

**2015-16**  
74<sup>th</sup> ANNUAL REPORT

Innovative thinking  
**Inspiring** excellence!



**Supreme**®

People who know plastics best

**THE SUPREME INDUSTRIES LIMITED**



## **Innovative thinking** **Inspiring excellence!**

It's about making things better and exceeding the expectations of customers. Nothing less is expected from us as market leaders that we have come to be. With innovative thinking, we pioneer new products, create new niche avenues and continue on our path of growth & excellence.

At the Supreme Group, strengthening our leadership is a journey without an end. As a leading player in the Indian plastics industry, we always inspire for excellence with dynamic initiatives like creating ever better products, replacing conventional material with superior specialized options -- to give better value to the customer, installing the world's finest technologies and following best quality practices.

With our hard work and dedication we have today come to emerge as a household name and our products have earned the trust of millions not just in India but across the world. We treasure this trust and stand resolved to continuously strengthen it with our network of plants, offices & distribution network spread throughout the country for timely delivery of products and faster after-sales-services to customers.

Supreme approaches life and work with astute planning and realism whether from innovating products or by improving the quality of life of a common man. All our endeavours, actions and initiatives aim at exploring something innovative and inspiring excellence for better living and to grow into an even more formidable entity of the future.





## Performance Highlights

(₹ In Lacs)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016 (9 Months)
Market Capitalization	64399.93	48337.93	64262.89	143260.90	229918.63	283206.41	428144.07	663778.91	857748.94	<b>939554.24</b>
Polymers Processed (MT)	130547	139239	172746	191704	224673	245700	281452	285539.00	303812.00	<b>242968.00</b>
Product Sales (MT)										<b>235306.00</b>
Sales	132963.00	149882.45	180900.03	217159.45	266553.08	318461.92	374607.92	434333.45	469137.57	<b>332625.78</b>
Less: Excise Duty	16796.94	18860.35	15707.16	16585.69	22979.68	29532.17	38795.70	43850.53	47238.68	<b>36770.39</b>
Net Sales	116166.06	131022.10	165192.87	200573.76	243573.40	288929.75	335812.22	390482.92	421898.89	<b>295855.39</b>
Other Income	666.76	893.91	904.53	1621.55	4294.66	4917.25	4884.38	6751.44	4246.07	<b>2592.62</b>
Total Income	116832.82	131916.01	166097.40	202195.31	247868.06	293847.00	340696.60	397234.36	426144.96	<b>298448.01</b>
Operating Profit	13629.66	15272.04	24698.97	30556.28	36709.23	48281.54	53939.82	59902.51	67264.71	<b>47066.78</b>
Interest	3300.57	3897.92	5456.03	3302.71	4250.19	5479.67	5234.61	7614.04	5794.97	<b>2756.00</b>
Gross Profit	10329.09	11374.12	19242.94	27253.57	32459.04	42801.87	48705.21	52288.48	61469.74	<b>44310.79</b>
Depreciation	4024.59	3951.04	5251.74	5292.03	6284.52	7246.28	8170.67	10153.94	13895.05	<b>10456.68</b>
Profit Before Tax & Exceptional Items	6304.50	7423.08	13991.20	21961.54	26174.52	35555.59	40534.54	42134.53	47574.69	<b>33854.11</b>
Exceptional Items/(Loss)	-	-	-	-	-	-	-	-	-	<b>(768.90)</b>
Tax	(1291.36)	(2310.88)	(4251.24)	(7489.00)	(8773.42)	(11504.00)	(13299.35)	(13997.90)	(16004.00)	<b>(11775.29)</b>
Profit after Tax	5013.14	5112.20	9739.96	14472.54	17401.10	24051.59	27235.19	28136.64	31570.69	<b>21309.91</b>
Prior Years Adjustments	2.22	(1.37)	(1.35)	10.48	95.90	-	-	-	-	<b>-</b>
Net Profit	5015.36	5110.83	9738.61	14483.02	17497.00	24051.59	27234.99	28136.64	31570.69	<b>21309.91</b>
Paid up Equity Capital (₹ ₹2)	2762.17	2762.17	2540.54	2540.54	2540.54	2540.54	2540.54	2540.54	2540.54	<b>2540.54</b>
Reserves and Surplus*	19576.27	22004.49	25990.94	35136.56	46278.92	61472.49	77580.97	93828.40	109814.35	<b>119625.45</b>
Shareholders' Funds	22338.44	24766.66	28531.48	37677.10	48819.46	64013.03	80121.51	96368.94	112354.89	<b>122165.99</b>
Net Loan (After Adjusting Surplus in CC and Current a/c's)	32058.18	44051.94	41044.05	37777.67	50166.60	34351.95	45396.49	45188.05	21930.71	<b>38950.52</b>
Long Term Loans	19975.37	28954.15	29141.93	18570.26	27486.87	20225.72	29273.84	34998.41	29699.58	<b>24894.61</b>
Deferred Tax Liability (Net)	4733.20	5228.09	6428.09	6984.39	7953.80	8325.83	9065.18	11675.13	8950.81	<b>10526.09</b>
Capital Employed**	47047.01	58948.90	64101.50	63231.75	84260.13	92564.58	118460.53	143042.48	151005.28	<b>157586.69</b>
Net Fixed Assets***	33356.68	46113.78	54024.26	56118.37	74027.37	73804.86	102645.43	108790.31	103250.13	<b>118466.91</b>
Basic & Diluted Earning Per Share (Before exceptional income/loss)	3.63	3.70	7.67	11.40	13.77	18.93	21.44	22.15	24.85	<b>17.38#</b>
Basic & Diluted Earning Per Share (After exceptional income/loss)	3.63	3.70	7.67	11.40	13.77	18.93	21.44	22.15	24.85	<b>16.78#</b>
Cash Earning Per Equity Share (₹)	6.54	6.56	11.80	15.56	18.65	24.64	27.87	30.14	35.79	<b>25.01</b>
Book Value (₹)	16.17	17.93	22.46	29.66	38.43	50.39	63.07	75.87	88.45	<b>96.17</b>
Dividend (%)	75.00	80.00	120.00	180.00	215.00	300.00	375.00	400.00	450.00	<b>375.00</b>
ROACE (PBIT / Average Capital Employed %****)	19.37	19.27	27.83	38.09	39.80	44.69	40.03	33.53	34.65	<b>30.29 ^</b>
ROANW (PAT / Average Net Worth %)	23.83	21.71	36.55	43.72	40.24	42.63	37.79	31.88	30.25	<b>24.23 ^</b>
Debt : Equity (Long Term Debt / Total Net worth)	0.89	1.17	1.02	0.49	0.50	0.29	0.36	0.36	0.26	<b>0.20</b>
Debt: Equity (Total Debt / Total Net Worth)	1.46	1.80	1.46	1.03	1.05	0.54	0.58	0.47	0.20	<b>0.32</b>

\* Excluding revaluation reserves

\*\* Shareholders' funds + Long Term Loans + Deferred Tax Liability

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

\*\*\*\* ROACE = PBIT (Interest is excluding interest on working capital loans & unsecured loans) / Avg. Capital employed

# Figure Not Annualised

^ Figures Annualised



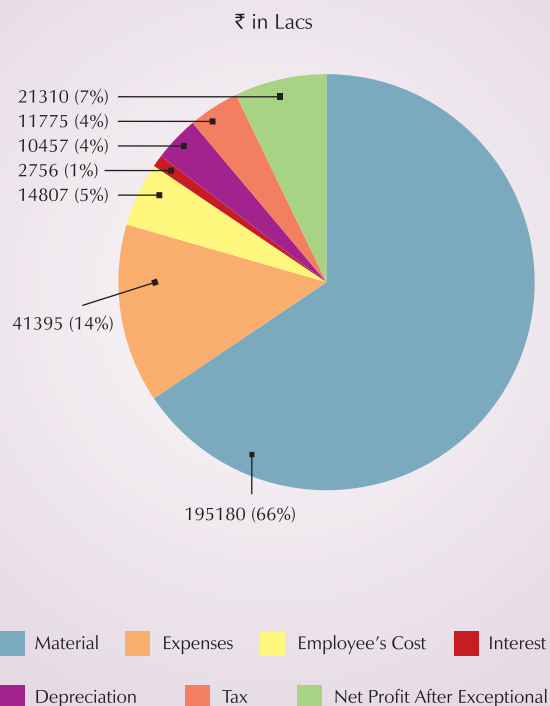
Mr. A K Ghosh, Vice President (Technical) receiving “Winners Award” during 6th National Award function for Technology Innovation in Petrochemical & Downstream Plastics Processing Industry in the category of innovation in Polymer Waste Management & Recycling Technology at the hands of Shri Anant Kumar, Honourable Union Minister for Chemicals and Fertilizers.



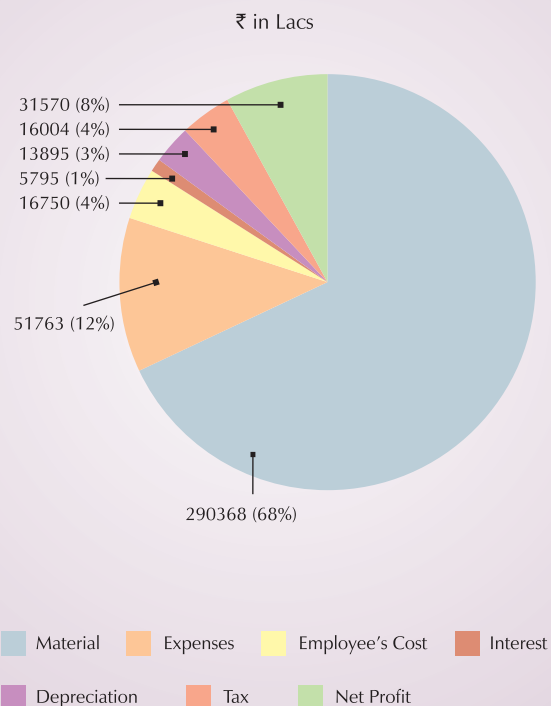
Durgapur unit of the company has been Nominated for “National Energy Conservation Award 2015” in Plastic Category. Mr. Vasudev Sharma, DGM (Engg. & Projects) receiving “National Energy Conservation Award-2015” at the hands of Mr. Ajay Mathur, Director - Bureau of Energy Efficiency, Govt. of India.



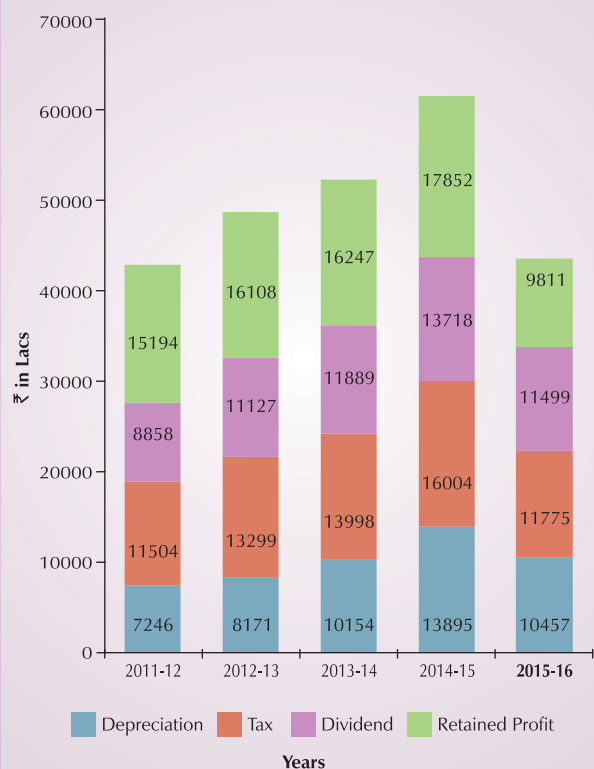
### Distribution of Revenue 2015-16



### Distribution of Revenue 2014-15



### Distribution of Profit

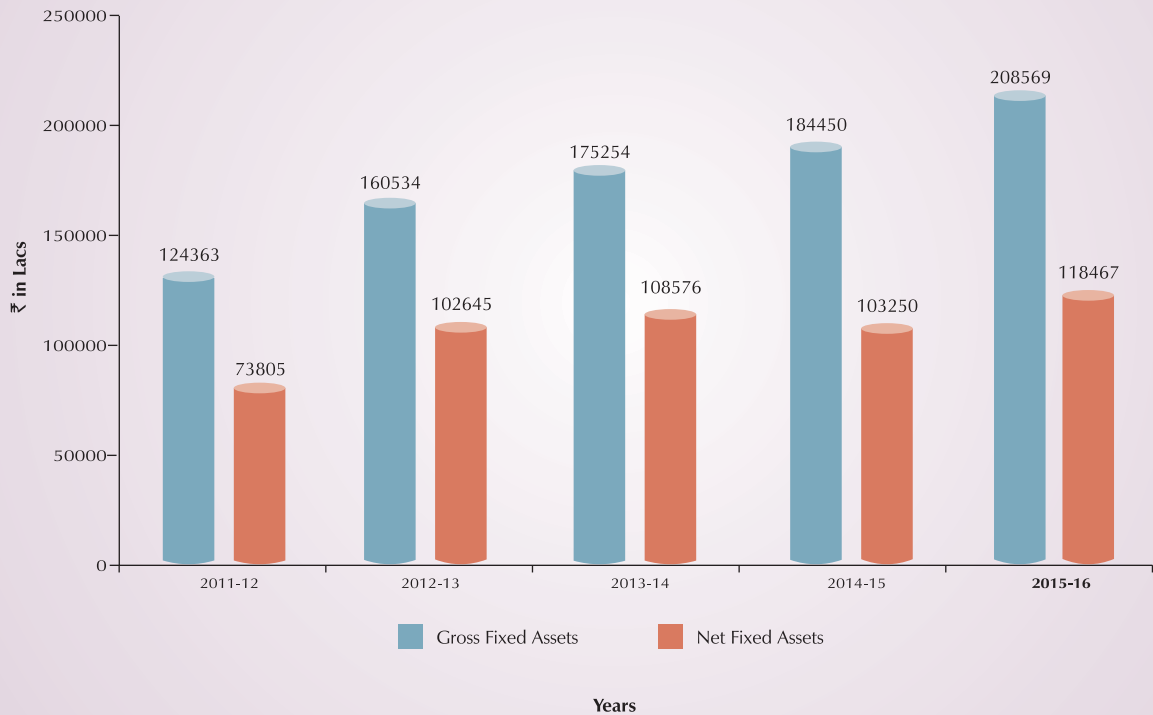


### Operating, Gross And Net Profits





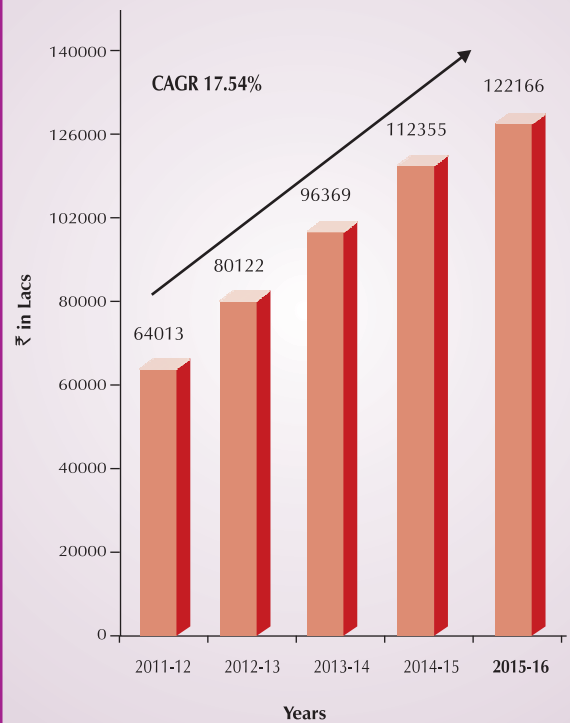
### Gross And Net Fixed Assets



### Income



### Shareholders' Funds







## Company Information

### BOARD OF DIRECTORS

B. L. Taparia, Chairman  
M. P. Taparia, Managing Director  
S. J. Taparia, Executive Director  
V. K. Taparia, Executive Director  
B. V. Bhargava, Director  
H. S. Parikh, Director (Up to 8th May, 2016)  
N. N. Khandwala, Director  
Y. P. Trivedi, Director  
R. Kannan, Director  
R. M. Pandia, Director  
Smt. Rashna Khan, Director

### BANKERS

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

### CHIEF FINANCIAL OFFICER

P. C. Somani

### AVP (CORPORATE AFFAIRS) & COMPANY SECRETARY

R. J. Saboo

### AUDITORS

M/s. Chhognmal & Co.  
Chartered Accountants

### REGISTERED OFFICE

612, Raheja Chambers, Nariman Point,  
Mumbai 400 021.  
Tele: 022-2285 1656 Fax: 022-2285 1657  
Website: <http://www.supreme.co.in>  
Email: [investor@supreme.co.in](mailto:investor@supreme.co.in)  
CIN: L35920MH1942PLC003554

### CORPORATE OFFICE

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

### WORKS

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

### OFFICES

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

### Contents

Notice of AGM .....	2
Boards' Report.....	7
Management Discussion and Analysis .....	32
Corporate Governance .....	41
Independent Auditors' Report.....	53
Balance Sheet .....	58
Statement of Profit and Loss.....	59
Cash Flow Statement .....	60
Notes to Financial Statements .....	61
Consolidated Financial Statements .....	79-92
Attendance Slip & Proxy Form .....	



## Notice

NOTICE is hereby given that the Seventy Fourth Annual General Meeting of the Members of The Supreme Industries Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Tuesday the 28th June, 2016, at 4.00 p.m. to transact with or without modification(s), as may be permissible, the following business :-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2016, including the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of 1st Interim Dividend and 2nd Interim Dividend on Equity Shares by the Board of Directors of the Company.
3. To appoint a Director in place of Shri Bajranglal Surajmal Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rule, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to recommendation made by the Audit Committee of the Board, M/s. LODHA & CO., Chartered Accountants having Registration No. 301051E, Mumbai, be and are hereby appointed as Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. CHHOGMAL & CO Chartered Accountants, having registration No 101826W, who shall hold office from the conclusion of 74th Annual General Meeting for a term of consecutive five years till the conclusion 79th Annual General Meeting ( subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and the Board be and is hereby authorised to fix the remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

FURTHER RESOLVED THAT the appointment of the Branch Auditors for the financial year 2016-17 for any of the branch(es) of the Company, be made at such remuneration as the Board of Directors may decide."

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including statutory modification or re-enactment thereof for the time being in force, M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the cost audit for the financial year

ending 31st March, 2017 to the extent applicable, be paid the remuneration (apart from service tax including cess as applicable and reimbursement of actual travel and out of pocket expenses) as may be fixed by the Board of Directors."

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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 shareholder.
2. Proxies, in order to be effective, must be received at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item No. 5 of the above Notice is annexed hereto.
4. Register of Members and the Share transfer books of the Company will remain closed from 22nd June, 2016 to 28th June, 2016 (both days inclusive).
5. Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2009 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie in respect thereof.
6. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to M/s. Bigshare Services Pvt. Ltd., for doing the needful.
8. SEBI Regulations has mandated Companies to credit the dividends electronically to the Members' bank account.





Members who hold shares in dematerialized form should inform their Depository Participant's (DP) as well as to the Company and such Members holding shares in physical form should inform the Company, their Bank details viz. Bank Account Number, Name of the Bank and Branch details and MICR Code. Those Members who have earlier provided the above information should update the details if required.

9. Members are requested to notify change in address, if any, immediately to M/s. Bigshare Services Pvt. Ltd., quoting their folio numbers.
10. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
11. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Listing Regulations" in respect of the Directors seeking appointment / re-appointment / continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders / Depositories for depositing of dividends.
13. Electronic copy of the Annual Report will be sent to the members whose email IDs are registered with the Company / Depository Participant(s).
14. A Rout map showing direction to reach the venue of 74th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting"
15. Members may also note that Notice of the 74th Annual General Meeting and Annual Report 2015-16 will also be available on the Company's website [www.supreme.co.in](http://www.supreme.co.in) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@supreme.co.in](mailto:investor@supreme.co.in)

### **VOTING THROUGH ELECTRONIC MEANS**

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their votes through 'remote e-voting (e-voting from a place other than venue of the AGM) and Ballot Form for all the resolutions detailed in the Notice of the 74th Annual General Meeting scheduled to be held on 28th June, 2016 at 4.00 p.m. The Company has engaged the services

of CDSL, as the authorized agency to provide the e-voting as per instructions below:

In order to enable to its members, who do not have access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent herewith. Instructions for Ballot form are given at the back of said form.

The voting right of Shareholders shall be in proportion to their share in the paid up equity capital of the Company as on 21st June, 2016 (cut-off date)

The facility for voting through ballot paper (Poll) shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting or by Ballot Form shall be able to exercise their right at the meeting through Ballot paper.

The Members who have casted their vote by remote e-voting or by Ballot Form prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through remote E-Voting. If members are opting for remote e-voting then they should not vote by Ballot Forms and vice-versa.

However, in case of Members casting their vote both by Ballot Form and remote e-voting, then voting done through remote e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

The Company has appointed Mr. V. Laxman of M/s. V. Laxman & Company, Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM (including voting through Ballot form) in fair and transparent manner.

In case a Member desirous of obtaining a duplicate Ballot Forms, he may send an e-mail to [investor@supreme.co.in](mailto:investor@supreme.co.in). A member desiring to exercise vote by Ballot Form shall complete the Ballot Form with assent (for) or dissent (against) and send it to Shri V. Laxman, Scrutinizer C/o. The Supreme Industries Limited, 612, Raheja Chambers, Nariman Point, Mumbai - 400021, so as to reach him on or before 27th June, 2016, by 5.00 p.m. Any Ballot form received after the said date shall be treated as if the reply from the members has not been received.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members, who are present at the AGM, but have not cast their votes by availing remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days from the conclusion of the AGM, a consolidated Scrutinizer's Report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.supreme.co.in](http://www.supreme.co.in) and on the website of CDSL, immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the Stock Exchanges.



## The instructions for members for voting electronically are as under:-

### In case of members receiving e-mail:

- I. The voting period begins on 25th June, 2016 (9:00 a.m.) and ends on 27th June, 2016 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st June, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- IV. Click on Shareholders
- V. Now enter your User ID
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- IX. After entering these details appropriately, click on "SUBMIT" tab.

- X. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for The Supreme Industries Limited on which you choose to vote.
- XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XV. 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.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. **Note for Non - Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

XXI. **In case of members receiving the physical copy:**

- Please follow all steps from sl. no. (i) to sl. no. (xix) Above to cast vote.
- The voting period begins on 25th June, 2016 (9:00 a.m.) and ends on 27th June, 2016 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st June, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions

("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Notice of AGM is placed on website of the Company viz. [www.supreme.co.in](http://www.supreme.co.in) and also on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).

By order of the Board

**R. J. Saboo**

AVP (Corporate Affairs) &  
Company Secretary

**Registered Office**

612, Raheja Chambers,  
Nariman Point, Mumbai 400 021

Dated : 10th May, 2016



## Explanatory Statement under Section 102(1) of the Companies Act, 2013

### Item No. 4

The explanatory statement for this item is being provided voluntarily though strictly not required as per Section 102 of the Companies Act, 2013 ("the Act").

The Members are informed that M/s. Chhogmal & Co, Chartered Accountants, Statutory Auditors of the Company are retiring at the conclusion of this Annual General Meeting. They have expressed their unwillingness to be re-appointed as Auditors of the Company from the conclusion of the Annual General Meeting of the Company.

This change is in order to uphold the principles of Governance and recognition of the Regulatory changes in India.

The Board of Directors of the Company on the recommendation of Audit Committee have appointed M/s. Lodha & Co., Chartered Accountants (Firm Registration No. 301051E), Mumbai, as Statutory Auditors of the Company, subject to the approval of the members of the Company at this Annual General Meeting.

M/s. Lodha & Co., Chartered Accountants, being eligible, have indicated their willingness to serve as Statutory Auditors of the Company, if appointed at this Meeting. Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of this Annual General Meeting. Further, as required under the provisions of Sections 139 and 141 of the Act, M/s. Lodha & Co., Chartered Accountants, have confirmed that their appointment, if made at this Annual General Meeting, shall be in accordance with the provisions of the Act and Chartered Accountants Act, 1949 and the rules and regulations made there under.

None of the Promoters /Directors / Key Managerial Personnel of the Company / their respective relatives, are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

The Board recommends the ordinary resolution set forth at item no. 4 of the Notice, for the approval of the members of the Company.

### Item No. 5

A proposal for appointment of Cost Auditors for the financial year 2016-17 was recommended by the Audit Committee to the Board. It is proposed to appoint M/s. Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) as Cost Auditors. M/s. Kishore Bhatia & Associates have confirmed their availability for appointment as Cost Auditors.

As per the Companies Act, 2013 and applicable Rules, the Appointment and remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel (or their relatives) are interested in the said resolution.

Your Directors recommend the resolution for your approval.

By order of the Board

**R. J. Saboo**

AVP (Corporate Affairs) &  
Company Secretary

### Registered Office

612, Raheja Chambers,  
Nariman Point, Mumbai 400 021

Dated : 10th May, 2016



## Boards' Report

The Directors have great pleasure in presenting the 74th Annual Report together with the Audited Financial Statements for the period of nine months ended 31st March, 2016.

### FINANCIAL RESULTS

(₹ in Lacs)

Particulars	2015-16	2014-15	2014-15
	9 months	9 months	12 months
Total Income (net)	<b>298448.01</b>	298256.64	426144.96
Profit before interest, depreciation and tax	<b>47066.78</b>	41391.71	67264.72
Interest and financial charges	<b>2756.00</b>	4701.33	5794.97
Depreciation, Amortization and Impairment	<b>10456.68</b>	10341.73	13895.05
<b>Profit Before Tax and Exceptional Items</b>	<b>33854.10</b>	26348.65	47574.70
Exceptional Income/(Loss)	<b>(768.90)</b>	—	—
<b>Profit Before Tax</b>	<b>33085.20</b>	26348.65	47574.70
Provision for Current Tax	<b>10200.00</b>	8850.00	17767.22
Deferred Tax	<b>1575.29</b>	(1763.22)	(1763.22)
<b>Net Profit available for Appropriation</b>	<b>21309.91</b>	19261.87	31570.70
<b>Appropriation:</b>			
Interim Dividends	<b>9527.01</b>	2540.54	2540.54
Proposed (final) Dividend	<b>NIL</b>	NIL	8891.90
Tax on Dividends	<b>1971.80</b>	507.96	2285.81
Transferred to General Reserve	<b>9811.10</b>		17852.45
<b>Total</b>	<b>21309.91</b>		31570.70

### DIVIDEND

In view of the current financial year comprising of nine months period only, your directors have thought it prudent not to declare any further dividends and the interim dividends declared shall be total Dividend for the year. The company had distributed first interim dividend @125% i.e. ₹ 2.50 per equity share of ₹ 2 each in January 2016 & second interim dividend @ 250% i.e. ₹ 5 per equity share of ₹2 each in March, 2016.

The total dividend for the nine months period ended 31st March, 2016 would accordingly be ₹ 7.50 per equity share of ₹ 2 each as compared to ₹ 9 per equity share of ₹ 2 each for the year 2014-15 (12 months). The total outgo for the year under review amounts to ₹ 114.99 crores as against ₹ 137.18 crores for the previous year ended on 30th June, 2015.

### OVERVIEW OF THE FINANCIAL PERFORMANCE

The financial performance highlights for the year nine months period ended 31st March, 2016, are as follows -

- The Company sold 235306 MT of Plastic goods and achieved net product turnover of ₹ 2905.30 crores during the nine months in the year under review against sales of 207886 MT and net product turnover of ₹ 2714.42 crores in the corresponding nine months of the previous year achieving volume & product value growth of about 13% and 7% respectively. In the previous year ended 30th June, 2015 the Company sold 301930 MT of Plastic goods and achieved net product turnover of ₹ 3918.47 crores.
- Total Income and Operating Profit for the year (excluding construction business) amounted to ₹ 2984.48 crores and ₹ 471.68 crores, as compared to ₹ 2861.05 crores and ₹ 335.35 crores, in the corresponding nine months of the previous year, recording an increase of 4.31% and 40.65% respectively. In the previous year ended 30th June, 2015 Total Income and Operating Profit for the year (excluding construction business) amounted to ₹ 4115.36 crores and ₹ 577.54 crores respectively.
- The Profit before Tax and Profit after Tax, (excluding construction business) for the year amounted to ₹ 331.86 crores and ₹ 214.11 crores, as compared to ₹ 184.92 Crores and ₹ 122.99 Crores, in the corresponding nine months of the previous year, recording an increase of 79.46% and 74.08% respectively. In the previous year ended 30th June, 2015, Profit before Tax and Profit after Tax, for the year amounted to ₹ 380.64 crores and ₹ 252.85 crores, respectively.
- Company had planned to venture into manufacturing of Composite Pipes for Oil & Gas exploration. However, technical collaborator of the project could not enable the company to produce the specified product. As of now, management has decided to abandon the project and write-off the incurred cost of the project amounting to ₹ 768.90 lacs and the same has been shown as exceptional item during the year.





## FINANCIAL YEAR

Pursuant to section 2(41) of the Companies Act, 2013, the Company adopted April-March as its Financial Year & accordingly the year under review comprised of Nine months only from 1st July, 2015 to 31st March, 2016. From 2016-17 & onwards, the financial year of the Company shall be for a period of 12 months i.e. from 1st April to 31st March.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management's Discussion and Analysis forms an integral part of this report and gives detail of the overview, industry structure and developments, different product groups of the Company, operational performance of its various business segments.

## CREDIT RATING

The Company's financial discipline and prudence is reflected in strong credit rating ascribed by CRISIL.

Total Bank Loan Facilities Rated	₹ 11428 Million (Enhanced from ₹ 10478 Million)
Long-Term Rating	CRISIL AA/Stable (Reaffirmed)
Short-Term Rating	CRISIL A1+ (Reaffirmed)

## FIXED DEPOSITS

In accordance with the terms and conditions governing the Fixed Deposit Scheme, the Company has exercised the option to repay on 1st April, 2014, all the Fixed Deposits with accrued interest as at the end of 31st March, 2014. Accordingly, the Company is not having any Fixed Deposit as on 31st March, 2016 except 35 deposits amounting to ₹ 5.25 lakhs which remained unclaimed as on 31st March, 2016.

## DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the nine months period ended on 31st March, 2016 and state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures from the same;
- the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the period ended on that date ;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

## CORPORATE GOVERNANCE

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

A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure - I** to this report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure- II** to this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the nine months period ended 31st March, 2016 is given in the separate Annexure of this Report.

The Annual Report excluding the aforesaid Annexure is being sent to the Members of the Company in terms with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 74th Annual General Meeting and up to the date of the ensuing Annual General Meeting during the business hours on working days.

## INDIAN ACCOUNTING STANDARDS (IND AS)-IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification the company & its subsidiary would adopt Ind AS for the accounting period beginning April 1, 2016.

## CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the company & its subsidiary & associate which form part of Annual Report have been prepared in accordance with section 129(3) of the Companies Act, 2013. Further, a statement containing the salient features of the Financial Statement of Subsidiary Company & Associate Company in the prescribed format AOC-1 is annexed herewith as **Annexure - III** to this Report. The statement also provides the details of performance and financial position of the Subsidiary Company & Associate Company.

In accordance with Section 136 of the Companies Act, 2013 the Audited Financial Statements, including the consolidated financial statements & related information of the Company & Audited



Accounts of its Subsidiary Company are available on the website [www.supreme.co.in](http://www.supreme.co.in). These documents will also be available for inspection during business hours at the registered office of the company. Any member desirous of obtaining a copy of the said financial statement may write to the Company Secretary at the Registered Office of the company.

Additional details regarding performance of the Associate Company & Subsidiary Company have been mentioned in the succeeding paragraphs.

### **ASSOCIATE COMPANY - SUPREME PETROCHEM LIMITED (SPL)**

The Company during the year had received an aggregate Dividend @ ₹ 3 per Equity Share (₹ 1.50 as final dividend for 2014/15 and ₹ 1.50 as interim dividend for 2015/16) from Supreme Petrochem Ltd (SPL) - promoted jointly by your Company and the R Raheja Group. Net revenues and net profit for the nine months period ended 31st March, 2016 were Rs 2068.05 crores and Rs 56.05 crores, respectively.

### **SUBSIDIARY COMPANY**

The Supreme Industries Overseas FZE, Sharjah, UAE, a wholly owned subsidiary, is having principal activity to promote globally Plastics piping products, has completed ten years of successful operation recording net profit of 51263 Dhms during the 9 months period ended 31st March, 2016.

During nine month period from July 2015 -March, 2016, Plastics Piping Division achieved exports sales volume of US\$ 3.41 Million weighing 1863 MT by exporting products to fifteen countries covering GCC, Africa, Australia, UK, Germany & Indian sub-continent.

The Company could make significant inroads into Maldives securing good value project order as well reentered Saudi market. It has also been able to open up Solvent Cement market of Australia by securing prestigious license.

Comparatively business has dropped by 7.80% in \$ value terms & drop of 11.23% in MT volume terms. Overall this cycle of business was shadowed by low oil prices, shrinking demand, and uncertain business sentiments and thus impacted the performance significantly.

During the current year, the Company is projecting to achieve growth of about 20% by increasing the client base as well expanding the geographical reach to achieve a turnover of US\$ 5.50 Million.

Company will continue to exhibit the products in various international exhibitions to spread the brand name & in-turn improve the export volume. All efforts will be made to enhance customer based in GCC & African countries along with establishing the business links into erstwhile Russian countries.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation.

Shri H. S. Parikh, Director of the Company retires by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company and being eligible, offers himself for re-appointment.

### **KEY MANAGERIAL PERSONNEL**

Shri M P Taparia, Managing Director, Shri P C Somani, Chief Financial Officer and Shri R J Saboo, AVP (Corporate Affairs) & Company Secretary were appointed as Key Managerial Personnel of your Company, in accordance with the provisions of Section 203 of the Companies Act 2013 and there is no change in the same during the year under review.

### **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

#### **a. Board Meetings:**

The Board of Directors met 5 times during the period of nine months ended 31st March, 2016 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The details thereof are given in the Corporate Governance Report.

#### **b. Board Performance Evaluation:**

- (i) The Company has devised criteria for performance evaluation of Independent Directors, Board/Committees, and other individual Directors which includes criteria for performance evaluation of Non Executive Directors and Executive Directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy.

At the meeting of the Board all the relevant factors that are material for evaluating the performance of individual Directors, the Board/ Committees were discussed in detail. A structured questionnaire each for evaluation was prepared and recommended to the Board by Nomination & Remuneration Committee for doing the required evaluation after taking into consideration the input received from the Directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, qualifications, knowledge, skills and experience in the respective fields, honesty, integrity, ethical behaviour and leadership, Independence of judgment, safeguarding the interest of the Company, attending the meetings regularly, understanding the business, regulatory, competitive and social environment, understanding strategic issues and challenges, bringing outside information and perspective to Board for deliberations, ability to identify the cost benefits and implications of Board decisions etc.

The performance evaluation of the Independent Directors was also carried by the entire Board. The performance evaluation of the Chairman, Managing Director & Executive Directors were carried out by the independent Directors at its separate meeting held on 25th January, 2016. The Directors expressed their satisfaction with the evaluation process.



- (ii) The Board has, on the recommendation, of the Nomination & Remuneration Committee, framed a Nomination & Remuneration policy and Policy on fixation of criteria for selection & appointment of Directors & Senior Management Personnel. The Nomination & Remuneration Policy and Policy on fixation of criteria for selection & appointment of Directors & Senior Management Personnel are annexed herewith as **Annexure IV (A) & Annexure IV (B)** to this Report.

## AUDITORS

The Statutory Auditors M/s Chhogmal & Co. Chartered Accountants (Firm Registration No. 101826W), have intimated their unwillingness to be reappointed as the Auditors of the Company.

This change is in order to uphold the principles of governance and recognition of the Regulatory changes in India. In view of the above, the Audit Committee has considered the qualifications and experience of M/s Lodha & Co., Chartered Accountants (FRN 301051E) and proposed them as Statutory Auditors and has recommended their appointments.

The Board of Directors has also considered the matter and recommends the passing of ordinary resolution appointing M/s Lodha & Co. Chartered Accountants, Statutory Auditors in place of the retiring Auditors M/s Chhogmal & Co. Chartered Accountants.

The Board places on record its appreciation for the contribution of M/s. Chhogmal & Co., Chartered Accountants, and retiring auditors during their long association with the Company.

## AUDITORS' REPORT

Note on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark except about title deeds pertaining to two small plots of land at Jalgaon and two residential flats at Khopoli. It is clarified by the Board that respective Directors have given their undertaking/affidavit/declaration to the company confirming ownership of the company about the said plots of land. Flats at Khopoli are under process of transfer in the name of the company and shall be pursued vigorously.

## SECRETARIAL AUDIT REPORT FOR THE PERIOD ENDED 31ST MARCH, 2016

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s V. Laxman & Co., Company Secretaries (C.P No. 744), to conduct Secretarial Audit for the period of nine months ended on 31st March, 2016.

Secretarial Audit Report issued by M/s V. Laxman & Co., Company Secretaries in Form MR-3 forms part to this report **Annexure V**. The said report does not contain any observation or qualification requiring explanation or adverse remark.

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March, 2016, which may affect the financial position of the Company or may require disclosure.

## INTERNAL FINANCIAL CONTROLS

The company has in place Internal Financial Control system, commensurate with size & complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls & other regulatory & statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of professional Chartered Accountants monitor & evaluate the efficacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures & policies at all the locations of the company. Based on their report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened. Significant audit observations & corrective action suggested are presented to the Audit Committee.

## PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

During the period of nine months ended on 31st March, 2016, our company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business & on arms' length basis & in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder & Regulation 23 of (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015. During the period of nine months ended on 31st March, 2016, there were no transactions with related parties which qualify as material transactions.

The details of the related party transactions as required under Accounting Standard-18 are set out in Note 45 to the standalone financial statements forming part of this Annual Report.

The Form AOC-2 pursuant to section 134(3)(h) of the Companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure VI** to this Report.

The Policy on Related Party Transactions as approved by the Board is also uploaded on the Company's website at the Link: [www.supreme.co.in](http://www.supreme.co.in)

## PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The company has not given any loans, directly or indirectly or guarantees or provided any security or made any investments covered under section 186 of the Companies Act, 2013.

## VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

A "Vigil Mechanism Policy" for Directors and employees of the Company is constituted, to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

## RISK MANAGEMENT POLICY

Your Company has an elaborated risk Management procedure and adopted systematic approach to mitigate risk associated with accomplishment of objectives, operations, revenues and





regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives. The entity's objectives can be viewed in the context of four categories Strategic, Operations, Reporting and Compliance. We consider activities at all levels of the organisation, viz Enterprise level, Division level, Business unit level and Subsidiary level, in Risk Management framework. The Risk Management process of the Company focuses on three elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk Monitoring.

A Risk Management Committee is constituted which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risk that the organisation faces.

The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

#### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR activities during the year are set out in Annexure of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014. (**Annexure VII**)

The Policy is available on the website of the Company.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure –VIII**.

#### **GENERAL DISCLOSURE**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (sweat equity shares) to employees of the Company under ESOS.
4. Neither the Managing Director nor the Whole Time Directors of the Company received any remuneration or commission from any of its subsidiary.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company operations in future.

Your Directors further state that during the nine months period under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
*Chairman*

Place: Mumbai  
Date: 21st April, 2016

#### **CHANGES AFTER THE DATE OF BOARDS' REPORT:**

##### **DIRECTOR**

Shri H. S. Parikh, a sitting member of the Board of Directors of the Company passed away on 8th May, 2016. The Company express its profound sorrow at the sad demise of Shri H. S. Parikh and records its appreciation for valuable contribution made by him during the tenure of his office, in setting up policies conducive to the growth and successful working of the Company.

Consequent to above, candidature of his re-appointment as Non Executive Director in the ensuing Annual General Meeting has been withdrawn.

Shri B. L. Taparia, Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

For and on behalf of the Board of Directors

**M. P. Taparia**  
*Managing Director*

Place: Mumbai  
Date: 10th May, 2016

CIN L35920MH1942PLC003554  
TEL No. 022-22851656/1159/60  
Fax No. 022-22851657  
E-mail: investor@supreme.co.in  
website: www.supreme.co.in



## Annexure to the Boards' Report

### Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014

#### 1. CONSERVATION OF ENERGY

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis.

The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations and activities.

To achieve above objectives the following steps are being undertaken by the Company:-

- 1 Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2 Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- 3 Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4 To enhance utilization of Renewable Energy Resources.
- 5 Achieving the power factor near to unity in all plants by the effective reactive energy management.
- 6 To reduce the Green House Emission by improving energy efficiency at all plants.
- 7 Conducting Power Quality Audit at several locations.
- 8 Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- 9 Exploring the feasibility of utilization of Solar Power at Plant locations wherever possible.
- 10 Installed solar power plant at Jalgaon, khopoli & Gadegaon solar plant in execution stage & further exploring the feasibility of utilization of Solar Power at other locations.
- 11 Noida & Khushkhhera plants are certified for ISO-50001 Energy Management System.
- 12 During the year Durgapur plant received the National energy conservation award 2015.

#### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

##### A. RESEARCH & DEVELOPMENT (R&D)

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

- Evaluation of the alternative materials or additives to reduce the cost of raw material.
- Improving the output / input ratio to gain maximum finished products from per kg. Raw material.
- Modify the mould and dies to improve the cycle time to get higher production from the same machine.
- To modify the process parameters to improve the quality.
- Expenditure on R & D: Not significant.

##### B. TECHNOLOGY ABSORPTION

- The Company has renewed its agreement with M/s. Wavin Overseas B.V., Netherlands for its Plastic Piping Division.
- The Company has taken technical knowhow for manufacture of Cross Laminated films and products from Mr. Ole-Bendt Rasmussen, Switzerland and the technology is fully absorbed. The exclusive rights granted to the company to manufacture and sell XF products in entire South Asia has now been further extended to the whole world.
- The company's collaborator has developed Cross line Bonded Film and Cross Plastics Film, which are next generation Film having superior properties. The exclusive rights granted to the Company to manufacture and sell products developed from new technologies in India and SAARC countries have now been extended to include entire South Asia has now been extended to the whole world (excluding the Rights of existing licenses).
- The company has also entered into Technical License Agreement with Kumi Kasai Co of Japan for Auto Components manufacturing for Honda Motors.

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ In Lakhs
Foreign Exchange Earned	5444.92
Foreign Exchange Used	104778.97

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date:-21st April, 2016





**ANNEXURE - II**

**Particulars of employees pursuant to Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Requirement under Rule 5(1)	Details
1.	Ratio of the remuneration of Managing Director & Executive Director to the median remuneration of the Company for the Financial Year	Shri M. P. Taparia, Managing Director : 301 Shri S. J. Taparia, Executive Director : 297 Shri V. K. Taparia, Executive Director : 296
2.	Percentage increase in remuneration of Managing Director, each Executive Director, Chief Financial Officer, & Company Secretary (Salary of 2015-16 v/s Salary of 2014-15).	Shri M. P. Taparia, Managing Director : 1.18% Shri S. J. Taparia, Executive Director : 0.47% Shri V. K. Taparia, Executive Director : 0.67% Shri P. C. Somani, CFO : 19.24% Shri R. J. Saboo, Company Secretary : 14.07%
3.	Percentage increase in the median remuneration of employees in the financial year (2014-15 v/s 2015-16)	Median Increase : 20.16%
4.	Number of Employees as on 31st March, 2016 on rolls of Company	4417
5.	Explanation on the relationship between average increase in remuneration and company performance	The increase in remuneration is based on the company's performance and also includes various other factors like individual performance, experience, skill sets academic background, industry trend, economic situation & future growth prospects etc. All these factors are considered appropriately for revision of remuneration.
6.	Comparison of the remuneration of the Key Managerial Personnel ("KMP") (Individually and totally) against the performance of the Company.	Operating profit of the Company for the nine months period under review has increased by 13.71% as compared to the corresponding nine months of the previous year. Profit before Tax and after tax has increased by 25.56% & 10.63% respectively.
7.	* Average percentile increase made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  * Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees	11.89%  The increase in the managerial remuneration was based on the recommendation of the Nomination & Remuneration committee as per the Industry benchmarks.
8.	Key parameters for any variable component of remuneration availed by the Directors.	Commission: 1% of the net profits of the year as approved by the members at the AGM held on 17th September, 2013
9.	Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but received remuneration in excess of the highest paid Director during the year.	Not Applicable.
10.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration is as per the Nomination and Remuneration Policy of the Company.
11.	Variations in the market capitalization.	The market capitalization (at NSE) as on 31st March, 2016 was ₹ 9395.54 Crs. as against ₹ 8577.48 Crs. as on 30th June, 2015 showing an increase of 9.53%.
12.	Price earnings ratio as at the closing of 31st March, 2016 and 30th June, 2015	Price Earnings ratio of the Company was 26.55 as at 31st March, 2016 and was 27.17 as at 30th June, 2015.
13.	Percentage increase or decrease in the market quotations of the shares of the Company	The closing price of the Company's Equity Shares on the NSE and BSE as of 31st March, 2016 was ₹ 739.65 and ₹ 738.30 respectively.

**Note:-** Managing Director & Executive Directors are whole-time Directors & other Directors are non -Executive Directors, who are paid only sitting fees for attending the Board & Committees thereof. Hence ratios provided are only for Managing Director & Whole-time Directors.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai

Date: 21st April, 2016



## ANNEXURE - III

### Annexure to the Boards' Report

#### FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiary / associate company

##### Part A Subsidiaries

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 31st March, 2016.	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) Before Tax	Provision For Tax	Profit (Loss)	Proposed Dividend	% of holding
1	The Supreme Industries Overseas (FZE)	AED	18.03	18.88	84.40	151.29	151.29	NIL	195.99	9.11	NIL	9.11	NIL	100

##### Part B Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Company

(₹ in lacs)

Sr. No.	Name of Associate.	Latest Audited Balance Sheet Date	Shares of Associates			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Nos.	Amount of investment in Associates	Extend of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Supreme Petrochem Ltd.	31st March, 2016	28936400	3337.50	29.99	There is significant influence due to (%) of share capital	N.A.	12445.57	1673.81	3931.05

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 21st April, 2016



ANNEXURE - IV(A)

## Annexure to the Boards' Report

### NOMINATION AND REMUNERATION POLICY

#### I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges], the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors.

#### II. OBJECTIVE

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### III. DEFINITIONS

- **"Board"** means Board of Directors of the Company.
- **"Company"** means "The Supreme Industries Limited."
- **"Employees" Stock Option** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **"Key Managerial Personnel" (KMP)** means
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Chief Financial Officer,
  - (iii) Company Secretary and
  - (iv) Such other officer as may be prescribed.
- **"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.
- **"Policy or This Policy"** means, "Nomination and Remuneration Policy."
- **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- **"Senior Management"** means personnel of the Company who are members of its core management

team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

#### IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, and/or any other SEBI Regulation(s) as amended from time to time.

#### V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### VII. MEMBERSHIP

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of



the Companies Act, 2013 and applicable statutory requirement.

- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

### VIII. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

### X. COMMITTEE MEMBERS' INTERESTS.

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### XI. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

### XII. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### XIII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director / Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior



Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **XIV. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

- General:
  1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
  4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- **Remuneration to Managerial Person, KMP and Senior Management:**
  1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
  2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

#### **3. Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **• Remuneration to Non-Executive / Independent Director:**

##### **1. Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

##### **2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

##### **3. Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

##### **4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **XV. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

#### **XVI. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 21st April, 2016





## Annexure to the Boards' Report

**CRITERIA FOR :**  
**1. SELECTION OF DIRECTORS**  
**AND**  
**2. SENIOR MANAGEMENT PERSONNEL**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges] requires the Nomination and Remuneration Committee to consider and lay down criteria for identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### CRITERIA FOR SELECTION OF DIRECTORS

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

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

### CRITERIA FOR SELECTION OF SENIOR MANAGEMENT PERSONNEL

The term Senior Management Personnel shall have the same meaning as provided in the explanation under Section 178 of the Companies Act, 2013.

The Committee shall before making any recommendation to the Board for appointment considers the following:

- 1) The candidate's qualifications and experience in the field / area for which he/she is being considered.
- 2) Candidate's reputation of honesty, integrity and ethical behaviour in past assignments.
- 3) Leadership skills, decision making skills, effective communication, ability to build team, foster team spirit and ability to work sincerely with dedication.
- 4) Past record in goal setting, developing strategy, devising a tactical road map and in motivating team members to overcome challenges and meet set goals.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 21st April, 2016



## Annexure to the Boards' Report

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

To,  
The Members  
**THE SUPREME INDUSTRIES LIMITED**  
612 Raheja Chambers,  
Nariman Point,  
Mumbai - 400 021

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not applicable to the Company during the audit period];**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable to the Company during the audit period];**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable to the Company during the audit period];**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable to the Company during the audit period];** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable to the Company during the audit period];**
- (vi) The Company has identified the laws specifically applicable to the Company :
  - (a) Water (Prevention & Control of Pollution) Act, 1974;
  - (b) The Air (Prevention & Control of Pollution) Act, 1981;
  - (c) The Legal Metrology Act, 2009.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

For and on behalf of  
**V. Laxman & Co.,**  
Company Secretaries

(V. Laxman)  
FCS No. 1513  
C P No. : 744

Place: Mumbai  
Date: 14th April, 2016

This Report is to be read with our letter of even date which is attached as Annexure 'A' and forms an integral part of this Report.

**ANNEXURE 'A'**

To,  
The Members  
**THE SUPREME INDUSTRIES LIMITED**  
612 Raheja Chambers,  
Nariman Point,  
Mumbai - 400 021

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed proved a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**V. Laxman & Co.,**  
Company Secretaries

(V. Laxman)  
FCS No. 1513  
C P No. : 744

Place: Mumbai  
Date: 14th April, 2016



**ANNEXURE - VI**

**Annexure to the Boards' Report**

**FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts / arrangements entered in to by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts / arrangements / transactions	(c) Duration of contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) justification for entering in to such contracts or arrangements or transactions	(f) date(s) of approval by the Board	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

**2. Details of contracts or arrangements or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts / arrangements / transactions	(c) Duration of contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any
Supreme Industries Overseas (FZE)	Sale of goods including compensation for rendering of services	On-going	In normal course of business & in line with Market Parameters. Sale of goods ₹ 74.57 lacs. Rendering of services ₹ 90.94 lacs.
Supreme Petrochem Ltd.	Purchase/Sale of goods or materials & provision of any services in connection with the sale or purchase of goods or materials including storage thereof.	On-going	In normal course of business & in line with Market Parameters. Purchase of goods ₹ 1409.27 lacs. Sale of goods ₹ 401.38 lacs.
M/S Devrat Impex (P) Ltd	Sales of Plastic Piping System	On-going	In normal course of business & in line with Market Parameters. Amount ₹ 2188.11 lacs.
Mrs. Neelam Periwal	Service for Sale of Plastic Piping System	On-going	In normal course of business & in line with Market Parameters. Amount ₹ 2.74 lacs.

Note:-Appropriate approvals have been taken for related party transactions. No Advances have been paid or received against the transactions mentioned above.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 21st April, 2016



## Annexure to the Boards' Report

### CORPORATE SOCIAL RESPONSIBILITY

#### 1. Brief outline of the company's CSR Policy:

The Board of Directors' at its meeting held on 21st July, 2014 approved the CSR Policy of your company pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### 2. The Composition of the CSR Committee is as under:

Name of the Member	Nature of Directorship
Shri N. N. Khandwala (Chairman)	Independent Director
Shri B. L. Taparia	Non-Executive Chairman
Shri M. P. Taparia	Managing Director

The CSR Committee met on 20th April, 2016 and it has taken on record the activities undertaken by the Company from 1st July, 2015 to 31st March, 2016 and the expenditure incurred as on 31st March, 2016 including the expenditure during the previous year.

#### 3. Focus Areas:

Advancement of Public Charitable objects and trusts and fulfilment of its Corporate Social Responsibility obligation laid down under the Companies Act, 2013.

The Company has identified few focus areas of engagement which are as under:

1. Benefits to the under privileged
2. Education
3. Sanitation
4. Healthcare
5. Drinking Water supply
6. Preservation of environment including watersheds, forests and wildlife.

#### 4. Various activities under taken by the company:

##### i) Village health improvement Initiative

This initiative has entered its 7th successful year since its inception in the year 2008. The health center's main camp is located at Dhadgaon in the district of Nandurbar, Maharashtra.

This facility comprises of a mobile medical van equipped with necessary diagnostic equipments, medicines etc. This mobile van is manned by a Doctor, a Nurse, a Kishori co-ordinator and project coordinator. In the year under consideration, this facility has benefited as many as 6241 patients mostly coming from tribal population residing in remote villages of Nandurbar District.

This year it has witnessed a healthy growth of around 23% in the number of beneficiaries over the previous year.

The above health improvement program also works in sync with following activities –

Medical check-up of students in Aashramshalas

Medical check- up of kids in Aanganwadis

Kishori Karyashalas at villages

Providing Sanitary Napkins to adolescent girls in the villages

Free distribution medicines especially during epidemics

Free distribution of medicines such as hemoglobin, iron & calcium supplement

##### ii) Drinking Water

Company provides around 50,000 liter of drinking water daily to the village of Gadegaon. With scarcity of drinking water in nearby villages to our plant in Taluka Jamner in Maharashtra, your company is coordinating with government authorities and supplying water to 8 villages regularly.

##### iii) Ambulance

Company's Ambulance is provided to the needy & critical patients of nearby villages.

##### iv) Swachh Bharat Abhiyan

Helping 118 families in the village of Gadegaon & Madani, Tal- Jamner Dist. - Jalgaon in association with Zilla Parishad, Jalgaon for the construction of individual toilets.





**v) Grant/ contribution for Educational and Healthcare facilities**

The Company regularly contribute towards various philanthropic activities particularly for education grant to students in need and to various Institutions / Trusts carrying out exemplary work in the field of education, healthcare and benefits of underprivileged in rural India.

**vi) Future Plans –**

Company is aiming to undertake following social activities in the village of Gadegaon, Tal- Jamner, Dist. – Jalgaon in the next financial year.

- a) Digitalization of three Aanganwadis
- b) Betterment of public sanitation by providing drainage system.
- c) Two public toilet blocks for gents each having capacity of 24 WC's
- d) LED street lights
- e) Fencing by compound wall for Zilla Parishad Marathi School.
- f) Construction of individual toilets for the families who are not listed in Base Line Survey carried out by Zilla Parishad, Jalgaon, under Swachh Bharat Abhiyan
- g) Providing dry toilets units or low flush type units in 10 villages.

Total estimated expense on the above is likely to be about ₹ 55 lacs.

**5. Average Net Profit of the company for last 3 financial years:**

₹ 434.14 crores

**6. Prescribed CSR expenditure:**

₹ 8.68 crores (2% of the average net profit of last three financial years)

**7. Manner in which amount spent in the financial year:**

During the previous year, Company has spent a sum of ₹ 316.60 lacs including donations to several registered trusts apart from direct spending and providing company's goods at special prices to Philanthropic NGOs and Trusts. These Trusts are providing education, vocational training at a very low cost and grants for medical help & education.

Company has initiated a project to improve Sanitation facilities in Jaswantgarh village in Rajasthan by providing toilet block in village house owned by a family who could not afford the same. A sum of ₹ 107.68 lacs have been spent on the project till 31st March, 2016.

Your Company further intends to undertake programs for the improvement of educational & sanitation facilities in village schools near to its plant at Durgapur, (West Bengal), Puducherry (Union Territory), Malanpur (Madhya Pradesh), Kanpur Dehat (U.P.) and Khopoli (Maharashtra) apart from Gadegaon (Maharashtra). Company remains committed to contribute for various philanthropic causes particularly for the education, healthcare and benefits of underprivileged.

The trust namely "Supreme Foundation" is set up for carrying out the activities besides direct spending by the Company. The Company has 25 manufacturing sites in the country. The Company's priority is in spending the CSR monies in the villages surrounding its' plants.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 21st April, 2016



## ANNEXURE - VIII

### Annexure to the Boards' Report

FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended as on 31st March, 2016

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

#### I. REGISTRATION AND OTHER DETAILS:

I	CIN:-	L35920MH1942PLC003554
II	Registration Date	17/02/1942
III	Name of the Company	The Supreme Industries Limited
IV	Category / Sub-Category of the Company	Manufacturing
V	Address of the Registered Office and contacts details	612, Raheja Chambers, Nariman Point, Mumbai - 400 021 Phone Nos; 22820072, 22851656, 22851159-60 • Fax No: 22851657 Email: investor@supreme.co.in
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent,	M/s Bigshare Services Private Ltd E -2/3, Ansa Industrial Estate, Saki Vihar, Saki Naka, Andheri (East), Mumbai- 400 072 Tel No: 28470652, 40430200 • Fax No: 28475207 Email:- investor@bigshareonline.com

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Plastic Products	222	98.21

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

[No. of Companies for which information is being filled]-

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Supreme Petrochem Limited. Solitaire Corporate Park Building No,11, 5th floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri ( East), Mumbai – 400 093.	L23200MH1989PLC054633	Associate Company	29.99	Section 2(6)
2	The Supreme Industries Overseas (FZE) Reg. no 01-01-03490 Q-1-08-47/B, SAIF Zone, P.O Box 9158, Sharjah, United Arab Emirates.	–	Subsidiary	100	Section 2(87)

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

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

Category of Shareholder	No. of Shares held at the beginning of the year: 01/07/2015				No. of Shares held at the end of the year: 31/03/2016			
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %
<b>A. Promoters</b>								
<b>(1) Indian</b>								
(a) Individual / HUF	3235590	0	3235590	2.55	3235590	0	3235590	2.55
(b) Central / State Government(s)	0	0	0	0.00	0	0	0	0.00
(c) Bodies Corporate	59897155	0	59897155	47.15	59897155	0	59897155	47.15
(d) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00
(e) Any Others (Specify)								
(f) Trusts	17260	0	17260	0.01	17260	0	17260	0.01
<b>Sub Total (A)(1) :</b>	<b>63150005</b>	<b>0</b>	<b>63150005</b>	<b>49.71</b>	<b>63150005</b>	<b>0</b>	<b>63150005</b>	<b>49.71</b>



Category of Shareholder	No. of Shares held at the beginning of the year: 01/07/2015				No. of Shares held at the end of the year: 31/03/2016			
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %
<b>(2) Foreign</b>								
(a) NRI-Individual	0	0	0	0.00	0	0	0	0.00
(b) Other- Individuals	0	0	0	0.00	0	0	0	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00
(e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00
<b>Sub Total (A)(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total holding for promoters (A)=(A)(1) + (A)(2)</b>	<b>63150005</b>	<b>0</b>	<b>63150005</b>	<b>49.71</b>	<b>63150005</b>	<b>0</b>	<b>63150005</b>	<b>49.71</b>
<b>B. Public Shareholding</b>								
<b>1 Institutions</b>								
(a) Group Companies								
(i) Foreign Financial Institutions / Banks	500	0	500	0.00	500	0	500	0.00
(b) Mutual Funds	7769996	0	7769996	6.12	10177319	0	10177319	8.01
(c) Financial Institutions / Banks	190278	2765	193043	0.15	263825	2765	266590	0.21
(d) Central / State Government(s)	0	0	0	0.00	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00
(g) FI's	28292334	1500	28293834	22.27	25532936	1500	25534436	20.10
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00
(i) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
(j) Any Others (Specify)								
(i) Foreign Company	109123	0	109123	0.09	675125	0	675125	0.53
<b>Sub Total (B)(1) :</b>	<b>36362231</b>	<b>4265</b>	<b>36366496</b>	<b>28.63</b>	<b>36649705</b>	<b>4265</b>	<b>36653970</b>	<b>28.86</b>
<b>2 Non-Institutions</b>								
(a) Bodies Corporate	4691058	18635	4709693	3.71	4476143	18305	4494448	3.54
(b) Individual								
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	15128155	2384855	17513010	13.79	15215976	2281475	17497451	13.77
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4652590	0	4652590	3.66	4473264	0	4473264	3.52
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
(d) Any Others (Specify)								
(i) Trusts	10880	0	10880	0.01	10880	0	10880	0.01
(ii) Clearing Member	36852	0	36852	0.03	170752	0	170752	0.13
(iii) Non Resident Indians (NRI)	406994	140980	547974	0.43	395875	140855	536730	0.42
(iv) Overseas Bodies Corporates	0	39370	39370	0.03	0	39370	39370	0.03
<b>Sub Total (B)(2) :</b>	<b>24926529</b>	<b>2583840</b>	<b>27510369</b>	<b>21.66</b>	<b>24742890</b>	<b>2480005</b>	<b>27222895</b>	<b>21.43</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>61288760</b>	<b>2588105</b>	<b>63876865</b>	<b>50.29</b>	<b>61392595</b>	<b>2484270</b>	<b>63876865</b>	<b>50.29</b>
C. Shares Held By Custodians For GDRS & ADRS	0	0	0	0.00	0	0	0	0.00
<b>Grand Total (A) + (B) + (C)</b>	<b>124438765</b>	<b>2588105</b>	<b>127026870</b>	<b>100.00</b>	<b>124542600</b>	<b>2484270</b>	<b>127026870</b>	<b>100.00</b>


**(ii) Shareholding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Venktesh Investment And Trading Company Private Limited	19693081	15.50	0.00	19693081	15.50	0.00	0.00
2	Jovial Investment And Trading Company Private Limited	19912082	15.68	0.00	19912082	15.68	0.00	0.00
3	Boon Investment And Trading Company Private Limited	20206592	15.91	0.00	20206592	15.91	0.00	0.00
4	Shivratan Jeetmal Taparia	703816	0.55	0.00	703816	0.55	0.00	0.00
5	Mahaveerprasad S. Taparia	749186	0.59	0.00	749186	0.59	0.00	0.00
6	Vijaykumar Bajranglal Taparia	344890	0.27	0.00	344890	0.27	0.00	0.00
7	Bajranglal Surajmal Taparia	367398	0.29	0.00	367398	0.29	0.00	0.00
8	Vivek Kumar Taparia	262230	0.21	0.00	262230	0.21	0.00	0.00
9	Kamleshdevi M Taparia	347830	0.27	0.00	347830	0.27	0.00	0.00
10	Kusumdevi S Taparia	98690	0.08	0.00	98690	0.08	0.00	0.00
11	Priyankadevi Taparia	141500	0.11	0.00	141500	0.11	0.00	0.00
12	Viren Vivek Taparia	200050	0.16	0.00	200050	0.16	0.00	0.00
13	Anika Vivekkumar Taparia	20000	0.02	0.00	20000	0.02	0.00	0.00
14	Suraj Packaging Private Limited	6300	0.01	0.00	6300	0.01	0.00	0.00
15	Platinum Plastic And Industries Private Limited	49100	0.04	0.00	49100	0.04	0.00	0.00
16	Balkrishna Prabhu Charitable Trust	17260	0.01	0.00	17260	0.01	0.00	0.00
17	Space Age Chemplast Pvt Ltd	30000	0.02	0.00	30000	0.02	0.00	0.00
	<b>Total</b>	<b>63150005</b>	<b>49.71</b>	<b>0.00</b>	<b>63150005</b>	<b>49.71</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Changes in Promoters Shareholding (please specify if there is no change)**

Sr. No.		Share holding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
	At the beginning of the year	63150005	49.71	63150005	49.71
	Date wise increase /decrease in Promoters shareholding during the year specifying reasons for increase/decrease (allotment / transfer /bonus /sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	63150005	49.71	63150005	49.71

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.07.2015)/End of the year(31.03.2016)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
1	Nalanda India Fund Limited	8176502	6.44	01.07.2015	0	Nil movement during the year		
		8176502	6.44	31.03.2016			8176502	6.44
2	Cartica Capital Ltd	3518856	2.77	01.07.2015				
				03.07.2015	200000	Transfer	3718856	2.93
				10.07.2015	79144	Transfer	3798000	2.99
				17.07.2015	144100	Transfer	3942100	3.10
				16.10.2015	-1270000	Transfer	2672100	2.10
				30.10.2015	-146959	Transfer	2525141	1.99



Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.07.2015)/End of the year(31.03.2016)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
				06.11.2015	-55000	Transfer	2470141	1.94
				13.11.2015	-143000	Transfer	2327141	1.83
				04.12.2015	-106000	Transfer	2221141	1.75
				11.12.2015	-1850135	Transfer	371006	0.29
				18.12.2015	-371006	Transfer	0	0.00
		0	0.00	31.03.2016			0	0.00
3	SmallCap World Fund, INC			01.07.2015				
				11.09.2015	174522	Transfer	174522	0.14
				16.09.2015	24394	Transfer	198916	0.16
				25.09.2015	1082886	Transfer	1281802	1.01
				30.09.2015	23913	Transfer	1305715	1.03
				02.10.2015	15553	Transfer	1321268	1.04
				09.10.2015	4172	Transfer	1325440	1.04
				16.10.2015	236863	Transfer	1562303	1.23
				23.10.2015	1212697	Transfer	2775000	2.18
		2775000	2.18	31.03.2016			2775000	2.18
4	HDFC Trustee Company Ltd A/C- HDFC Children's Gift Fund-Investment Plan.	2490100	1.96	01.07.2015	0	Nil movement during the year		
		2490100	1.96	31.03.2016			2490100	1.96
5	Matthews India Fund	1895000	1.49	01.07.2015				
				20.11.2015	11906	Transfer	1906906	1.50
				27.11.2015	82059	Transfer	1988965	1.57
		1988965	1.57	31.03.2016			1988965	1.57
6	JPMorgan Emerging Markets Investment Trust PLC.	1479890	1.17	01.07.2015	0	Nil movement during the year		
		1479890	1.17	31.03.2016			1479890	1.17
7	J P Morgan Funds	944843	0.74	01.07.2015				
				03.07.2015	-40560	Transfer	904283	0.71
				10.07.2015	-114200	Transfer	790083	0.62
				31.07.2015	42560	Transfer	832643	0.66
				07.08.2015	-39290	Transfer	793353	0.62
				14.08.2015	-36920	Transfer	756433	0.60
				21.08.2015	73670	Transfer	830103	0.65
				28.08.2015	-15930	Transfer	814173	0.64
				16.10.2015	1492	Transfer	815665	0.64
				23.10.2015	84166	Transfer	899833	0.71
				13.11.2015	207360	Transfer	1107193	0.87
		1107193	0.87	31.03.2016			1107193	0.87
8	Motilal Oswal Most Focused Multicap 35 Fund	391475	0.31	01.07.2015				
				03.07.2015	7698	Transfer	399173	0.31
				10.07.2015	24030	Transfer	423203	0.33
				17.07.2015	13598	Transfer	436801	0.34
				24.07.2015	6818	Transfer	443619	0.35
				07.08.2015	6185	Transfer	449804	0.35
				04.09.2015	8305	Transfer	458109	0.36
				30.10.2015	16077	Transfer	474186	0.37
				06.11.2015	15823	Transfer	490009	0.39
				18.12.2015	50000	Transfer	540009	0.43
				25.12.2015	-843	Transfer	539166	0.42
				31.12.2015	54009	Transfer	593175	0.47





Sr. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.07.2015)/End of the year(31.03.2016)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
				15.01.2016	120648	Transfer	713823	0.56
				22.01.2016	138014	Transfer	851837	0.67
				29.01.2016	75184	Transfer	927021	0.73
				03.02.2016	45324	Transfer	972345	0.77
				12.02.2016	13390	Transfer	985735	0.78
				26.02.2016	14400	Transfer	1000135	0.79
				04.03.2016	42229	Transfer	1042364	0.82
				31.03.2016	25959	Transfer	1068323	0.84
		1068323	0.84	31.03.2016			1068323	0.84
9	GMO Emerging Domestic Opportunities Fund	925482	0.73	01.07.2015				
				09.09.2015	-3711	Transfer	921771	0.73
				11.09.2015	-114589	Transfer	807182	0.64
				18.09.2015	-243800	Transfer	563382	0.44
				16.10.2015	-213400	Transfer	349982	0.28
				12.02.2016	-33616	Transfer	316366	0.25
				19.02.2016	-364	Transfer	316002	0.25
				26.02.2016	-56924	Transfer	259078	0.20
		259078	0.20	31.03.2016			259078	0.20
10	SAIF Advisors Mauritius Limited A/C Saif India IV FII Holding Limited	917582	0.72	01.07.2015				
				17.07.2015	-20287	Transfer	897295	0.71
				24.07.2015	-42560	Transfer	854735	0.67
				07.08.2015	-140000	Transfer	714735	0.56
				16.09.2015	-28000	Transfer	686735	0.54
				25.09.2015	-686735	Transfer	0	0.00
		0	0.00	31.03.2016			0	0.00
11	Matthews Asia Small Companies Fund	914042	0.72	01.07.2015				
				21.08.2015	-81147	Transfer	832895	0.66
				28.08.2015	-51579	Transfer	781316	0.62
				11.12.2015	-7456	Transfer	773860	0.61
				18.12.2015	-42850	Transfer	731010	0.58
				25.12.2015	-12767	Transfer	718243	0.57
				31.12.2015	-9950	Transfer	708293	0.56
				08.01.2016	-24036	Transfer	684257	0.54
				29.01.2016	-44972	Transfer	639285	0.50
		639285	0.50	31.03.2016			639285	0.50
12	SBI Emerging Businesses Fund	900000	0.71	01.07.2015	0	Nil movement during the year		
		900000	0.71	31.03.2016			900000	0.71
13	Government Pension Fund Global	0	0.00	01.07.2015				
				11.12.2015	773000	Transfer	773000	0.61
				18.12.2015	186000	Transfer	959000	0.76
				03.02.2016	-35000	Transfer	924000	0.73
				05.02.2016	-26918	Transfer	897082	0.71
				12.02.2016	-28078	Transfer	869004	0.68
				19.02.2016	-20691	Transfer	848313	0.67
				26.02.2016	-14177	Transfer	834136	0.66
				04.03.2016	-14422	Transfer	819714	0.65
		819714	0.65	31.03.2016			819714	0.65



**(V) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.07.2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1)</b>	<b>Shri B.L. Taparia, Chairman</b>				
	At the beginning of the year	367398	0.29	367398	0.29
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	–	–	–	–
	At the end of the year	367398	0.29	367398	0.29
<b>2)</b>	<b>Shri M.P. Taparia, Managing Director</b>				
	At the beginning of the year	749186	0.59	749186	0.59
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	–	–	–	–
	At the End of the year	749186	0.59	749186	0.59
<b>3)</b>	<b>Shri S.J. Taparia, Executive Director</b>				
	At the beginning of the year	703816	0.55	703816	0.55
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	–	–	–	–
	At the End of the year	703816	0.55	703816	0.55
<b>4)</b>	<b>Shri V.K. Taparia, Executive Director</b>				
	At the beginning of the year	344890	0.27	344890	0.27
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	344890	0.27	344890	0.27
<b>5)</b>	<b>Shri B.V. Bhargava, Director</b>				
	At the beginning of the year	13000	0.01	13000	0.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	13000	0.01	13000	0.01
<b>6)</b>	<b>Shri Y.P. Trivedi, Director</b>				
	At the beginning of the year	20010	0.02	20010	0.02
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	20010	0.02	20010	0.02
<b>7)</b>	<b>Shri N.N. Khandwala, Director</b>				
	At the beginning of the year	314500	0.25	314500	0.25
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	314500	0.25	314500	0.25
<b>8)</b>	<b>Shri H.S. Parikh, Director</b>				
	At the beginning of the year	155770	0.12	155770	0.12
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-8000 (Transfer)	–	147770	0.11
	At the End of the year	147770	0.11	147770	0.11
<b>9)</b>	<b>Shri Rajeev M. Pandia, Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL



Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.07.2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10)	<b>Shri Ramanathan Kannan, Director</b>				
	At the beginning of the year	7110	0.00	7110	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	300 (Transfer)	–	7410	0.00
	At the End of the year	7410	0.00	7410	0.00
11)	<b>Smt. Rashna Khan, Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL
12)	<b>Shri P. C. Somani, Chief Financial Officer</b>				
	At the beginning of the year	4000	0.00	4000	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):	–	–	–	–
	At the End of the year	4000	0.00	4000	0.00
13)	<b>Shri R. J. Saboo, AVP (Corporate Affairs) &amp; Company Secretary</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

(₹ In Lacs)

	Secured Loans	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount	29491.77	9793.41	39285.18
ii) Interest accrued but not due	14.69	34.59	40.56
<b>Total (i+ii)</b>	<b>29506.46</b>	<b>9819.28</b>	<b>39325.74</b>
<b>Change in Indebtedness during the financial year</b>			
• Addition	13784.09		13784.09
• Reduction	(4803.86)	(6982.91)	(11786.77)
<b>Net Change</b>	<b>8980.23</b>	<b>(6982.91)</b>	<b>1997.32</b>
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	38472.00	2810.50	41282.50
ii) Interest accrued but not due	11.97	0.88	12.84
<b>Total (i+ii)</b>	<b>38483.97</b>	<b>2811.38</b>	<b>41295.34</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole- time Directors and/ or Manager

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri M. P. Taparia	Shri S. J. Taparia	Shri V. K. Taparia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	155.37	148.59	147.60	451.56
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	0.32	0.32	0.32	0.96
	(c) Profits in lieu of salary under section 17(3) Income-tax Act				
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission	353.67	353.67	353.67	1061.01
	– As % of profit				
	– Others, specify...				
5.	Others, please specify				
	<b>Total (A)</b>	<b>509.36</b>	<b>502.58</b>	<b>501.59</b>	<b>1513.53</b>
	Ceiling as per the Act				4957.64



**B. Remuneration to other directors:**

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri Y. P. Trivedi	Shri N. N. Khandwala	Smt. Rashna Khan	Shri Ramanathan Kannan	Shri Rajeev M. Pandia	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	6.60	7.50	8.10	6.00	5.30	6.30	39.80
	<b>Total(1)</b>	<b>6.60</b>	<b>7.50</b>	<b>8.10</b>	<b>6.00</b>	<b>5.30</b>	<b>6.30</b>	<b>39.80</b>
		<b>Shri H. S. Parikh</b>	<b>Shri B. L. Taparia</b>					
2.	Other Non-Executive Directors • Fee for attending board Committee meetings • Commission • Others, please specify	6.20	5.00					11.20
	<b>Total(2)</b>	<b>6.20</b>	<b>5.00</b>					<b>11.20</b>
	<b>Total(B)=(1+2)</b>	<b>12.80</b>	<b>12.50</b>	<b>8.10</b>	<b>6.00</b>	<b>5.30</b>	<b>6.30</b>	<b>51.00</b>
	Total Managerial Remuneration	NA						
	Overall Ceiling as per the Act	NA						

**C. Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD**

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	36.35 0.10	80.21 0.32	116.56 0.42
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission – as % of profit – others, specify...	NA	NA	NA
5.	Others, please specify	–	–	–
	<b>Total</b>	<b>36.45</b>	<b>80.53</b>	<b>116.98</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment		NIL			
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment		NIL			
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment		NIL			
Compounding					



## Management Discussion and Analysis 2015-16

### 1. OVERVIEW

The World economy was in a slow growth mode during the year under review except in USA. The business situation was also vitiated by second consecutive drought in India due to shortfall in of Monsoon.

In spite of these adverse factors due to resilience of Indian economy, our Country witnessed a GDP growth of around 7.5%.

The lower crude prices have substantially mitigated the negative impact of low world growth and deficient monsoon in India thereby continuing the growth impulse of our Country's economy in 2015-16.

The Polymer prices hovered at a lower level during most part of the year. The Polymer consumption has grown by around 14% in volume terms close to two times GDP growth during the year. Such consumption driven growth has not been seen in the last decade.

This augurs well for your Company's growth plan. The Country has consumed around 13.7 million tons of Plastics in last year compared to around 12 million tons in the preceeding year.

This growth has come principally from increase in domestic consumption. The growth in export of Plastics products was only marginal.

India has huge potential to achieve large scale export of Plastics products from the Country. China exported around USD 104 Billion worth of plastics products in the year 2015 where as our Country has exported plastics products only around USD 4.5 Billion during the same period.

To boost the export, the Government has to take several initiatives which only can encourage entrepreneurs to setup large facilities to participate in the export market. Such initiatives are still awaited.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENT

There is a drive in the Country to start construction of affordable houses in large numbers. The Government has permitted FDI also in realty segment on favorable terms.

The large investment outlay in rural sector with an objective of strive doubling the farmer's per capita income by 2022 along with large investment in road, railways, and maritime economic activities will lead to creation of large number of jobs.

All these developments augur well for the growth of Plastics consumption in the country. The same will be beneficial to your Company which can enable the Company to plan for higher growth..

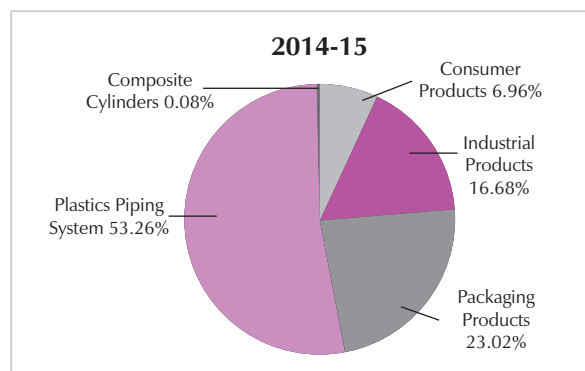
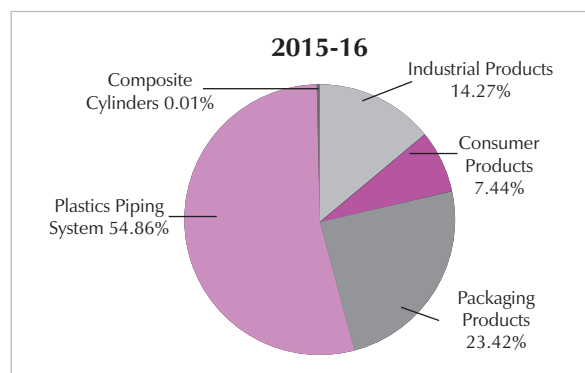
### 3. PRODUCT GROUPS

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

Group	Products
Plastics Piping System	uPVC Pipes, Injection Moulded PVC fittings and handmade fittings, Polypropylene Random Co-polymer pipes and fittings, HDPE Pipe Systems, CPVC Pipes Systems, Inspection Chambers and manholes. Bath fittings, Roto moulded Tanks and Fittings and Solvents

Group	Products
Consumer products	Furniture
Industrial Products	Industrial products, Material handling System and Pallets – Roto moulded crates, garbage bins
Packaging Products	Flexible packaging film products, Protective Packaging Products, Cross Laminated Film products
Composite Products	LPG Cylinders

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



The net turnover (including other income) of the Company for the period under review was ₹ 2984.48. Crores (including ₹ 53.25 Crores by way of trading in other related products) as against ₹ 2982.57 crores (including ₹ 118.66 Crores by way of trading in other related products and ₹ 115.67 crores from sales of premises) during the corresponding period of the previous year.

The Company has sold 2,35,306 tons of Plastic products as against 2,07,886 tons of Plastic products in the same period of previous year, reflecting a growth of 13.19% in product turnover by volume.

The Company exported goods worth US\$ 8.42 million as against US\$ 9.42 million during the corresponding period of the previous year.

Profit before interest, depreciation and exceptional items and taxes during the period under review have gone up by ₹ 56.75 crores from ₹ 413.92 crores to ₹ 470.67 crores during the corresponding period of the previous year.





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

### **4.1 Manufacturing Sites**

During the period under review, two new Green field units have commenced commercial production. Company is actively considering to put up another Green field unit in South India and necessary steps for the same are in progress.

### **4.2 Distribution network**

Your Company is committed to increase its reach by adding more channel partners in several parts of the country. The Company has increased its channel partners from 2469 Nos as on 30th June, 2015 to 2699 as on 31st March, 2016.

Distributors are the strength of the Company. Your Company enjoys good rapport and loyalty from its distributors. The distributors are working assiduously to distribute Company's products in their respective regions in a very efficient manner.

### **4.3 Growth Drivers**

Your Company has increased its share of its Branded products turnover during the year 2015-16 to 82.67% compared to 80.70% in the year 2014-15.

The Company has taken effective measures to increase the product awareness through advertising by way of TV/Radio, Print media, outdoor i.e. bus panel. Hoarding, wall painting etc

Several counterfeit products especially in XF products and Pipe System of the Company are now available in the market. Company has taken several measures to address this menace.

## **5. OPERATIONAL PERFORMANCE**

### **5.1 Plastics Piping Systems**

The business during the year had a good growth with better demand from various segments catered by your Company. It was also supported by the affordable prices of the raw material.

The Company is pursuing its ambition to grow Plastic Pipe System business, seeing its promising potential. The Company is leader in this segment as it has the largest portfolio of products to offer for this segment of the economy.

The Company committed an investment of ₹ 148 cores in nine months period to achieve the objective of growth in the business. Large sums of investments are further planned in the current year.

New plant at Kharagpur has commenced the production. The installations of some lines are in progress. The Company will be able to utilize full capacity of this plant by June 2016. The Company is planning further expansion of Pipe manufacturing capacity at this complex.

At Malanpur, near Gwalior a separate Roto Moulding Plant and new Ware House are in operation. The cPVC pipe production capacity installed at Pipe Plant has stabilized.

Another Roto Moulding facility is being commissioned at Kharagpur. It may be in operation by end April'16. The Company's Roto Moulding facility at Kanpur plant may be in operation by May'16. The Company has launched variety of Septic Tanks in technological tie-up with a South African

Company. All of these are well received in the market. Encouraged by the same, the Company has embarked on capacity expansion. The Company aims to introduce many other varieties of Tanks suitable for underground water storage.

The Company has tied-up for Technology and plant for the production of Double Wall Corrugated HDPE Pipes. The Company expects to commence production by end of first quarter of current financial year. The Company has successfully produced Multilayer foam pipe of 200 mm diameter. The large dia Foam pipe has been well received in the market. The approval of BIS for the same is in process.

The Company has developed an economic model of Man-hole of 1 meter Dia. This will enable it to compare favorably with conventional man-hole on cost basis also apart from its superior advantages compared to conventional brick and mortar Man holes. The Company is now geared-up to offer large varieties of products to cater the sewerage and drainage segment of the housing requirement.

The Company is in process of setting up a new plant to manufacture PVC Pipes in its Jalgaon Plant where it has vacant land available. The same will be able to produce 20,000 tons product after going in full operation. The same may go in production by January/March 2017 quarter.

The Company is offering large varieties of submersible and Cassein Pipes to cater to Agricultural and Household requirements. The submersible pipe offered by the Company are getting encouraging response. The monthly requirement serviced by the Company in this segment has gone up from 270 tons to 500 tons. By October 2016, the same is expected to go upto 750 tons. These pipes are produced at Gadegaon complex. The Company aims to offer this product from Company's other Pipe Plants also.

The Company during the period under review registered an overall volume growth of 18.76% in Plastic Piping System made from different plastic materials. The Company registered a volume growth of 23.74% in cPVC system sale and a volume growth in sale of HDPE Pipe System at 24.09% within this overall growth of Plastics Pipe System business. Overall the Company sold 162,370 Tons of Pipe System compared to 136,717 Tons in comparable 9 months period of the preceding year.

The Company introduced 55 nos. of variety of Injection Moulded Pipe fittings during 2015-16. These all have been well received in the market. The sale of moulded fittings increased by 18.7% in volume terms during the year under review. The Company has plans of introducing 172 items of fittings by second/third quarter of current year.

The total product portfolio in Pipe System has reached 6729 Nos which is the largest offered in the country.

Encouraged by the growth of cPVC products business, the Company has committed further investment, to produce CPVC Pipe system up to diameter of 10" before the end of June'16, which can cater to Industrial Segments in a cost effective manner compared to use of pipes made from conventional materials.

The Company has decided to enter into Plastic Industrial Value segment for medium to heavy-duty applications. The Company will offer certain varieties of products in this segment during the first quarter of this year.



## Supreme FlameGuard®- CPVC Fire Sprinkler System

Every day 54 persons die in fire accidents in India. Mumbai Fire Brigade has started routine audit of the building falling in its jurisdiction. The purpose of the audits is to check whether the proper fire fighting system is in place. Fire Brigade has appointed licensed agencies to carry out this job.

Automatic fire sprinkler system plays an important role in controlling fire in its initial stage as most of the fires get extinguished in initial stage. On this fact Maharashtra fire Dept has issued a circular and made installments of fire sprinkler system compulsory in each and every residential room in building above 45 m. For buildings between 25m to 45m the sprinkler system is compulsory in common areas like lift lobby. Apart from the residential buildings, the system may be installed in Commercial buildings, IT parks, educational institutes, Museums, auditoriums etc.

The traditional fire sprinkler system in metal has many disadvantages like corrosion, heavy in weight, short life. Many time the system does not work as the sprinkler flow path in sprinkler get blocked either by corrosion particles or by molten drips while welding.

The CPVC fire sprinkler system overcomes all these disadvantages of the traditional system. The water filled weight of the system is only 40% than that of the metal system. The system is totally free from corrosion and the minimum life expectancy is of 50 years against 15 years for the traditional system. Though in one to one comparison of material for the system is expensive but the advantages offered by it far outweighs the increased cost.

There are only two companies in the world which manufactures the UL listed CPVC compound for the fire sprinkler system. Both are based in USA. One is Lubrizol with brand name of Blazemaster. The other is Spears with brand name of Flame Guard. The Company has tied up with Spears Manufacturing Company; Los Angeles The Company started the manufacture of pipes from the imported compound from Spears. The fittings and the required solvent cement will be imported from Spears. The Company is authorized to use "FLAME GUARD" brand on its CPVC fire sprinkler system.

The Company is manufacturing pipes under Brand name "Supreme Flame Guard". The Company's pipes have passed stringent UL testing. Pipes made by the Company are UL listed in July, 2015. The Company's pipes also have passed the BIS testing. The Company will shortly get the necessary BIS license for marking the CPVC fire sprinkler pipe.

The Company has started the marketing of this product in Mumbai City. Last month, the Company has launched the product. The Company's representatives now also met several reputed developers and consultants in Mumbai. The Company has received good response. The Company's collaborators trained 38 fire officers from Mumbai fire Brigade recently.

The Company has also launched the system in Sri Lankan Market along with its collaborators. The Company is hopeful that it will soon cater to Sri Lankan requirement also for the same product.

The AQUAKRAFT Bath Fittings introduced by the Company faced initial teething troubles, which have been fully overcome. The portfolio in Bath Fittings has reached to

90 items i.e., an increase of 39 items during the year. The Company plans to further increase the range during 2016-17 by introducing a variety of Plastics Bath fittings. The Chrome plated range may get launched during the current year.

The Company's Export business saw a flat growth of mere 1.4% in US \$ terms. The Company is continuously trying to boost its export business of Piping Systems.

The Division's Value Added Products sale increased to 32.7% against 29.8% of last year. The Company has also added further 49 direct business Channel partners during the year taking the total to 835 Nos.

The Company continues to expand its reach by appointing Distributors in areas where there is a gap. The Company's Piping System is now available in several parts of the Country as Company is establishing retail network through its distributors.

The Company has started another Knowledge center at Cochin for the customer of Southern India. Similarly the steps have been taken to open the Knowledge Centre at Malanpur and Kharagpur for North and Eastern region customers. This will enable the Company to train larger numbers of Plumbers, Dealers and concerned people in this field.

The "SUPREME" Brand in Plastics Piping System enjoys immense reputation among Architects and Plumbing Consultants.

The Company spent around ₹ 12 crores nine months on Brand building activities for its Plastic Piping Division through the following tools:

- Print Media through several monthly journals and dailies
- Participation in Exhibition locally and internationally
- Holding Architects / Plumbing Contractors / Builders / Plumbers meet at various locations in the country
- Outdoor – Bus Panel, In-shop brands, Hoarding-wall painting
- Glow sign and Flex Board at Retail Shops
- Arranging visit of Architects/Plumbing Consultants / Plumbers / Builders / Farmers / Dealers / Government officials to the Company's Knowledge Centre at Gadegaon

## 5.2 CONSUMER PRODUCTS

### 5.2.1 Furniture

The Company manufactures furniture at five different locations viz: Puducherry (UT), Durgapur (West Bengal), Derabassi (Punjab), Gadegaon (Maharashtra) & Guwahati (Assam) to cater effectively to different regions of the country.

The Sales turnover for July15-March16 of Furniture Business grew by 14% in value to ₹ 217 Crores over last year same period and by 17% in volume indicating robust growth in Furniture Business this year.

The wide acceptance of some of the premium models such as Cambridge, Web, Texas etc. by customers due to their unique design, strength & contemporary looks has helped in establishing the Company to be a market leader in premium range of products. The latest introduction of Empire & Omega has further reinforced the Company's image of



market leader in introducing innovative & high quality products. The Company introduced chairs made with Gas Assisted Moulding technology and Glass Fiber Reinforced PP which is another first to the Company's credit.

The Company's business quantum of Premium Products grew by 23% which was aided by introduction of various premium products. The Company plans to further enhance the range of value added products. Some of the new products are being introduced from April itself which would help in increasing the sales of such premium products during the current year.

The Company introduced 8 new models last year & plans to introduce 7 new models over next 3 months. Since a major number of these models would be Premium Products, it will further broaden the range of value added products. Some of these models will be unique in design and reinforce the premium brand image of supreme furniture.

The favorable raw material availability with better marketing strategy helped the Company to improve OPM of this segment in the year under review. Encouraged by improved OPM, large volume growth & better future prospects, the Company made a commitment to invest over ₹ 41 Crores in this business segment in the year.

The Company is putting up a Green Field Project to manufacture new category of Furniture Products at Kharagpur with an investment of around ₹ 24 Crores. This was expected to go in production by first quarter of 2016 but due to initial technical hiccups it has been delayed. It is likely to go in production by July - September quarter of 2016. The scope for export of these products is good. The Company plans to focus on export of these products in a big way.

The Company continues to explore export opportunities for its premium products. In order to reach out to international customers, the Company participated in two international exhibitions. The response in both the exhibitions has been encouraging. The Company plans to participate in five international exhibitions in the current year to increase its footprint of countries covered. The Company has initiated the process of getting necessary certifications & product tests done essential for export to world market. This process has helped in further improving the quality of furniture. The Company has been made aware about fine nuances which make a difference in product quality & its appeal.

The Company has completed 25 years of Furniture Business. It is in the process of celebrating Silver Jubilee with its Channel Partners. The meeting with key distributors in various regions has helped in reinforcing the relationship with them. A special recognition is being done for partners associated with the Company for 20 years in this business. The Company has set a Vision to be the largest manufacturer of Plastic Furniture in India by 2020.

The Company continues to expand its reach throughout the Country. It has a network of 746 channel partners promoting its products. The Company also started promoting sales of its products through E commerce. It will continue to make dedicated efforts for boosting the sales through E sites. The Company's products are now available on major E commerce sites i.e. Amazon, Flipkart, Snap deal & Pepper Fry etc.

## **5.3 INDUSTRIAL PRODUCTS**

### **5.3.1 Industrial components**

The year started with bullish sentiments and expectations of economic revival under the new Government, raising the hopes of arresting recessionary trend of previous few years both in Automotive and Consumer Durable sector. In such anticipation, the Division had projected 10% revenue and volume growth in both the sectors. However, lower than expected rate of economic revival, consecutive two drought years, delayed production ramp-ups by customers and uncertainty on GST passing took its toll on planned volume growth but the company managed to level the volumes with last year. However, with the steep drop in all Polymer prices, the division suffered revenue de-growth of 12% in spite of almost flat volume growth. The Company expects that the slow but steady demand revival witnessed during the year would accelerate further during the current year.

**Noida Plant** revenue, which suffered due to relocation of two major customers, started yielding positive results in view of the continued focus to develop new products and customers. Noida plant improved its customer base in Auto sector improving the sales revenue for this sector from 2.1% in FY 12-13 to 26% in FY 15-16 wrt total sale from the plant. This is helping to counter volatility in production volume as Auto production has low seasonal influence. Supplies for Honda Car for one of its compact SUV model declined as the demand for the model slowed. The plant started manufacturing complete Coolers for one of the reputed customers in this segment, during previous year, got fully stabilized and Company supplied improved volume of coolers. Company expects good growth in this product as it has opened a new avenue for the company. With the continued efforts in developing new Business Mix, company expects steady growth at Noida plant in future.

Auto Business in the western India continued to suffer even during FY 15-16 affecting revenue at Talegaon Plant. De-growth over last year was due to execution of huge order for EVM parts during FY 14-15 and is not there in FY 15-16. This is not a regular business for the company. Without considering this business, the volume growth is 2%. The business of some automotive models, which were acquired during previous years from the major customer like Tata Motors, is yet to takeoff as expected, due to slow ramp up. Supply of Cockpit Assembly started for the LCV/MCV Model 'Ultra' of Tata Motors; albeit in small quantity. Company expects the volumes to get ramped up during the current year. Development process is on for a new model of Vespa for Piaggio, which would be launched during second quarter of the current year. This model and the existing one together are expected to improve revenue of Talegaon plant. Company is aggressively focusing to improve business at Talegaon by strengthening its Business Development cell.

**Khushkhera Plant** sales in volume terms remained flat. Supplies have been successfully established for one of the prestigious Premium Hatch Back model of Honda Car, New Jazz. Development process for a New SUV for Honda Car is complete and Mass production of this model will start during the first quarter of the current year. Company has been continuously getting good business from Honda in all its new models. Company expects good long-term prospects with Honda Motors.





Focused drive was taken to consolidate operations for future growth sustenance of the unit. Lots of steps to re-orient the entire manufacturing operation are taken to strengthen the plant operations so that it could be ready for future growth for which Company is optimistic.

**Chennai Plant** Volume growth remained flat, as growth in Washing machine segment of one of the major customer didn't happen as planned. A new Customer, BOSCH has set up a huge manufacturing facility in India and would be launching various other Home Appliance products during next few years. Company expects good growth with this customer in years to come. The prospects in automotive sector for this unit are looking bright and it is expected to form a significant portion of plant revenue. The Capacity utilization of the plant is at optimum level since last two years. Company plans realign its Customer-Mix for more productive capacity utilization.

**Puducherry Plant** achieved volume growth of 7% in tonnage terms and 12% in quantity terms. Value de-growth was more due to production of higher quantum of low cost models of washing machines by the customer. The initiative taken during the previous couple of years to automate the plant for manpower rationalization, consistency in quality, improving productivity, has fruited.

**Durgapur Plant** witnessed flat volume growth. Company expects better growth during this year from all the customers of this plant. Company has recently acquired a new business from Tier 1 Company in Auto Segment, which should add to the revenue. The Water Purifiers being manufactured for one of the Company's major customer registered a de-growth due to weak demand for the product, adversely affecting the revenue demand. Customer is expecting good volume revival during the current year as it appears from their encouraging projections.

Company has taken initiative to rationalize and reorient the machine capacities at its various locations to align it with the changed Product- Mix. While doing so, the new machines and equipment being added are being equipped with the latest Technology, Energy efficiency and being designed for Good repeatability for better quality. All these initiatives will ensure better Quality, Productivity, Safety, Energy conservation and Cost optimization. It would help to negate the impact of inflation due to various manufacturing cost increases and there by remained competitive. The various such initiatives of the Company would also support Environment and Green Initiatives.

Continuous focus on employee engagement initiatives is helping company to enhance its Human Capital.

Overall rating of the company by its customers meets or exceeds their expectations. Company is considered a highly dependable and valuable supplier. Company received various Awards and Recognitions from time to time from its customers for its support in Quality, Cost, Delivery and New product development, Overall Support, Best Practices etc. All employees are constantly re-oriented to ensure utmost focus on Customer Satisfaction.

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

### 5.3.2 Material Handling Products

Material Handling Division has witnessed mixed performance during the period under review. Industrial crates and pallets have grown decently where as Soft Drinks and Fruits & Vegetable crates business has witnessed a de-growth. This division mainly caters to the following products:

- 1) Crates for Industrial, Retail and warehousing
- 2) Diaries, Fisheries and Fruits & Vegetables.
- 3) Bottle Crates for beverages Industry.
- 4) Pallet for multipurpose usages
- 5) Roto moulding Crates, Pallets and Bins

In Industrial crates sector, which mainly has a customer base in Automobile, Appliances and Engineering sectors, with improved coverage and patronage from regular and loyal customers, the Company registered a volume growth close to around 13% and revenue growth of 7%.

With its excellent servicing on all India basis supported by regional manufacturing units with excellent quality, the Company expects to grow much better in the current year. Company plans to introduce several new models in the current year specially for customers in retail and Automobile sectors.

The country has witnessed poor monsoon consecutively for the last two years resulting in a lower business in Fruits & Vegetables and fisheries crates segments. Moreover, there has been a shift to use recycled material crates in these segments for lower pricing where your Company is not participating. The Company, however, is still being patronized by quality conscious customers and confident of retaining these customers. The Dairy business in India is on a consistent growth path. The Company has introduced many models to cater to this industry but the regional and recycled low price players pose a serious competition in business with co-operative federations. Nevertheless, the Company is aggressively marketing its crates to important Private dairy customers and has been successful with few good accounts.

The Company has registered around 9% volume growth in Injection moulded pallets. The Company's consistent efforts to educate and create awareness regarding superiority of Plastics Pallets over wooden Pallets have started showing results in both Industrial as well as in Government sector. The pallets have also been approved and are under annual rate contract with DGS&D. The Polymers manufactures have also agreed to use Injection Moulded Plastic Pallets against wooden Pallets being currently used by them. The Company expects pallet business to grow significantly in coming years.

With above promising scenario the Company has already taken steps to enhance the Pallet manufacturing capacity and by introducing additional models for varied applications.

With Government's countrywide initiative for SWATCH BHARAT ABHIYAN and Company's focused efforts are giving encouraging results for business of Roto Moulded Garbage bins and Pallets. The trend makes the Company confident to introduce many new models of Garbage bins and Pallets to cater to specific requirement from the sector. Company has its Roto Moulding facility at Gadegaon in Maharashtra. During the period under review it has set up new facility and commenced production of Roto Moulded products from its Malanpur (M.P.) plant. Further two more



facilities are being set up at Kanpur in north India & at Kharagpur in West Bengal. The same would be operational in April/June 2016 quarter. The Company shall have distribution and servicing advantages for catering to most part of the country after start up at these locations. The Company expects promising growth opportunities in this product line in coming years.

The business of bottle crates have seen a steep downfall due to adverse business conditions prevalent in the soft drink industry during the period under review and also due to market inclination towards one way packaging, where Company's crates are not used. The Company, however, continues exploring opportunities and expects a reasonable business in current year from major soft drink players.

The Company has been successful in its approach to widen coverage through its channel partners particularly in geographical locations where its direct coverage has been difficult. The Company now has a network of 214 active distributors across the country against earlier 202 Nos. The Company aims to appoint further distributors in this segment to increase its reach through the country.

## **5.4 PACKAGING PRODUCTS**

### **5.4.1 Packaging films**

The Company continued to show positive growth during the period under review. Domestic sales grew from 5404 tons to 5812 tons (a growth of 7.5%) while sales in value reduced from ₹ 94.7 crores to ₹ 90.9 crores. The division term processed 6141 tons of polymers against 5867 tons in the previous year.

New players continue to enter the market but Company managed to sustain its share with the large customers. Growth has come mainly from edible oil and convertor segment with new customers being added regularly.

A specialty product - High Gloss film has been successfully developed and is finding good response from customers. Other value-added products like UHT milk film have also been successfully developed and are expected to contribute to higher sales in the coming year.

Exports were 587 tons as against 472 tons registering a growth of 24%. New customers have been added and exports are expected to show further growth. Participation in international exhibitions has helped in higher export sales and the company intends to expand its reach to new countries.

The company expects a volume growth of about 10% in the current year.

### **5.4.2 Protective packaging products**

Protective Packaging Division grew by 10% in volume terms and 5% in value terms compared to the last year. Delay in startup of Kharagpur plant resulted in a lower than expected growth. The PPD division of Kharagpur plant is now fully operational & is expected to achieve a turnover of ₹ 50 crore this year.

The division continues to increase share of value added products in its turnover. This resulted in improved profitability over the previous year. Reduction of raw material prices have reduced the growth in topline during the year but however contributed to the better operating margins. Some of the other factors that contributed to higher VA sales are

1. Substantially increased yield & productivity of our cross linked block foam.
2. Introduction of several VA products in all product lines this year.

While most competitors, including several new ones, adopt unethical practices offering falsely certified products, denting the Company's business in some of the price sensitive markets, thereby reducing its growth in those segments, your company continues to position itself to give all its products with the appropriate certification only. This is resulting in building up its credibility in the market for the commitment of quality and service.

The division has now introduced several high level certified products such as ROHS, REACH. This will result in good business with quality conscious customers. The division is working to strengthen the manufacturing process and marketing to capture the new business sectors with the above range of certified products.

The division's vision of having widest range of products, and to work as a cost effective solution provider is now yielding good results. Several new products have been added last year & more products will be developed in the coming year as well. The division is planning to increase saleable capacity of cross linked block foam from 4600 MTPA to 6000 MTPA during the year at Malanpur and Hosur locations.

The division is creating a new vertical to manufacture consumer products from its existing range of mainline products. The first 40 SKUs will be introduced before the end of June this year & is expected to cross 100 SKUs by end of March 2017.

The commercial production of the new Kharagpur unit started in January this year, The unit is now fully functional. The products are now capturing the local markets, which could hitherto not be penetrated. We expect a good business growth in East Zone.

Creation of new acoustic products with proper certification is taking longer than expected. The division is quite bullish on its prospects.

### **Packaging vertical**

The business growth of standard polyethylene and air bubble is significantly low as many local competitors have now entered in to the market. To retain the business, the division is constantly working on cost reduction, customizing products & introducing composites to its vast range.

### **Construction Vertical**

The vertical has achieved growth of 13% in value terms and 8.4% in volume terms. Since last few years the vertical has not grown adequately due to poor growth in the real estate & infrastructure sectors. To increase the business opportunities & growth, several new products have been introduced. This is expected to yield better business during the current year. The division is also strengthening its reach by adding new distributor/dealer network in new geographical regions.

### **Insulation Vertical**

Insulation business grew by only 6.5% in value and 9% in volume. During the year two more new manufacturers have entered in the markets, who have started diluting the quality standards of the product. The division is working through





technological innovation for the reduction of product cost without deteriorating the specified quality standards as well as introducing new products in this vertical. The newly introduced in-house developed airfilled INSUshield is now slowly finding acceptance as a superior product at competitive prices.

### Technological Development

The division was awarded 1st prize for innovation in Polymer waste management, for developing a cross linked foam with 50% usage of recycled Capcell wastage (a thermo set material hitherto sparsely usable) and runner up prize for innovation in polymer application for developing composite of epe & Silpaulin for the application of floor protection in the 6th National Awards for Technology Innovation in Petrochemical and Downstream Plastic Processing Industry at the hands of Shri Ananth kumar, honorable minister for Chemicals & Petrochemicals.

After a successful in house R& D project in pilot stage, the division has started the project for making rebonded blocks by using 100% unusable waste of crosslink product for acoustic application. The product is expected to be on offer, within the next few months' time.

Several new crosslink block foams using several new generation & highly technical polymers have been developed. These new products would help the division to participate in markets, hitherto dominated by imports.

The in house R&D team is also working on several pilot projects which should bring significant changes (reducing costs & offering enhanced products) to the division in the forthcoming year.

#### 5.4.3 Cross laminated film

Business for Cross Laminated film and products grew by 9.49% in Value terms. The Company sold 14201 tons of products against 13413 tons during the corresponding previous period. Exports were lower by 4.87% to 852 tons from 896 tons.

The domestic market grew by 6.96% in volume during the period of 9 months from July 15 to March 16. The growth could have been higher but for the insufficient rainfall throughout the country last year. There was de-growth in Exports against the backdrop of threatening global financial uncertainties.

The 35GSM Silpoly Liner has not made much progress since its introduction in the Indian market three years back. Though the 35GSM Silpoly Liner has not performed as expected, nevertheless, it has a bright future. The Company is trying hard to popularize this multiutility product through its dealer/ distributor network. The efforts are likely to bear fruits in the near future.

Cross Laminated Film is mainly used for making Tarpaulins, bags, fumigation covers, vermibed, rainwater harvesting systems, Pond Lining and varieties of other agricultural applications. The Union Budget of 2016-17 has laid lot of thrust on the agriculture sector. The Government is according top priority to the water management as it is vital for the agriculture sector to flourish. The Government is focusing on rainwater harvesting & building water tanks for conservation of water. The Government policy augurs well for Company's products as they find usage in water harvesting, water tanks

& other agricultural applications. This year it is predicted that there will be no effect of El Nino and the monsoon will be normal. This may boost the demand for tarpaulins and other agricultural applications from this film.

The threat from counterfeit/ cheap product in the Asian Market has subsided. With the oil prices stabilizing the Company expects to fare better in these markets in the coming year. The Company's talks with some chain stores in USA have gained momentum & are in the final stages of fructification. The business advisor appointed in USA last year by the Company has helped in generating enquiries which are likely to fructify into orders in the current year. This will open the door to Company's product in USA which wit has great market potential. The Company expects to strengthen its base in the European Market by introducing products with newer applications.

The Company sold 501 tons of Cross Line Bonded Film products against 392 tons during the previous corresponding previous period. The Company has placed orders for Cross Line Die Parts for other two extruders which may be operational by October 2016. With additional capacity at its disposal, the Company will introduce this product across various thicknesses. The Company aims to increase the sale of this product substantially.

The Company has enhanced the fabrication capacity at Muvala & Silvassa by appointing some new contractors having greater worker strength. This will ensure timely supplies of products which are seasonal & thereby generate additional sales.

The Company has installed a 6 colour 9' Printing machine in the period under review. The Company aims to increase its product range by selling film on Rolls, fabricated products for various applications other than Tarpaulins, printed film on rolls, Fire Retardant and Corrosion Resistant film in the coming year.

The Technical collaborator of the Company has overcome the deficiencies in the technology perfection of cross plastic film. They are confident of developing a perfect product process in few months. If everything goes as per plan the Company may put up facility to manufacture this product at Muvala (Gujarat) in near future.

#### 5.5 Construction business

Company's fully operational commercial complex has about 63,848 sq. ft unsold area out of the total saleable area of about 2,82,835 sq. ft. An area of about, 2.12 Lakhs sq. feet has already been sold and net revenue of ₹ 338.70 crores have already been realized. Although there were many potential enquiries but due to sluggish business scenario of prospective buyers, no sale transaction could be fructified during the period under review.

Commercial premises market sentiments is improving with lower new construction activities in this segment. Company expects better realization per sq. ft. for the remaining area available for sale considering limited availability of good office premises in the vicinity of Company's locations. Premises of your Company are strategically located supported with well laid out metro rail and road connectivity. The area is the entertainment hub of the town. The premises are well equipped with best of the features and facilities and one of the best corporate address in Mumbai Suburbs.



There are signs of economic revival in the country. The interest rates softening gradually. In view of improvement in the real estate market in the commercial sector, the Company expects balance monetization should happen in all probabilities during the current year. It may add to the Company's cash flow anywhere between ₹ 125 to ₹ 150 crores.

### 5.6. Composite LPG cylinder

Your Company has continued its efforts for business opportunities for this new generation product. There are many encouraging inquiries from many developing and under developed countries. The Company hopes to convert them into orders for good business prospect during the current year.

Being highly technical product, Company has learnt about various improvements required from its initial supplies to Korean Customers. The Company has identified and implemented the required improvements in the product.

Government of India through Ministry of Petroleum is taking initiatives for Indian consumers and making all efforts to launch Composite LPG Cylinders in domestic Market. Composite cylinders are quiet safe since they do not explode and cause injuries/death to surrounding people in case of fire or any other mishap. Further Composite cylinder being translucent would also reduce pilferage and wastage of gas for the end consumer and as such is well suited for Indian market.

The Company has received initial educational order from Hindustan Petroleum Corporation Ltd. (HPCL) for its two sizes 5 kg and 10 kg. The dispatches are planned to be made in April, 2016. The Company has also received an order for 7.5 kg and 15 kg cylinders which is under development and would be ready in second quarter of 2016. The Company is confident that with all the initiatives and development taking place, there shall be good demand for the product from Indian oil marketing companies.

The Company has also developed new size and added variety to its offerings and is engaged in new developments to minimize product costs. Company continues to get all assistance from its technology partner for product development. Company is also developing cylinder of different sizes/capacities to cater to the different market segments in different countries. At the same time, the Company is also increasing its marketing reach with better representative network across the globe.

The current year seems to be the transforming year for the composite cylinder division. The Company may start reaping the benefits of its investments.

## 6. FINANCE

During the nine months period under review average monthly net borrowing level came down by ₹ 258.77 crores i.e. from ₹ 660.15 crores in F.Y. 2014-15 to ₹ 401.38 crores in corresponding period of F.Y. 2015-16. At the end of the period under review, total borrowings reduced by ₹ 279.16 crores from ₹ 691.98 crores as at 31st March, 2015 to ₹ 412.82 crores as at 31st March, 2016, The principal factors for reduction in the borrowings were (i) Better management of working capital (ii) Healthy generation of cash flows from operations & (iii) Decline in raw material

(polymer) prices by 10 to 15% during the first six months of the period resulting in overall lower working capital requirements.

In the last quarter (January-March), polymer prices have started to increase. They remained range bound at the elevated level.

The Company has been able to negotiate favorable credit terms with its Suppliers/Bankers. The Company's arrangement (through its Bankers) to finance its channel partners for their working capital requirements at very competitive rates, is gradually gaining momentum. This arrangement is expected to be opted for by more & more channel partners in the coming year/s.

The Indian Rupee remained volatile against US Dollar as well as other major currencies during the major part of the period under review. However, due to Company's policy to keep all its Long term foreign exchange liabilities fully hedged and to keep Short term liabilities (Trade exposures) optimally hedged, it has been able to mitigate the risk arising out of the volatility of Indian currency. By the end of the period under review, the Indian Rupee has appreciated against US Dollar and has remained range bound since then.

During the period under review, the Company has not availed any fresh Loans & it has re-paid the Term loan installments of ₹ 48.05 crores. Company has no plans to increase its borrowing levels. It wishes to become virtual debt free in next couple of years.

The interest & financial charges during the period under review have come down from ₹ 47.01 crores (for the 9 month period ended 31st March, 2015) to ₹ 27.56 crores (for the 9 month period ended 31st March, 2016). The Average cost of borrowing as at 31st March, 2016 was 8.78% vis-à-vis 8.57% as at 30th June, 2015.

The Company has been able to meet its Working Capital requirements through a judicious mix of raising Commercial Papers and ailment of Short Term Loans at considerable lower rates of interest. Company also continues to avail Buyer's Credit for financing its import of raw materials and capital goods by way of optimally hedged foreign exchange exposure at competitive rates.

Considering the sustained business profile and healthy financial risk profile, CRISIL has reaffirmed its rating on the Long Term Banking facilities at "CRISIL AA Stable". The rating for Company's Short Term Banking facilities and programme has been reaffirmed at "CRISIL A+". The reaffirmation of the rating reflects that the Company' is having diversified product profile, strong market position across segments, pan India manufacturing network, capability of introduction of new products, prudent gearing & interest coverage ratios and healthy generation of cash flows, resulting in substantial increase in the net worth of the Company.

During the current period under review, the Company has incurred Capex of ₹ 234.42 crores and the same is funded through Internal Accruals and Supplier's Credit.

During the Current year, Company envisages Capex of about ₹ 250 crores mainly on following segments:-

- (1) To invest in moulds for large varieties of Pipe fittings at Jalgaon and Malanpur



- (2) To procure Land and start preparing for a green site project in South India.
- (3) To replace inefficient injection moulding machines in plastic piping system at Jalgaon by energy efficient machines.
- (4) To replace inefficient injection moulding machines in furniture division and to enlarge range of premium furniture products
- (5) To introduce new range of items in bathroom fittings
- (6) To introduce new range of roto moulded products
- (7) To install new extrusion lines for PVC Pipes & PE pipes at Kharagpur
- (8) To put up a 20,000 tons annual capacity of PVC Pipe at Jalgaon.
- (9) To increase capacity and variety of PVC Pipe System at Kanpur Dehat.
- (10) To increase capacities of Protective Packaging Products at Malanpur and Hosur and to add varieties of Products.
- (11) To invest in Performance Packaging Films to acquire additional land.
- (12) To introduce additional product/range of Material Handling Product.
- (13) To invest in balancing equipments and automation at all the plants as may be required

The Company is confident of meeting its Capital Expenditure requirements through its internal accruals & suppliers' Credit. The company is also expecting to monetize its remaining saleable area from its commercial premises. That will further strengthen the cash flow of the Company.

The Company's focus shall remain to (i) closely monitor its receivables, inventories and other working capital components and (ii) to reduce its overall debt level to have lower interest and financial cost further in the coming years.

## 7. INTERNAL CONTROL SYSTEM

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

conduct regular internal audits at all units/ locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, reviews the adequacy of internal control systems and procedures and suggests areas of improvements.

The Company has undertaken a detailed exercise to revisit its control systems in technical and other non financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control systems.

## 8. HUMAN RESOURCES

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

### Cautionary Statement

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



## Corporate Governance

### 1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

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

### 2. CORPORATE GOVERNANCE PRACTICE

The Supreme Industries Limited maintains the highest standard of corporate governance; it is the Company's constant endeavour to adopt the best Corporate Governance Practice.

### 3. ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS:

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaces between the Management and regulatory authority for governance matters.

### 4. BOARD OF DIRECTORS

The Supreme Industries Limited has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 "Listing Regulations" and is in accordance with best practices in Corporate Governance.

As on 31st March, 2016 the Board comprised of 11 Directors viz Managing Director, two Executive Directors and Eight Non Executive Directors comprising six independent Directors. The Chairman of the Board is Non -Executive Director.

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

Name of the Directors	Category	No. of outside Directorship		No. of Committees Chairpersonship / Membership held including Supreme	
		Public	Private	Chairperson	Members
Shri B L Taparia	Promoter / Non Executive Chairman	2	1	–	–
Shri M P Taparia	Promoter / Managing Director	4	1	1	1
Shri S J Taparia	Promoter / Executive Director	4	2	–	3
Shri V K Taparia	Promoter / Executive Director	–	1	–	–
Shri B. V. Bhargava	Independent / Non Executive Director	6	–	5	1
Shri Y. P. Trivedi	Independent / Non Executive Director	4	2	2	2
Shri N. N. Khandwala	Independent / Non Executive Director	–	–	2	–
Shri H. S. Parikh	Non Executive Director	3	–	–	7
Smt. Rashna Khan	Independent / Non Executive Director	2	–	1	–
Shri R. Kannan	Independent / Non Executive Director	4	–	2	1
Shri Rajeev M. Pandia	Independent / Non Executive Director	3	–	1	–

*Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered.*





**b) Attendance of Directors at the Board Meetings held during 2015-2016 and the last Annual General Meeting held on 16th September, 2015:**

During the Financial Year 2015-2016 (for the period of Nine months) the Board met on five occasions i.e. 24th July, 2015, 16th September, 2015, 29th October, 2015, 25th January, 2016 and 15th March, 2016. The gap between any two meetings is not more than 120 days.

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B. L. Taparia	Promoter / Non Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	4	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	4	Yes
Shri B. V. Bhargava	Independent / Non Executive Director	5	5	Yes
Shri Y. P. Trivedi	Independent / Non Executive Director	5	5	Yes
Shri N. N. Khandwala	Independent / Non Executive Director	5	5	Yes
Shri H. S. Parikh	Non Executive Director	5	5	Yes
Smt Rashna Khan	Independent / Non Executive Director	5	5	Yes
Shri R Kannan	Independent / Non Executive Director	5	4	Yes
Shri Rajeev M. Pandia	Independent / Non Executive Director	5	5	Yes

**5. RELATIONSHIP BETWEEN DIRECTORS**

Out of 11 Directors 4 Directors are related Directors viz : Shri B. L. Taparia , Non-Executive Chairman, Shri M. P. Taparia, Managing Director, Shri S. J. Taparia , Executive Director and Shri V. K. Taparia, Executive Director. None of the other Directors are related with each other.

**6. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2016:**

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	367398
2)	Shri B. V. Bhargava	13000
3)	Shri Y. P. Trivedi	20010
4)	Shri N. N. Khandwala	314500
5)	Shri H. S. Parikh	147770
6)	Smt Rashna Khan	Nil
7)	Shri R Kannan	7410
8)	Shri Rajeev M. Pandia	Nil

**7. THE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:**

**Brief Terms of reference:**

An Appropriate induction programme for new Directors and ongoing familiarization with respect to the Business / working of the Company for all Directors is a major contributor for meaningful Board Level deliberations and sound business decisions.

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in an position to take well-informed and timely decisions and contribute significantly to the Company.

The Company through its Managing Director / Executive Director / Senior Management Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken, statutory compliance, risk management, etc.

The details of familiarisation programmes held for the Independent Directors is provided on the Company's website.

**8. INDEPENDENT DIRECTORS MEETING:**

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 25th January, 2016. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Shri Y. P. Trivedi is the Chairman of Independent Directors Meeting.





### Attendance of Independent Directors in Independent Directors Meeting.

Directors	Meetings held during Year	Meetings Attended
Shri Y.P. Trivedi	1	1
Shri B.V. Bhargava	1	1
Shri N.N. Khandwala	1	1
Smt Rashna Khan	1	1
Shri R. Kannan	1	1
Shri Rajeev M. Pandia	1	1

### 9. AUDIT COMMITTEE:

The Company has an independent Audit Committee. The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

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

### Composition and Attendance of Members at the Meetings of the Audit Committee held during 2015-2016 (July 2015 to March 2016)

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Shri N N Khandwala -Chairman	Independent / Non Executive Director	3	3
Shri H S Parikh	Non Executive Director	3	2
Shri Y. P. Trivedi	Independent / Non Executive Director	3	3

### 10. NOMINATION AND REMUNERATION COMMITTEE

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

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### (ii) Composition

Members	Category	Meetings held	Meetings attended
Shri Y. P. Trivedi - Chairman	Independent / Non Executive Director	2	2
Shri H S Parikh	Non Executive Director	2	2
Shri B. V. Bhargava	Independent / Non Executive Director	2	2
Shri N N Khandwala	Independent / Non Executive Director	2	2

#### (iii) Performance evaluation criteria for Independent Directors:

- How well prepared and well informed the Independent Directors for the Board Meeting
- Is the attendance of Independent Directors at meetings satisfactory?
- Does Independent Director demonstrate a willingness to devote time and efforts learning about the Company and its Business?



- What has been the quality and value of their contributions at Board Meeting?
- What has been their contribution to development of strategy and to risk management?
- How effectively have they followed up matters about which they have express concern?
- How good is their relationship with other Board members, the company secretary, and senior management.
- Are they up-to-date with the latest development in areas such as corporate governance framework and financial reporting and in the industry and market conditions?
- How well do they communicate with other Board members, senior management and others?
- Do the Independent Directors willing to participate in events outside Board meeting such as site visits?
- Does their performance and behavior promote mutual trust and respect within the Board?

**(iv) Nomination and Remuneration Policy:**

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy and the same set out as Annexure IV (A) to the Board Report.

The details relating to the remuneration of Directors is as under:

**(v) Remuneration Paid to Directors during 2015-16**

Sr No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Shri B L Taparia	Promoter / Non Executive Chairman	500000	–	–	500000
2	Shri M P Taparia	Promoter / Managing Director	–	15536692	35367000	50903692
3	Shri S J Taparia	Promoter / Executive Director	–	14859217	35367000	50226217
4	Shri V K Taparia	Promoter / Executive Director	–	14760000	35367000	50127000
5	Shri B V Bhargava	Independent / Non Executive Director	660000	–	–	660000
6	Shri Y P Trivedi	Independent / Non Executive Director	750000	–	–	750000
7	Shri N N Khandwala	Independent / Non Executive Director	810000	–	–	810000
8	Shri H S Parikh	Non Executive Director	620000	–	–	620000
9	Smt Rashna Khan	Independent / Non Executive Director	600000	–	–	600000
10	Shri R Kannan	Independent / Non Executive Director	530000	–	–	530000
11	Shri Rajeev M. Pandia	Independent / Non Executive Director	630000	–	–	630000
	<b>Total</b>		<b>5100000</b>	<b>45155909</b>	<b>106101000</b>	<b>156356909</b>

**11. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the transfer of Equity Shares s/transmission of Equity Shares /issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.

**a) Composition:**

Members	Category	Meetings held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent / Non Executive Director	2	2
Shri M. P. Taparia	Promoter / Managing Director	2	2

**b) Compliance Officer:**

Shri R. J. Saboo AVP (Corporate Affairs) & Company Secretary is the Compliance Officer for complying with requirements of Companies Act, Securities laws and listing Agreements with Stock Exchanges.

- c) During the year, the company received 175 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which except one have been duly resolved in time.

**12. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee is constituted pursuant to section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee of the Board consists of the following Directors as Members:

Name	Position	Category
Shri N N Khandwala- Chairman	Chairman	Independent / Non Executive Director
Shri B L Taparia	Member	Promoter / Non Executive Chairman
Shri M P Taparia	Member	Promoter / Managing Director



#### Terms of reference:

- Formulate and recommended to the Board, a CSR Policy.
- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR Policy of the Company from time to time and ensure its Compliance.

Submit to the Board half-yearly / yearly report giving status of the CSR activities undertaken, expenditure incurred and such other details as may be required by it.

### 13. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company constituted a Risk Management Committee of the Board comprising Shri M. P. Taparia, Managing Director, Shri Rajeev M. Pandia, Independent Director, Shri R. Kannan, Independent Director and Shri P. C. Somani, CFO. The Chairman of the Committee is Shri M. P. Taparia.

Members	Category	Meetings held	Meetings attended
Shri M. P. Taparia - Chairman	Promoter / Managing Director	1	1
Shri Rajeev M. Pandia	Independent / Non Executive Director	1	1
Shri R. Kannan	Independent / Non Executive Director	1	1
Shri P. C. Somani	Chief Financial Officer	1	1

### 14. GENERAL BODY MEETINGS

#### (i) Location and time of last Three AGM's held:

Year	Location	Date	Time
2013 - 71st AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	17th September, 2013	4.00 p.m.
2014 - 72nd AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	17th September, 2014	3.30 p.m.
2015- 73rd AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	16th September, 2015	4.00 p.m.

#### (ii) The Date, time of Annual General Meetings held during last three years, special Resolutions passed thereat, are as follows:

Year	Date	Time	Special Resolutions passed
2014-15	16.09.2015	4.00 pm	<ul style="list-style-type: none"> <li>• Continuation of Shri M. P. Taparia as Managing Director</li> <li>• Continuation of Shri S. J. Taparia as Executive Director.</li> <li>• Increase in Shareholding limit for foreign Institutional Investors (FIIS) / Register Foreign Portfolio Investor (RFPIs) up to 30 percent of the paid up Equity Share Capital.</li> </ul>
2013-14	17.09.2014	3.30 pm	<ul style="list-style-type: none"> <li>• Approving the reappointment of Shri V. K Taparia as Executive Director as a Director liable to retire by Rotation.</li> <li>• Approving the remuneration of Shri Vivek Taparia holding office or place of profit.</li> <li>• Borrowing power up to ₹ 1000 crores.</li> <li>• Security Creation up to ₹ 1000 crores.</li> <li>• Related party transactions.</li> </ul>
2012-13	17.09.2013	4.00 pm	<ul style="list-style-type: none"> <li>• Re-appointment of Shri M. P. Taparia, Managing Director for a further period of five years w.e.f 07.01.2014 to 06.01.2019 and fixation of ( revised) remuneration and perquisites.</li> <li>• Re-appointment of Shri S. J. Taparia, Executive Director for a period of five years w.e.f 07.01.2014 to 06.01.2019 and fixation of ( revised) remuneration and perquisites</li> <li>• Re-appointment of Shri V. K. Taparia, Executive Director for a period of five years w.e.f 07.01.2014 to 06.01.2019 and fixation of ( revised) remuneration and perquisites.</li> </ul>

#### (iii) Special Resolution(s) passed through Postal Ballot:

In the year 2014-15, members of the Company have approved following Special Resolutions through postal ballot:

- Continuation of Shri M. P. Taparia as Managing Director
- Continuation of Shri S. J. Taparia as Executive Director.
- Increase in Shareholding limit for foreign Institutional Investors (FIIS) / Register Foreign Portfolio Investor (RFPIs) up to 30 percent of the paid up Equity Share Capital.



(iv) The details of voting pattern in respect of Special Resolutions passed were as under:

- Continuation of Shri M. P.Taparia as Managing Director

Promoter / Public	No. of shares held (1)	No. of Votes Polled (2)	% of voting Polled on outstanding shares (3) = $[(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = $[(4)/(2)] \times 100$	% of Votes against on votes cast (7) = $[(5)/(2)] \times 100$
Promoter & Promoter Group	63150005	41773509	66.14	41773509	0	100.00	0
Public - Institutional Holders	35611290	30859476	86.66	30859476	0	100.00	0
Public - Others	28265575	3260082	11.53	3260011	71	99.998	0.002
<b>Total</b>	<b>127026870</b>	<b>75893067</b>	<b>59.74</b>	<b>75892996</b>	<b>71</b>	<b>100.00</b>	<b>0.002</b>

- Continuation of Shri S. J. Taparia as Executive Director.

Promoter / Public	No. of shares held (1)	No. of Votes Polled (2)	% of voting Polled on outstanding shares (3) = $[(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = $[(4)/(2)] \times 100$	% of Votes against on votes cast (7) = $[(5)/(2)] \times 100$
Promoter & Promoter Group	63150005	42091807	66.65	42091807	0	100.00	0.00
Public - Institutional Holders	35611290	30859476	86.66	30859476	0	100.00	0.00
Public - Others	28265575	3260132	11.53	3260061	71	99.998	0.002
<b>Total</b>	<b>127026870</b>	<b>76211415</b>	<b>60.00</b>	<b>76211344</b>	<b>71</b>	<b>100.00</b>	<b>0.002</b>

- Increase in Shareholding limit for foreign Institutional Investors (FIIS) / Register Foreign Portfolio Investor (RFPIs) up to 30 percent of the paid up Equity Share Capital.

Promoter / Public	No. of shares held (1)	No. of Votes Polled (2)	% of voting Polled on outstanding shares (3) = $[(2)/(1)] \times 100$	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = $[(4)/(2)] \times 100$	% of Votes against on votes cast (7) = $[(5)/(2)] \times 100$
Promoter & Promoter Group	63150005	63150005	100.00	63150005	0	100.00	0.00
Public - Institutional Holders	35611290	30859476	86.66	30859476	0	100.00	0.00
Public - Others	28265575	3260032	11.53	3257631	2401	99.93	0.07
<b>Total</b>	<b>127026870</b>	<b>97269513</b>	<b>76.57</b>	<b>97267112</b>	<b>2401</b>	<b>100.00</b>	<b>0.07</b>

(v) The Board has appointed M/s V. Laxman & Co., Company Secretaries, as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner

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

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

## 16. MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

Particulars of Directors, seeking re-appointment is given here in below:

Name of the Directors	Date of Birth	Date of Appointment	Expertise in specific functional area	Qualifications	Chairman / Director of other companies	No of Equity Shares held in the Company
Shri B. L. Taparia	25/11/1934	15/06/1977	Overall guidance in framing Business Policies and Social Work	B. Com.	1. Supreme Petrochem Ltd. 2. Supreme Capital Management Ltd. 3. Venkatesh Investments & Trading Company Pvt. Ltd.	367398



## 18. MEANS OF COMMUNICATION:

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

### (ii) Official News Releases:-

Official News releases and media releases are sent to the Stock Exchanges.

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by the Companies and clarified that the service of documents by the Companies can be made through Electronic Mode. Accordingly, as a contribution towards green environment, your Company also implemented the Initiative to send documents, such as Notice calling the general meeting, audited financial statements, directors' report, auditors' report, etc. in electronic form on the email id's provided by the shareholders & made available by them to the company through the depositories.

### (iii) Presentation made to Institutional Investor / Analysts:

Detailed presentation made to Institutional Investors and financial analysis's is available on the Company's website: <http://www.supreme.co.in>.

## 19. GENERAL SHAREHOLDER INFORMATION.

(i)	AGM (Date, Time and Venue)	:	On Tuesday the 28th June, 2016 at 4.00 pm. At Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020.
(ii)	Financial Year (for the period of 9 months)	:	1st July, 2015 to 31st March, 2016, (9 Months)
(iii)	Key Financial Reporting Dates F.Y. 2016-2017		
	Unaudited Results for the First Quarter ended June 30, 2016	:	On or before 15th August, 2016
	Unaudited Results for the Second Quarter ended September 30, 2016	:	On or before 15th November, 2016
	Unaudited Results for the Third Quarter ended December 31, 2016	:	On or before 15th February, 2017
	Audited Results for the F.Y. 2016-2017	:	On or before End 31st May, 2017
(iv)	Date of Annual Book Closure (Both days inclusive)	:	From 22nd June, 2016, to 28th June, 2016
(v)	Registered Office	:	612, Raheja Chambers, Nariman Point, Mumbai 400 021.
(vi)	Listing on Stock Exchanges	:	(i) BSE limited. (ii) National Stock Exchange of India Ltd., (NSE),
(vii)	Listing Fees	:	Annual Listing Fees for the year upto 2016-17 have been paid to both the Stock Exchanges.
(viii)	Stock Codes	:	(i) BSE : 509930 (ii) NSE : SUPREMEIND
(ix)	Trading Group	:	(i) BSE : "A" Group, (ii) NSE : "Other Securities"

- (x) Market Price Data: High / Low / Close During each month in the last Financial Year.

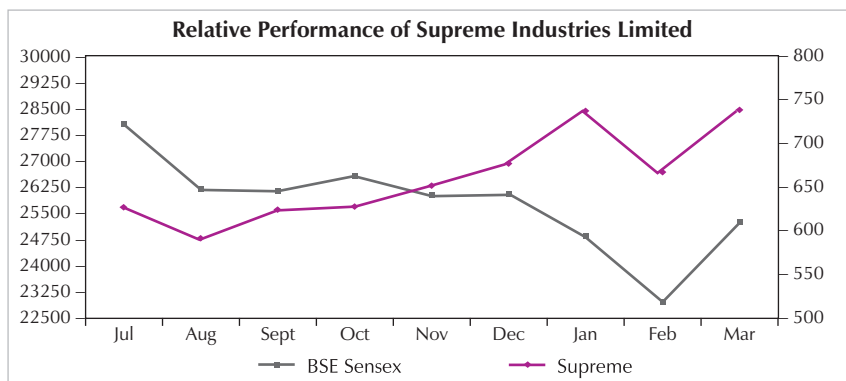
Month	BSE			NSE		
	High	Low	Close	High	Low	Close
July – 2015	707.50	594.00	627.30	709.80	590.00	626.85
August – 2015	671.90	540.00	592.30	672.50	574.95	590.95
September – 2015	640.00	575.00	622.80	644.00	542.80	618.50
October – 2015	657.80	589.40	629.90	659.50	590.00	630.05
November – 2015	657.50	611.80	652.00	659.00	610.00	652.50
December – 2015	684.00	617.15	679.90	692.00	520.00	681.45
January – 2016	745.70	645.00	793.35	746.00	640.30	740.75
February – 2016	765.00	649.00	669.25	765.00	646.50	670.15
March – 2016	808.10	673.00	738.30	806.70	676.50	739.65

\*As per data obtained from BSE/NSE Website





(xi) Relative Performance of Supreme Share Price V/S. BSE Sensex:



(xii) Registrar & Transfer Agent (For Physical & Demat Shares)	: M/s. Bigshare Services Pvt. Ltd. E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E) Mumbai 400 072. Tel No. 28470652, 40430200 Fax No. 28475207 E-mail : investor@bigshareonline.com
Our RTA, M/s. Bigshare Services Pvt. Ltd. launched Gen-Next Investor Interface Module "I'Boss" the most advanced tool to interact with investors. Please login in to I'Boss (www.bigshareonline.com) and help them to serve you better.	
(xiii) Share Transfer System	: Share Transfer are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects.

(xiv) Distribution of Shareholding (As on 31st March, 2016)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	25254	81.68	2557260	2.01
501 - 1000	2033	6.58	1659884	1.31
1001 - 2000	1561	5.04	2337590	1.84
2001 - 3000	628	2.03	1589839	1.25
3001 - 4000	297	0.96	1051403	0.83
4001 - 5000	251	0.81	1184020	0.93
5001 - 10000	424	1.37	3026518	2.38
Over 10001	472	1.53	113620356	89.45
<b>Total</b>	<b>30920</b>	<b>100.00</b>	<b>127026870</b>	<b>100.00</b>

(xv) Dematerialisation of Shares	: 12,45,42,600 Shares are Dematerialized (as on 31.03.2016) (98.04% of total Shares viz 127026870 shares)
(xvi) Outstanding GDRs/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	: The Company has not issued any GDRs/ADRS/Warrants or any convertible instruments in past and hence as on 31st March, 2016, the Company does not have any outstanding GDRs/ADRS/Warrants or any convertible instruments.
(xvii) <b>Foreign Exchange Risk &amp; Hedging Activity</b> <ol style="list-style-type: none"> <li>Long term liabilities Long term liabilities by way of loans including ECB loans are fully hedged ab initio by way of a currency and interest rate swap.</li> <li>Trade exposure               <ol style="list-style-type: none"> <li>Imports/ buyer's credit finance This exposure is hedged to the extent of at least 50% on a regular basis;</li> <li>Exports Since the quantum of exports is nominal in comparison to Company's imports/ buyer's credit exposure, the same is kept open.</li> </ol> </li> <li>Derivatives The Company follows a very conservative policy with regard to derivatives. The derivatives are used only to cover/ hedge the underlying liabilities in the nature of Long Term Loans.</li> </ol>	



	4. The foreign exchange policy is in line with the mandate received from the Board. The same is closely followed by Chief Financial Officer, under the overall supervision of the Managing Director and Executive Directors.		
(xviii)	Plant Locations	:	<ol style="list-style-type: none"> <li>1. Derabassi (Lalru, Punjab)</li> <li>2. Durgapur (West Bengal)</li> <li>3. Gadegaon (Maharashtra)</li> <li>4. Guwahati (Assam)</li> <li>5. Halol - Unit I (Gujarat)</li> <li>6. Halol - Unit II (Gujarat)</li> <li>7. Halol - Unit III (Gujarat)</li> <li>8. Halol - Unit IV (Gujarat)</li> <li>9. Hosur Unit I (Tamil Nadu)</li> <li>10. Hosur Unit II (Tamil Nadu)</li> <li>11. Jalgaon - Unit I (Maharashtra)</li> <li>12. Jalgaon - Unit II (Maharashtra)</li> <li>13. Kanhe (Talegaon, Maharashtra)</li> <li>14. Kanpur (Uttar Pradesh)</li> <li>15. Kharagpur (West Bengal)</li> <li>16. Khopoli (Maharashtra)</li> <li>17. Khushkheda (Rajasthan)</li> <li>18. Malanpur - Unit I (Madhya Pradesh)</li> <li>19. Malanpur - Unit II (Madhya Pradesh)</li> <li>20. Malanpur - Unit III (Madhya Pradesh)</li> <li>21. Noida (Uttar Pradesh)</li> <li>22. Puducherry (Union Territory)</li> <li>23. Silvassa (Union Territory)</li> <li>24. Sriperumbudur (Chennai, Tamil Nadu)</li> <li>25. Urse (Maharashtra)</li> </ol>
(xix)	Address for Correspondence Investor Correspondence	:	<p><b>For shares held in Physical form:</b>  M/s. Bigshare Services Pvt.Ltd  E-2/3 Ansa Industrial Estate  Saki Vihar Road, Sakinaka,  Andheri (E) Mumbai 400 072.  Tel No. : 28470652, 40430200  Fax No. : 28475207  E-mail : investor@bigshareonline.com</p> <p><b>For Shares held in Demat form:</b>  Investor's concerned Depository Participant's and / or  M/s Bigshare Services Pvt Ltd.</p>
(xx)	Shareholders Assistance Investors Service Department	:	<p>Shares Department  The Supreme Industries Limited,  Regd. Office: 612, Raheja Chambers, Nariman Point,  Mumbai 400 021.  Phone Nos. : 22820072, 22851656, 22851159-60  Fax No. : 22851657  E-mail : investor@supreme.co.in</p>

(xxi) Categories of Shareholders (As on 31st March, 2016)

Sr. No.	Category	No. of Shareholders	Voting%	Number of Shares held
1	Promoters	17	49.71	63150005
2	Resident Individuals	29432	17.44	22152347
3	Private Corporate Bodies	557	3.54	4494448
4	Domestic Financial Institutions	1	0.02	24279
5	Nationalised Banks, Govt. Insurance Companies and Mutual Funds	60	8.20	10419630
6	FII's & Foreign Portfolio Investors (Corporate)	109	20.64	26210061
7	NRI's and OCBs	744	0.45	576100
	<b>Total</b>	<b>30920</b>	<b>100.00</b>	<b>127026870</b>



## 20. DISCLOSURES:

### (i) **Materially Significant Related Party Transactions:**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

### (ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

During the financial year 2014-15 The Stock Exchanges (BSE & NSE) issued a notice under Clause 31 of Listing Agreement regarding fine for late submission of the Annual Report within prescribed time period for the financial year 2013-2014. Accordingly, the Company had paid the fine.

### (iii) **Vigil Mechanism Policy**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities, the Company has adopted a Vigil Mechanism policy. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### (iv) **Mandatory and Non-mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Positions of Chairman and Managing Director are separate.

### (v) The Policy for determination of Material Subsidiary and Related Party Transactions is available on company's website: [www.supreme.co.in](http://www.supreme.co.in).

### (vi) Your Company has complied with all the requirements of Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 except regulations 17(6), 24(1) which are not applicable to the Company.

(vii)	Additional Information Regarding the Company is also available on the Company's Website at	: <a href="http://www.supreme.co.in">http://www.supreme.co.in</a>
(viii)	CEO / CFO Certification	: Shri M. P. Taparia, Managing Director and Shri P. C. Somani, 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 the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.



		<p>(d) They have indicated to the Auditors and the Audit Committee</p> <p>(i) significant changes in internal control over financial reporting during the year;</p> <p>(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</p> <p>(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.</p> <p>The above Certificate was placed before the Board Meeting held on 21st April, 2016.</p>
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### CODE OF CONDUCT

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

### Declaration

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 31st March, 2016.

For **The Supreme Industries Limited**

**M. P. Taparia**  
Managing Director

Mumbai: 10th May, 2016



## Auditor's Certificate

To the Members of  
The Supreme Industries Limited

We have examined the compliance of conditions of Corporate Governance by The Supreme Industries Limited for the nine months period ended on 31st March, 2016 as stipulated in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the Condition of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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

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

**Chintan Shah**  
Partner  
M No. 107490

Mumbai: 21st April, 2016





## Independent Auditor's Report

To The Members of  
The Supreme Industries Ltd.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of THE SUPREME INDUSTRIES LIMITED. (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information, in which are incorporated the financial statements audited by the branch auditors of the Company's branches.

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

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

### Auditors' Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the period of nine months ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The reports on the accounts of Branches audited under Section 143(8) of the Companies Act, 2013 by persons other than ourselves, have been forwarded to us and that we have taken due notice of material observations, in our report of the points raised by the said Branch Auditors.



- (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms section 164 (2) of the Companies Act, 2013.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”, and
- (h) With respect to the matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- **Refer Note 37** to the financial statements.
  - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Chintan Shah**  
Partner  
M.No.: 107490  
Mumbai: 21st April, 2016



## Annexure A to the Independent Auditors' Report

**THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2016, WE REPORT THAT:**

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us the Company has a phased program for physical verification of the fixed assets of the company to cover all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company. No material discrepancies were noticed on such verification carried on during the year, as compared with the available records.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except the following,
  - Free Hold Non- Agricultural land, admeasuring 1.14 Hectare, Gat No. 242/1 & 2 of Mehrun, District-Jalgaon, costing ₹ 4.83 Lacs, held in the name of Shri Shivratan Jeetmal Taparia, Executive Director of the Company.
  - Free Hold Agricultural land, admeasuring 0.86 Hectare, Gat No. 244/2, 3, 4 & 5 of Mehrun, District- Jalgaon, costing ₹ 38.01 Lacs, held in the name of Shri Mahavirprasad Surajmal Taparia, Managing Director of the Company.
  - Two Flats at Usha Nagar Society, Khopoli, District- Raigad, costing ₹ 4.04 Lacs, held in the name of erstwhile seller Futuristic Packaging Pvt. Ltd.
2. The inventory of finished goods, raw materials, components, stores and spare parts except those lying with third parties, and in transit, has been physically verified by the management at regular intervals, which we consider to be reasonable. No material discrepancies were noticed on physical verification of inventories as compared to book records.
3. According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a) (b) (c) are not applicable.
4. According to the information and explanation given to us, In respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
5. The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7. a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues have been deposited regularly during the period with the appropriate authorities. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2016 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of, Income tax, Sales Tax, Custom Duty, Excise Duty and Entry tax and other statutory dues as at the last day of the period ending 31st March, 2016 are as follows.

Name of the statute	Nature of dues	Amount ₹ in lacs (net of amounts paid under protest)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	79.04 639.55	2002-2010 1994 to 2010	Commissioner (Appeals), LTU CESTAT
The Central Sales Tax Act, 1956 and Sales Tax / Vat / Entry Acts of various states	Sales Tax / VAT and Entry Tax	874.30	Various years from 2003- 2004 to 2013-2014	Joint / Deputy Commissioner / Commissioner (Appeals)
		34.77	Various Years from 2002- 2003 to 2009-2010	Sales tax Appellate Tribunal
		16.83	1995-1996	Revisionary Board
		156.80	Various Years from 1999- 2000 to 2013-2014	High Court
		188.27	2003-2013	Supreme Court



Name of the statute	Nature of dues	Amount ₹ in lacs (net of amounts paid under protest)	Period to which the amount relates	Forum where dispute is pending
Local Authority – Asansol Durgapur Development Authority	Development Fee	74.51	2009-2010	Asansol Durgapur Development Authority- Durgapur
Profession Tax Act	Profession Tax	0.78	2009-2010	Deputy Commissioner Profession Tax (DGP) WB
Maharashtra Land Revenue Code 1966	Royalty	21.72	2006-2007	Collector Pune
Bombay Stamp Act, 1958	Differential stamp duty	82.33	2006	Deputy Inspector General of Registration and Deputy Collector of Stamps Pune
The Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	4.88	2002-2005	The Regional Provident Fund Commissioner – Gwalior
Employee State Insurance Act, 1948	ESIC	12.16	2008-2011	Regional Director Indore
<b>TOTAL</b>		<b>2185.94</b>		

8. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks, governments or debenture holders. The company did not have any outstanding dues to debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the term loan have been applied for the purpose for which they were raised other than amounts temporarily invested pending utilization of the funds for stated use. The company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the period, nor have we been informed of such case by the management.
11. According to the information and explanation given to us and based on our examination of the books and records of the Company, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. According to the information and explanation given to us, the provisions of any Special Statute applicable to Nidhi Companies are not applicable to the Company, the provisions of this clause are not applicable to the Company.
13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per Accounting Standard-18.
14. According to the information and explanation given to us and based on our examination of the records of the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company has not entered into any non-cash transactions during the period with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Mumbai: 21st April, 2016



## **Annexure B to the Independent Auditor's Report**

### **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THE SUPREME INDUSTRIES LIMITED.**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of THE SUPREME INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI")". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

**Chintan Shah**

Partner

M.No.: 107490

Mumbai: 21st April, 2016





## Balance Sheet as on 31<sup>st</sup> March, 2016

				₹ in lacs	
PARTICULARS	Note	As At 31-Mar-16		As At 30-Jun-15	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share capital	2	2540.54		2540.54	
Reserves and surplus	3	119625.45	122165.99	109814.35	112354.89
NON-CURRENT LIABILITIES					
Long-term borrowings	4	6483.06		23293.87	
Deferred tax liabilities (net)	5	10526.09		8950.81	
Other long-term liabilities	6	338.67		270.02	
Long-term provisions	7	1152.45	18500.27	880.54	33395.24
CURRENT LIABILITIES					
Short-term borrowings	8	16387.88		9585.60	
Trade payables	9	33864.59		30052.05	
Other current liabilities	10	39081.19		25834.15	
Short-term provisions	7	2384.52	91718.18	15692.82	81164.62
TOTAL EQUITY AND LIABILITIES			232384.44	226914.75	
ASSETS					
NON - CURRENT ASSETS					
Fixed assets					
Tangible assets	11	117071.35		101512.62	
Intangible assets	11	1395.57		1737.48	
Capital work-in-progress	11	6749.06		9979.86	
Non-current investments	12	3363.87		3364.06	
Long-term loans and advances	13	7462.98		9170.00	
Other non-current assets	14	24.53	136067.36	22.89	125786.91
CURRENT ASSETS					
Inventories	15	55857.15		46467.03	
Trade receivables	16	23616.88		23762.92	
Cash and bank balances	17	2840.44		18147.29	
Short-term loans and advances	13	13827.82		12612.40	
Other current assets	14	174.79	96317.08	138.20	101127.84
TOTAL ASSETS			232384.44	226914.75	

Significant Accounting Policies. 1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **CHHOGMAL & CO.**

FRN - 101826W

Chartered Accountants

**Chintan Shah**

Partner

M. No. 107490

**B. L. Taparia**

Chairman

DIN: 00112438

**S. J. Taparia**

Executive Director

DIN: 00112513

**P. C. Somani**

Chief Financial Officer

For and on behalf of the board

**M. P. Taparia**

Managing Director

DIN: 00112461

**V. K. Taparia**

Executive Director

DIN: 00112567

**R. J. Saboo**

AVP (Corporate Affairs) &

Company Secretary

**H. S. Parikh**

DIN: 00127160

**N. N. Khandwala**

DIN: 00112603

**Y. P. Trivedi**

DIN: 00001879

**R. Kannan**

DIN: 00380328

**R. M. Pandia**

DIN: 00021730

**Smt. Rashna Khan**

DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016



## Statement of Profit and Loss for the Period ended on 31<sup>st</sup> March, 2016

	Note		2015 - 2016 (9 Months)	2014 - 2015 (12 Months)
₹ in lacs				
<b>INCOME</b>				
Revenue from operations	18	<b>297484.87</b>		425467.76
Other income	19	<b>963.13</b>	<b>298448.00</b>	677.20
				426144.96
<b>EXPENDITURE</b>				
Cost of materials consumed	20	<b>196863.64</b>		273459.06
Purchases of Traded Goods	21	<b>5333.91</b>		16938.63
Changes in inventories of finished goods, work-in-progress and traded goods	22	<b>(7018.01)</b>		(30.04)
Employee benefits expenses	23	<b>14807.16</b>		16749.52
Other expenses	24	<b>41394.52</b>	<b>251381.22</b>	51763.07
				358880.24
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>			<b>47066.78</b>	67264.72
Finance costs	25	<b>2756.00</b>		5794.97
Depreciation and amortisation expense	26	<b>10456.68</b>	<b>13212.68</b>	13898.25
Depreciation for Earlier Years Provided for/(-) Written Back			—	(3.20)
<b>PROFIT BEFORE TAX AND EXCEPTIONAL INCOME/LOSS</b>			<b>33854.10</b>	47574.70
Exceptional Income/(Loss) (Refer Note 39)			<b>(768.90)</b>	—
<b>PROFIT BEFORE TAX</b>			<b>33085.20</b>	47574.70
<b>TAX EXPENSES</b>				
Current tax		<b>10200.00</b>		17767.22
Deferred Tax		<b>1575.29</b>	<b>11775.29</b>	(1763.22)
				16004.00
<b>PROFIT AFTER TAX</b>			<b>21309.91</b>	31570.70
<b>EARNINGS PER SHARE</b>	35			
Basic & Diluted Earning Per Share (Before exceptional Income/Loss)			<b>17.38*</b>	24.85
Basic & Diluted Earning Per Share (After exceptional Income/Loss)			<b>16.78*</b>	24.85
(Face value of ₹ 2 each)				
*Not annualised				
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements				

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

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

**B. L. Taparia**  
Chairman  
DIN: 00112438

**S. J. Taparia**  
Executive Director  
DIN: 00112513

**P. C. Somani**  
Chief Financial Officer

For and on behalf of the board

**M. P. Taparia**  
Managing Director  
DIN: 00112461

**V. K. Taparia**  
Executive Director  
DIN: 00112567

**R. J. Saboo**  
AVP (Corporate Affairs) &  
Company Secretary

**H. S. Parikh**  
DIN: 00127160

**N. N. Khandwala**  
DIN: 00112603

**Y. P. Trivedi**  
DIN: 00001879

**R. Kannan**  
DIN: 00380328

**R. M. Pandia**  
DIN: 00021730

**Smt. Rashna Khan**  
DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016



## Cashflow Statement for the Period ended on 31<sup>st</sup> March, 2016

	₹ in Lacs	
	2015 - 2016	2014 - 2015
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Exceptional Item	33854.10	47574.68
Adjustments For :		
Add :		
Depreciation	10456.68	13895.05
Leasehold Assets Premium W/off	11.17	18.90
Interest (Net)	2756.00	5794.97
	<u>13223.85</u>	<u>19708.92</u>
	47077.95	67283.62
Less :		
Dividend Received	868.18	434.09
Lease Rent Received	0.27	0.42
Profit /(Loss) on sale of Investments	214.18	102.29
Profit /(Loss) on sale of Assets	(119.50)	140.40
	<u>963.13</u>	<u>677.20</u>
Operating Profit before working capital changes	46114.82	66606.42
Adjustments for :		
Less:		
Inventories	9390.13	(3297.67)
Trade & Other Receivable	(547.10)	1515.37
Trade & Other Payable	(5690.44)	(5917.52)
	<u>3152.59</u>	<u>(7699.82)</u>
Cash Generated from Operations	42962.23	74306.24
Direct Taxes Paid	13134.70	14219.46
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	29827.53	60086.78
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	23441.67	19758.39
Sale of Fixed Assets	(99.37)	(401.35)
Sale of Investments (Net)	(214.37)	(102.35)
Lease Rent Received	(0.27)	(0.42)
Interest Received	(269.13)	(222.43)
Dividend Received	(868.18)	(434.09)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	21990.35	18597.75
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	4804.97	15298.83
Proceeds from Long Term Borrowings	-	(10000.00)
(Increase)/Decrease in Short Term Borrowings	(6802.28)	2680.28
Interest Paid	3025.12	6017.40
Dividend & Corporate Dividend Tax paid	22168.55	11965.40
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	23196.36	25961.91
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>	(15359.18)	15527.12
Opening Balance at beginning of the year	17862.77	2335.65
Closing Balance at end of the year	2503.59	17862.77

As per our report of even date

For **CHHOGMAL & CO.**

FRN - 101826W

Chartered Accountants

**Chintan Shah**

Partner

M. No. 107490

**B. L. Taparia**

Chairman

DIN: 00112438

**S. J. Taparia**

Executive Director

DIN: 00112513

**P. C. Somani**

Chief Financial Officer

For and on behalf of the board

**M. P. Taparia**

Managing Director

DIN: 00112461

**V. K. Taparia**

Executive Director

DIN: 00112567

**R. J. Saboo**

AVP (Corporate Affairs) &

Company Secretary

**H. S. Parikh**

DIN: 00127160

**N. N. Khandwala**

DIN: 00112603

**Y. P. Trivedi**

DIN: 00001879

**R. Kannan**

DIN: 00380328

**R. M. Pandia**

DIN: 00021730

**Smt. Rashna Khan**

DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Accounting

- a) The financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on an accrual basis Pursuant to section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.
- b) The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported year. Differences between the actual results and estimates are recognized in the year in which the results are known/ materialized.
- c) All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

#### B. Revenue Recognition

- a) Sales are recognized at the time of transfer of ownership and significant risk of goods to the customer. Service income is recognized when the service is rendered. Sales & Services are accounted for net of Excise Duty, VAT, Service tax, returns & claims etc.
- b) Sales exclude recovery of charges separately collected from customers like transport, packing etc.
- c) The Company adopts the Mercantile method in the preparation of the accounts. Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement.
- d) Government Benefits on account of export sales is estimated and accounted for in the year of export and when there is no significant uncertainty regarding the ultimate collections of export proceeds as applicable.
- e) Industrial promotion subsidy / government grants are recognized on accrual basis on compliance of stipulated conditions as notified under the respective scheme.

#### f) Other Income –

Dividend income on investments is recognised when the right to receive dividend is established.

Interest is recognized on a time proportionate basis taking into account the amounts invested and the rates of interest.

#### C. Property, Plant and Equipment

- a) Property, plant, and equipment are stated at cost of acquisition or construction (net of CENVAT Credit/ Value Added Tax, subsidy or grants on account of assets) less accumulated depreciation and amortization. The gross carrying amount of property, plant and equipment is measured using the cost model as per AS-10.
- b) Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.
- c) The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. At each reporting date, the carrying amounts of intangible assets and property, plant, and equipment are evaluated for indications of impairment. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
- d) Self constructed assets are recognized at direct cost incurred and proportionate allocation of overheads incurred to develop the said asset.
- e) Gains or Losses arising from disposal of discarded assets which are carried at its book value are recognized in the statement of Profit & Loss.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

- f) Depreciation on assets acquired up to 30th June, 2014 for Building, Plant & Machinery and Moulds & Dies is provided on Straight Line Method and on other assets on Written Down Value Method.

Depreciation on all Assets acquired on or after 1st July, 2014 is provided on the straight line method.

- g) Depreciation on Tangible Fixed Assets is provided over the useful lives of the assets as prescribed by Schedule II of the Companies Act, 2013 with the exception of the following;

- Plant & Machinery of Plastic Piping System Division, Protective Packaging Division and Cross Laminated Film Division is depreciated on triple shift basis over 12 to 18 years based on internal assessment and independent technical evaluation carried out by external valuers.
- The management believes that the useful life as given above best represent the period over which the management expects to use these assets.

- h) Depreciation on assets sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are sold or discarded.

- i) Assets costing up to ₹ 10,000/- each are depreciated fully in the year of purchase.

Leasehold Land is amortized over the period of lease.

### Intangible Assets

Intangible assets developed or acquired are amortized on straight line basis over the useful life as specified below:

- a) Computer Software and Licenses – 3 to 4 years
- b) Technical License / Know-how Fee – 5 years

### D. Capital Work-in-progress and Preoperative Expenses during Construction Period

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

### E. Government grants

Grants received against specific fixed assets are adjusted to the cost of the assets. Revenue grants are recognized in the Statement of Profit & Loss in accordance with the related scheme and in the period in which these are accrued.

### F. Investments

- a) All long term investments are stated at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline, other than temporary, in the opinion of the management.
- b) Current investments are carried at the lower of cost and fair value, determined on a category-wise basis.

### G. Inventories

- a) Raw Material & Components - at cost using identified lot basis / First in first out (FIFO) or net realizable value whichever is lower.
- b) Finished Goods/Semi-Finished Goods - at cost using weighted average cost basis or net realisable value whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their respective present location and condition.
- c) Stores, Spare Parts, Packing Materials etc. - at cost using FIFO or at net realisable value whichever is lower.
- d) Goods for Resale - at cost using FIFO basis or net realisable value whichever is lower.
- e) Inter divisional transfers are valued at works/factory costs of the transferor unit/division, plus transport and other charges.

### H. Assets taken on lease

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

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

### I. Foreign currency transactions

#### a) Initial Recognition

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





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

### b) Measurement of Foreign Currency Items at the Balance Sheet Date

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

### c) Forward Exchange Contracts

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

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

## J. Employee benefits

a) Short Term Benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which related service is rendered.

### b) Post Employment Benefits:-

#### • Defined Contribution Plan

Company's contribution to the superannuation scheme and State Governed Provident Fund Scheme is recognized during the year in which related service is rendered.

#### • Defined Benefit Plan :-

##### Gratuity

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

### c) Compensated Absences: -

The company has a policy of providing compensated absences to its employees. The expense is recognized at the present value of the amount payable determined based on independent actuarial valuation, using projected unit credit method. The company doesn't maintain any plan funds to fund its obligation towards compensated absences.

d) Other benefits comprising of discretionary long service awards are recognized as and when determined.

e) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit & loss as and when incurred.

## K. Research & development expenditure

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

## L. Share / debenture issue expenses and debenture redemption reserve

Issue expenses are adjusted against the Securities Premium Account.

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

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

## M. Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending on 31<sup>st</sup> March.

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

## N. Provisions and contingencies

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

## O. Cash and cash equivalents

Cash & Cash equivalents include cash & Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where original maturity is three months or less.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

### P. Cash flow statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

### Q. Borrowing cost

Borrowing Cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to the interest cost. Interest and other borrowing costs attributable to acquisition, construction or production of qualifying assets that takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expenses in the period they occur.

### R. Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, with the weighted average number of shares outstanding during the year.

### S. Construction business

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

#### Revenue recognition

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

#### Cost recognition

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

#### Valuation of inventory

Finished / under construction inventory of real estate is stated at cost or net realizable value whichever is lower. Construction work-in-progress includes cost of land, premium for development rights, construction cost, materials, services and allocated interest and expenses incidental to the construction business.

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

₹ in Lacs

## 2. SHARE CAPITAL

	As at 31-Mar-16	As at 30-Jun-15
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	<b>3000.00</b>	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	<b>1120.00</b>	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	<b>3380.00</b>	3380.00
	<b>7500.00</b>	7500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	<b>2540.54</b>	2540.54
<b>TOTAL SHARE CAPITAL</b>	<b>2540.54</b>	2540.54



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	31-Mar-16		30-Jun-15	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%
<b>The reconciliation of the number of equity shares outstanding</b>				
	As at 31-Mar-16		As on 30-Jun-15	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

### Terms/rights attached to Equity shares :

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

The Dividend proposed by the Board of Directors if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

₹ in Lacs

### 3. RESERVES AND SURPLUS

	As at 31-Mar-16		As on 30-Jun-15	
<b>CAPITAL RESERVE</b>	<b>244.59</b>		244.59	
<b>SECURITIES PREMIUM ACCOUNT</b>	<b>4748.52</b>		4748.52	
<b>GENERAL RESERVE</b>				
As per last Balance Sheet	104599.61		88613.66	
Less: Transfer of Carrying Value of Assets	0.00		1866.50	
Add : Transferred from Statement of Profit and Loss	9811.10	114410.71	17852.45	104599.61
<b>CAPITAL REDEMPTION RESERVE</b>	<b>221.63</b>		221.63	
<b>STATEMENT OF PROFIT AND LOSS</b>				
As per last Balance Sheet	—		—	
Add: Profit for the year	21309.91		31570.68	
Less : Appropriations				
Interim Dividend paid on Equity Shares	9527.01		2540.54	
[Dividend per share ₹ 7.50 (Previous Year ₹ 2.00)]				
Corporate Dividend Tax Paid	1971.80		507.96	
Proposed Dividend on Equity Shares	—		8891.88	
[Dividend per share ₹ NIL (Previous Year ₹ 7.00)]				
Provision for Corporate Dividend Tax	—		1777.85	
Transferred to General Reserve	9811.10	0.00	17852.45	0.00
<b>TOTAL RESERVES AND SURPLUS</b>	<b>119625.45</b>		109814.35	



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 4 LONG TERM BORROWINGS

	Non-Current		Current	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
<b>SECURED</b>				
Rupee Term Loans from Banks	4615.38	18923.08	15076.92	3076.92
Foreign Currency Loans from Banks - ECB	1667.36	4163.53	3328.24	3328.24
<b>Total Secured</b>	<b>6282.74</b>	<b>23086.61</b>	<b>18405.16</b>	<b>6405.16</b>
<b>UNSECURED</b>				
Deferred payment liabilities (Under Sales Tax Deferral Scheme)	200.32	207.26	6.39	0.55
<b>Total Unsecured</b>	<b>200.32</b>	<b>207.26</b>	<b>6.39</b>	<b>0.55</b>
<b>Amount included under the head "Other Current Liabilities" (Refer note 10)</b>	<b>–</b>	<b>–</b>	<b>(18411.55)</b>	<b>(6405.71)</b>
<b>TOTAL LONG TERM BORROWINGS</b>	<b>6483.06</b>	<b>23293.87</b>	<b>0.00</b>	<b>0.00</b>

#### NOTES :

Term Loans from banks are secured on first pari passu charge basis as under:

- Movable properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.
- In respect of external commercial borrowings of USD 9.23 million from HSBC Bank (Mauritius) Ltd., outstanding as on 31st March, 2016, the company has entered into a derivative contract to hedge the said loan for covering (i) currency risk on principal as well as interest and (ii) interest rate fluctuations. This has the effect of freezing the rupee equivalent of the entire liability, as reflected under the head of borrowings. Thus, there is no impact on account of the Profit or Loss arising out of exchange or interest rate fluctuations for the duration of the loan. Consequently, there is no restatement of the loan taken in foreign currency. The interest payable in Indian rupees on the derivative contract is duly accounted for in the statement of Profit & Loss.

₹ in Lacs

Maturity Profile and Interest Range of Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	9.70 to 10.15	3076.92	1538.47	–
Foreign Currency Loans	8.14	1667.36	–	–
Deferred Payment Liabilities	Interest Free	6.39	6.39	187.54

### 5 DEFERRED TAX LIABILITY (Net)

	As at 31-Mar-16	As at 30-Jun-15
<b>Deferred Tax Liabilities on account of timing differences</b>		
Depreciation	11254.41	10402.05
<b>Transfer of Carrying Value of Assets</b>	<b>–</b>	<b>(961.11)</b>
<b>Deferred Tax Assets on account of timing differences</b>		
Amount to be claimed on payment basis	(728.32)	(490.13)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>10526.09</b>	<b>8950.81</b>

### 6 OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Trade / security deposits received	104.25	76.74	50.69	37.18
Others	234.42	193.28	3.16	3.17
<b>Amount included under the head "Other Current Liabilities" (Refer Note 10)</b>	<b>–</b>	<b>–</b>	<b>(53.85)</b>	<b>(40.35)</b>
<b>TOTAL OTHER LONG TERM LIABILITIES</b>	<b>338.67</b>	<b>270.02</b>	<b>0.00</b>	<b>0.00</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 7 PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
<b>Provision for employee benefits:</b>				
Bonus	–	–	532.29	315.08
Compensated Absences	1152.45	880.54	198.34	270.40
Gratuity	–	–	150.97	–
<b>Provision - Others:</b>				
Provision for Income Tax (Net of Advance Tax paid)	–	–	1498.46	4430.19
Proposed Dividend	–	–	–	8891.88
Provision for Corporate Dividend Tax	–	–	–	1777.85
Provision for Wealth Tax	–	–	4.46	7.42
<b>TOTAL PROVISIONS</b>	<b>1152.45</b>	<b>880.54</b>	<b>2384.52</b>	<b>15692.82</b>

### 8 SHORT TERM BORROWINGS

	As at 31-Mar-16	As at 30-Jun-15
<b>SECURED</b>		
<b>Working Capital Loans:</b>		
From Banks (Cash Credit Accounts)	13784.09	–
<b>UNSECURED</b>		
Foreign Currency Loans - Buyer's Credit	2603.79	9585.60
<b>TOTAL SHORT TERM LIABILITIES</b>	<b>16387.88</b>	<b>9585.60</b>

Working Capital Loans from Banks are secured against:

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

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

### 9 TRADE PAYABLES

	As at 31-Mar-16	As at 30-Jun-15
Micro, Small and Medium Enterprises	1222.61	878.67
Others	32641.98	29173.38
<b>TOTAL TRADE PAYABLES</b>	<b>33864.59</b>	<b>30052.05</b>

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

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

### 10 OTHER CURRENT LIABILITIES

	As at 31-Mar-16	As at 30-Jun-15
Current maturities of long-term debt (Refer Note 4)	18411.55	6405.71
Current Portion of Other long-term liabilities (Refer Note 6)	53.85	40.35
Interest accrued but not due on borrowings	12.84	40.91
Items covered by Investor Education and Protection Fund (Refer Note 48)	438.60	236.60
Statutory Remittances	9598.75	9043.73
Payables on Purchase of fixed assets*	5843.33	5393.75
Advances from customers	4640.36	4587.33
Other payables	81.91	85.77
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>39081.19</b>	<b>25834.15</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2016 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 1.11 lacs (Previous year ₹ 0.90 lacs).

\* Payables on Purchase of fixed assets include acceptances amounting to ₹ 1497.14 lacs (previous year ₹ 891.74 lacs)





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 11 FIXED ASSETS

FIXED ASSETS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK		
	As at 1-Jul-15	Additions During the Year	Deductions/ Adjustment During The Year	As at 31-Mar-16	As at 1-Jul-15	For The Year	Transfer to Reserve / Deferred Tax Liability	Deductions/ Adjustment During The Year	As at 31-Mar-16	As at 31-Mar-16	As at 30-Jun-15
<b>A. Tangible assets</b>											
Freehold Land	4266.58	43.25		<b>4309.83</b>	–		–		–	<b>4309.83</b>	4266.58
Leasehold Land	1288.60	394.73	82.03	<b>1601.30</b>	–		–		–	<b>1601.30</b>	1288.60
Buildings	37689.72	11045.69	92.32	<b>48643.09</b>	9237.32	1166.56	–	18.99	<b>10384.89</b>	<b>38258.20</b>	28452.40
Plant, Machinery & Electrical Installations	101790.10	10375.27	1215.54	<b>110949.83</b>	45807.16	6381.56	–	1173.28	<b>51015.44</b>	<b>59934.39</b>	55982.94
Moulds & Dies	28027.46	2512.04	218.61	<b>30320.89</b>	19090.58	1777.70	–	218.61	<b>20649.67</b>	<b>9671.22</b>	8936.88
Furniture, Fixture & Office Equipments	4278.11	669.53	66.03	<b>4881.61</b>	3347.54	309.61	–	45.19	<b>3611.96</b>	<b>1269.65</b>	930.57
Vehicles - Owned	840.28	74.41	56.51	<b>858.18</b>	651.44	54.99	–	49.03	<b>657.40</b>	<b>200.78</b>	188.84
Sundry Equipments	3389.64	732.76	52.98	<b>4069.42</b>	1923.83	368.46	–	48.85	<b>2243.44</b>	<b>1825.98</b>	1465.81
<b>Total Tangible Assets</b>	<b>181570.49</b>	<b>25847.68</b>	<b>1784.02</b>	<b>205634.15</b>	<b>80057.87</b>	<b>10058.88</b>	–	<b>1553.95</b>	<b>88562.80</b>	<b>117071.35</b>	<b>101512.62</b>
<b>B. Intangible Assets</b>											
Computer software	862.78	27.53	–	<b>890.31</b>	762.74	42.79	–	–	<b>805.53</b>	<b>84.78</b>	100.04
Right to Use	2016.65	28.36	–	<b>2045.01</b>	379.21	355.01	–	–	<b>734.22</b>	<b>1310.79</b>	1637.44
<b>Total Intangible Assets</b>	<b>2879.43</b>	<b>55.89</b>	–	<b>2935.32</b>	<b>1141.95</b>	<b>397.80</b>	–	–	<b>1539.75</b>	<b>1395.57</b>	<b>1737.48</b>
<b>Total (A+B)</b>	<b>184449.92</b>	<b>25903.57</b>	<b>1784.02</b>	<b>208569.47</b>	<b>81199.82</b>	<b>10456.68</b>	–	<b>1553.95</b>	<b>90102.55</b>	<b>118466.92</b>	<b>103250.10</b>
Previous year	175378.53	11586.47	2515.05	184449.95	66588.22	13898.29	2827.61	2114.27	81199.85	103250.10	108790.31
<b>C. Capital Work-in-Progress</b>										<b>6749.06</b>	<b>9979.86</b>
										<b>125215.98</b>	<b>113229.96</b>

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

### 12 NON-CURRENT INVESTMENTS

	Face Value (₹)	Quantity 31-Mar-16	Quantity 30-Jun-15	Amount 31-Mar-16	Amount 30-Jun-15
<b>INVESTMENTS IN</b>					
<b>OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	<b>1000</b>	1000	<b>0.10</b>	0.10
Samarpan Fabricators Ltd.	100	<b>0</b>	1350	<b>-</b>	0.75
OPGS Power Gujarat Pvt. Ltd.	0.10	<b>233000</b>	0	<b>0.56</b>	0.00
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	<b>1</b>	1	<b>18.88</b>	18.88
Sub Total				<b>19.54</b>	19.73
<b>OTHERS - QUOTED &amp; FULLY PAID UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)	10	<b>28936400</b>	28936400	<b>3337.50</b>	3337.50
Vijaya Bank Ltd.	10	<b>3200</b>	3200	<b>0.77</b>	0.77
Central Bank of India	10	<b>5874</b>	5874	<b>6.01</b>	6.01
Unimers India Ltd.	10	<b>37</b>	37	<b>0.05</b>	0.05
Sub Total				<b>3344.33</b>	3344.33
<b>TOTAL</b>				<b>3363.87</b>	3364.06
Aggregate Value of Quoted Investments					
At Cost				<b>3344.33</b>	3344.33
At Market Value				<b>31517.09</b>	24212.59
Aggregate Value of Unquoted Investments					
At Cost				<b>19.54</b>	19.73



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 13 LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Capital Advances (Advance for Capital Goods)	1379.36	3349.42	—	—
Sundry Deposits	1624.59	1548.43	555.48	550.66
<b>Other Loans and Advances</b>				
Advances/claims recoverable in cash or kind or for value to be received	3448.77	2579.50	4996.56	7553.94
Prepaid Expenses	60.35	25.96	562.33	452.26
Balance with Government Authorities	849.17	1591.06	7559.59	3875.04
Advances/Loans to employees	100.74	75.63	153.86	180.50
<b>TOTAL LOANS AND ADVANCES</b>	<b>7462.98</b>	<b>9170.00</b>	<b>13827.82</b>	<b>12612.40</b>

### 14 OTHER ASSETS

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Accruals	24.53	22.89	173.78	108.13
Assets held for disposal	—	—	1.01	30.07
<b>TOTAL OTHER ASSETS</b>	<b>24.53</b>	<b>22.89</b>	<b>174.79</b>	<b>138.20</b>

### 15 INVENTORIES

	As at 31-Mar-16		As at 30-Jun-15	
Raw Materials and Components [(including goods in transit ₹ 2089.57 Lacs (Previous year ₹ 188.65 Lacs)]	19923.77		18981.93	
Reusable Material	1151.43		1188.16	
Stores, Spare parts, and consumables	1128.55		1165.55	
Packing Material	605.55		584.28	
Finished / Semi-Finished Goods [(including goods in transit ₹ 4.80 Lacs (Previous year ₹ 26.09 Lacs)]	29440.75		20960.34	
Traded Goods	377.71	52627.76	361.19	43241.45
Commercial Complex		3229.39		3225.58
<b>TOTAL INVENTORIES</b>		<b>55857.15</b>		<b>46467.03</b>

### 16 TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

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

Considered good	869.40		822.46	
Considered doubtful	207.80	1077.20	157.64	980.10

#### Others

Considered good		22747.48		22940.46
Less: Provision for doubtful trade receivables		207.80		157.64
<b>TOTAL TRADE RECEIVABLES</b>		<b>23616.88</b>		<b>23762.92</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

As at 31-Mar-16

As at 30-Jun-15

### 17 CASH AND BANK BALANCES

#### Cash and Cash Equivalents

Cash on hand	51.33	51.46
Cheques on hand	24.83	367.25
Remittance in Transit	95.44	90.12

#### Balance with Scheduled Banks in :

Surplus Balances in Cash Credit Accounts	–	1633.88
Current Accounts	2331.97	5720.04

#### Investment in Liquid Mutual funds

Other Bank Balances	–	10000.00
Deposit Accounts (Earmarked)	82.75	64.28
Unpaid Dividends and FD Interest	254.12	220.26

<b>TOTAL CASH AND BANK BALANCES</b>	<b>2840.44</b>	<b>18147.29</b>
-------------------------------------	----------------	-----------------

2015 - 2016

2014 - 2015

### 18 REVENUE FROM OPERATIONS

Sales of Plastic Products	326655.42	438228.20
Income from Processing	645.69	854.95
Construction Business	–	13931.72
Others	5324.67	16122.70
	<b>332625.78</b>	<b>469137.57</b>
Less: Excise Duty Paid	<b>36770.39</b>	<b>47238.68</b>
	<b>295855.39</b>	<b>421898.89</b>

#### Other operating income

Industrial Promotion Subsidy	612.51	2538.26
Sundry Receipts	606.72	780.60
License Fees Received	43.56	133.15
Claims & Refunds	133.20	84.99
Liabilities No Longer Required Written Back	233.49	31.87
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>297484.87</b>	<b>425467.76</b>

### 19 OTHER INCOME

Dividend Received	868.18	434.09
Profit/(Loss) on Sale/Discard of Capital Assets (Net)	(119.50)	140.40
Profit on sale of Investments	214.18	102.29
Lease Rent	0.27	0.42
<b>TOTAL OTHER INCOME</b>	<b>963.13</b>	<b>677.20</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

	2015 - 2016	2014 - 2015
<b>20 COST OF MATERIALS CONSUMED</b>		
Cost of Raw Material & Components Consumed	191698.30	263245.72
Cost of Packing Material Consumed	5165.34	6481.23
Cost of Premises Sold	—	3732.11
<b>TOTAL COST OF MATERIALS CONSUMED</b>	<b>196863.64</b>	<b>273459.06</b>
<b>21 PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<b>5333.91</b>	<b>16938.63</b>
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods / Semi Finished Goods	20960.34	20997.15
Traded Goods	361.18	340.27
	<b>21321.52</b>	<b>21337.42</b>
<b>Inventories at the end of the year</b>		
Finished Goods / Semi Finished Goods	29440.75	20960.34
Traded Goods	377.71	361.18
	<b>29818.46</b>	<b>21321.52</b>
<b>Change in inventories</b>	<b>(8496.94)</b>	<b>15.90</b>
Increase / (Decrease) in Excise Duty on Finished Goods	1478.93	(45.94)
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>(7018.01)</b>	<b>(30.04)</b>
<b>23 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	13392.46	15009.49
Contribution to Provident & Other Fund	587.94	746.41
Staff Welfare Expenses	826.76	993.62
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>14807.16</b>	<b>16749.52</b>
*Includes remuneration to MD and ED ₹ 1512.57 Lacs (Previous year ₹ 2001.76 Lacs)		



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

	₹ in Lacs	
	2015 - 2016	2014 - 2015
<b>24 OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	2393.30	2787.27
Labour Charges	8047.92	9442.08
Power & Fuel	11522.39	14640.26
Water Charges	72.28	79.16
Repairs & Maintenance of Building	396.43	405.17
Repairs & Maintenance of Plant & Machinery	812.86	1011.14
Repairs & Maintenance (Others)	298.56	416.35
Directors' Fees	51.00	47.90
Rent, Rates & Taxes	1014.36	1122.78
Insurance	138.04	177.40
Corporate Social Responsibility	316.60	368.82
Legal & Professional Fees	895.63	905.36
Travelling & Conveyance	1502.14	1948.72
Vehicle Expenses	288.17	361.91
Advertisement, Publicity & Business Promotion	2817.84	3691.06
Freight and Forwarding Charges	4648.56	6126.27
Printing, Stationery & Communication	612.24	799.41
Royalty	168.71	120.29
Commission & Discount	3706.01	5249.29
Sales Tax	39.27	129.99
Bad Debts (Net of bad debts recovered)	69.62	20.42
Provision for Doubtful Debts	50.16	28.38
Plant Security Services	604.12	664.92
Inspection, Testing and Marking fees	302.03	505.76
Foreign Currency Exchange Fluctuation (Net)	112.81	41.12
Miscellaneous Expenses	513.47	671.84
<b>TOTAL OTHER EXPENSES</b>	<b>41394.52</b>	<b>51763.07</b>
<b>25 FINANCE COSTS</b>		
Interest Expenses	2859.88	5802.95
Other borrowing costs	165.24	214.45
Less: Interest Received	269.12	222.43
<b>TOTAL FINANCE COSTS</b>	<b>2756.00</b>	<b>5794.97</b>
<b>26 DEPRECIATION AND AMORTISATION EXPENSE</b>		
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>10456.68</b>	<b>13898.25</b>
<b>27 RAW MATERIAL AND COMPONENTS CONSUMED</b>		
Commodity Plastics	158562.49	218545.59
Engineering Plastics	3706.39	6676.66
Additives	19326.59	24527.58
Others	10102.83	13495.89
<b>TOTAL RAW MATERIAL AND COMPONENTS CONSUMED</b>	<b>191698.30</b>	<b>263245.72</b>





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 28 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL & STORES & SPARE PARTS CONSUMED

	2015 - 2016		2014 - 2015	
	Value	%	Value	%
<b>Raw Materials</b>				
Imported	91547.93	47.76%	130318.58	49.50%
Indigenous	100150.37	52.24%	132927.14	50.50%
<b>Total</b>	<b>191698.30</b>	<b>100.00%</b>	<b>263245.72</b>	<b>100.00%</b>
<b>Stores &amp; Spares</b>				
Imported	79.12	3.31%	207.13	7.43%
Indigenous	2314.18	96.69%	2580.14	92.57%
<b>Total</b>	<b>2393.30</b>	<b>100.00%</b>	<b>2787.27</b>	<b>100.00%</b>

### 29 STOCK & TURNOVER

Products	Sales Value	Closing Inventory	Opening Inventory
<b>Manufactured Products</b>			
Moulded Products	99195.82 (140054.57)	9198.82 (7327.63)	7327.63 (6903.01)
Extruded Products	187925.07 (247493.94)	20051.51 (13287.23)	13287.23 (13841.79)
Composite Plastic Products	22.93 (289.61)	– (19.09)	19.09 –
Machinery & Moulds	286.97 (12.71)	72.34 (197.10)	197.10 (87.53)
Others	1037.87 (959.16)	118.08 (129.28)	129.28 (164.82)
<b>Trading Products</b>			
Moulded Products	756.96 (1066.19)	124.99 (22.03)	22.03 (0.38)
Extruded Products	0.29 (36.55)	– –	– (4.42)
<b>Others</b>	<b>5414.96</b> (16452.03)	<b>252.73</b> (339.16)	<b>339.16</b> (335.47)

Figures in brackets refer to previous year.

Notes:

- The turnover does not include:-
  - Job work charges from outsiders ₹ 645.69 lacs (previous year ₹ 854.95 lacs)
  - Sale of Scrap ₹ 568.81 lacs (previous year ₹ 747.45 lacs)
  - Excise duty on sale ₹ 36770.39 lacs (previous year ₹ 47238.68 lacs)
- Turnover includes packing material and components ₹ 289.74 lacs (previous year ₹ 409.52 lacs) transferred to other division for captive use.

₹ in Lacs

### 30 VALUE OF IMPORTS ON CIF BASIS

	2015 - 2016	2014 - 2015
Raw Material & Components	93147.94	131070.15
Stores, Spares & Traded Goods	648.05	792.35
Capital Goods	5401.85	1426.08
<b>TOTAL VALUE OF IMPORTS ON CIF BASIS</b>	<b>99197.84</b>	<b>133288.58</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

2015 - 2016

2014 - 2015

### 31 PAYMENT TO AUDITORS

(Including Branch Auditors excluding service tax)

Audit Fees	35.41	33.33
Tax Audit Fees	19.88	19.34
Taxation Matters	0.39	0.15
In other capacity	33.06	37.40
<b>TOTAL PAYMENT TO AUDITORS</b>	<b>88.74</b>	<b>90.22</b>

### 32 EXPENDITURE IN FOREIGN CURRENCY

Interest	833.01	1849.36
Other matters	772.67	634.96
<b>TOTAL EXPENDITURE IN FOREIGN CURRENCY</b>	<b>1605.68</b>	<b>2484.32</b>

### 33 EARNING IN FOREIGN CURRENCY

Export (On FOB Basis)	5359.12	8034.48
Interest & License Income	85.80	194.40
<b>TOTAL EARNING IN FOREIGN CURRENCY</b>	<b>5444.92</b>	<b>8228.88</b>

### 34 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

2015 - 2016

2014 - 2015

	Final#	1st Interim	2nd Interim	Final*	Interim
Number of Non-resident Shareholders	768	829	843	700	721
Number of Shares held on which dividend were paid	28044435	26694933	26899395	27126225	28281711
Gross Dividend (₹ in Lacs)	1963.11	667.37	1344.97	1627.57	565.63
Nominal Value of Equity Shares (₹ per share)	2.00	2.00	2.00	2.00	2.00

# For the year ended 30th June, 2015

\* For the year ended 30th June, 2014

### 35 EARNINGS PER SHARE (EPS)

Profit after tax (PAT) available for Equity Shareholders (Before exceptional items)	22078.82	31570.68
Profit after tax (PAT) available for Equity Shareholders (After exceptional items)	21309.91	31570.68
Weighted Average Number of Equity Shares	127026870	127026870
Nominal value of Equity Shares	2.00	2.00
Basic & Diluted Earning Per Share (Before exceptional Income/Loss)	17.38*	24.85
Basic & Diluted Earning Per Share (After exceptional Income/Loss)	16.78*	24.85

\*Not Annualised

### 36 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFITS"

#### i) Gratuity:

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

The following table set out the funded status and amount recognised in the Company's financial statements as at 31st March, 2016 for the Gratuity Plan:

The disclosure in respect of the defined Gratuity Plan are given below:

	As at 31-Mar-16	As at 31-Mar-15
<b>Changes in present value of defined benefit obligations</b>		
Present value of obligations as at beginning of the period	2419.86	1795.28
Interest cost	192.62	167.14
Current Service Cost	184.77	116.78
Past service cost (vested benefit) recognized	—	264.69
Benefits Paid	(268.47)	(63.66)
Actuarial (Gain)/Loss on obligations	271.92	139.63
Present value of obligations as at end of the period	2800.70	2419.86
<b>Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1883.39	1491.30
Expected return on plan assets	149.92	129.74
Contributions	831.15	301.83
Benefits Paid	(268.47)	(63.66)
Actuarial Gain/(Loss) on Plan assets	53.74	24.17
Fair value of plan assets at the end of year	2649.73	1883.39
<b>Total Recognition of Acturial (Gain)/Losses</b>	218.18	115.46
<b>Actual return on plan assets</b>		
Expected return on plan assets	149.92	129.74
Actuarial Gain/(Loss) on Plan assets	53.74	24.17
Actual return on plan assets	203.66	153.91
<b>Amount Recognized in the Balance Sheet</b>		
Present value of obligations as at the end of the year	(2800.70)	(2419.86)
Fair value of plan assets as at the end of the year	2649.73	1883.39
Funded status (shortfall)	(150.97)	(536.47)
Net Asset/(Liability) recognized in balance sheet	(150.97)	(536.47)
<b>Expenses recognized in statement of Profit &amp; Loss</b>		
Current Service Cost	184.77	116.78
Interest cost	192.62	167.14
Expected return on plan assets	(149.92)	(129.74)
Past service cost (vested benefit) recognized	—	264.69
Net Actuarial (gain)/Loss recognized in the year	218.18	115.46
Expenses recognized in statement of Profit & loss	445.65	534.33
<b>Balance Sheet Reconciliation</b>		
Opening Net Liability	536.47	303.98
Expenses as above	445.65	534.33
Employers Contribution Paid	(831.15)	(301.83)
Closing Net Liability	150.97	536.47
<b>Investment Details</b>		
Insurer Managed Fund	2649.73	1883.39
<b>Principal Actuarial assumptions used</b>		
Discount Rate	8.08%	7.96%
Rate of return on plan assets	8.08%	7.96%
Salary Escalation	6.00%	6.00%
Attrition Rate	2.00%	2.00%

### ii) Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on 31st March, 2016 performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 37 CONTINGENT LIABILITIES AND COMMITMENTS

	2015 - 2016	2014 - 2015
<b>CONTINGENT LIABILITIES</b>		
Bills/Cheques discounted	<b>1635.78</b>	1140.55
Bank Guarantees issued by Bankers	<b>3251.69</b>	2556.00
Claim against the company including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as Debts	<b>1371.32</b>	1383.28
Disputed Income Tax Demands	<b>2705.50</b>	2564.96
Disputed Sales Tax / Entry Tax Demands	<b>965.46</b>	699.29
Other claims against the company not acknowledged as debts	<b>279.94</b>	263.20
Future obligation of exports towards imported capital goods at concessional rate of duty under EPCG Scheme.	<b>4069.90</b>	5279.37
<b>COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	<b>4672.76</b>	6072.15
Unexpired Letter of Credit issued by bankers	<b>11144.48</b>	8005.86

Notes:

- Most of the issues of litigation pertaining to Central Excise & Service Tax are of repetitive nature & are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgment of CESTAT or High Courts which supports its contention. As such no material impact on the financials of the company is envisaged.
- In case of Income Tax, matters pertaining to additions / disallowances, where the Company has preferred an Appeal, are repetitive in nature. Company has obtained Legal Counsel's opinion on all major items of dispute, who opines favourably and are also backed by various decisions of ITAT and /or various High Courts.  
Based on internal assessment and opinion received from Tax experts, the Management is of the view that the impact of the risk associated with the pending Income tax matters, if any, in Appeal is moderate and shall not impact the Company's financials substantially.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Company is reasonably confident to fulfil its export obligation within the stipulated period of the respective EPCG licenses and does not envisage any material financial impact.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

- The company has capitalised interest amounting to ₹ 512.23 lacs (Previous year ₹ 164.61 lacs) on payments made towards various projects under implementation.
- Company had planned to venture into manufacturing of Composite Pipes for Oil & Gas exploration. However, technical collaborator of the project could not enable the company to produce the specified product. As of now, management has decided to abandon the project and write-off the incurred cost of the project amounting to ₹ 768.90 lacs and the same has been shown under Exceptional Items during the year.
- Payment of Bonus Act, 1965 has been amended during the year, enhancing the limit of entitlement of employee to whom the act becomes applicable with retrospective amendment w.e.f. 01/04/2014, High Court of various states have stayed the retrospective application of the act w.e.f. 01/04/2014. Accordingly, the company relying upon the said stay has implemented the revised Act w.e.f. 01/04/2015.  
Additional liability, if any, on the retrospective amendment will be provided in the year of final decision by the judiciary.
- In respect of construction business determination of profit / losses and realisability of the construction project involves making estimates by the company which are of technical nature, concerning the percentage of completion, cost to completion and foreseeable losses to completion. Profits from construction activity and valuation of inventory of commercial complex is based on such estimate. In the opinion of the management, the net realizable value of such inventory will not be lower than costs so included therein.
- Forward contract premium of ₹ 144.03 lacs (Previous year ₹ 95.06 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

43. a) Company had setup a mega project at Gadegaon, Maharashtra and was entitled for Industrial Promotion subsidy as under:-
- by way of refund of CST/ VAT for eligible period (till 31st January, 2015) under Package Scheme of Incentives, 2001 of Government of Maharashtra. On finality of the refund application sanctioned, A sum of ₹ 72.27 lacs (Previous year ₹ 1892.59 lacs) accrued for the year has been included in other operating income.
  - by way of exemption from electricity duty for eligible period (till 31st January, 2023), consequently Power and fuel cost for the year is lower by ₹ 156.64 lacs (Previous year ₹ 282.22 lacs).
- b) The company has also undertaken expansion at certain units and entitled to incentive under Respective Package Scheme of Incentives. The incentive accrued during the year has been included in other operating income as under:-

₹ in Lacs

Unit	2015 - 2016	2014 - 2015
Plastic Piping Division, Jalgaon	(18.53)	41.52
Plastic Piping Division, Malanpur	530.04	557.81
Protective Packaging Division, Malanpur	28.73	46.34
<b>TOTAL</b>	<b>540.24</b>	<b>645.67</b>

### 44 SEGMENT INFORMATION

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

- a) Primary Business Segments

₹ in lacs

Revenue	Plastics	Construction	Total
Net Income (There is no inter segment revenue)	297484.87	—	297484.87
Segment Profit	35748.14	(101.17)	35646.97
Add: Other Income			963.13
Add: Exceptional Income/(loss)			(768.90)
Profit Before Interest and taxes			35841.20
Less: Interest (net)			2756.00
Taxes			11775.29
Profit after taxes			21309.91

Other Information	Plastics	Construction	Total
Segment Assets	229103.22	3281.23	232384.45
Segment Liabilities	99560.29	132.08	99692.37
Capital Expenditure	23441.67	—	23441.67
Depreciation / Amortisation	10456.68	—	10456.68

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

### 45 DISCLOSURE ON RELATED PARTY TRANSACTIONS

(₹ in lacs)

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	Total
Purchase of goods	31.03 —	1409.27 (1920.45)	— —	1440.30 (1920.45)
Sale of goods	74.57 (118.95)	401.38 (348.76)	2188.11 —	2664.06 (467.71)
Rendering of services – Paid- excluding taxes	90.94 (130.67)	— —	— —	90.94 (130.67)
Dividend Received	— —	868.09 (434.05)	— —	868.09 (434.05)
Dividend Paid	— —	8687.58 (4790.75)	469.16 (258.84)	9156.74 (5049.59)





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

(₹ in lacs)

Nature of Transactions	Holding & Subsidiary	Associates	Key Management Personnel & Relatives	Total
Remuneration	—	—	1542.62	1542.62
	—	—	(2031.73)	(2031.73)
Outstanding at year-end - Receivable	5.71	34.58	43.29	83.58
	—	(101.21)	—	(101.21)
Outstanding at year-end - Payable	74.16	157.58	1234.05	1465.79
	(52.18)	(148.37)	(1509.74)	(1710.29)

Figures in bracket relate to previous year.

### Names of related parties and description of relationship:

Subsidiary Company: The Supreme Industries Overseas FZE

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

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

46. a) The Company has taken premises under cancelable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Company in accordance with Accounting Standard on lease transactions (AS-19).
- b) The company has also taken office premises under noncancelable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 458.98 lacs (Previous year ₹ 424.20 lacs) and for the period later than one year & not later than five years is ₹ 1098.42 lacs (Previous year ₹ 1237.25 lacs) and for the period later than five year is ₹ 137.97 lacs (Previous year ₹ NIL).
47. a) Provision for Income Tax liability has been made in the accounts based on the profit for the financial period ended 31st March, 2016.
- b) The Company has recognised deferred tax Liability for the year aggregating to ₹ 1575.29 lacs in the Profit & Loss Account (Previous Year deferred tax assets of ₹ 1763.22 lacs).

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

(₹ in lacs)

	31-Mar-16	30-Jun-15
Unclaimed Dividend	426.40	221.00
Unclaimed Matured Deposits & Interest	12.19	15.60
<b>Total</b>	<b>438.59</b>	236.60

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

(in Million US\$)

Name of the Instrument	Aggregate Amount		Purpose
	31-Mar-16	30-Jun-15	
Forward Purchase	21.07	20.47	Hedging
Currency & Interest Rate Swap	9.23	13.85	Hedging
Open Foreign Exchange Exposures - Receivable	1.94	2.12	
Open Foreign Exchange Exposures - Payable	19.98	20.22	

The company enjoys natural hedge to the extent of: a) Exports effected and b) Inventory held (being sensitive to exchange rate fluctuations).

50. Ancillary costs incurred in the connection with the borrowing is amortised over the period of borrowing.
51. Current financial period comprises a period of 9 months from 1st July, 2015 to 31st March, 2016. As such the financial statements attached are for a period of 9 months only against the previous year figures which are for a period of 12 months and thus are not comparable. The previous year's figures have been re-grouped / re-classified wherever required to confirm to current period's classification.



## Independent Auditors' Report on Consolidated Financial Statements

To The Members of  
Supreme Industries Limited.

### Report on Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Supreme Industries Limited (herein referred to as "the holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising the consolidated Balance Sheet as at March 31st, 2016, the consolidated statement of Profit & Loss and the consolidated cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's responsibility for the consolidated financial statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities, the selection and application of the appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### Auditors' responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor report under the provisions of the Act and the rules made thereunder.
5. We conducted our Audit in accordance with Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and fair presentation of the consolidated financial statements that give a true and a fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group and its associate as at March 31st, 2016, and their consolidated profit and their consolidated cash flows for the period ended on that date.

### Other matter

9. We did not audit the financial statements of (i) one subsidiary included in the consolidated financial statements, which constitute (all figures before intercompany eliminations) the total assets of ₹ 151.29 Lakhs and net assets of ₹ 103.28 Lakhs as at 31st March, 2016, total revenue of ₹ 195.99 Lakhs, net profit of ₹ 9.11 Lakhs and net cash inflows amounting to ₹ 14.96 Lakhs for the period ended on that date, as considered in the consolidated financial statements.

The consolidated financial statement also include the group's share of net profit of ₹ 1673.81 Lakhs for the period ended 31st March, 2016 as considered in the consolidated financial statements, in respect of 1 associate whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

**Chintan Shah**  
Partner  
M. No. 107490  
Mumbai: 21st April, 2016



## Consolidated Balance Sheet as on 31<sup>st</sup> March, 2016

	Note	As at 31-Mar-16		As at 30-Jun-15	
₹ in lacs					
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share capital	2	2540.54		2540.54	
Reserves and surplus	3	128985.79	131526.33	118609.49	121150.03
NON - CURRENT LIABILITIES					
Long-term borrowings	4	6483.06		23293.87	
Deferred tax liabilities (net)	5	10526.09		8950.81	
Other long-term liabilities	6	338.67		270.02	
Long-term provisions	7	1152.45	18500.27	880.54	33395.24
CURRENT LIABILITIES					
Short-term borrowings	8	16387.88		9585.60	
Trade payables	9	33832.73		30044.17	
Other current liabilities	10	39081.19		25834.15	
Short-term provisions	7	2384.52	91686.32	15692.82	81156.74
TOTAL EQUITY AND LIABILITIES			241712.92		235702.01
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets					
Tangible assets	11	117071.85		101513.24	
Intangible assets	11	1395.57		1737.48	
Capital work-in-progress	11	6749.06		9979.86	
Non-current investments	12	12620.93		12068.98	
Long-term loans and advances	13	7462.98		9172.21	
Other non-current assets	14	24.53	145324.92	22.89	134494.66
CURRENT ASSETS					
Inventories	15	55857.15		46467.03	
Trade receivables	16	23622.02		23796.63	
Cash and bank balances	17	2892.50		18182.91	
Short-term loans and advances	13	13841.54		12622.59	
Other current assets	14	174.79	96388.00	138.19	101207.35
TOTAL ASSETS			241712.92		235702.01
Significant Accounting Policies.	1				

The accompanying notes are an integral part of the financial statements

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

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

**B. L. Taparia**  
Chairman  
DIN: 00112438

**S. J. Taparia**  
Executive Director  
DIN: 00112513

**P. C. Somani**  
Chief Financial Officer

For and on behalf of the board

**M. P. Taparia**  
Managing Director  
DIN: 00112461

**V. K. Taparia**  
Executive Director  
DIN: 00112567

**R. J. Saboo**  
AVP (Corporate Affairs) &  
Company Secretary

**H. S. Parikh**  
DIN: 00127160

**N. N. Khandwala**  
DIN: 00112603

**Y. P. Trivedi**  
DIN: 00001879

**R. Kannan**  
DIN: 00380328

**R. M. Pandia**  
DIN: 00021730

**Smt. Rashna Khan**  
DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016



## Consolidated Statement of Profit and Loss for the Period ended on 31<sup>st</sup> March, 2016

				₹ in lacs
	Note	2015 - 2016 (9 Months)		2014 - 2015 (12 Months)
<b>INCOME</b>				
Revenue from operations	18	<b>297484.32</b>		425518.59
Other income	19	<b>95.04</b>	<b>297579.36</b>	243.15
				425761.74
<b>EXPENDITURE</b>				
Cost of materials consumed	20	<b>196863.64</b>		273459.06
Purchases of Traded Goods	21	<b>5315.09</b>		16961.67
Changes in inventories of finished goods, work-in-progress and traded goods	22	<b>(7018.01)</b>		(30.04)
Employee benefits expenses	23	<b>14849.89</b>		16804.86
Other expenses	24	<b>41360.18</b>	<b>251370.79</b>	51699.43
				358894.98
<b>PROFIT BEFORE INTEREST, TAX AND DEPRECIATION &amp; AMORTISATION</b>			<b>46208.57</b>	66866.76
Finance costs	25	<b>2756.66</b>		5796.15
Depreciation and amortisation expense	26	<b>10456.79</b>	<b>13213.45</b>	13898.85
				19695.00
Depreciation for Earlier Years Provided for/(-) Written Back			—	(3.20)
<b>PROFIT BEFORE TAX AND EXCEPTIONAL INCOME/LOSS</b>			<b>32995.12</b>	47174.96
Exceptional Income/(Loss) (Refer Note 31)			<b>(768.90)</b>	—
<b>PROFIT BEFORE TAX</b>			<b>32226.22</b>	47174.96
<b>TAX EXPENSES</b>				
Current tax	18	<b>10200.00</b>		17767.22
Deferred Tax	19	<b>1575.29</b>	<b>11775.29</b>	(1763.22)
				16004.00
<b>PROFIT AFTER TAX</b>			<b>20450.93</b>	31170.96
Add: Share of Profit (+)/Loss(-) in associate for the period			<b>1673.81</b>	1064.59
<b>GROUP PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>			<b>22124.74</b>	32235.55
<b>EARNINGS PER SHARE</b>				
Basic & Diluted Earning Per Share (Before exceptional Income/Loss)	29		<b>18.02*</b>	25.38
Basic & Diluted Earning Per Share (After exceptional Income/Loss)			<b>17.42*</b>	25.38
(Face value of ₹ 2 each)				
*Not annualised				
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements				

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

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

**B. L. Taparia**  
Chairman  
DIN: 00112438

**S. J. Taparia**  
Executive Director  
DIN: 00112513

**P. C. Somani**  
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For and on behalf of the board

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DIN: 00021730

**Smt. Rashna Khan**  
DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016



## Consolidated Cashflow Statement for the Period ended on 31<sup>st</sup> March, 2016

		₹ in Lacs	
PARTICULARS	2015 - 2016	2014 - 2015	
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax	32995.12		47174.96
Adjustments For :			
Add : Depreciation	10456.79	13895.65	
Leasehold Assets Premium W/off	11.16	18.90	
Foreign Exchange Translation	5.35	4.57	
Interest (Net)	2756.66	5796.15	19715.27
	<b>46225.08</b>		66890.23
Less : Dividend Received	0.09	0.04	
Lease Rent Received	0.27	0.42	
Profit /(Loss) on sale of Investments	214.18	102.29	
Profit /(Loss) on sale of Assets	(119.50)	140.40	243.15
Operating Profit before working capital changes	<b>46130.04</b>		66647.08
Adjustments for :			
Less: Inventories	9390.13	(3297.67)	
Trade & Other Receivable	(574.37)	1571.84	
Trade & Other Payable	(5666.46)	(5928.83)	(7654.66)
Cash Generated from Operations	<b>42980.74</b>		74301.74
Direct Taxes Paid	<b>13134.70</b>		14219.46
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>29846.04</b>		60082.28
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	23441.67		19758.39
Sale of Fixed Assets	(98.16)		(401.38)
Sale of Investments (Net)	(214.18)		(102.29)
Lease Rent Received	(0.27)		(0.42)
Interest Received	(269.13)		(222.43)
Dividend Received from Associate Company	(868.09)		(434.05)
Dividend Received	(0.09)		(0.04)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>21991.75</b>		18597.78
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long Term Borrowings	4804.97		15298.83
Proceeds from Long Term Borrowings	—		(10000.00)
(Increase)/Decrease in Short Term Borrowings	(6802.28)		2680.28
Interest Paid	3025.78		6018.58
Dividend & Corporate Dividend Tax paid	22168.55		11965.40
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>23197.02</b>		25963.09
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A-B-C)</b>	<b>(15342.74)</b>		15521.41
Opening Balance at beginning of the year	<b>17898.37</b>		2376.97
Closing Balance at end of the year	<b>2555.63</b>		17898.37

As per our report of even date

 For **CHHOGMAL & CO.**

FRN - 101826W

Chartered Accountants

**Chintan Shah**

Partner

M. No. 107490

**B. L. Taparia**

Chairman

DIN: 00112438

**S. J. Taparia**

Executive Director

DIN: 00112513

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DIN: 00021730

**Smt. Rashna Khan**

DIN: 06928148

Directors

Mumbai: 21st April, 2016

Mumbai: 21st April, 2016





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis For Preparation:

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

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

₹ in Lacs

### 2. SHARE CAPITAL

	As at 31-Mar-16	As at 30-Jun-15
<b>AUTHORISED</b>		
15,00,00,000 Equity Shares of ₹ 2 each (Previous Year 15,00,00,000 Equity Shares of ₹ 2 each)	<b>3000.00</b>	3000.00
1,12,00,000 (Previous Year 1,12,00,000) Preference Shares of ₹ 10 each	<b>1120.00</b>	1120.00
3,38,00,000 (Previous Year 3,38,00,000) Unclassified Shares of ₹ 10 each	<b>3380.00</b>	3380.00
	<b>7500.00</b>	7500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each (Previous Year 12,70,26,870 Nos. Equity Shares of ₹ 2 each) Fully Paid Up	<b>2540.54</b>	2540.54
<b>TOTAL SHARE CAPITAL</b>	<b>2540.54</b>	2540.54

Name of the Shareholders	31-Mar-16		30-Jun-15	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	8176502	6.44%	8176502	6.44%

#### The reconciliation of the number of equity shares outstanding

	31-Mar-16		30-Jun-15	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2540.54	127026870	2540.54
Equity Shares at the end of the year	127026870	2540.54	127026870	2540.54

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

The company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

The Dividend proposed by the Board of Directors if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 3 RESERVES AND SURPLUS

	As at 31-Mar-16	As at 30-Jun-15
<b>CAPITAL RESERVE</b>	<b>248.52</b>	249.72
<b>SECURITIES PREMIUM ACCOUNT</b>	<b>4748.52</b>	4748.52
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	<b>113383.91</b>	96030.00
Add: Adjustment due to Associate Grouping	<b>(253.78)</b>	703.09
Less: Transfer of Carrying Value of Assets	—	1866.50
Add : Transferred from Statement of Profit and Loss	<b>10625.93</b>	<b>18517.32</b>
	<b>123756.06</b>	<b>113383.91</b>
<b>CAPITAL REDEMPTION RESERVE</b>	<b>221.63</b>	221.63
<b>FOREIGN EXCHANGE TRANSLATION RESERVE</b>	<b>11.06</b>	5.71
<b>STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	—	—
Add: Profit for the year	<b>22124.74</b>	32235.55
Less : Appropriations		
Interim Dividend paid on Equity Shares	<b>9527.01</b>	2540.54
[Dividend per share ₹ 7.50 (Previous Year ₹ 2.00)]		
Corporate Dividend Tax Paid	<b>1971.80</b>	507.96
Proposed Dividend on Equity Shares	—	8891.88
[Dividend per share ₹ NIL (Previous Year ₹ 7.00)]		
Provision for Corporate Dividend Tax	—	1777.85
Transferred to General Reserve	<b>10625.93</b>	<b>18517.32</b>
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL RESERVES AND SURPLUS</b>	<b>128985.79</b>	<b>118609.49</b>

### 4 LONG TERM BORROWINGS

	Non-Current		Current	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
<b>SECURED</b>				
Rupee Loans from Banks	<b>4615.38</b>	18923.08	<b>15076.92</b>	3076.92
Foreign Currency Loans from Banks - ECB	<b>1667.36</b>	4163.53	<b>3328.24</b>	3328.24
<b>Total Secured</b>	<b>6282.74</b>	23086.61	<b>18405.16</b>	6405.16
<b>UNSECURED</b>				
Deferred payment liabilities (Under Sales Tax Deferral Scheme)	<b>200.32</b>	207.26	<b>6.39</b>	0.55
<b>Total Unsecured</b>	<b>200.32</b>	207.26	<b>6.39</b>	0.55
<b>Amount included under the head "Other Current Liabilities" (Refer note 10)</b>	<b>0.00</b>	0.00	<b>(18411.55)</b>	(6405.71)
<b>TOTAL LONG TERM BORROWINGS</b>	<b>6483.06</b>	23293.87	<b>0.00</b>	0.00

#### NOTES :

Term Loans from banks are secured on first pari passu charge basis as under:

- Movable properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.
- In respect of external commercial borrowings of USD 9.23 million from HSBC Bank (Mauritius) Ltd., outstanding as on 31st March, 2016, the company has entered into a derivative contract to hedge the said loan for covering (i) currency risk on principal as well as interest and (ii) interest rate fluctuations. This has the effect of freezing the rupee equivalent of the entire liability, as reflected under the head of borrowings. Thus, there is no impact on account of the Profit or Loss arising out of exchange or interest rate fluctuations for the duration of the loan. Consequently, there is no restatement of the loan taken in foreign currency. The interest payable in Indian rupees on the derivative contract is duly accounted for in the statement of Profit & Loss.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

Term Loans availed during the year are secured on first pari passu charge basis, only on the assets referred to in clause (a) above.  
₹ in Lacs

Maturity Profile and Interest Range of Long Term Borrowings	Interest Range (%)	Maturity Profile		
		1 to 2 Years	2 to 3 Years	Above 3 Years
Rupee Term Loans	9.70 to 10.15	3076.92	1538.47	–
Foreign Currency Loans	8.14	1667.36	–	–
Deferred Payment Liabilities	Interest Free	6.39	6.39	187.54

### 5 DEFERRED TAX LIABILITY (Net)

	As at 31-Mar-16	As at 30-Jun-15
<b>Deferred Tax Liabilities on account of timing differences</b>		
Depreciation	11254.41	10402.05
Transfer of Carrying Value of Assets	–	(961.11)
<b>Deferred Tax Assets on account of timing differences</b>		
Amount to be claimed on payment basis	(728.32)	(490.13)
<b>TOTAL DEFERRED TAX LIABILITY</b>	<b>10526.09</b>	<b>8950.81</b>

### 6 OTHER LONG-TERM LIABILITIES

	Non-Current		Current	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Trade / security deposits received	104.25	76.74	50.68	37.18
Others	234.42	193.28	3.17	3.17
Amount included under the head Other Current Liabilities (Refer Note 10)	–	–	(53.85)	(40.35)
<b>TOTAL OTHER LONG TERM LIABILITIES</b>	<b>338.67</b>	<b>270.02</b>	<b>0.00</b>	<b>0.00</b>

### 7 PROVISIONS

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
<b>Provision for employee benefits:</b>				
Bonus	–	–	532.29	315.08
Compensated Absences	1152.45	880.54	198.34	270.40
Gratuity	–	–	150.97	–
<b>Provision - Others:</b>				
Provision for Income Tax (Net of Advance Tax paid)	–	–	1498.46	4430.19
Proposed Dividend	–	–	–	8891.88
Provision for Corporate Dividend Tax	–	–	–	1777.85
Provision for Wealth Tax	–	–	4.46	7.42
<b>TOTAL PROVISIONS</b>	<b>1152.45</b>	<b>880.54</b>	<b>2384.52</b>	<b>15692.82</b>

₹ in Lacs

### 8 SHORT TERM BORROWINGS

	As at 31-Mar-16	As at 30-Jun-15
<b>SECURED</b>		
<b>Working Capital Loans:</b>		
Foreign currency Loans - Buyer's Credit	13784.09	–
<b>UNSECURED</b>		
Foreign Currency Loans - Buyer's Credit	2603.79	9585.60
<b>TOTAL SHORT TERM LIABILITIES</b>	<b>16387.88</b>	<b>9585.60</b>

Working Capital Loans from Banks are secured against:  
First pari passu charge by way of hypothecation of stocks and Book Debts, both present and future Second / subservient charge on all movable properties of the company viz. plant, machineries & moulds, both present and future, situated at all the locations of the company.

## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 9 TRADE PAYABLES

	As at 31-Mar-16	As at 30-Jun-15
Micro, Small and Medium Enterprises	1222.61	878.67
Others	32610.12	29165.50
<b>TOTAL TRADE PAYABLES</b>	<b>33832.73</b>	<b>30044.17</b>

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

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

### 10 OTHER CURRENT LIABILITIES

	As at 31-Mar-16	As at 30-Jun-15
Current maturities of long-term debt (Refer Note 4)	18411.55	6405.71
Current Portion of Other long-term liabilities (Refer Note 6)	53.85	40.35
Interest accrued but not due on borrowings	12.84	40.91
Items covered by Investor Education and Protection Fund	438.60	236.60
Statutory Remittances	9598.75	9043.73
Payables on Purchase of fixed assets*	5843.33	5393.75
Advances from customers	4640.36	4587.33
Other payables	81.91	85.77
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>39081.19</b>	<b>25834.15</b>

Amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31 Mar 2016 is NIL (Previous Year NIL), except where there are pending legal cases amounting to ₹ 1.11 lacs (Previous year ₹ 0.90 lacs).

\* Payables on Purchase of fixed assets include acceptances amounting to ₹ 1497.14 lacs (previous year ₹ 891.74 lacs)

### 11 FIXED ASSETS

₹ in Lacs

FIXED ASSETS	GROSS BLOCK				DEPRECIATION & AMORTISATION					NET BLOCK	
	As At 1-Jul-15	Additions During the Year	Deductions/ Adjustment During The Year	As At 31-Mar-16	As At 1-Jul-15	For The Year	Transfer to Reserve / Deferred Tax Liability	Deductions/ Adjustment During The Year	As At 31-Mar-16	As At 31-Mar-16	As At 30-Jun-15
<b>A. Tangible assets</b>											
Freehold Land	4266.58	43.25	–	4309.83	–	–	–	–	–	4309.83	4266.58
Leasehold Land	1288.60	394.73	82.03	1601.30	–	–	–	–	–	1601.30	1288.60
Buildings	37689.72	11045.69	92.32	48643.09	9237.32	1166.56	–	18.99	10384.89	38258.20	28452.40
Plant, Machinery & Electrical Installations	101790.10	10375.27	1215.54	110949.83	45807.16	6381.56	–	1173.23	51015.49	59934.34	55982.94
Moulds & Dies	28027.46	2512.04	218.61	30320.89	19090.58	1777.70	–	218.61	20649.67	9671.22	8936.88
Furniture, Fixture & Office Equipments	4282.83	669.53	66.03	4886.33	3351.66	309.72	–	45.23	3616.15	1270.18	931.17
Vehicles - Owned	840.28	74.41	56.51	858.18	651.44	54.99	–	49.03	657.40	200.78	188.84
Sundry Equipments	3389.63	732.76	52.98	4069.41	1923.80	368.46	–	48.85	2243.41	1826.00	1465.83
<b>Total Tangible Assets</b>	<b>181575.20</b>	<b>25847.68</b>	<b>1784.02</b>	<b>205638.86</b>	<b>80061.96</b>	<b>10058.99</b>	<b>–</b>	<b>1553.94</b>	<b>88567.01</b>	<b>117071.85</b>	<b>101513.24</b>
<b>B. Intangible Assets</b>											
Computer software	862.78	27.53	–	890.31	762.74	42.79	–	–	805.53	84.78	100.04
Right to Use	2016.65	28.36	–	2045.01	379.21	355.01	–	–	734.22	1310.79	1637.44
<b>Total Intangible Assets</b>	<b>2879.43</b>	<b>55.89</b>	<b>–</b>	<b>2935.32</b>	<b>1141.95</b>	<b>397.80</b>	<b>–</b>	<b>–</b>	<b>1539.75</b>	<b>1395.57</b>	<b>1737.48</b>
<b>Total (A+B)</b>	<b>184454.63</b>	<b>25903.57</b>	<b>1784.02</b>	<b>208574.18</b>	<b>81203.91</b>	<b>10456.79</b>	<b>–</b>	<b>1553.94</b>	<b>90106.76</b>	<b>118467.42</b>	<b>103250.72</b>
Previous year	175383.20	11586.45	2515.02	184454.63	66591.75	13898.75	2827.61	2114.20	81203.91	103250.72	108791.46
<b>C. Capital Work-in-Progress</b>										<b>6749.06</b>	<b>9979.86</b>
										<b>125216.48</b>	<b>113230.58</b>

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



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

### 12 NON - CURRENT INVESTMENTS

	Face Value (₹)	Quantity		Amount	
		31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
<b>INVESTMENT IN</b>					
<b>OTHERS - UNQUOTED AND FULLY PAID UP EQUITY SHARES</b>					
Saraswat Co-op. Bank Ltd.	10	<b>1000</b>	1000	<b>0.10</b>	0.10
Samarpan Fabricators Ltd.	100	<b>1350</b>	1350	–	0.75
OPGS Power Gujarat Pvt. Ltd.	0.10	<b>233000</b>	0	<b>0.56</b>	0.00
<b>Sub Total</b>				<b>0.66</b>	0.85
<b>OTHERS - QUOTED &amp; FULLY PAID UP EQUITY SHARES</b>					
Supreme Petrochem Ltd. (an associate company)				<b>2834.83</b>	2834.83
Add: Goodwill on acquisition				<b>502.66</b>	502.66
Add: Accumulated share in profit / (-) loss at the beginning of the year				<b>8470.24</b>	8093.27
Add:Share in profit / (-) loss - current year				<b>1680.63</b>	1070.51
Less: Unrealised Profit for Stock in hand				<b>6.82</b>	5.92
Less: Dividend received during the year				<b>868.10</b>	434.05
				<b>12613.44</b>	12061.30
Vijaya Bank Ltd.	10	<b>3200</b>	3200	<b>0.77</b>	0.77
Central Bank of India	10	<b>5874</b>	5874	<b>6.01</b>	6.01
Unimers India Ltd.	10	<b>37</b>	37	<b>0.05</b>	0.05
<b>Sub Total</b>				<b>6.83</b>	6.83
<b>TOTAL</b>				<b>12620.93</b>	12068.98
Aggregate Value of Quoted Investments					
At Cost				<b>12620.27</b>	12068.13
At Market Value				<b>31517.09</b>	24212.59
Aggregate Value of Unquoted Investments					
At Cost				<b>0.66</b>	0.85

### 13 LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Capital Advances (Advance for Capital Goods)	<b>1379.36</b>	3349.42	–	–
Sundry Deposits	<b>1624.59</b>	1550.65	<b>555.48</b>	550.66
<b>Other Loans and Advances</b>				
Advances/claims recoverable in cash or kind or for value to be received	<b>3448.77</b>	2579.50	<b>5010.02</b>	7556.28
Prepaid Expenses	<b>60.35</b>	25.96	<b>562.58</b>	460.12
Balance with Government Authorities	<b>849.17</b>	1591.06	<b>7559.59</b>	3875.04
Advances/Loans to employees	<b>100.74</b>	75.62	<b>153.87</b>	180.49
<b>TOTAL LOANS AND ADVANCES</b>	<b>7462.98</b>	9172.21	<b>13841.54</b>	12622.59





## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

### 14 OTHER ASSETS

	Long Term (Non-Current)		Short-Term (Current)	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Accruals	24.53	22.89	173.78	108.12
Assets held for disposal	—	—	1.01	30.07
<b>TOTAL OTHER ASSETS</b>	<b>24.53</b>	<b>22.89</b>	<b>174.79</b>	<b>138.19</b>

₹ in Lacs

### 15 INVENTORIES

	As at 31-Mar-16		As at 30-Jun-15	
Raw Materials and Components [(including goods in transit ₹ 2089.57 Lacs (Previous year ₹ 188.65 Lacs)]	19923.77		18981.93	
Reusable Material	1151.43		1188.16	
Stores, Spare parts, and consumables	1128.55		1165.55	
Packing Material	605.55		584.28	
Finished / Semi-Finished Goods [(including goods in transit ₹ 4.80 Lacs (Previous year ₹ 26.09 Lacs)]	29440.75		20960.34	
Traded Goods	377.71	52627.76	361.19	43241.45
Commercial Complex		3229.39		3225.58
<b>TOTAL INVENTORIES</b>		<b>55857.15</b>		<b>46467.03</b>

₹ in Lacs

### 16 TRADE RECEIVABLES

(Unsecured, Considered good unless otherwise specified)

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

Considered good	869.40		822.46	
Considered doubtful	207.80	1077.20	157.64	980.10

#### Others

Considered good		22752.62		22974.17
Less: Provision for doubtful trade receivables		207.80		157.64

<b>TOTAL TRADE RECEIVABLES</b>		<b>23622.02</b>		<b>23796.63</b>
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### 17 CASH AND BANK BALANCES

Cash on hand	53.43		52.52	
Cheques on hand	24.83		367.25	
Remittance in Transit	95.44		90.13	
<b>Balance with Scheduled Banks in :</b>				
Surplus Balances in Cash Credit Accounts	0.00		1633.87	
Current Accounts	2381.93	2555.63	5754.60	7898.37
<b>Investment in Liquid Mutual funds*</b>		—		10000.00
<b>Other Bank Balances</b>				
Deposit Accounts (Earmarked)	82.75		64.28	
Unpaid Dividends and FD Interest	254.12	336.87	220.26	284.54
<b>TOTAL CASH AND BANK BALANCES</b>		<b>2892.50</b>		<b>18182.91</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

₹ in Lacs

	2015 - 2016	2014 - 2015
<b>18 REVENUE FROM OPERATIONS</b>		
Sales of Plastic Products	326657.40	438277.44
Income from Processing	645.69	854.95
Construction Business	—	13931.72
Others	5324.67	16122.71
	<u>332627.76</u>	<u>469186.82</u>
Less: Excise Duty Paid	36770.39	47238.68
	<u>295857.37</u>	<u>421948.14</u>
<b>Other operating income</b>		
Industrial Promotion Subsidy	612.51	2538.26
Sundry Receipts	647.75	782.18
License Fees Received	0.00	133.15
Claims & Refunds	133.20	84.99
Liabilities No Longer Required Written Back	233.49	31.87
	<u>1626.95</u>	<u>3570.45</u>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<u>297484.32</u>	<u>425518.59</u>
<b>19 OTHER INCOME</b>		
Dividend Received	0.09	0.04
Profit/(Loss) on Sale/Discard of Capital Assets (Net)	(119.50)	140.40
Profit on sale of Investments	214.18	102.29
Lease Rent	0.27	0.42
	<u>95.04</u>	<u>243.15</u>
<b>20 COST OF MATERIALS</b>		
Cost of Raw Material & Components Consumed	191698.30	263245.72
Cost of Packing Material Consumed	5165.34	6481.23
Cost of Premises Sold	0.00	3732.11
	<u>196863.64</u>	<u>273459.06</u>
<b>21 PURCHASE OF TRADED GOODS</b>		
<b>TOTAL PURCHASE OF TRADED GOODS</b>	<u>5315.09</u>	<u>16961.67</u>
<b>22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods / Semi Finished Goods	20960.34	20997.15
Traded Goods	361.18	340.27
	<u>21321.52</u>	<u>21337.42</u>
<b>Inventories at the end of the year</b>		
Finished Goods / Semi Finished Goods	29440.75	20960.34
Traded Goods	377.71	361.18
	<u>29818.46</u>	<u>21321.52</u>
<b>Change in inventories</b>	(8496.94)	15.90
Increase/(Decrease) in Excise Duty on Finished Goods	1478.93	(45.94)
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<u>(7018.01)</u>	<u>(30.04)</u>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

	₹ in Lacs	
	2015 - 2016	2014 - 2015
<b>23 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages*	13435.19	15064.82
Contribution to Provident & Other Fund	587.94	746.42
Staff Welfare Expenses	826.76	993.62
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>14849.89</b>	<b>16804.86</b>
*Includes remuneration to MD and ED ₹ 1512.57 Lacs (Previous year ₹ 2001.76 Lacs)		
<b>24 OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	2393.30	2787.27
Labour Charges	8047.92	9442.08
Power & Fuel	11522.39	14640.26
Water Charges	72.28	79.16
Repairs & Maintenance of Building	396.43	405.17
Repairs & Maintenance of Plant & Machinery	812.86	1011.14
Repairs & Maintenance (Others)	298.56	416.35
Directors' Fees	51.00	47.90
Rent, Rates & Taxes	1019.97	1130.29
Insurance	138.13	177.66
Corporate Social Responsibility	316.60	368.82
Legal & Professional Fees	903.81	909.57
Travelling & Conveyance	1513.90	1960.42
Vehicle Expenses	288.17	361.91
Advertisement, Publicity & Business Promotion	2822.84	3697.75
Freight and Forwarding Charges	4648.56	6126.27
Printing, Stationery & Communication	622.89	814.41
Royalty	168.71	120.29
Commission & Discount	3623.97	5132.58
Sales Tax	39.27	129.99
Bad Debts (Net of bad debts recovered)	69.62	20.42
Provision for Doubtful Debts	50.16	28.38
Plant Security Services	604.12	664.92
Inspection, Testing and Marking fees	302.03	505.76
Foreign Currency Exchange Fluctuation (Net)	112.88	42.26
Miscellaneous Expenses	519.81	678.40
<b>TOTAL OTHER EXPENSES</b>	<b>41360.18</b>	<b>51699.43</b>
<b>25 FINANCE COSTS</b>		
Interest Expenses	2859.88	5802.95
Other borrowing costs	165.90	215.63
Less: Interest Received	269.12	222.43
<b>TOTAL FINANCE COSTS</b>	<b>2756.66</b>	<b>5796.15</b>
<b>26 DEPRECIATION AND AMORTISATION EXPENSE</b>		
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>10456.79</b>	<b>13898.85</b>



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

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

Name of the subsidiary	Country of Incorporation	Proportion of Ownership As on 31st March, 2016
The Supreme Industries Overseas FZE	Sharjah (UAE)	100%

Name of the Associate	Country of Incorporation	Proportion of Ownership As on 31st March, 2016
Supreme Petrochem Limited	India	29.99%

28. The audited financial statement of the subsidiary and associate are available as on 31st March, 2016 and same have been considered for the preparation of the consolidated financial statements.

₹ in Lacs

### 29 EARNING PER EQUITY SHARE – BASIC / DILUTED

	2015 - 2016	2014 - 2015
Profit after tax (PAT) available for Equity Shareholders (Before exceptional items)	<b>22893.65</b>	32235.55
Profit after tax (PAT) available for Equity Shareholders (After exceptional items)	<b>22124.75</b>	32235.55
Weighted Average Number of Equity shares	<b>127026870</b>	127026870
Nominal Value of Equity shares	<b>2</b>	2
Basic & Diluted Earning Per Share (Before exceptional Income/Loss)	<b>18.02*</b>	25.38
Basic & Diluted Earning Per Share (After exceptional Income/Loss)	<b>17.42*</b>	25.38

\*Not Annualised

### 30 CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Lacs

	2015 - 2016	2014 - 2015
<b>CONTINGENT LIABILITIES</b>		
Bills/Cheques discounted	<b>1635.78</b>	1140.55
Bank Guarantees issued by Bankers	<b>3251.69</b>	2556.00
Claim against the company including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as Debts	<b>1371.32</b>	1383.28
Disputed Income Tax Demands	<b>2705.50</b>	2564.96
Disputed Sales Tax / Entry Tax Demands	<b>965.46</b>	699.29
Other claims against the company not acknowledged as debts	<b>279.94</b>	263.20
Future obligation of exports towards imported capital goods at concessional rate of duty under EPCG Scheme	<b>4069.90</b>	5279.37
<b>COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	<b>4672.76</b>	6072.15
Unexpired Letter of Credit issued by bankers	<b>11144.48</b>	8005.86

#### Notes:

- Most of the issues of litigation pertaining to Central Excise & Service Tax are of repetitive nature & are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgment of CESTAT or High Courts which supports its contention. As such no material impact on the financials of the company is envisaged.
- In case of Income Tax, matters pertaining to additions / disallowances, where the Company has preferred an Appeal, are repetitive in nature. Company has obtained Legal Counsel's opinion on all major items of dispute, who opines favourably and are also backed by various decisions of ITAT and/or various High Courts.

Based on internal assessment and opinion received from Tax experts, the Management is of the view that the impact of the risk associated with the pending Income tax matters, if any, in Appeal is moderate and shall not impact the Company's financials substantially.



## Notes to Financial Statements for the Period ended 31<sup>st</sup> March, 2016

- c) Sales Tax and Entry Tax related litigation/demand primarily pertains to non-submission of required declaration forms in time due to non-receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
  - d) Company is reasonably confident to fulfil its export obligation within the stipulated period of the respective EPCG licenses and does not envisage any material financial impact.
  - e) Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.
- 31** Company had planned to venture into manufacturing of Composite Pipes for Oil & Gas exploration. However, technical collaborator of the project could not enable the company to produce the specified product. As of now, management has decided to abandon the project and write-off the incurred cost of the project amounting to ₹ 768.90 lacs and the same has been shown under Exceptional Items during the year.
- 32** There is only one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial are not appended hereto.
- 33** Current financial period comprises a period of 9 months from 1st July, 2015 to 31st March, 2016. As such the financial statements attached are for a period of 9 months only against the previous year figures which are for a period of 12 months and thus are not comparable. The previous year's figures have been re-grouped / re-classified wherever required to confirm to current period's classification.



## THE SUPREME INDUSTRIES LIMITED

Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021  
CIN: L35920MH1942PLC003554

### ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D. P. ID*		L.F. No.	
Client ID*		No. of Shares held	

I/We hereby record my/our presence at the 74th Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 on Tuesday, 28th June, 2016 at 4.00 p.m.

Name of Shareholder(s)  
(in Block Letters) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Name of Proxyholder(s)  
(in Block Letters) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Proxy holder 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

**Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.**



## THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai - 400 021  
CIN : L35920MH1942PLC003554

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L35920MH1942PLC003554  
Name of the Company : The Supreme Industries Limited  
Registered office : 612, Raheja Chambers, Nariman Point, Mumbai 400021

Name of the member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of above named Company, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 74th Annual General Meeting of the company, to be held on Tuesday, 28th June, 2016 at 4.00 p.m., at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Optional *	
		For	Against
1	To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2016, including the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss for the year ended, on that date and reports of the Board of Directors and Auditors thereon. (Ordinary resolution)		
2	To confirm the payment of 1st Interim Dividend and 2nd Interim Dividend on Equity Shares by the Board of Directors of the Company. (Ordinary resolution)		

Resolutions		Optional *	
		For	Against
3	To appoint a Director in place of Shri Bajranglal Surajmal Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment. (Ordinary resolution)		
4	Appointment of Auditors and fix their remuneration. (Ordinary resolution)		
5	Appointment of Cost Auditors.(Ordinary resolution)		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature of Shareholder

Affix  
₹. 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

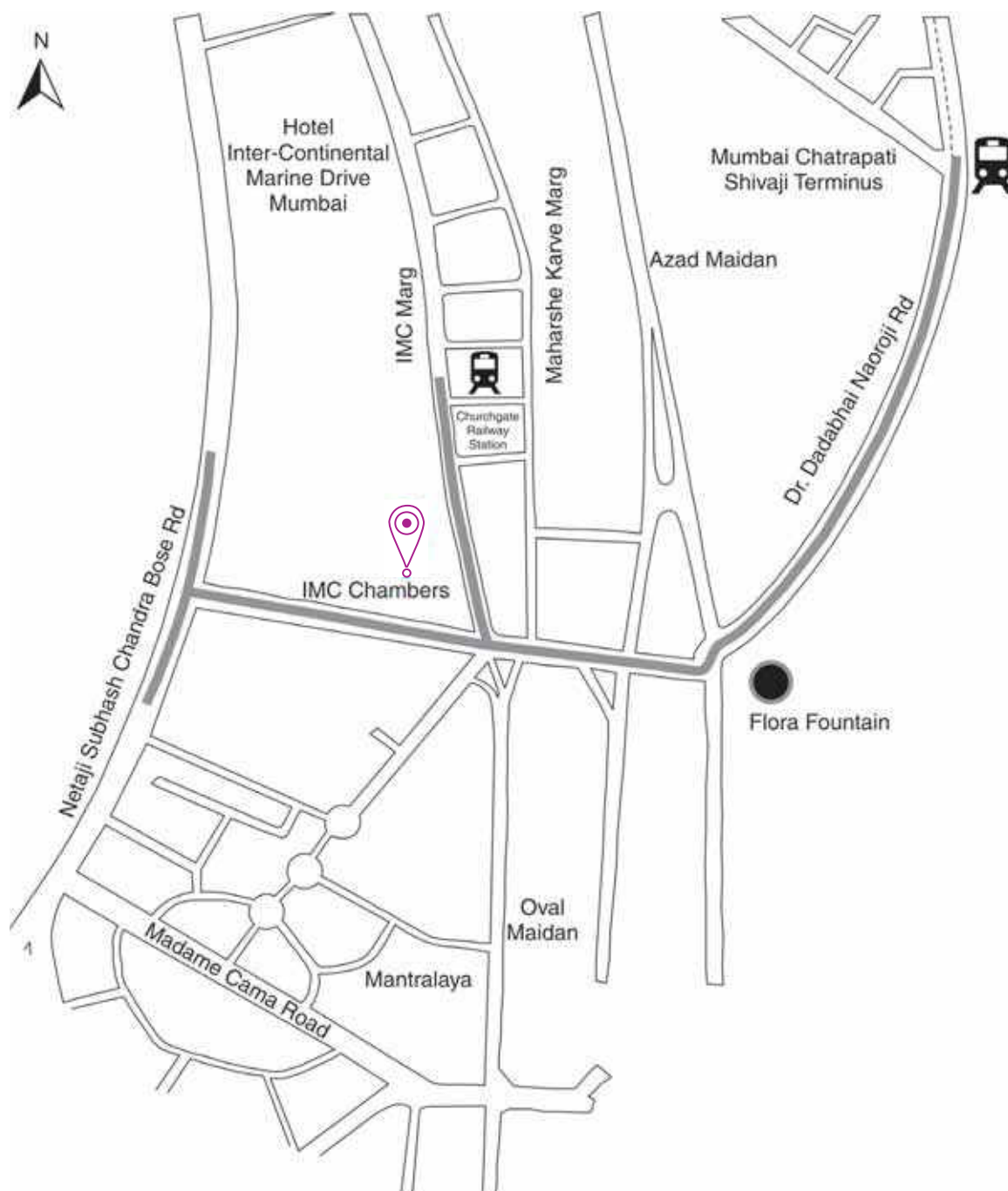
Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of 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 shareholder.
- (4) \* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- (5) In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.



**Route Map to the AGM Venue of:**

The Supreme Industries Limited  
74th Annual General Meeting,  
Tuesday, 28th June, 2016  
at 4.00 p.m.



**Venue:**

Walchand Hirachand Hall,  
Indian Merchant's Chamber,  
Near Churchgate Station,  
76, Veer Nariman Road,  
Mumbai - 400020



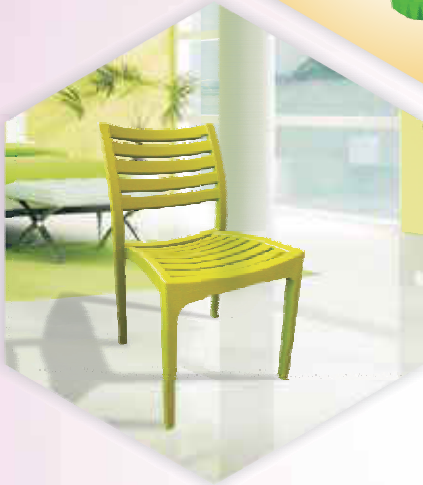


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## THE SUPREME INDUSTRIES LIMITED

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