. Risk Management

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

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

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

e. Disclosure of non-compliance of the Company

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

f. Whistle Blower Policy/Vigil Mechanism

Your Company did not have a Whistle Blower Policy in place during the year under review however no employee was denied access to the Audit Committee. A Whistle Blower Policy (Vigil Mechanism) has been adopted by the Board of Directors on July 18, 2014.

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

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

14. MEANS OF COMMUNICATIONS:

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

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. PARTICULARS OF DIRECTORS:

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

| Name of the Director | M. P. Taparua | S. J. Taparua |
|--|--|---|
| Age (Years) | 76 | 68 |
| Date of Appointment | 14/12/1989 | 22/11/1993 |
| Qualification | B. A. | B. E. (Mechanical) |
| Experience of specific functional area | He is the Managing Director of The Supreme Industries Limited. Expertise and wide experience in business management, marketing, operations and actively involved in various industry forums. | Expertise and rich experience in technical, operational and marketing aspects of industrial products. Actively involved in industry forums. |
| Chairman/Director of other Companies | - The Supreme Industries Limited - Supreme Capital Management Ltd. - Kabra Extrusion Technik Ltd. - The West Coast Paper Mills Ltd. | The Supreme Industries Limited Supreme Capital Management Ltd. Bharat Business Channel Limited Oricon Enterprises Ltd. |



17. GENERAL SHAREHOLDERS INFORMATION :

| | |
|-----------------------------------|--|
| Annual General Meeting | : Monday, September 22, 2014 at 4.00 p.m. at I. M. C. Walchand Hirachand Conference Hall, Churchgate, Mumbai - 400 020 |
| Period under review | : July 01, 2013 to June 30, 2014 |
| Date of Book Closure | : Friday, September 19, 2014 to Monday, September 22, 2014 (both days inclusive) |
| Dividend Payment Date | : September 29, 2014 - Dividend warrants will be posted on or after September 29, 2014 |
| Listing on Stock Exchanges | : BSE Limited. National Stock Exchange of India Ltd. |
| Stock Code | : BSE Limited - 500405 National Stock Exchange of India Ltd.- SUPPETRO |

Market Price Data:

(₹)

| Month/Year | Bombay Stock Exchange | | National Stock Exchange | |
|----------------|-----------------------|-------|-------------------------|-------|
| | High | Low | High | Low |
| July 2013 | 64.50 | 55.10 | 65.35 | 53.30 |
| August 2013 | 59.75 | 53.15 | 60.60 | 53.20 |
| September 2013 | 57.95 | 52.25 | 56.80 | 52.30 |
| October 2013 | 61.70 | 54.50 | 62.00 | 55.00 |
| November 2013 | 62.90 | 57.00 | 62.00 | 57.00 |
| December 2013 | 62.85 | 57.65 | 63.00 | 57.30 |
| January 2014 | 66.90 | 52.85 | 67.00 | 52.60 |
| February 2014 | 56.90 | 50.95 | 57.00 | 51.05 |
| March 2014 | 58.60 | 52.00 | 58.50 | 51.60 |
| April 2014 | 68.00 | 56.75 | 68.00 | 56.55 |
| May 2014 | 77.50 | 62.00 | 78.00 | 61.50 |
| June 2014 | 93.50 | 70.50 | 93.80 | 70.05 |

COMPARISON WITH INDICES:

| | July 2013 Opening | June 2014 Closing | % Rise (Fall) |
|------------|-------------------|-------------------|---------------|
| BSE Sensex | 19352.48 | 25413.78 | 31.32 |
| NSE Nifty | 5834.10 | 7611.35 | 30.46 |
| SPL Shares | 56.50 | 90.65 | 60.44 |

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, 2014)

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholdings |
|---------------------------|---------------------|-------------------|-----------------|--------------------|
| 0001 - 5000 | 50941 | 98.86 | 13580606 | 14.07 |
| 5001 - 10000 | 259 | 0.50 | 1977864 | 2.05 |
| 10001 - 20000 | 153 | 0.30 | 2220744 | 2.30 |
| 20001 - 30000 | 45 | 0.09 | 1140255 | 1.18 |
| 30001 - 40000 | 26 | 0.05 | 894541 | 0.93 |
| 40001 - 50000 | 16 | 0.03 | 754631 | 0.78 |
| 50001 - 100000 | 40 | 0.08 | 3054024 | 3.16 |
| 100001 & above | 49 | 0.10 | 72879293 | 75.52 |
| TOTAL | 51529 | 100.00 | 96501958 | 100.00 |

CATEGORIES OF SHAREHOLDERS (AS ON JUNE 30, 2014)

| Sr. No. | Category | No. of Shares held | % of Shareholding |
|--------------------|---|--------------------|-------------------|
| 1. | Promoters | 58712000 | 60.84 |
| 2. | Mutual Funds and UTI | 55659 | 0.06 |
| 3. | Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutional/Non-Government Institutions) | 38105 | 0.04 |
| 4. | FII/Foreign Bodies Corporate | 135984 | 0.14 |
| 5. | Private Corporate Bodies | 4710766 | 4.88 |
| 6. | Indian Public | 31449785 | 32.59 |
| 7. | NRIs | 1201504 | 1.25 |
| 8. | Others (clearing members) | 198155 | 0.20 |
| GRAND TOTAL | | 96501958 | 100.00 |

DEMATERIALIZATION OF SHARES & LIQUIDITY

: Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited. 95.17% Shares have been dematerialised upto June 30, 2014.

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

: **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 Bhandary

Secretarial Department,
Supreme Petrochem Ltd,
Solitaire Corporate Park, Building No. 11, 5th Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East),
MUMBAI - 400 093
Telephone No.: 022-67091900 and 66935927
Fax No. : 022-40055681
E-mail: investorhelpline@spl.co.in

OR

(2) Shri K. S. Reddy

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



Telephone No.: 040-44655000
Toll Free No. : 1800-3454-001
Fax No. : 040-23420814
E-mail : reddy.ks@karvy.com, einward.ris@karvy.com
Web Site : www.karvy.com

OR

(3) Shri Praveen Amlani

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

EQUITY SHARES IN SUSPENSE ACCOUNT

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

| | No. of Shareholders | No. of Shares |
|---|----------------------------|----------------------|
| Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year | 1029 | 90364 |
| No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year | 3 | 1066 |
| No of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year | 3 | 1066 |
| No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year | 1026 | 89298 |

For and on behalf of the Board

M. P. Taparua
Chairman

Place : Mumbai
Date : July 18, 2014

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Supreme Petrochem Ltd

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Ltd ("the Company") for the year ended on June 30, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

(Rajen Ashar)
Partner
Membership No.048243

Place : Mumbai
Date : July 18, 2014



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
SUPREME PETROCHEM LTD

Report on the Financial Statements

We have audited the accompanying financial statements of **Supreme Petrochem Ltd** which comprise the Balance sheet as at June 30, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
2. in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
3. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the –Companies (Auditor's Report) (Amendment) Order 2004 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on June 30, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Rajen Ashar
Partner

Place : Mumbai
Date : July 18, 2014

Membership No.048243

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under “other legal and regulatory requirements” of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management during the year according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) During the year, the Company has not disposed off any substantial part of fixed assets.
- (ii) (a) The inventory have been physically verified at reasonable intervals by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of such inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) The Company has not taken or granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence, the question of reporting under sub clauses (a) to (g) of the clause 4(iii) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) There are no transactions made in pursuance of contracts or arrangements and exceeding the value of Rs. 5 lakhs in respect of any party during the year
- (vi) 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 Act 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.

- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (ix) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at June 30, 2014 for a period of more than 6 months from the date they became payable.
- (b) The particulars of statutory dues that have not been deposited on account of disputes are as under:

| Sr. No | Statutes | Nature of Dues | Period | Amount (₹ lacs) | Forum where dispute is pending. |
|----------------------|--------------------------|--------------------------|-----------------------|-----------------|-------------------------------------|
| 1 | Central Excise Act, 1944 | Excise duty and penalty. | Apr-2001 to Mar-11 | 554.45 | Remand Back to Comm. Appeal. CESTAT |
| | | | Jul-2002 to Jan-2006 | 222.19 | |
| | | | Apr-08 to June-2008 | 1100.00 | |
| | | | Apr-1996 to Jun-2000 | 11.85 | |
| | | | Apr-06 to Sept-2009 | 1.47 | |
| | | | Oct-09 to Jul-10 | 1.04 | |
| | | | Apr-05 to Mar-08 | 2.11 | |
| | | | March 2008 | 23.16 | |
| | | | Sep-2002 to Aug-2009 | 19.29 | |
| | | | Apr-11 to Nov-12 | 78.07 | |
| | | | June 2013 & Dec 2013 | 408.53 | |
| | | | June 2012 | 3.23 | |
| | | | Nov-12 to Aug-13 | 0.44 | |
| | | | Dec-12 to Nov-13 | 21.91 | |
| | | | June 2009 | 28.59 | |
| | | | Feb 2008 to June 2008 | 16.52 | |
| Apr 2009 to Dec 2009 | 3.35 | | | | |
| Jan 2010 to Oct 2011 | 0.77 | | | | |
| | | | | | |

| Sr. No | Statutes | Nature of Dues | Period | Amount (₹ lacs) | Forum where dispute is pending. |
|--------|--------------------------------|-----------------------------------|---------------------------|-----------------|--|
| 2 | Service Tax (Finance Act 1994) | Service Tax and penalty. | Apr-2004 to Jul-2007 | 44.21 | CESTAT |
| | | | Apr-2005 to Sep-2009 | 14.92 | |
| | | | Jan-2011 to Oct-2011 | 5.88 | |
| | | | Sep-2004 to Aug-2013 | 470.08 | |
| | | | Sept 2010 to Nov 2012 | 0.68 | |
| | | | Sept 2010 to Nov 2012 | 4.56 | |
| | | | June 2009 to Feb 2010 | 3.84 | |
| | | | Aug-2012 to May-2013 | 81.35 | |
| | | | Apr-2011 to Dec-2011 | 0.16 | |
| | | | Mar 2012 to Mar 2013 | 0.09 | |
| | | | Dec 2012 to Sept 2013 | 5.67 | |
| | | | Jan 2011 to Sept 2013 | 3.45 | |
| | | | Mar 2011 to Dec 2011 | 0.80 | |
| | | | Feb 2012 to Nov 2012 | 1.09 | |
| | | | Jan 2009 to Sept 2013 | 2.84 | |
| 3 | Tamil Nadu VAT Act, 2006 | VAT and penalty. | 2005 - 2006 | 0.88 | Commissioner/ Deputy Commissioner (Appeals) Assistant Commissioner Deputy Commissioner |
| | | | 2010-2011 | 5.57 | |
| | | | 2003-2004 | 2.61 | |
| | | | 2012-2013 | 1.20 | |
| 4 | Income Tax Act, 1961 | Income Tax, interest and penalty. | Assessment Year 2007-2008 | 44.43 | Commissioner of Income Tax (Appeal) ITAT Bombay |
| | | | 2005-2006 | 30.96 | |
| | | | 2008-2009 | 121.26 | |
| | | | 2006 - 2007 | 4.71 | |
| | | | | | |

- (x) The Company does not have any accumulated losses as at June 30, 2014. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) We have been informed that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund or a *nidhi* mutual benefit fund / society. Therefore, the provisions of this clause are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us and on the basis of the records examined by us, we state that the Company has prima facie applied the term loan for the purpose for which it was obtained.
- (xvii) On the basis of review of utilization of funds, which is based on overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the management, funds raised on short-term basis have not been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Hence, the question of reporting under clause 4(xviii) of the Order regarding whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
- (xix) The Company has not issued any debentures, hence the question of reporting under clause 4(xix) of the Order regarding creation of securities or charge does not arise.
- (xx) The Company has not raised any monies by way of public issues during the year.
- (xxi) As represented to us by the management and based on our examination of the books and records of the Company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

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

Rajen Ashar
Partner

Place : Mumbai
Date : July 18, 2014

Membership No.048243



BALANCE SHEET AS AT JUNE 30,2014

(₹ Lacs)

| Particulars | Note No | As at 30-06-2014 | As at 30-06-2013 |
|--|--------------|---------------------|---------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 2 | 9650.20 | 9683.86 |
| Reserves and surplus | 3 | 26777.04 | 25596.30 |
| | | 36427.24 | 35280.16 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 4 | 930.00 | 3209.45 |
| Deferred tax liabilities (Net) | 5 | 4924.15 | 4872.04 |
| Other long term liabilities | 6 | 120.37 | 122.56 |
| Long-term provisions | 7 | 135.99 | 149.22 |
| | | 6110.51 | 8353.27 |
| Current Liabilities | | | |
| Trade payables | 8 | 49072.73 | 49085.24 |
| Other current liabilities | 9 | 4353.57 | 6090.46 |
| Short-term provisions | 10 | 2393.43 | 4032.74 |
| | | 55819.73 | 59208.44 |
| | TOTAL | 98357.48 | 102841.87 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible assets | 11 | 36905.94 | 36361.23 |
| Intangible assets | | 222.79 | 217.85 |
| Capital work-in-progress-tangible assets | | 398.74 | 3143.19 |
| | | 37527.47 | 39722.27 |
| Long term loans and advances | 12 | 817.13 | 821.69 |
| Other non-current assets | 13 | 1104.81 | 503.28 |
| | | 1921.94 | 1324.97 |
| Current Assets | | | |
| Inventories | 14 | 17925.97 | 21953.30 |
| Trade receivables | 15 | 33720.41 | 32659.56 |
| Cash and cash equivalents | 16 | 2317.28 | 2773.93 |
| Short-term loans and advances | 17 | 4572.12 | 3830.96 |
| Other current assets | 18 | 372.29 | 576.88 |
| | | 58908.07 | 61794.63 |
| | TOTAL | 98357.48 | 102841.87 |
| Significant Accounting Policies | 1 | | |

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

As per our report of even date.

For G. M. Kapadia & Co
Chartered Accountants

Rajen Ashar
Partner

Rakesh Nayyar
Executive Director
(Finance & Corporate Affairs)
and Company Secretary

For and on behalf of the Board
M. P. Taparia, Chairman

Rajan B. Raheja
B. L. Raheja
S. J. Raheja
R. Kannan
Nihalchand Chauhan
Ameeta Parpia

Directors

Mumbai
Date : July 18, 2014

Mumbai
Date : July 18, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED JUNE 30,2014

| Particulars | Note No | (₹ Lacs) | |
|--|---------|-------------------|-------------------|
| | | Year 2013-2014 | Year 2012-2013 |
| INCOME | | | |
| Revenue from Operations | 19 | | |
| Sale of goods | | 358185.05 | 328355.64 |
| Less : Excise duty | | 34661.26 | 34395.44 |
| | | 323523.79 | 293960.20 |
| Other operating revenues | | 2905.99 | 2755.70 |
| | | 326429.78 | 296715.90 |
| Other Income | 20 | 585.55 | 538.52 |
| Total Revenue | | 327015.33 | 297254.42 |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 209268.32 | 179597.23 |
| Purchase of stock-in-trade | 22 | 85889.18 | 82989.78 |
| Changes in inventories of finished goods and work-in-process | 23 | 2826.06 | (597.27) |
| Employee benefit expenses | 24 | 2827.05 | 2399.84 |
| Finance costs | 25 | 2284.39 | 2388.15 |
| Depreciation and amortisation expenses | 26 | 2873.74 | 2770.61 |
| Other expenses | 27 | 16647.58 | 16707.12 |
| Total Expense | | 322616.32 | 286255.46 |
| Profit Before Tax | | 4399.01 | 10998.96 |
| Tax Expenses | | | |
| Current tax | | 1338.00 | 3246.00 |
| Deferred tax | | 52.11 | 486.45 |
| Profit After Tax | | 3008.90 | 7266.51 |
| Prior period adjustments | | (31.31) | - |
| Provision for prior period tax | | (18.78) | (15.82) |
| Profit for the year | | 3058.99 | 7282.33 |
| Earning per share (₹) | | | |
| Basic | | 3.16 | 7.52 |
| Diluted | | 3.16 | 7.52 |
| Nominal Value of Share | | 10.00 | 10.00 |

Significant Accounting Policies

1

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

As per our report of even date.

For G. M. Kapadia & Co
Chartered Accountants

For and on behalf of the Board

M. P. Taparia, Chairman

Rajen Ashar
Partner

Rakesh Nayyar
Executive Director
(Finance & Corporate Affairs)
and Company Secretary

Rajan B. Raheja
B. L. Raheja
S. J. Raheja
R. Kannan
Nihalchand Chauhan
Ameeta Parpia

Directors

Mumbai
Date : July 18, 2014

Mumbai
Date : July 18, 2014



CASH FLOW FOR THE YEAR : 2013 - 2014

| | Year Ended | | Year Ended | |
|---|--------------|-----------|--------------|------------|
| | June 30,2014 | | June 30,2013 | |
| | ₹ Lacs | | | |
| A. Cash Flow from Operating activities | | | | |
| Net Profit before tax | | 4399.01 | | 10998.96 |
| Adjustment for : | | | | |
| Depreciation & Amortisation Expenses | 2873.74 | | 2770.61 | |
| Interest received | (40.61) | | (52.13) | |
| Dividend received | (326.43) | | (325.70) | |
| Loss/(Profit) on sale of investments | (1.92) | | - | |
| Interest and finance charges | 2284.39 | | 2388.15 | |
| Loss on sale/scrap of fixed assets | 5.70 | | 102.66 | |
| Foreign Exchange Fluctuation Assets & Liability (Expenses)/Income related to earlier year | (67.87) | | (332.76) | |
| Operating profit before working capital changes | 31.31 | 4758.31 | - | 4550.83 |
| | | 9157.32 | | 15549.79 |
| Adjustment For : | | | | |
| Trade & Other receivables | (1763.60) | | (3895.23) | |
| Inventories | 4027.33 | | 4392.62 | |
| Trade paybles & other provisions | (80.30) | 2183.43 | (716.30) | (218.91) |
| Cash generated from operations | | 11340.75 | | 15330.88 |
| Direct tax paid | | (1851.83) | | (3317.17) |
| Net Cash from Operating activities (A) | | 9488.92 | | 12013.71 |
| B. Cash Flow from Investing activities | | | | |
| Purchase of fixed assets | (693.55) | | (2568.77) | |
| Sale of fixed assets | 5.90 | | 11.41 | |
| Sale of Investments | 1.92 | | - | |
| Interest Income | 40.61 | | 52.13 | |
| Dividend Income | 326.43 | | 325.70 | |
| Net cash used in investing activities (B) | | (318.69) | | (2179.53) |
| C. Cash Flow from Financing activities | | | | |
| Buy back of Shares | (218.38) | | - | |
| Interest and finance charges paid | (2284.39) | | (2388.15) | |
| Dividend & Dividend Tax paid | (2832.41) | | (1575.64) | |
| Proceeds from borrowings | (4291.70) | | (6747.82) | |
| Net cash from financing activities (C) | | (9626.88) | | (10711.61) |
| Net Change in cash & cash equivalents (A)+(B)+(C) | | (456.65) | | (877.43) |
| Opening balance of Cash & Cash equivalents | | 2773.93 | | 3651.36 |
| Closing balance of Cash & Cash equivalents | | 2317.28 | | 2773.93 |

As per our report of even date.

For G. M. Kapadia & Co
Chartered AccountantsRajen Ashar
PartnerRakesh Nayyar
Executive Director
(Finance & Corporate Affairs)
and Company SecretaryFor and on behalf of the Board
M. P. Taparia, ChairmanRajan B. Raheja
B. L. Raheja
S. J. Raheja
R. Kannan
Nihalchand Chauhan
Ameeta Parpia

} Directors

Mumbai
Date : July 18, 2014Mumbai
Date : July 18, 2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014.

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1] Corporate Information

Supreme Petrochem Limited (SPL) is engaged in the manufacture of Polystyrene (PS), Expendable Polystyrene (EPS), Specialty Polymers & Compounds and Extruded Polystyrene (XPS) with manufacturing facilities at Nagothane Dist Raigad, Maharashtra and Ammulavoyil Village, Manali New Township, Chennai, Tamil Nadu. SPL also has a captive gas power plant at Nagothane.

2] Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) and also accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

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.

3] 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. Actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

4] Revenue Recognition

[a] Income and Expenditure

Income and expenditure are accounted on accrual basis. Income in respect of insurance / other claims, interest, commission, etc. is recognised when it is reasonably certain that the ultimate collection will be made.

[b] Sale of Goods

Domestic sales are accounted on dispatch of goods to customers. Export sales are accounted on date of bill of lading. Gross Sales include Excise duty but exclude Value Added Tax/ Central Sales Tax and are net of trade discounts.

[c] Dividend Income

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

[d] Purchases

Purchases are net of Value Added Tax set off and Cenvat wherever applicable, but include inward freight. Import purchases are accounted on date of bill of lading.

[e] 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."



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

Fixed Assets

[a] Tangible Assets

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

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

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

[b] Intangible Assets

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

[c] Depreciation and Amortisation

Depreciation on Tangible Fixed Assets (except free hold land) is provided on "Straight Line Method" at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956

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

6] Impairment of Assets

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

7] Inventories

Inventories are valued as under :

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

8] Cash and Cash Equivalents

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

9] Foreign exchange transactions and forward contracts

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

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.

10] Cenvat Credit

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

11] Employee Benefits

[a] Short Term Employee Benefits

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

[b] Post-employment Benefits

[i] Provident and Family Pension Fund

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

[ii] Gratuity

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

[iii] Superannuation

The eligible employees of the Company are entitled to receive post employment benefits of superannuation under Company's Senior Officers Superannuation Scheme to which the Company makes annual contribution at a specified percentage of the employees' salary 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.

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

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

12] Segment Reporting

Styrenics is the primary business segment of the Company. There are no separate segments within the Company as defined by AS 17 (Segment Reporting) prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs. except Geographical segment as reportable segment.

13] 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.

14] Contingent Liabilities

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

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

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

15] Provision

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

16] Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long - term investments are carried at cost. Diminution, if any, other than temporary, is provided for. Current investments are carried at lower of cost or fair value.

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

17] Leases

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

18] Borrowing Costs

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014.

(₹ Lacs)

| | As at 30-06-2014 | As at 30-06-2013 |
|--|---------------------|---------------------|
| 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 | | |
| 9,65,01,958 (Previous Year 9,68,38,613) Equity Shares of ₹ 10 each | 9650.20 | 9683.86 |
| TOTAL | 9650.20 | 9683.86 |

2.1. 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.

2.2. In the financial year 2013-2014, the company bought back and extinguished 3,36,655 equity shares which has reduced the paid-up share capital of the company from ₹ 9683.86 lacs to ₹ 9650.20 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 30-06-2014 | | As At 30-06-2013 | |
| The Supreme Industries Limited | 2,89,36,400 | 29.99 | 2,89,36,400 | 29.88 |
| R. Raheja Investments Private Limited | 2,89,36,400 | 29.99 | 2,89,36,400 | 29.88 |

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

| Particulars | As At 30-06-2014 No. of Shares | As At 30-06-2013 No. of Shares |
|--|--|--------------------------------------|
| | Equity Shares at the beginning of the year | 9,68,38,613 |
| Add : | - | - |
| Less : Shares cancelled on buy back of Equity Shares | 3,36,655 | - |
| Equity Shares at the end of the year | 9,65,01,958 | 9,68,38,613 |

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. The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.



(₹ Lacs)

| | As at 30-06-2014 | As at 30-06-2013 |
|---|---------------------|---------------------|
| NOTE 3 | | |
| RESERVES AND SURPLUS | | |
| Capital Redemption Reserve | | |
| Balance as per the last Balance Sheet | 1529.79 | 1529.79 |
| Add : Transfer from General Reserve on account of Buy back of Equity Shares | 33.67 | - |
| | 1563.46 | 1529.79 |
| General Reserve | | |
| Balance as per the last Balance Sheet | 19976.50 | 15976.50 |
| Add : Transferred from Profit and Loss Account | 1500.00 | 4000.00 |
| Less : Transfer to Capital Redemption Reserve on account of Buy back of Equity Shares | 33.67 | - |
| Less : Premium on buy back of Equity Shares | 184.71 | - |
| | 21258.12 | 19976.50 |
| Surplus | | |
| Balance as per the last Balance Sheet | 4090.01 | 3640.09 |
| Add : Profit for the Year | 3058.99 | 7282.33 |
| Amount available for appropriations | 7149.00 | 10922.42 |
| Appropriations : | | |
| Transfer to General Reserve | 1500.00 | 4000.00 |
| Proposed Dividend | 1447.53 | 2420.97 |
| Dividend Tax | 246.01 | 411.44 |
| | 3193.54 | 6832.41 |
| | 3955.46 | 4090.01 |
| | 26777.04 | 25596.30 |

NOTE 4**LONG-TERM BORROWINGS**

(₹ Lacs)

| | Total | | Non-current | | Current maturities | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 | As at 30-06-2014 | As at 30-06-2013 | As at 30-06-2014 | As at 30-06-2013 |
| Secured Loans | | | | | | |
| From Banks | | | | | | |
| Rupee term loans | 2790.00 | 6487.67 | 930.00 | 2790.00 | 1860.00 | 3697.67 |
| Amount included under the head "Other current liabilities" | | | | | (1860.00) | (3697.67) |
| | 2790.00 | 6487.67 | 930.00 | 2790.00 | - | - |
| Unsecured Loans | | | | | | |
| Fixed deposits | 413.62 | 981.18 | - | 419.45 | 413.62 | 561.73 |
| Amount included under the head "Other current liabilities" | | | | | (413.62) | (561.73) |
| | 413.62 | 981.18 | - | 419.45 | - | - |
| Total | 3203.62 | 7468.85 | 930.00 | 3209.45 | | |

4.1 Rupee Term Loans amounting to ₹ 2790 Lacs (Previous Year ₹ 6487.67 Lacs) from Banks are secured by a first charge by way of mortgage of the Company's immovable properties including Plant and Machinery and by hypothecation of movable assets (except trade receivables) subject to prior charge in favour of Company's Bankers for working capital facilities.

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

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

| Financial Year | ₹ in Lacs |
|----------------|-----------|
| 2014-2015 | 1860.00 |
| 2015-2016 | 930.00 |

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

| Financial Year | ₹ in Lacs |
|----------------|-----------|
| 2014-2015 | 413.62 |

| | As at 30-06-2014 | As at 30-06-2013 |
|---|---------------------|---------------------|
| | | (₹ Lacs) |
| NOTE 5 | | |
| DEFERRED TAX LIABILITIES (Net) | | |
| Deferred Tax Liabilities | | |
| Related to fixed assets | 4986.59 | 4939.68 |
| | <u>4986.59</u> | <u>4939.68</u> |
| Deferred Tax Assets | | |
| Provision for leave encashment | 52.24 | 58.12 |
| Provision for bonus | 10.20 | 9.52 |
| | <u>62.44</u> | <u>67.64</u> |
| Net Deferred Tax Liabilities | 4924.15 | 4872.04 |
| Opening Deferred Tax Liabilities | 4872.04 | 4385.59 |
| Net Deferred Tax Expenses/(Income) for the Year | <u>52.11</u> | <u>486.45</u> |
| | | (₹ Lacs) |

| | As at 30-06-2014 | As at 30-06-2013 |
|-------------------------------------|---------------------|---------------------|
| | | (₹ Lacs) |
| NOTE 6 | | |
| OTHER LONG TERM LIABILITIES | | |
| Security Deposits from Distributors | 120.37 | 113.87 |
| Interest on fixed deposits | - | 8.69 |
| | <u>120.37</u> | <u>122.56</u> |

| | As at 30-06-2014 | As at 30-06-2013 |
|--------------------------------|---------------------|---------------------|
| | | (₹ Lacs) |
| NOTE 7 | | |
| LONG TERM PROVISIONS | | |
| Provision for leave encashment | 135.99 | 149.22 |
| | <u>135.99</u> | <u>149.22</u> |



(₹ Lacs)

| | As at 30-06-2014 | As at 30-06-2013 |
|--|---------------------|---------------------|
| NOTE 8 | | |
| TRADE PAYABLES | | |
| Acceptances | 45943.04 | 47113.28 |
| Others | 3129.69 | 1971.96 |
| | <u>49072.73</u> | <u>49085.24</u> |
| NOTE 9 | | |
| OTHER CURRENT LIABILITIES | | |
| Current maturities of long term borrowings | 1860.00 | 3697.67 |
| Current maturities of fixed deposits | 413.62 | 561.73 |
| Unclaimed fixed deposits | 24.31 | 50.78 |
| Accrued salaries and benefits | 347.45 | 171.08 |
| Statutory liabilities | 1074.63 | 1061.55 |
| Interest accrued but not due on deposits/others | 1.75 | 10.00 |
| Interest accrued on current maturities of fixed deposits | 27.96 | 39.06 |
| Other liabilities | 326.75 | 261.86 |
| Unclaimed Dividend | 277.10 | 236.73 |
| | <u>4353.57</u> | <u>6090.46</u> |
| NOTE 10 | | |
| SHORT TERM PROVISIONS | | |
| Proposed Dividend | 1447.53 | 2420.97 |
| Tax on Proposed Dividend | 246.01 | 411.44 |
| Income Tax (net of advance tax) | 99.43 | 194.50 |
| Leave encashment | 17.71 | 21.77 |
| Other Provisions | 582.75 | 984.06 |
| | <u>2393.43</u> | <u>4032.74</u> |

NOTE 11
FIXED ASSETS

(₹ Lacs)

| Particulars | GROSS BLOCK | | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | |
|------------------------------|---------------------|---------------------------|---------------------------|---------------------|---------------------------|----------|---------------------------|--------------------|---------------------|---------------------|
| | DURING THE YEAR | | | | DURING THE YEAR | | | | | |
| | As At 30-06-2013 | Additions/ Adjustments | Disposals/ Adjustments | As At 30-06-2014 | Upto 30-06-2013 | Provided | Disposals/ Adjustments | Upto 30-06-2014 | As At 30-06-2014 | As At 30-06-2013 |
| (A) Tangible Assets | | | | | | | | | | |
| Land (Freehold) | 3418.22 | - | - | 3418.22 | - | - | - | - | 3418.22 | 3418.22 |
| Buildings | 15145.95 | 453.41 | - | 15599.36 | 3611.62 | 426.88 | - | 4038.50 | 11560.86 | 11534.33 |
| Plant and Machinery | 43386.88 | 2760.49 | 23.26 | 46124.11 | 22422.62 | 2289.63 | 22.38 | 24689.87 | 21434.24 | 20964.26 |
| Office Equipments | 232.15 | 1.79 | 2.40 | 231.54 | 109.20 | 10.37 | 1.19 | 118.38 | 113.16 | 122.96 |
| Computers | 375.50 | 101.45 | 8.83 | 468.12 | 257.38 | 49.83 | 8.69 | 298.52 | 169.60 | 118.12 |
| Air-conditioners | 43.40 | 5.10 | 7.94 | 40.56 | 16.51 | 1.98 | 5.47 | 13.02 | 27.54 | 26.89 |
| Vehicles | 171.68 | 19.74 | 21.58 | 169.84 | 70.14 | 14.02 | 14.76 | 69.40 | 100.44 | 101.54 |
| Furniture and Fixtures | 315.41 | 16.69 | 0.90 | 331.20 | 240.50 | 9.64 | 0.82 | 249.32 | 81.88 | 74.91 |
| TOTAL A | 63089.19 | 3358.67 | 64.91 | 66382.95 | 26727.97 | 2802.35 | 53.31 | 29477.01 | 36905.94 | 36361.23 |
| Previous Year | 58649.51 | 4934.68 | 494.99 | 63089.20 | 24400.57 | 2708.34 | 380.94 | 26727.97 | 36361.23 | - |
| (B) Intangible Assets | | | | | | | | | | |
| Computer Software | 415.13 | 76.33 | - | 491.46 | 197.28 | 71.39 | - | 268.67 | 222.79 | 217.85 |
| TOTAL B | 415.13 | 76.33 | - | 491.46 | 197.28 | 71.39 | - | 268.67 | 222.79 | 217.85 |
| Previous Year | 371.72 | 43.41 | - | 415.13 | 135.01 | 62.27 | - | 197.28 | 217.85 | - |
| TOTAL A+B | 63504.32 | 3435.00 | 64.91 | 66874.41 | 26925.25 | 2873.74 | 53.31 | 29745.68 | 37128.73 | 36579.08 |
| Previous Year | 59021.23 | 4978.09 | 494.99 | 63504.33 | 24535.58 | 2770.61 | 380.94 | 26925.26 | 36579.08 | - |

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 Disposals/Adjustments include assets scrapped.

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

NOTE 12

LONG TERM LOANS AND ADVANCES

(₹ Lacs)

| | Total | | Long-term | | Current Maturity | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 | As at 30-06-2014 | As at 30-06-2013 | As at 30-06-2014 | As at 30-06-2013 |
| Unsecured, Considered Good | | | | | | |
| Loans to employees | 225.51 | 222.41 | 157.56 | 165.12 | 67.95 | 57.29 |
| Capital advances | 659.57 | 656.57 | 659.57 | 656.57 | - | - |
| Amount included under the head "Short term Loans and advances" | | | | | (67.95) | (57.29) |
| | <u>885.08</u> | <u>878.98</u> | <u>817.13</u> | <u>821.69</u> | <u>-</u> | <u>-</u> |

(₹ Lacs)

| | As at 30-06-2014 | As at 30-06-2013 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

NOTE 13

OTHER NON-CURRENT ASSETS

| | | |
|---------------------------------------|----------------|---------------|
| Security deposits to vendors | 262.68 | 100.56 |
| Advance Income tax (Net of provision) | 830.74 | 393.19 |
| Deposits with statutory authorities | 11.39 | 9.53 |
| | <u>1104.81</u> | <u>503.28</u> |

NOTE 14

INVENTORIES

| | | |
|-------------------------------------|-----------------|-----------------|
| Raw materials and packing materials | 10489.96 | 9976.75 |
| Stock-in-process | 54.36 | 144.12 |
| Finished goods | 5156.50 | 8112.50 |
| Finished goods in transit | 752.97 | 533.27 |
| Stores and spares | 1430.81 | 1365.50 |
| Fuel | 41.37 | 57.31 |
| Stock-In-Trade | - | 1763.85 |
| | <u>17925.97</u> | <u>21953.30</u> |

NOTE 15

TRADE RECEIVABLES

(Unsecured - Considered Good)

| | | |
|--|-----------------|-----------------|
| Overdue for more than six months from due date | 265.12 | 281.27 |
| Others | 33455.29 | 32378.29 |
| | <u>33720.41</u> | <u>32659.56</u> |

NOTE 16

CASH AND CASH EQUIVALENTS

| | | |
|--|----------------|----------------|
| 1. Balances with Banks | | |
| Current accounts | 108.32 | 175.37 |
| Margin money deposit | 0.44 | 6.63 |
| Cash credit accounts | 1631.76 | 1353.06 |
| Bank Deposit with more than 12 months maturity | 163.46 | 200.92 |
| | <u>1903.98</u> | <u>1735.98</u> |
| 2. Cheques on hand | 30.10 | 786.47 |
| 3. Cash on hand | 21.72 | 14.75 |
| 4. Others | | |
| a. Escrow account * | 84.38 | - |
| b. Unclaimed dividend | 277.10 | 236.73 |
| | <u>361.48</u> | <u>236.73</u> |
| | <u>2317.28</u> | <u>2773.93</u> |

* Escrow account is for Buy Back of Shares



| | (₹ Lacs) | |
|---|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 |
| NOTE 17 | | |
| SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured-Considered Good) | | |
| Prepaid expenses | 533.09 | 550.22 |
| Advance recoverable in cash or in kind | 35.41 | 55.47 |
| Balance with statutory authorities | 3928.32 | 3162.73 |
| Loans and advances to employees | 75.30 | 62.54 |
| | <u>4572.12</u> | <u>3830.96</u> |
| NOTE 18 | | |
| OTHER CURRENT ASSETS | | |
| Deposits with statutory authorities | 203.68 | 181.85 |
| Other deposits | 133.17 | 293.39 |
| Other receivables | 35.44 | 101.64 |
| | <u>372.29</u> | <u>576.88</u> |
| NOTE 19 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of goods | 358185.05 | 328355.64 |
| Less : Excise duty | 34661.26 | 34395.44 |
| | <u>323523.79</u> | <u>293960.20</u> |
| OTHER OPERATING REVENUES | | |
| Duty benefit on raw material import for exports | 2124.32 | 1606.12 |
| Other export benefit | 247.63 | 266.28 |
| Scrap sales | 534.04 | 883.30 |
| | <u>2905.99</u> | <u>2755.70</u> |
| | <u>326429.78</u> | <u>296715.90</u> |
| 19.1 | | |
| PARTICULARS OF SALE OF GOODS | | |
| (Manufactured and traded goods) | | |
| Polymers of Styrene and Petrochemicals | 317710.92 | 288790.04 |
| Others | 5812.87 | 5170.16 |
| | <u>323523.79</u> | <u>293960.20</u> |
| NOTE 20 | | |
| OTHER INCOME | | |
| Interest received on trade receivables | 27.64 | 36.49 |
| Interest received on bank fixed deposits | 40.61 | 52.13 |
| Interest received Others | 1.32 | 12.44 |
| Gain on sale of Investment (Net) | 1.92 | - |
| Dividend (gross) | 326.43 | 325.70 |
| Miscellaneous income | 187.63 | 111.76 |
| | <u>585.55</u> | <u>538.52</u> |
| NOTE 21 | | |
| COST OF MATERIALS CONSUMED | | |
| Raw materials (including packing materials) | | |
| Opening stock | 9976.75 | 15047.79 |
| Purchases | 209781.53 | 174526.19 |
| | <u>219758.28</u> | <u>189573.98</u> |
| Less : Closing stock | 10489.96 | 9976.75 |
| | <u>209268.32</u> | <u>179597.23</u> |

21.1

Particulars of consumption of imported/indigenous raw materials (including packing materials)

Raw materials (including packing materials)

| | Year 2013-2014 | | Year 2012-2013 | |
|------------|-------------------|------------------|-------------------|------------------|
| | % | (₹ Lacs) | % | (₹ Lacs) |
| Imported | 95.56 | 199979.31 | 94.98 | 170587.24 |
| Indigenous | 4.44 | 9289.01 | 5.02 | 9009.99 |
| | <u>100.00</u> | <u>209268.32</u> | <u>100.00</u> | <u>179597.23</u> |

Raw materials (including packing materials) consumed

| | Year | |
|----------------|------------------|------------------|
| | 2013-2014 | 2012-2013 |
| Petrochemicals | 188121.35 | 157170.48 |
| Others | 21146.97 | 22426.75 |
| | <u>209268.32</u> | <u>179597.23</u> |

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

| | | |
|----------------|-----------------|-----------------|
| Petrochemicals | 85833.51 | 82662.98 |
| Others | 55.67 | 326.80 |
| | <u>85889.18</u> | <u>82989.78</u> |

NOTE 23**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS**

| | | |
|-------------------------------|----------------|-----------------|
| Inventories (at close) | | |
| Finished goods | 5909.47 | 8645.77 |
| Stock-in-process | 54.36 | 144.12 |
| | <u>5963.83</u> | <u>8789.89</u> |
| Inventories (at commencement) | | |
| Finished goods | 8645.77 | 8118.61 |
| Stock-in-process | 144.12 | 74.01 |
| | <u>8789.89</u> | <u>8192.62</u> |
| | <u>2826.06</u> | <u>(597.27)</u> |

NOTE 24**EMPLOYEE BENEFIT EXPENSES**

| | | |
|---|----------------|----------------|
| Salaries and wages | 2539.27 | 2142.45 |
| Contribution to provident and other funds | 190.53 | 172.74 |
| Staff welfare expenses | 97.25 | 84.65 |
| | <u>2827.05</u> | <u>2399.84</u> |

24.1

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

A. Gratuity**I. Assumptions**

| | | |
|--|-------|-------|
| Discount Rate (Current) | 8.95% | 7.75% |
| Rate of return on Plan Assets Current Year | 8.70% | 8.70% |

II. Changes in the defined benefit obligation :

| | | |
|--|--------|--------|
| Liability at the beginning of the year | 363.99 | 302.91 |
| Interest cost | 28.21 | 25.75 |



(₹ Lacs)

| | As at 30-06-2014 | As at 30-06-2013 |
|--|---------------------|---------------------|
| Current Service cost | 23.82 | 20.61 |
| Benefits paid | (58.08) | (8.47) |
| Actuarial (gain)/ loss on obligations | 13.53 | 23.19 |
| Liability at the end of the year (a) | 371.47 | 363.99 |
| III. Changes in the fair value of plan assets : | | |
| Fair value of plan assets at the beginning of the year | 441.75 | 332.17 |
| Expected return on plan assets | 38.43 | 28.23 |
| Employer's contributions | 30.18 | 80.94 |
| Actuarial (gain)/ loss on plan assets | (2.12) | 8.88 |
| Benefits paid | (58.08) | (8.47) |
| Fair value of plan assets at the end of the year (b) | 450.16 | 441.75 |
| IV. Balance Liability (a-b) | (78.69) | (77.76) |
| V. Actual Return on plan Assets : | | |
| Expected return on plan assets | 38.43 | 28.23 |
| Actuarial gain / (loss) on plan assets | (2.12) | 8.87 |
| Actual return on plan assets | 36.31 | 37.10 |
| VI. Expenses Recognised in Statement of Profit and Loss : | | |
| Current Service Cost | 23.82 | 20.61 |
| Interest Cost | 28.21 | 25.75 |
| Expected Return on Plan Assets | (38.43) | (28.23) |
| Past Service cost (Vested benefit) recognized | - | - |
| Actuarial (gain)/ loss to be recognized | 15.65 | 14.32 |
| Expenses recognized in Profit & Loss | 29.25 | 32.45 |
| VII. The Categories of plan assets as a percentage of total plan are as follows : | | |
| Insurer managed funds | 100% | 100% |

VIII. Amounts for the current and previous four periods are as follows :

(₹ Lacs)

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------|--------|------|------|------|
| Defined benefit obligation | 371.47 | 363.99 | - | - | - |
| Plan assets | 450.16 | 441.75 | - | - | - |
| Surplus / (deficit) | 78.69 | 77.76 | - | - | - |
| Experience adjustments on plan liabilities | 39.75 | 7.61 | - | - | - |
| Experience adjustments on plan assets | (2.12) | 8.87 | - | - | - |

B. Leave Encashment

The valuation of Leave Encashment has been done on exit as well as avilment 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, 2014.

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

| | |
|----------------------------------|------------|
| Average holding period of assets | 5.01 years |
| Guaranteed rate | 8.75% |

| | (₹ Lacs) | |
|--|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 |
| NOTE 25 | | |
| FINANCE COST | | |
| Interest on term loans | 604.56 | 1249.88 |
| Interest on fixed deposits | 96.29 | 186.41 |
| Interest others | 1118.40 | 661.64 |
| Other borrowing costs | 117.55 | 197.07 |
| Net loss on foreign currency transaction and translation | 347.59 | 93.15 |
| | <u>2284.39</u> | <u>2388.15</u> |
| NOTE 26 | | |
| DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation | 2802.35 | 2708.34 |
| Amortisation | 71.39 | 62.27 |
| | <u>2873.74</u> | <u>2770.61</u> |
| NOTE 27 | | |
| OTHER EXPENSES | | |
| Consumption of stores and spares | 719.12 | 658.68 |
| Power | 3291.06 | 3232.64 |
| Fuel | 735.51 | 895.91 |
| Repairs to building | 160.58 | 126.50 |
| Repairs to machinery | 322.83 | 254.43 |
| Repairs to others | 417.03 | 461.83 |
| Commission on sales | 746.78 | 735.86 |
| Carriage outward | 5081.18 | 4582.11 |
| Rent,rates and taxes | 316.29 | 341.81 |
| Directors' fees | 9.75 | 8.40 |
| Insurance | 422.25 | 360.65 |
| Loss on sale/scrap of fixed assets (net) | 5.70 | 102.66 |
| Miscellaneous Expenditure | 1834.69 | 1679.90 |
| Increase/(Decrease) in excise duty included in opening and closing stock of finished goods | (401.30) | 256.10 |
| Net loss on foreign currency transaction and translation (Other than considered as financial cost) | 2986.11 | 3009.64 |
| | <u>16647.58</u> | <u>16707.12</u> |

27.1

Particular of Consumption of Imported/Indigenous Stores & Spares

Stores and Spares

| | 2013-2014 | | 2012-2013 | |
|------------|---------------|---------------|---------------|---------------|
| | % | (₹ Lacs) | % | (₹ Lacs) |
| Imported | 27.41 | 197.08 | 31.84 | 209.76 |
| Indigenous | 72.59 | 522.04 | 68.16 | 448.92 |
| | <u>100.00</u> | <u>719.12</u> | <u>100.00</u> | <u>658.68</u> |

27.2

Payment to Statutory Auditors

| | (₹ Lacs) | |
|----------------------|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 |
| For audit fees | 15.00 | 15.00 |
| For taxation matters | 1.89 | 1.20 |
| For other services | 5.13 | 6.65 |
| Service tax | 2.72 | 2.61 |
| | <u>24.74</u> | <u>25.46</u> |



| | (₹ Lacs) | |
|--|---------------------|---------------------|
| | As at 30-06-2014 | As at 30-06-2013 |
| 27.3 | | |
| Expenditure in Foreign Currency | | |
| a. Interest | 183.77 | 212.47 |
| b. Membership and subscription | 25.04 | 11.17 |
| c. Seminar, training, exhibition & product development | 32.57 | 65.22 |
| d. Travelling expenses | 14.34 | 22.11 |
| e. Commission | 253.65 | 217.26 |
| f. Technical knowhow fees/Consultancy charges | - | 17.02 |
| g. Legal and professional fees | 24.33 | 3.57 |
| h. Bank charges | 128.21 | 75.92 |
| i. Royalty | 43.89 | 7.75 |
| j. Demurrage Charges | 18.55 | 25.06 |
| NOTE 28 | | |
| CIF VALUE OF IMPORTS | | |
| Raw materials and traded goods | 275188.37 | 239195.26 |
| Stores and spares | 407.71 | 301.66 |
| Capital goods | 50.16 | 871.25 |
| NOTE 29 | | |
| INCOME IN FOREIGN CURRENCY | | |
| FOB value of exports | 76317.74 | 53988.35 |
| NOTE 30 | | (₹ lacs) |
| | 2013-2014 | 2012-2013 |
| (i) Contingent liabilities | | |
| (a) Claims against the company not acknowledged as debt; (matters pending in court/ arbitration. No cash outflow is expected in future.) | | |
| Disputed Excise/ Service Tax demand. | 3156.84 | 2244.81 |
| Disputed Sales Tax demand. | 12.13 | 0.88 |
| Disputed Income Tax liability (matters under appeal) | 806.73 | 766.32 |
| (b) Counter guarantees given to banks against guarantees issued by the banks. | | |
| Guarantee issued for buyback of shares. | 760.00 | - |
| Other bank guarantees. | 218.46 | 225.51 |
| (c) Other money for which the Company is contingently liable | | |
| Letter of Credit opened by Bankers and outstanding at the year end. | 16878.58 | 21055.14 |
| Bills discounted but not matured | 2543.28 | 3120.99 |
| (ii) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for; | 235.05 | 62.49 |
| NOTE 31 | | |
| Styrenics is the primary business segment of the Company. The secondary segment is geographical, which is given as under : | | |
| a) Revenue | | |
| Sales (net of Excise Duty) and Operating Income | | |
| Within India | 245489.36 | 239337.44 |
| Outside India | 80940.42 | 57378.46 |
| Total | <u>326429.78</u> | <u>296715.90</u> |

(b) All the Assets of the Company except the trade receivables amounting to ₹ 4101.87 lacs (Previous Year : ₹ 3436.13 lacs) are within India.

NOTE 32

Company commenced buyback of its equity shares from May 2, 2014 for a period of six months. The maximum and minimum number of equity shares to be bought back, as approved by the Board are 60,00,000 and 24,10,715 respectively, at a price not exceeding ₹ 70/- per equity share. Till June 30, 2014 the Company has bought back and extinguished 3,36,655 equity shares which has reduced the paid-up share capital of the Company from ₹ 9683.86 lacs to ₹ 9650.20 lacs as on June 30, 2014.

The equity shares buyback was met as under : (₹ Lacs)

| | |
|---|---------------|
| (a) Transfer from General Reserve being amount equal to face value of 3,36,655 nos of equity shares of ₹ 10/- each. | 33.67 |
| (b) Utilised from General Reserve towards premium on buyback of 3,36,655 nos equity shares | 184.71 |
| | 218.38 |

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 Limited R. Raheja Investments Pvt. Ltd. |
| 2 | Key Management Personnel | Shri N. Gopal |

b) Transactions with Related Parties (₹ lacs)

| Sr. No. | Nature of Transactions* | Year | Promoters The Supreme Industries Limited | Key Management Personnel Shri N. Gopal |
|---------|--------------------------------|-----------------------|--|--|
| 1 | Sales of Goods (Net) | 2013 - 14 | 2467.81 | - |
| | | 2012-13 | 3741.35 | - |
| 2 | Purchase of Goods | 2013 - 14 | 316.81 | - |
| | | 2012-13 | 317.74 | - |
| 3 | Reimbursement of Expenses Paid | 2013 - 14 | 12.20 | - |
| | | 2012-13 | 0.91 | - |
| 4 | Commission on Sales | 2013 - 14 | 1.60 | - |
| | | 2012-13 | 1.39 | - |
| 5 | Remuneration Paid | 2013 - 14 | - | 141.79 |
| | | 2012-13 | - | 127.98 |
| 6 | Balance Receivable | | | |
| A | Sales of Goods | 30th June 2014 | 212.61 | - |
| | | 30th June 2013 | 211.45 | - |
| 7 | Balance Payable | | | |
| A | Purchase of goods | 30th June 2014 | 5.64 | - |
| | | 30th June 2013 | 26.37 | - |

* All Transactions are on commercial basis at market rates

Dividend

| Sr. No. | Nature of Transactions | Year | 2013 - 14 | 2012 - 13 |
|---------|---------------------------------|--------------------------|-----------|-----------|
| 1 | Dividend paid on Equity Shares | | | |
| | The Supreme Industries Ltd. | Promoters | 723.41 | 405.11 |
| | R. Raheja Investments Pvt. Ltd. | Promoters | 723.41 | 405.11 |
| | N. Gopal | Key Management Personnel | 0.40 | 0.22 |



NOTE 34

(₹ lacs)

| Leasing - Operating Lease | | 2013-2014 | 2012-2013 |
|----------------------------------|--|------------------|------------------|
| a. | Obligations on non cancellable leases | | |
| | i) Not later than one year. | 219.66 | 159.91 |
| | ii) Later than one year and not later than five years. | 782.80 | 6.55 |
| b | Lease rental expenses in respect of operating lease. | 268.65 | 263.62 |

NOTE 35

| EARNINGS PER SHARE (EPS) | | |
|--|--------------------|-------------|
| Profit after tax | 3058.99 | 7282.33 |
| Number of equity shares at the beginning of the year. | 9,68,38,613 | 9,68,38,613 |
| Number of equity shares at the end of the year. | 9,65,01,958 | 9,68,38,613 |
| Weighted average number of shares outstanding for basic EPS during the year. | 9,68,04,411 | 9,68,38,613 |
| Basic earning per share (Rupees) (Face value – ₹ 10/- per share) | 3.16 | 7.52 |
| Profit after tax for computing Diluted EPS | 3058.99 | 7282.33 |
| Weighted average number of shares for computing diluted EPS during the year. | 9,68,04,411 | 9,68,38,613 |
| Diluted earning per share (Rupees) (Face value – ₹10/- per share) | 3.16 | 7.52 |

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 income of ₹ 31.31 lacs, (Previous year NIL).

NOTE 39

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

Signatures to Notes 1 to 39

As per our report of even date.
For G. M. Kapadia & Co
Chartered Accountants

For and on behalf of the Board
M. P. Taparia, Chairman

Rajen Ashar
Partner

Rakesh Nayyar
Executive Director
(Finance & Corporate Affairs)
and Company Secretary

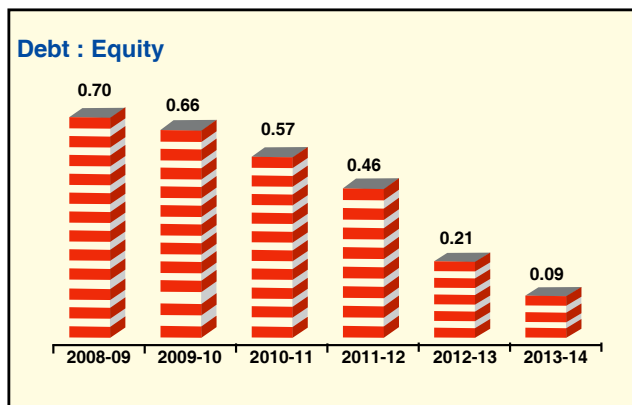
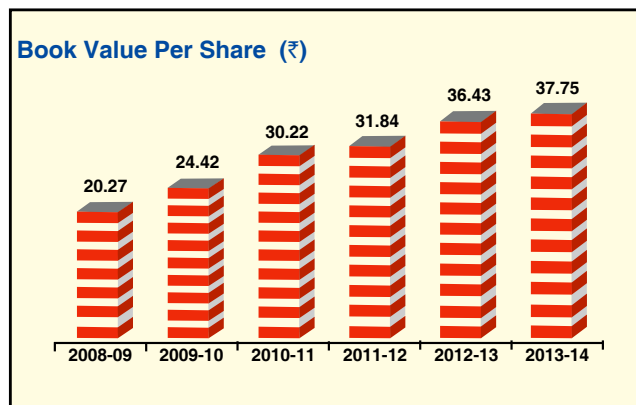
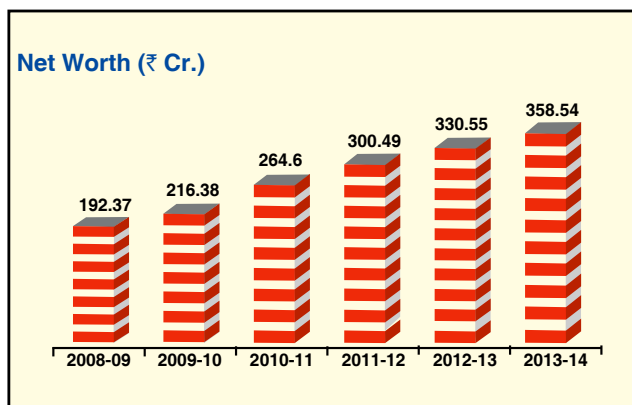
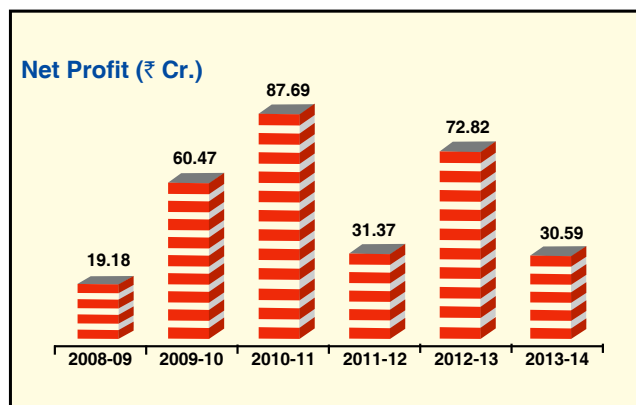
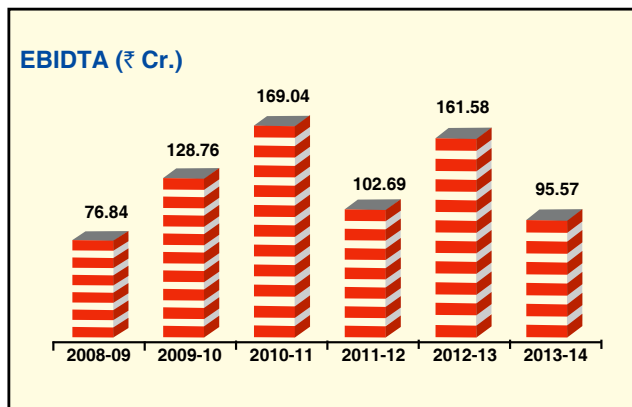
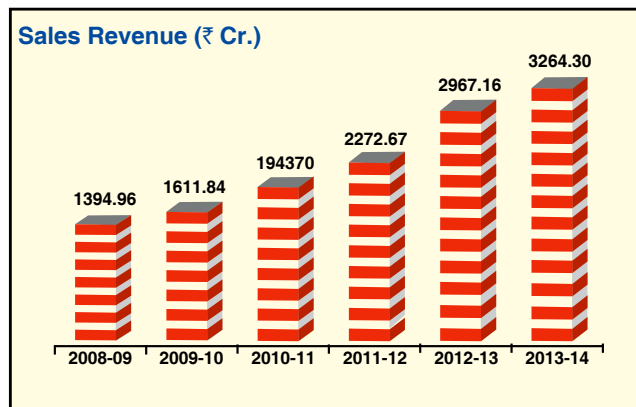
Rajan B. Raheja
B. L. Raheja
S. J. Raheja
R. Kannan
Nihalchand Chauhan
Ameeta Parpia

} Directors

Mumbai
Date : July 18, 2014

Mumbai
Date : July 18, 2014

FINANCIAL HIGHLIGHTS





SUPREME PETROCHEM LTD

Corporate Office :
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Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400 093. INDIA
☎: 91-22-6709 1900 • Website : www.supremepetrochem.com CIN : L23200MH1989PLC054633

Ref: CFA/CS/18/AGM_25/2014-2015

August 27, 2014

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
1st Floor, Dalal Street
Mumbai – 400 001

Dear Sir,

FORM A

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

| | | |
|----|---|--|
| 1. | Name of the Company | SUPREME PETROCHEM LTD |
| 2. | Annual financial statements for the year ended | June 30, 2014 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | N.A. |
| 5. | Signed by Shri N. Gopal, Manager Shri Rakesh Nayyar, Chief Financial Officer G M Kapadia & Co., Auditor of the Company Shri R Kannan, Chairman Audit Committee | x N. Gopal Rakesh Nayyar R. Kannan |

Thanking you

Yours faithfully,
For **SUPREME PETROCHEM LTD**


RAVI V KUDDYADY
DY. COMPANY SECRETARY

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