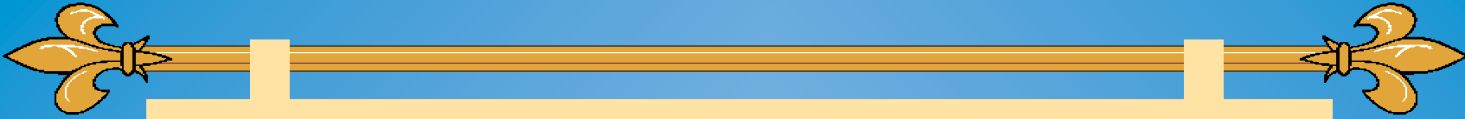


68th Annual Report 2009-10





Growth is not a journey of an individual.

It is a cumulative effort of a team that
has a common dream and
shares the same passion to realise it
and Supreme is no exception.

In its existence of almost 7 decades,
Supreme has always been a family of enterprising and
enthusiastic individuals where everyone has
played a pivotal role in shaping a promising tomorrow.

Each and every stakeholder has been a pillar
on which the foundation of future
has been laid.

We have crossed many
milestones and many other are on their way.

During this journey of accolades and
achievements, one thing that has become the
force behind the Supreme success story
is the fact that

"Together We Are "
"Together We Grow"



Performance Highlights

Supreme®
People who know plastics best

(₹ in Lacs)

ANNUAL REPORT
2009-2010

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Polymers Processed (MT)	68413	83499	91913	100053	95439	118115	130547	139239	172746	191704
Sales	53487.76	67466.02	79241.62	90925.15	93150.04	113067.09	132963.00	149882.45	180900.03	217159.45
Less: Excise Duty	6960.63	8339.50	9904.92	11297.96	11740.33	14860.69	16796.94	18860.35	15707.16	16585.69
Net Sales	46527.13	59126.52	69336.70	79627.19	81409.71	98206.40	116166.06	131022.10	165192.87	200573.76
Other Income	289.13	338.96	380.59	242.14	1003.30	466.61	666.76	893.91	904.53	1621.55
Total Income	46816.26	59465.48	69717.29	79869.33	82413.01	98673.01	116832.82	131916.01	166097.40	202195.31
Operating Profit (PBITD + MISC.EXP/W/Off)	7126.50	8795.02	8774.47	8908.42	9008.77	10193.24	13629.66	15272.04	24698.97	30556.28
Interest	4119.17	4234.08	3271.54	2560.43	2508.59	2696.04	3300.57	3897.92	5456.03	3302.71
Gross Profit	3007.33	4560.94	5502.93	6347.99	6500.18	7497.20	10329.09	11374.12	19242.94	27253.57
Depreciation	2570.60	3349.69	3647.87	4139.01	3929.84	4134.10	4024.59	3951.04	5251.74	5292.03
Profit Before Tax & Exceptional Items	436.73	1211.25	1855.06	2208.98	2570.34	3363.10	6304.50	7423.08	13991.20	21961.54
Tax & Exceptional Items	160.64	94.00	353.75	110.09	205.00	-656.08	-1291.36	-2310.88	-4251.24	-7489.00
Profit after Tax	276.09	1117.25	1501.31	2098.89	2365.34	4019.18	5013.14	5112.20	9739.96	14472.54
Prior Years Adjustments	3.73	-2.45	-73.49	7.99	-0.85	-23.37	2.22	-1.37	-1.35	10.48
Net Profit	279.82	1114.80	1427.82	2106.88	2364.49	3995.81	5015.36	5110.83	9738.61	14483.02
Paid up Equity Capital	971.49	1001.23	1001.23	1339.08	1339.08	1381.08	2762.17	2762.17	2540.54	2540.54
Reserves and Surplus*	12730.58	12870.54	17069.45	18446.36	19409.84	18352.36	19576.27	22004.49	25990.94	35136.56
Shareholders' Funds	13702.07	13871.77	18070.68	19785.44	20748.92	19733.44	22338.44	24766.66	28531.48	37677.10
Loans	27655.27	24251.20	24099.87	20446.01	24653.54	23748.68	22831.83	30032.03	24874.07	22906.09
Deferred Tax Liability (Net)						4283.20	4733.2	5228.09	6428.09	6984.39
Capital Employed**	41041.39	37843.43	42368.54	39659.68	45230.48	44516.59	41246.93	53185.49	58602.33	66259.22
Net Fixed Assets***	24793.30	29383.64	31178.11	28164.46	29759.72	32367.14	33356.68	46113.78	54024.26	56118.37
Net Current Assets	10554.68	5177.15	8312.48	8016.88	11992.43	8752.23	1385.72	1190.04	1097.00	6489.16
Earning Per Equity Share (₹)	2.88	11.13	14.26	15.73	17.66	28.93	18.16	18.50	38.33	57.01
Cash Earning Per Equity Share (₹)	29.30	44.52	38.48	46.60	47.01	59.04	32.72	32.81	59.01	77.80
Book Value (₹)	141.00	139.00	141.00	148.00	156.00	142.88	80.87	89.66	112.30	148.30
Dividend (%)	30.00	60.00	70.00	90.00	90.00	100.00	75.00	80.00	120.00	180.00
PBITD / Average Capital Employed	18.83	22.30	21.88	21.72	21.22	22.72	31.78	32.34	44.19	48.94
ROACE (%)	12.04	13.81	12.78	11.63	11.97	13.50	22.40	23.98	34.79	40.47
PBIT / Average Capital Employed										
ROANW (%)	2.01	8.10	9.40	11.09	11.67	19.86	23.83	21.71	36.55	43.72
(PAT / Average Net Worth)										
Debt : Equity (Long Term Debt / Total Net worth)	1.10	1.18	0.59	0.83	0.95	0.65	0.89	1.17	1.02	0.49
Debt: Equity (Total Debt / Total Net Worth)	2.02	1.75	1.33	1.03	1.19	1.20	1.02	1.21	0.87	0.61
Employees' Strength	1676	1790	1939	1876	2113	2202	2349	3055	3245	4074

* excluding revaluation reserves & after reducing miscellaneous expenditure

** excluding revaluation reserves, miscellaneous expenditure & capital work-in-progress

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

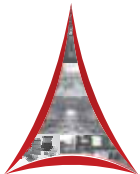




Khushkhera Plant Obtained recognition for 'Manufacturing Excellence' from Maruti Suzuki India Ltd. This award was received by Shri S. J. Taparia, Executive Director at MSIL conference held in Hong kong.



Noida Plant received recognition for Energy Conservation from Government of India Ministry of Power in the hands of Hon. Power Minister, Mr. Sushilkumar Shinde.



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
E. B. Desai, Director
H. S. Parikh, Director
N. N. Khandwala, Director
S. R. Taparia, Director
Y. P. Trivedi, Director

Sr. VICE - PRESIDENT (FINANCE) & SECRETARY

O. P. Roongta

Sr. VICE - PRESIDENT (OPERATIONS)

J. M. Totla

BANKERS

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

AUDITORS

M/s. Chhogmal & Co.,
Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

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

OFFICES

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

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Notice

NOTICE is hereby given that the Sixty Eighth Annual General Meeting of the Company will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai – 400020, on Tuesday the 14th September, 2010 at 4.00 p.m. to transact, with or without modification(s), as may be permissible, the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Statement of Accounts together with the Auditors' Report thereon for the financial year ended 30th June, 2010.
2. To confirm the payment of Interim Dividend on Equity Shares by the Board of Directors of the Company and to declare a Final Dividend on Equity Shares for the Financial year ended 30th June, 2010.
3. To appoint a Director in place of Shri N. N. Khandwala, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Y. P. Trivedi, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the said Act"), including any modification(s) or re-enactment(s) thereof for the time being in force and the provisions of Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions, if any, necessary, the existing Equity Share of the face value of ₹ 10/- (Rupees Ten) each in the Authorised Capital of the Company be sub-divided into five Equity Shares of the face value of ₹ 2/- (Rupees Two) each and consequently the sub-divided Authorised Share Capital of the Company shall be ₹ 75,00,00,000/- (Rupees Seventy Five Crores) divided into (i) 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 2/- (Rupees Two) each, (ii) 1,12,00,000 (One Crore Twelve Lacs) Redeemable Preference Shares of ₹ 10/- (Rupees Ten) each and (iii) 3,38,00,000 (Three Crores Thirty Eight Lacs) Unclassified Shares of ₹ 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT consequent to the sub-division of the Equity Shares, as aforesaid the existing Issued, Subscribed and Paid-up Equity Share Capital of ₹ 25,40,53,740/- (Rupees Twenty Five Crores Forty Lacs Fifty Three Thousand Seven Hundred Forty) comprising of 2,54,05,374 (Two Crores Fifty Four Lacs Five Thousand Three Hundred Seventy Four) Equity Shares of ₹ 10/- each fully paid-up also stands sub-divided into 12,70,26,870 (Twelve Crores Seventy Lacs Twenty Six Thousand Eight Hundred Seventy) Equity Shares of ₹ 2/- (Rupees Two) each, fully paid-up.

RESOLVED FURTHER THAT the Share Certificates in relation to such of the issued Equity Shares of the Company as are in physical form be cancelled and fresh certificates be renumbered if so required and issued in lieu thereof with regard to the sub-divided Equity Shares in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 to the holders of the Equity Shares whose names stand in the Register of Members, and in case of shareholders who opt to receive the sub-divided Equity Shares in dematerialised form, the sub-divided Equity Shares shall be credited to the respective beneficiary accounts of the shareholders with their Depository Participant.

RESOLVED FURTHER THAT the Board of Directors of the Company including a committee of the Board, (hereinafter referred to as "the Board") be and is hereby authorised to fix the record date for determination of entitlement to sub-divided Equity Shares consequent upon the aforesaid sub-division of Equity Share Capital.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for the removal of doubts or difficulties, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper to give effect to this Resolution and to settle any question or doubt that may arise in relation thereto in the manner as the Board in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons."

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

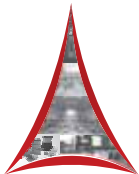
"RESOLVED THAT on the above Resolution No.6 being duly passed and becoming effective, the existing clause VI of the Memorandum of Association of the Company be deleted and substituted by the following:-

VI The Authorised Share Capital of the Company is ₹ 75,00,00,000/- (Rupees Seventy Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 2/- (Rupee Two) each and 1,12,00,000 (One Crore Twelve Lacs) Redeemable Preference Shares of ₹ 10/- (Rupees Ten) each and 3,38,00,000/- (Three Crores Thirty Eight Lacs) Unclassified Shares of ₹ 10/- (Rupees Ten) each."

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

"RESOLVED THAT on the above Resolution No.6 being duly passed and becoming effective the existing Article 5(a) of the Articles of Association of the Company be and is hereby deleted and substituted by a new Article 5(a) as under :-

5(a) The Authorised Share Capital of the Company is ₹ 75,00,00,000/- (Rupees Seventy Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 2/- (Rupees Two) each and 1,12,00,000 (One Crore Twelve Lacs) Redeemable Preference Shares of ₹ 10/- (Rupees Ten) each and 3,38,00,000/- (Three Crores Thirty Eight Lacs) Unclassified Shares of ₹ 10/- (Rupees Ten) each."



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

“RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and further subject to the Central Government's permission, the Monthly Remuneration payable to Shri Vivek Taparia, Business Development Manager, be increased from the Basic Salary of ₹ 10,150/- + Car, in M3 Grade since 1st July 2003, to a Basic Salary of ₹ 1,15,500/- + Car, in SM-1 grade w.e.f. 1st July, 2010 and that the Allowances and Benefits including Bonus and other Perquisites and Privileges, as are applicable to other officers in the said SM-1 Grade, be made available to him on the following terms :-

(1) Salary

Monthly salary of ₹ 1,15,500/- (Rupees One Lakh Fifteen Thousand Five Hundred only) in the scale of ₹ 1,15,500 – ₹ 10,000 – ₹ 1,65,500 per month, during his tenure of office (first increment falling due on 1st July, 2011).

(2) Perquisites

- (a) The monthly allowances as are available in the Grade SM1, which presently aggregate to ₹ 37,500/-.
- (b) Medical allowance per annum restricted to 2 months Basic salary.
- (c) Leave Travel concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- (d) (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

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

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service.
- (4) Free use of motor car with chauffeur provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof.
- (5) Free telephone facility at residence. All charges including rental, call charges, etc. thereof shall be paid by the Company in full.
- (6) Reimbursement of entertainment and other business promotion expenses actually incurred by him in the course of business of the Company.

AND RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to accept such modifications of the above terms of remuneration as the Central Government may suggest or require or impose while granting its approval and take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.”

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item Nos. 6 to 9 of the above Notice is annexed.
3. Register of Members and the Share transfer books of the Company will remain closed from Tuesday, the 7th September, 2010 to Tuesday, the 14th September, 2010 (both days inclusive).
4. The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 14th September, 2010. However, in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as at the close of business on Monday, the 6th September, 2010 as per details furnished by the Depositories for this purpose.
5. Pursuant to provisions of Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2003 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 expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie in respect thereof.**
6. Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
7. As required under Clause 49 of the Listing Agreement of the Stock Exchanges, the relevant details of persons seeking appointment / re-appointment as Directors are furnished in the Corporate Governance Report forming part of the Annual Report, as if the same were set out herein.

By order of the Board

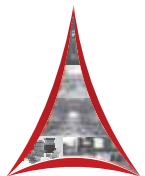
O. P. Roongta

Sr. Vice-President (Finance) & Secretary

Registered Office

612, Raheja Chambers,
Nariman Point,
Mumbai 400 021

Dated : 16th July, 2010



EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956, REGARDING SPECIAL BUSINESS

Item Nos. 6 to 8

The present Authorised Share Capital of the Company is ₹ 75,00,00,000/- (Rupees Seventy Five Crores) divided into (i) 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- (Rupees Ten) each, (ii) 1,12,00,000 (One Crore Twelve Lacs) Redeemable Preference Shares of ₹ 10/- (Rupees Ten) each and (iii) 3,38,00,000 (Three Crores Thirty Eight Lacs) Unclassified Shares of ₹ 10/- (Rupees Ten) each respectively.

Keeping in view the requests of the Shareholders, and with a view to create easy marketability and to improve the liquidity of the Shares, and to encourage participation of the retail investors, as also the prevailing trend on the Stock Exchanges in India, it is considered desirable to sub-divide the existing Equity Shares of ₹ 10/- (Rupees Ten) each into Equity Shares of ₹ 2/- (Rupees Two) each. Article 39 of the Company's Articles of Association empowers the Shareholders in General Meeting to subdivide the Equity Shares of the Company into Equity Shares of smaller denomination and hence the Resolution at Item No. 6 of the above Notice. The sub-division of Equity Shares will necessitate consequential changes in the relevant clauses of the Memorandum and Articles of Association of the Company as set out in Resolution Nos. 7 and 8 of the above Notice. The Directors commend the Resolutions mentioned in these items of the Notice for your approval.

The Directors of the Company may be deemed to be interested or concerned in the above Resolution No. 6 to the extent of the Equity Shares, if any, held by each of them.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by the Shareholders of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on week days upto the date of the Annual General Meeting.

Item No. 9

Shri Vivek Taparia, a relative of the Promoter Directors of the Company, had been appointed as a Business Manager, pursuant to the Resolution passed u/s 314 (1-B) of the Company's Act, 1956, by the Members at the Annual General Meeting held on 17th October, 2003. He was appointed w.e.f. 1st July, 2003, on a Monthly Basic Salary of ₹ 10,150/- + Car in the Managerial Grade – M3 with applicable Allowances and Benefits, including Bonus and other Perquisites. Since

his appointment, he has been actively involved in various activities and the execution of various projects on behalf of the Company.

His remuneration needs to be increased suitably, commensurate with the responsibilities assigned to Shri Vivek Taparia and being carried out by him, in line with the remuneration presently being paid to other officers. He also looks after the Execution of the Andheri Commercial Complex Project and is heading the Product Development, Advertisement and marketing of the Furniture Division of the Company. He is also a member of the Team of the Company's Corporate Management Group. He has been performing his duties ably and efficiently during all these years. Though the remuneration payable to many of the other staff members, who were in a similarly placed position in the M-3 grade since 1-7-2003, when he was first appointed, and have since been promoted to higher grades, and whose salaries have also been increased substantially to much higher levels, however no increments were given to Shri Vivek Taparia in the past 7 years, in view of the limitation imposed u/s 314 (1-B) and his remuneration had been languishing at the restricted level of less than ₹ 50,000/- per month viz. ₹ 48,000/- per month. Therefore, it will be just and fair to promote him with a suitable designation and increase his remuneration to a reasonable level commensurate with the responsibility / assignments presently being handled by him, as is the case of other officers similarly placed in the same grade in the Company. The Special Resolution is accordingly brought before this Annual General Meeting. The increase in his remuneration which is subject to the Central Government's permission is commended for your approval.

Shri B. L. Taparia, Shri M. P. Taparia, Shri S. J. Taparia, and Shri V. K. Taparia, Directors of the Company, being related to Shri Vivek Taparia, are deemed to be interested in the Resolution.

By order of the Board

O. P. Roongta

Sr. Vice-President (Finance) & Secretary

Registered Office

612, Raheja Chambers,
Nariman Point,
Mumbai 400 021

Dated : 16th July, 2010



Directors' Report

The Directors have great pleasure in presenting the 68th Annual Report together with the Audited Financial Statements for the financial year ended 30th June 2010.

FINANCIAL RESULTS

	(₹ in lakhs)	
	Current Year	Previous Year
Total Income (net)	202195.31	166097.40
Profit before interest, depreciation and tax	30556.29	24698.97
Interest and financial charges	3302.71	5456.03
Depreciation, Amortization and Impairment	5292.04	5253.09
Profit before Tax and Exceptional Income	21961.54	13989.85
Exceptional Income	—	622.76
Profit Before Tax	21961.54	14612.61
Provision for Current Tax	6932.70	3554.00
Deferred Tax	556.30	1200.00
Fringe Benefit Tax	—	120.00
Excess provision of earlier years w/back	-10.48	—
Net Profit available for Appropriation	14483.02	9738.61
Appropriation:		
Interim Dividend	1270.27	—
Proposed (final) Dividend	3302.70	3048.64
Tax on Dividend	764.42	518.12
Transferred to General Reserve	9145.63	6171.85
	14483.02	9738.61

DIVIDEND

	₹	₹
(i) Dividend on 2,54,05,374 Equity Shares of ₹ 10 each @ 180% i.e. ₹ 18/- per share as follows (Previous year on 2,54,05,374 Equity Shares of ₹ 10/- each @ 120% i.e. ₹ 12.00 per share) a) Interim Dividend @ 50% i.e. ₹ 5/- per share (already paid in January 2010) b) Final Dividend recommended @ 130% i.e. ₹ 13/- per share	12,70,26,870 33,02,69,862	45,72,96,732
(ii) Corporate Dividend Tax as applicable (including ₹ 2,15,88,217/- paid on Interim Dividend)		7,64,41,913
		53,37,38,645

SUB-DIVISION OF EQUITY SHARES

Presently the Equity Share Capital of the Company consists of 2,54,05,374 Equity Shares of ₹ 10/- (F.V.) each, fully paid-up. Your Directors have pleasure in recommending sub-division of each Equity Share into 5 Equity Shares of ₹ 2/- (F. V.) each.

MANAGEMENT DISCUSSION AND ANALYSIS

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



FIXED DEPOSITS

The amount of Fixed Deposits has increased from ₹ 3415.29 lakhs to ₹ 3929.67 lakhs. Out of deposits which matured during the year, 302 deposits amounting to be ₹ 60.05 lakhs remained unclaimed as on 30th June, 2010 of which ₹ 5.80 lakhs have since been renewed/refunded.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2010 and of the Profit and Loss Account for the year ended June 30, 2010;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

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

PERSONNEL

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

SUPREME PETROCHEM LIMITED (SPL)

Supreme Petrochem Ltd. (SPL) promoted jointly by your Company and the R Raheja Group completed the project for increasing the installed capacity of the Expandable Polystyrene (EPS) plant at Chennai to 27700 TPA in June 2010. Optimum capacity utilization is expected by October 2010.

Commercial production of Extruded Polystyrene (XPS) commenced from August 2009.

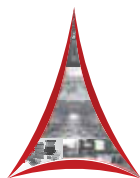
Agreements for gas transmission and allocation have been signed with GAIL and gas pipeline for gas delivery have been laid at plant site in Maharashtra. This will enable SPL to set up a gas engine based captive plant of 3500 KVA to act as a buffer against power shortages and help in cost reduction.

The project for expansion of compounded plastic capacity to 33580 TPA from 25000 TPA is in progress and scheduled for completion in 2010.

The work for setting up EPS manufacturing facility as also the cup grade EPS facility with technology from NOVA Chemicals Inc USA is making good progress. Commercial production is expected in the first quarter of 2011.

SUBSIDIARY COMPANY

With a view to expand its business in Gulf Countries, the Company has promoted The Supreme Industries Overseas (FZE), a wholly owned subsidiary of the company incorporated in SAIF zone, UAE by investing a sum of AED 150,000 (equivalent to ₹ 18.88 lacs). The company has made a Cash Profit of AED 1,35,395 during the year.



Recessionary trends continued to exert pressure on export performance for the second year in succession. Eventually the drop in sales value is nominal compare to the drop during the last year vis-à-vis the previous year. This is mainly because of shrinkage in demand of piping products in GCC, Australia and part of Africa. Despite of these recessionary conditions, the Company managed to add new customers as well entered new countries and expanded the range of products being exported.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements form part of this Annual Report.

The Company has sought an exemption from the Government of India, Ministry of Company Affairs, New Delhi under Section 212 (8) of the Companies Act, 1956, from attaching to this Report, the Annual Report of its subsidiary company for the year ended 30th June, 2010. Accordingly, the Annual Report of its subsidiary company is not attached to this Report. A gist of the financial performance of the subsidiary company is given in this Annual Report.

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

DIRECTORS

Shri N. N. Khandwala and Shri Y. P. Trivedi, Directors of the Company retire by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

AUDITORS

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

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: 16th July, 2010



Annexure to the Directors' Report

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

(I) CONSERVATION OF ENERGY

Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. Various investments in reducing the consumption of energy has helped the company to reduce the overall electricity bill. Further study is on to see various alternative sources of energy or alternative fuels for electricity generation. With the new Electricity Act on the horizon, the Company is keeping all options open before finally deciding on going for captive generation plant.

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

(II) TECHNOLOGY ABORPTION, ADAPTION AND INNOVATION

(i) Research & Development (R&D)

Ongoing 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.

(d) To modify the process parameters to improve the quality.

(e) Exemption on R & D : Not significant.

(ii) Technology Absorption

- The Company has taken knowhow for manufacture of Cross Laminated Films & products from Ole-Bendt Rasmussen, Switzerland and the technology is fully absorbed.

The Company's collaborators have developed Cross Line Bonded Film, which is a next generation XF Film having superior properties. They have been granted Indian Patent for this film valid upto 2023.

- The Company has entered for technical knowhow arrangement with M/s. Sanwa Kako of Japan, one of the leaders for two-stage cross link foam.

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

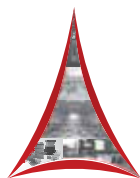
Total foreign exchange earned and used

	₹ in lacs
Foreign Exchange Earned	: 5874.03
Foreign Exchange Used	: 57803.23

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place : Mumbai
Date : 16th July, 2010



1. OVERVIEW

Global economic environment continues to remain quite volatile. In the current globalised economy, it is not possible to remain insulated from swings in the global economy. However, Government of India is quite alert and proactive to continuously guide the economy on a growth path in this tough period. The Indian entrepreneurs also have shown great resilience to ride through smoothly in this economic situation.

It is forecasted that the GDP growth in the current year may touch 9.5%. This will be way ahead of the growth of GDP in the last two years.

Government of India has withdrawn some of the stimulus measures by increasing excise duty from 8% to 10%. The withdrawal is calibrated in such a manner as not to endanger growth impulse.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

Plastics consumption in our economy has gone up by 16% in volume in the year April 2009 to March 2010 against previous year. Another supplier of Polymers - Indian Oil Corporation Limited - having a petrochemical complex at Panipat - has now gone into production. Expanded capacity of PP plant of Reliance Industries Limited at Jamnagar has gone into production. Haldia Chemicals Limited has also increased their capacities of PP and PE in West Bengal. Thus, with the increased availability of indigenous raw material, prices of polymers may remain at an affordable level.

Government is giving big push to introduce Goods and Service Tax (GST) with effect from 1.4.2011. The constraints to implement the same are being removed one after another. With the positive approach from the Central Government and State Governments, it is likely that the country may not miss the dead line to launch GST from 1.4.2011.

The introduction of GST will integrate the country's economy. This will boost the growth of your Company's business.

The Central Government has given special focus to improve infrastructure of 91 cities from 63 cities and Towns as announced earlier in the country under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). This opens several businesses opportunities for the Company to participate in supply of Potable Water and improvement of sewerage system made from Plastics.

The country is allocating large sums of monies to boost agricultural productivity. Your Company is actively participating to play its role to provide innovative tools to farmers to save water and boost agricultural productivity.

The Government is further giving special push to increase the residential housing activity.

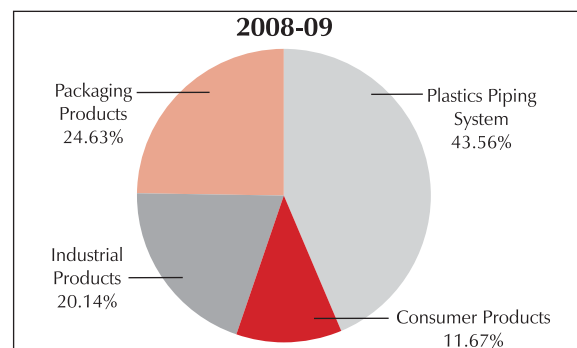
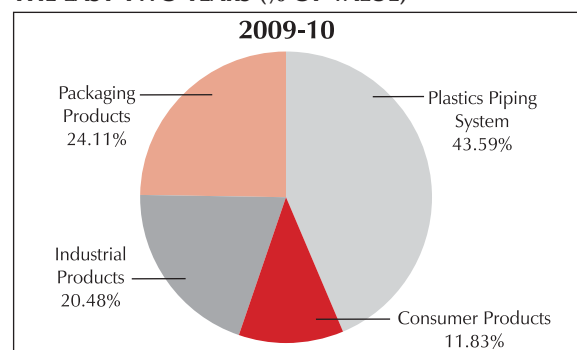
All these initiatives taken by the Government on infrastructure, Agriculture and Housing will facilitate your Company to boost its business volume year after year. The Company expects to achieve 20% plus volume growth per year in medium term.

3. PRODUCT GROUPS

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

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

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



The net turnover (including other income) of the Company under review was ₹ 2021.95 crores (including ₹ 128.54 Crores by way of trading in other related products and ₹ 20.45 crores from sale of premises) as against ₹ 1660.97 crores (including ₹ 94.33 crores by way of trading in other related products) of the previous year.

The Company has processed 1,91,704 tons of Polymers as against 1,71,364 tons of Polymers (excluding discontinued businesses) in the previous year, reflecting a growth of 11.87% in Polymer consumption.

The Company exported goods worth US \$ 13.30 million as against US \$ 15.01 million (excluding discontinued businesses) in the previous year registering a de-growth of 11.39%.

Profit before interest, depreciation and exceptional items and taxes during the year under review have gone up by 23.71% from ₹ 246.99 crores to ₹ 305.56 crores during the year.

4. COMPANY'S STRENGTH AND GROWTH DRIVERS

4.1 Manufacturing sites

During the year, the Company has opened a new site at Tamil Nadu. The Company has divested its assets at Nandesari. Thus the Company will continue to operate from 19 manufacturing sites.

4.2 Distribution network

The Company's distributors networks are increasing year after year. There are still several towns where dealer net works have to be created. The Company is focusing to cover the unrepresented towns with growth potential in the next two years' time frame.

4.3 Growth drivers

The Company's focus remains to increase the share of value added products along with top line growth. Large investments in different product segments have been made in the year. Further investments of ₹ 180 crores have been planned to achieve the twin objective of top line growth and increase in share of value added products in the year 2010-11 in all its existing product segments.

Substantial portion of these amounts will be spent in segments other than Performance Packaging film and Cross Laminated film. In these two segments, committed capacities have still to go in production, in one of them and due to lower capacity utilization in the other segment on account of shortage of labour.

5. OPERATIONAL PERFORMANCE

5.1 PLASTICS PIPING SYSTEMS

The PVC resin prices were less volatile during the Financial Year 2009-2010 compared to previous years. The resin prices remained range-bound.

There has been addition to the resin production capacity of Chemplast Sanmar Ltd. taking total local production capacity to 1.2 million tons. However, the demand during the year 2009-2010 has reached 1.8 million tons, thus creating large dependence on imports.

There are hardly any large capacity coming up for manufacture of PVC resin in the world market and therefore, the supply side of resin is appearing to remain tight and the country will depend continuously on large volume imports.

Since both Europe and USA have still not come out of recession, the present global resin capacity may appear adequate for some time. However, your Company will have to depend on imports to a large extent.

It is estimated that the PVC consumption in pipe segment has increased by about 20% during the period April 2009 to March 2010. Against this estimate your Company clocked a growth of around 17.5%. During the year under review the Company sold 110.58 million metres of pipes (97.23 million metres during 2008-2009) and 97.7 million pcs of fittings (72.79 million pcs during 2008-2009).

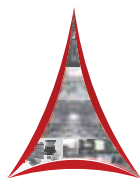
Both Gadegaon and Jalgaon plants were under consolidation phase during the year under review. This was the first full year of operation of moulding shop at Jalgaon after re-structuring and re-layout of the plant.

There is further expansion undertaken to meet the growing demand of moulded fittings. The Company expects to commence full production of expanded capacity by July'2010. Hence, the Company will have benefit of increased production for the period of 11 months in the coming year.

At Gadegaon, apart from completing the expansion activity in uPVC and CPVC production lines, the Company had undertaken a major project of mixing automation for large production capacity of Company's PVC Pipe Division. The entire activity was completed by December 2009.

The Company is seeing the benefit of automation in terms of increase in out put, reduction in man power requirement as well as consistency in quality. This has also helped in improving the environment in the mixing division.

Apart from renewal of ISO 9001/2008 certification, the Gadegaon unit is way ahead in implementing (Environmental Management Systems) EMS (ISO 14001) and (Occupational, Health & Safety, Assessment Series) OHSAS (BS 18001) certification very soon. The Company expects to receive both the certifications during the first quarter of the current year.



The Gadegaon plant has also got BIS certification for marking of

- Irrigation Lateral Tubes as per IS 12786-1989
- HDPE pipes for sewage application as per IS 14333-1996
- PPRC Pipes as per IS 15801-2001
- The Company has also received approvals for Sprinkler pipes for both Part I & Part II as per IS 14151 - 1999

The quality of various pipes and fittings manufactured by your Company are acknowledged as the best in the market place. The brand names "Supreme", "Acqua Gold", "Life Line" and 'Indo Green' are capturing various markets on PAN India basis.

Your Company is in the process of creating a training centre to train people about right method of installation of various piping products. The Company is also building a Display Centre showing various systems made by your Company. Both the training and display centre will be ready by September 2010.

The training centre will undertake a certification course for the plumbers. The curriculum for the same is under preparation.

The training centre and display centre will also be used for training farming community for right use of the piping products in a given application.

The Company's channel partners will be encouraged to bring more of their dealers/sub-dealers and end customers to visit the training and display centre. The objective is to provide appropriate knowledge about Company's products to the end users. This will also educate the customers to know the advantages of plastic piping products over pipes made from conventional products.

This may also enable the Company to establish Brand loyalty with the end users. Similarly plumbing contractors, Civil Engineers, Developers and Architects may visit the training cum display centre to enable them to know the wide variety of products the Company makes alongwith their usage. Presently your Company is the only Company which can claim of having various systems available for different applications required in the field of Irrigation, water transportation, industrial usage, infrastructure requirements, Borewell, requirement for building industry, sewerage and rain water harvesting from a single source.

The Company has planned to expand it's capacity at the Kanpur plant to 15000 Tons p.a. from the present level of 8000 Tons p.a. The Company hopes to commission the new capacity before December 2010. The Company has acquired further 7 acres of adjoining land for this purpose. This will facilitate the Company to expand further capacity at the same location.

Due to drought conditions in many parts of the country last year, there was de-growth in the irrigation sector. Because of the drought condition, many State Governments had enforced a ban on digging new Borewells.

With the onset of good monsoon and forecast of good rain fall during the current year the Company expects more demand for its products for Irrigation as well as Borewell sectors.

The Company's pipes and fittings are finding better acceptance in Drip Irrigation segment. Most prominent brands like Neta-fim, John Deere & Harwell Azud are continuously sourcing their requirement of PVC pipes and fittings from the Company.

Your Company's products are quite popular in housing segment. The Company's newly launched CPVC Lifeline products grew more than 120% in volume over the previous year. The Company is ready to launch complete range of CPVC pipes and fittings as per ASTM standards above 2" dia and upto 4" dia. This will enable the Company to participate in Industrial applications. The Company expects to have substantial growth in CPVC business during the current year. The Company's PPRC products for Hot & Cold water plumbing applications are doing well. Due to shortage of power in rural India, the use of CPVC is gaining strength over PPRC system.

The Company's lead free "Aqua gold" plumbing system for cold water carrying has grown nearly 50% over previous year. The brand is quite popular at the market place. It is successful in replacing GI products in housing industry. The cost of product is less than 50% of GI pipes and hence housing segment is benefited in terms of getting a superior quality product with more than double the life of GI pipe at a much lower cost. The Company expects this pipe line system to grow manifold in years to come.

Your Company is planning to introduce a new economy range of plumbing products to suit the requirement of rural Indian market where most of the houses are single storied.

The Company expects the replacement market to become prominent as more and more buildings will undergo renovation. To meet this additional requirement of market, your Company is focusing on retail marketing. It expects to create large numbers of retail network on PAN India basis, through its channel partners. Presence in retail market will improve the visibility of the Company's products. It may also help in building the Brand image of the Company's piping systems.

The Government of India has announced addition of 28 more cities under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) scheme. The Company is seeing the growth in its market share in earlier announced 63 cities and towns under JNNURM.



The Company expects enhanced opportunities to further expand business in more cities under this scheme. The overall real estate business for housing is on a high growth path. This will increase the market for Plastics Piping System.

Your Company's products being respected in the housing segment will be benefited with the growth in housing sector.

The Company's business of polyethylene pipes has grown nearly 100% by volume over the previous year. This will be the first year during which the Company has launched its sprinkler system in several states. The Company expects to grow polyethylene pipe business substantially during the current year.

There has been wide acceptance in use of Injection moulded as well as Rotational Moulded Chambers for sewerage system. Most of the developers who used Company's chambers are acknowledging the benefit of ready to install plastic chambers against conventional chambers made from brick masonry. The Company expects higher growth in time to come for this application.

The Company is installing 1 mtr dia Manhole at couple of locations to demonstrate the effectiveness of plastic Manhole for use of sewer transportation. On user's complete satisfaction, this may change the handling of sewer transportation system in cities and towns in favour of 1 metre plastics manhole.

On the export front there was de-growth during the year under review. Both Australia and U K markets were in the grip of recession while most of the GCC countries were also under similar situation. The de-growth was 9.21% in value terms.

Both the Central as well as State Governments are committed to supply potable drinking water to all the Villages through right pipe system.. They also intend to improve sanitation facilities by installing right sewage transportation and treatment plants. All this will mean more demand for plastic pipes systems.

Micro Irrigation is also one of the thrust area of Government of India. Your Company is taking adequate steps to develop more products to cater to supply to Micro Irrigation requirements.

The Company could increase the sale of Value Added Products, during the year under review. The Company has achieved a sale of 17.78% of Value Added Products compared to 12.79% of last year. During the current year the Company aims to increase the sale of Value Added products to 20% of total sales.

5.2 CONSUMER PRODUCTS

FURNITURE

The turnover of furniture business has gone up from ₹ 176 Crores to ₹ 222 Crores., thereby registering a growth of

26% in value terms. The business grew by more than 23% in volume. The customers continue to give preference to the Company's brand.

The Company has decided to enhance the furniture making capacities at Durgapur, Puducherry and Guwahati unit. The Company has also ordered development of several new moulds for exclusive models to cater to local demand.

The Company has decided to start production of Furniture from its mega project complex at Gadegaon for Western zone market with effect from September 2010. Till now the Company was catering to the West Zone requirements from Puducherry unit. It had the logistics disadvantage over locally manufactured products.

The Company has started addition of new channel partners for development of West Zone market. It expects a geometric growth in business during next year in West Zone.

Now, the Company will have its furniture manufacturing activity at 5 locations viz: Puducherry (UT), Durgapur (West Bengal), Lalru (Punjab), Gadegaon (Maharashtra) and Guwahati (Assam).

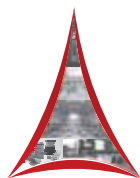
The Company is planning to commence its own production unit at Andhra Pradesh as well. It has initiated actions to acquire land at Andhra Pradesh. This will help to overcome the logistics cost disadvantage as well as quick delivery servicing of Andhra Pradesh and adjoining market need. The work for enhancement of new Channel Partners is in progress in this region. The Company intends to start the production by year end at Andhra Pradesh.

The Company is focusing to broaden the range of value added furniture products. This helps to build the superior brand image of Company's products for its durability and aesthetics. The launch of Designer Chair 'DIVA' was well accepted by the market for its uniqueness of having inbuilt metal legs for stability, gas moulded plastic seat for strength and transparent back for aesthetic beauty.

The Company plans to further increase the value added items range by launching a few more unique Chair items, first time in the country.

The share of value added furniture products sale has enhanced by more than 5% against plan of 3% over previous year share. It was 27% of over all sales. The Company intends to increase share of such products sales by another 1% to 2% in value term during next 12 months.

The Company has already started, the import and sales of certain related items through existing channel partners to fill the demand vacuum for those items, which are not yet being manufactured in India. The Company also intends now to broaden the range of such imports and



sale through existing channel partners. The Company may later take up production of some of these items locally after assessing the market potential.

The Company has 209 Exclusive Franchise Show Rooms on All-India basis displaying entire range of Supreme Furniture to the customer in a nice ambience. The Company plans to increase number of such Show Rooms further to 300 in the coming year.

The Company's furniture products enjoy good acceptance in the market for its quality, design, color and range. "Supreme" brand is perceived as a premium brand in the country, in plastics furniture market.

MATS

The main stay of this business being exports, the performance of Mat Division has hampered due to recession in global market. Overall volume declined by about 10% and margins have also shrunk. Depreciation of Rupee during last quarter and improvement in overseas market demand are expected to improve the performance of this division in the current year.

5.3 INDUSTRIAL PRODUCTS

The year started with recovery in Global as well as Indian economy after a recessionary year. Growth in both the auto sector and Consumer Durable sector remained good. The Division achieved growth of over 21% in both value and volume terms. Growth in Auto sector and Appliances & Entertainment Electronics sector remained at 21% and 22% respectively during the year.

Revival in auto sector in particular is significant. Company has also taken initiatives to upgrade its facilities and also to become tier I supplier by associating with the customers right from the stage of conceptualization and moulds development. Prestigious Global Truck of Tata Motors Ltd., which was unveiled during last June, has started picking up. The Company expects increment in volumes in the current year. On achieving requisite volume growth in Global Trucks, Company plans to put up a new facility at Jamshedpur.

Company has also bagged orders for development of Interior parts for new version of the Truck from Tata Motors which includes complete assembled instrument panel. Company has also bagged orders for some parts for new car models of Maruti Suzuki.

Company has planned to modernize and expand the existing facilities and bring in latest technology to cater to increased business requirements. Company is also exploring viable options for suitable Technology Tie Up with overseas vendors in Auto Component Sector.

To take care of increased demand in Entertainment Electronics and Appliances segment, the Company is

putting up a new facility at Chennai. It is expected to be operational by August 2010. Similarly, facilities at Puduchery and Noida plants are being expanded to take care of increased volume in this segment.

Company has bagged prestigious all Plastic Body Washing Machine project from Whirlpool. Its production is expected to start by September 2010. These initiatives will accelerate the growth in Appliances and Electronics business segments in the years to come.

One of the significant achievements during the year under review was the prestigious order being awarded to the Company for manufacturing Water Purifiers (Tata Swach) by Tata Chemicals Ltd. Geographical spread of your Company would be immensely beneficial to them in catering to their Pan-India requirement at economical cost. Supplies have started in IInd half of the year from Talegaon and have been fully stabilized with requisite Quality and Productivity norms. Company has also started production of Water Purifiers from its Noida facility from June 2010. The company is expanding facilities at its Noida, Gadegaon and Durgapur locations, to meet requirement of Tata 'Swach' during the current year.

During the year, the Company had the honour to receive certification for Energy Management System i.e. EN 16001-2009 for its Noida and Khushkhhera Plants.. They became first & second plant in Plastic Category and IIIrd & IVth plants respectively in overall manufacturing in the country to get this certification.

As a part of continuous up gradation and implementation of Quality Management system, Noida, Durgapur, Khushkhhera and Talegaon units got recertified for TS 16949 from 2002 to 2009 version. There has been continuous thrust on safety, Healthy and Hygiene. The Company's all plants are either certified for Environment Management System or working on the same.

Various steps were taken to improve Quality Ratings with the customers. Khushkhhera unit got recognition from Maruti Suzuki India Ltd. for its performance in Manufacturing Excellence. Continuous focus on cost reduction by way of removing non-value added activities, better inventory management, improved productivity norms, use of Value Engineering, Value Analysis techniques and focused drive to reduce energy consumption has yielded improved results. Efforts will be further accelerated during the current year to improve cost competitiveness.

Steam Moulding and Vibration Welding introduced as new processes during previous years, were fully stabilized. The Company is increasing the business involving these processes for better value addition. Overall efforts are on to increase the customer and product base to ensure sustained growth of 20% to 25% in value, year on year basis.



MATERIAL HANDLING PRODUCTS

The Company achieved a value growth of approx. 25% and a volume growth of approximate 20% during last year. This was inspite of poor performance in retail chain business as well as poor crops of Tomato and Grapes where your Company's products are preferred for post harvest transportation. The Company's other businesses could be achieved as planned including that of soft drink industry which fared quite well.

The Company has further developed several new moulds to cater to ever increasing applications. Supplies of these products will commence from second quarter of 2010-11

The Company continues to service its clients with least lead time at economical cost by manufacturing at six own manufacturing sites spread across the country. The Company intends to increase the same further by starting a new manufacturing facility at Andhra Pradesh.

The Company has fabrication facilities at locations other than manufacturing, as well, to develop tailor made crates to meet specific requirement of applications at customers end. This is helping in a big way to replace conventional material usage while handling products at customers end. These are value added products for your Company. The Company intends to upgrade its fabrication facilities with automation and usage of newer materials. The Company will also be starting a new fabrication facility at Chennai to improve its services to fast growing automobile and appliance industry there.

The Roto Moulding facility of Company at Gadegaon is well established now. More than 18 newer items were developed and commercial supplies were effected. The Company intends to enhance the capacity of Roto Moulding facility. The required plant and machineries have been ordered which will go into production during the year.

The Company continues to be leader in the Injection Moulded Pallet business in India. Further enhancement of the range by introducing newer models is also being planned. The Company also intends to increase its capacity of Injection Moulded Pallets. The Company has also introduced three new Designs of Roto moulded pallets during the year. Further moulds of Roto Moulded pallet for specific applications are being planned for introduction during the next year. The Company expects a good growth for its Pallet business during next year.

5.4 PACKAGING PRODUCTS

PACKAGING FILMS

The business of the Packaging Film division grew by 24% from ₹ 58 crores to ₹ 72 crores whereas volume growth was 24%, from 4569 tons to 5692 tons. Business of Specialty Films grew by about 24%. The Company's 5 and 7 layer lines were totally booked. The Company has taken decision to invest in a new 7 layer line along with

an 8 colour printing machine to enhance the capacity from 6000 tons to 9500 tons per annum. This plant is expected to commence production in October 2010. The Company expects a growth of over 25% in the current year and reach full capacity utilization by June 2012.

The Khopoli unit received BRC (British Retail Consortium) Certificate and became the First Multilayer Packaging Company in India to receive this certification. This will open up the European Market for the Company. Many companies are looking for good vendors in India. Being a flat product, it is not freight intensive. Hence, there is a great potential for growth in the export market. The Company is already in contact with a few Companies, who actually are interested in procuring materials with the BRC certification. The Company has also upgraded from ISO 9001-2000 to ISO 9001-2008.

PROTECTIVE PACKAGING PRODUCTS

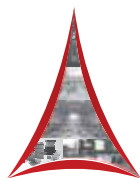
The last financial year ended with an indication of potential to a good business growth in all the three business verticals viz. Packaging, Construction & Insulation, in the forthcoming years. The business of the first half of the year was not encouraging, but there was significant growth achieved in the second half of the year. The overall business growth recorded 22.8% in volume and 18.9% in value.

PACKAGING

In the last few years, the packaging business growth was not so significant which has now re-gained its pace. More and more institutional customers are increasing their intake and switching over to your Company from the competitors for reliability and service factor. This has finally resulted in a growth of 17% in volume and 11% in value (after a negative growth in the first 6 months). The existing manufacturing capacity of foam in all locations are fully booked, the division is now working to enhance the overall saleable capacity of foam from 7200 MTPA to 9400 MTPA. All conversion facilities are now being upgraded with modern conversion equipments to create an exclusivity factor and also offer cost effective solutions to customers packaging needs.

CONSTRUCTION

The saleable capacity of single stage cross link foam products has increased from 2975 MTPA of last year to 3525 MTPA during the year. The business in this product grew 19% in volume and 14% in value against last year. The construction segment was quite weak in the first half. However the second half has seen an improving trend and the Company expect this to get better in the coming year. The Company's product **Dura Board** which is mainly used as an expansion joint filler goes in all major projects in India has been now awarded ISI certification, (the first company to get for this product), which will further enhance the future business in all Government projects.



INSULATION

Significant growth of 61% in volume and 49% in value has been achieved in the business of Chemical Cross – Link foam against last year. The product is finding good acceptance by all leading insulation consultants in India. The Company has also developed a product which is certified by CBRI Roorki for BS 476 part 6 & 7 which is an important fire retardant property (Class 'O') for an insulation product. The plant at Malanpur which commenced production last year is now fully booked and a second plant at Urse is now getting commissioned. This will start commercial production from August 2010. In view of the wide spread acceptance of this product, the Company expects a substantial growth in business this year.

Business of the other in-house value added products like Dura Membrane (construction) / Insure flector (insulation) is also growing very well. Both products are now gaining wide acceptance amongst consultants & users alike & are expected to contribute significantly to the growth of the business in the coming years. The division has been developing business with several imported foam products with an intention of manufacturing the same after building a critical business mass. The business growth of these products is encouraging. The Company believes that it may need to set up manufacturing facilities for some of the products during the financial year 2011-2012.

Existing plant area of Hosur has been fully utilized for a couple of years now. As the business of South Zone is growing consistently since the last few years, the Company has diverted auxiliary manufacturing to rented places around its plant. There is now a need to enhance plant capacities. Accordingly, the Company intend to set up a new facility not very far from our existing facility. This will help the Company to also consolidate its existing multi location operation to 2 units. The Company hopes to purchase land during the year in a nearby location of existing plant for Hosur plant-2 and likely to start commercial production during the beginning of next financial year.

The revision of the pollution guidelines by the Government of Maharashtra, has enabled to start the Urse plant, which was held up due to the pollution clearance. The commercial production of the unit has commenced from Sept. 2009 onward. The business of the west zone has accelerated on account of customers getting quality products with better logistic service on account of locational advantage of this plant.

The foam production capacity of this plant is now fully booked. The single stage cross link foam plant is now installed & would be sold out by the next quarter. Chemically cross link foam plant also will be installed by August 2010 at the same location.

Nandesari unit which was not contributing to the business growth of the division since last few years due to polluting environment and other issues is now closed. All legal formalities have been completed. All the major equipments are reconditioned and shifted to other plants. All these equipments have been now running to their original design capacity. The land and building has been sold & the transaction shall be completed in the first quarter of the year.

The Company's Malanpur unit is connected with CNG from GAIL, which will fulfill the major fuel needs of the unit in an economical way. Many projects for energy conservation will be initiated in future. A very unique foam Extruder with a capacity of 500 Kg/hr (first time in India) will be installed at Malanpur during the year to cater to the increasing needs of north Indian market.

R&D centre with Pilot plant facility will be installed at Urse during the year which will further enhance the capability to develop technically superior products as well as reduce cost of existing products.

Proper utilization of Human resources & automation will also be a major focus area during the current year to overcome the crisis which has been faced specially in operations which are labour intensive. Engineering Department is working towards mechanizing in all areas of operation by incorporating several changes in the existing designs of the converting equipments. The Company expects a growth of over 20% in the coming year.

CROSS LAMINATED FILM

Cross Laminated Film is used for making Tarpaulins, bags, rainwater harvesting systems, fumigation covers, vermibed, water tank & varieties of other agricultural applications.

Business for Cross Laminated film & products grew by 14% in both volume & value terms. The Company sold 11554 tons of products against 10174 tons during the previous year. Due to poor rainfall throughout the country during June to August 2009, the sales for the first quarter of the year were adversely affected as lot of material sold at the year end remained in the pipeline. Demand for the Company's products picked up from mid October but barring few months the Company could not achieve the expected fabrication level mainly due to shortage of labour. This resulted in demand outstripping the supply & lower utilisation of installed capacity.

This year the monsoon is predicted to be normal which may definitely boost demand for the Company's products. The Company has now made additional arrangements to enhance the fabrication capacity, which was a limiting factor in the previous year, by deploying new contractors, imparting vigorous training to labourers under these contractors & automation of some of the processes involved in the fabrication activity.



The Company has a strong presence in European market which is still reeling under low growth phase. Despite this the exports of Cross Laminated film products have posted positive growth of 3%. Exports increased to 1320 tons from 1281 tons in the previous year. Export Orders worth ₹ 180 Lacs remained unexecuted at the year end.

The spurt in demand for the Company's products in the last few months specially from newer foreign markets is a pointer towards potential of substantial volume growth in exports in the years to come. The overall business of the division is likely to grow by 25% in volume in the coming year.

The Company's collaborators have developed Cross Line Bonded film, which is a next generation XF film having superior properties. They have been granted Indian patent for this film valid upto 2023. The Company has launched this film in the Indian market & is awaiting its feedback. As per the agreement entered into by the company, the company enjoys an exclusive right to produce the same in India & SAARC Countries & export to all countries in the world except Portugal, Spain & Switzerland.

The Company's collaborators have also developed Cross Plastic Film on a pilot scale & have identified machine manufacturers for producing this film. The collaborator is in dialogue with several prospective licensees for this product. Once the production establishes at commercial level with other licensees for this product, the Company may think to install a similar facility in India. The Company has been granted exclusivity to make this product for Indian sub-continent market.

5.5 CONSTRUCTION BUSINESS

The swanky commercial complex "Supreme Chambers", a Green Corporate Park, built by the Company is now ready for occupation. Soon, it would become prominent landmark with many eco-friendly features, modern technology, state of the art amenities and aesthetically designed architecture.

The services of the building conform to the global practices. The Interior spaces are in tune with the international modular standard systems.

It is located in the flourishing and burgeoning Business District of Andheri (West), Mumbai.. The entire complex has been developed in medium blocks, each independent of the other, enabling the Company to sell the spaces in various sizes and combinations, as required by the user. It has been the endeavour of the company to make this Corporate office building, an exemplary enterprise of this modern era.

So far, the Company has sold one office block and negotiations for a few more are at advanced stage of finalization. With continuous improvement in the demand for quality commercial space, the Company is optimistic

to sell most of the remaining blocks during the current year.

6. OVERALL GROWTH PROSPECTS

The business conditions are favourable. Several new capacities are added over a period of previous three years with large investments to achieve top line growth alongwith increase in share of value added products. Year after year, the share of value added products are growing resulting into improved operating profit margin.

In the previous year, the company achieved a volume growth of 12%. The company expects to achieve a volume growth of 20% plus in the current year.

The Company apart from making investments in the existing segments, is seriously moving ahead to add two new segments in plastics products in the current year.

7. FINANCE

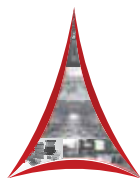
During the year, Interest and Financial Charges were reduced to ₹ 33.03 crores, as compared to ₹ 54.56 crores during the previous year. In terms of percentage to the Total Income, the Interest Cost is reduced to 1.64% in the year 2009-10 as compared to 3.29% in the previous year which reflects considerable reduction in Interest Cost in absolute value as also in terms of the percentage of Total Turnover on y-o-y basis. The outstanding interest bearing liabilities as on 30th June 2010 bear average interest of 7.93% p.a as compared to 9.41% p.a as on 30th June 2009.

This has been achieved by the Company by (1) Prepayment of outstanding high cost debt of ₹ 22.48 crores pertaining to the development of Andheri project from the Internal Accruals of the Company (2) Replacement of high cost debt with low cost debt to the extent of ₹ 83.33 crores, (3) Judicious management of its Working capital requirements by raising short term resources through placement of Commercial Papers at considerably lower rate and availment of Buyer's Credit for financing its imports of Raw materials / Capital goods by way of fully hedged foreign exchange exposure, at very competitive rates.

The Long Term Debt has been reduced to ₹ 185.70 crores in 2009-10 vis-à-vis ₹ 291.42 crores at the end of 2008-09. The Long Term Debt - Equity Ratio of the Company has considerably improved to 0.49 times as on 30th June 2010 vis-à-vis 1.02 times at the end of the previous year.

The Company's focus shall remain to further reduce its interest bearing liabilities to bring the Interest cost below 1% of Total Turnover by the end of next year.

The Company has incurred Capital Expenditure of ₹ 79.01 crores during the year, out of total committed Capex of ₹ 126 crores primarily (i) to enhance the Capacity of PVC Pipe System at Jalgaon & Gadegaon in Maharashtra, (ii) for



enhancing injection Moulding Capacity at all locations, (iii) for acquiring Moulds for manufacture of new products in Furniture & Crates and (iv) for increasing the capacities of packaging products. Balance committed Capex is likely to fructify by October 2010. The Capex has been funded from internal accruals and borrowings.

During the year 2010-2011 the company envisages to invest ₹ 180 crores mainly in the following segments:-

- (i) Industrial Components
- (ii) Furniture
- (iii) Material Handling System
- (iv) Protective Packaging Products
- (v) Plastics Pipe System

The Company may commit further sums of monies to pursue its initiative in launching two new products in the current year.

In view of the likely accrual of healthy Cash Flow from its operations and on sale of Commercial Complex Building at Andheri, Mumbai in due course, the Company shall be able to meet its Capex requirements from internal accruals and supplier's credit. The Company will also be able to reduce its overall borrowings to substantially lower level than in the year 2009-10.

CRISIL RATING

CRISIL has upgraded the Rating outlook to "A+Positive" from "A+ Stable", in respect of Long term facilities of the company which indicates that the degree of safety with regard to timely payment of interest and principal on the instruments is very strong. CRISIL has re-affirmed the Rating outlook of 'P1' in respect of Short Term facilities of the Company.

8. INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular audits at all units / locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements. The Company has undertaken a detailed exercise to revisit its control systems in technical and other non financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period

is providing a very useful helping hand in the process. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control systems.

9. HUMAN RESOURCES

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

10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The Company's Gadegaon Unit, in furtherance of the above objectives had under taken following social work activities during the year 2009-2010

- Clean drinking water 45,000 ltr. Per day is being supplied to the village of Gadegaon, on continues basis.
- One Unit of Ladies Public Toilets with capacity of 24 blocks for 600 ladies has been provided to Gadegaon village in promotion of Governments National Program "Human Defecation". The Toilet Unit is equipped with all basic amenities. Three more Units of similar capacity are planned to be constructed during the current year. The facility is widely appreciated especially by the women of the village & popularly called "Gappa Shauchalaya"
- The Company is in the process of providing basic infrastructure to the local Jilha Parishad, Primary School which includes clean drinking water, light , Fans and desks in classrooms, recreation hall, training facility for teachers, library etc. The Company had provided uniforms to the school students earlier. The thrust area is of providing support for improving the quality of education.
- The Company has already provided decoratively constructed "Meditation Centre" of around 2,000 sq.ft. near the shrine of Sant Totaram Maharaj in Gadegaon village for the benefit of villagers.
- The Company has appropriately funded / donated modern medical equipment to the Multi specialty



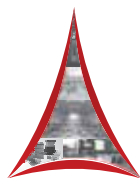
Hospital constructed by Police Dept., Jalgaon for the welfare of District Police personnel and their families.

- The Children of ex policemen, who sacrificed their life, while discharging their national duties, have been absorbed in employment at our Gadegaon Factory.
- The Company employees donated 300 bottles of blood thru blood donation camp organized by Indian Red Cross Society at Gadegaon factory.
- The Company had supported generously to the local function of "Khandesh Mahoutsav" Jalgaon for promotion of khandesh culture, heritage, tourism and local artists .
- Company has shown it's commitment towards

Physically Disabled persons by taking a mission "Positive towards Disabled People (PDP)", and provided employment initially to four PDP at Gadegaon factory.

Cautionary Statement

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



PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

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

1. BOARD OF DIRECTORS:

(i) As at 30th June 2010 the Board comprised of 10 Directors.

Composition and Categories of Board of Directors :

Name of the Directors	Category	No. of outside Directorship		No. of Committees Chairpersonship / Membership held including SIL *	
		Public	Private	Chairperson	Members
Shri B. L. Taparia	Promoter / Non Executive Chairman	3	2	—	—
Shri M. P. Taparia	Promoter / Executive (Managing) Director	7	2	1	—
Shri S. J. Taparia	Promoter / Executive Director	6	2	—	4
Shri V. K. Taparia	Promoter / Executive Director	—	2	—	—
Shri S. R. Taparia	Independent / Non Executive Director	1	4	—	2
Shri H. S. Parikh	Independent / Non Executive Director	3	—	5	6
Shri B. V. Bhargava	Independent / Non Executive Director	8	—	6	3
Shri N. N. Khandwala	Independent / Non Executive Director	—	—	1	1
Shri E. B. Desai	Independent / Non Executive Director	7	2	4	6
Shri Y. P. Trivedi	Independent / Non Executive Director	9	3	2	9

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

(ii) During the Financial Year 2009 – 2010 the Board met on Five occasions i.e. on 20th July, 2009, 10th September, 2009, 15th October, 2009, 13th January, 2010, & 9th April, 2010.

Attendance of Directors at the Board Meetings held during 2009-10 and the last Annual General Meeting held on 10th September, 2009

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B. L. Taparia	Promoter / Non Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	5	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	5	Yes
Shri S. R. Taparia	Independent / Non Executive Director	5	5	Yes
Shri H. S. Parikh	Independent / Non Executive Director	5	5	Yes
Shri B. V. Bhargava	Independent / Non Executive Director	5	4	No
Shri N. N. Khandwala	Independent / Non Executive Director	5	5	Yes
Shri E. B. Desai	Independent / Non Executive Director	5	5	Yes
Shri Y. P. Trivedi	Independent / Non Executive Director	5	4	Yes

2. AUDIT COMMITTEE:

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

- Over seeing the company's Financial report process and the disclosure of its Financial informations.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.



- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

Composition and Attendance of Members at the Meetings of the Audit Committee held during 2009 – 2010

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

3. REMUNERATION COMMITTEE :

(i) Brief Terms of reference:

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

(ii) Composition

Members	Category	Meetings held	Meetings attended
Shri H. S. Parikh - Chairman	Independent	1	1
Shri B. V. Bhargava	Independent	1	1
Shri N. N. Khandwala	Independent	1	1

4. SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE :

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

Composition :

Members	Category	Meetings Held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent	2	2
Shri S. R. Taparia	Independent	2	2

During the year, the company received 33 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which have been duly resolved in time

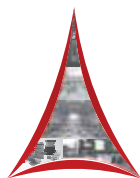
5. (A) REMUNERATION PAID TO DIRECTORS DURING 2009 – 2010 :

(in ₹)

Sr. No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Shri B L Taparia	Promoter / Non Executive Chairman	65000	–	–	65000
2	Shri M P Taparia	Promoter / Executive Director	–	5526785	22421000	27947785
3	Shri S J Taparia	Promoter / Executive Director	–	5358958	22421000	27779958
4	Shri V K Taparia	Promoter / Executive Director	–	5004191	22421000	27425191
5	Shri S R Taparia	Independent / Non Executive Director	155000	–	–	155000
6	Shri H S Parikh	Independent / Non Executive Director	140000	–	–	140000
7	Shri B V Bhargava	Independent / Non Executive Director	65000	–	–	65000
8	Shri N N Khandwala	Independent / Non Executive Director	165000	–	–	165000
9	Shri E.B. Desai	Independent / Non Executive Director	65000	–	–	65000
10	Shri. Y P Trivedi	Independent / Non Executive Director	50000	–	–	50000
	Total		705000	15889934	67263000	83857994

(B) EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 30TH JUNE, 2010 :

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	80100
2)	Shri S. R. Taparia	526
3)	Shri H. S. Parikh	31554
4)	Shri B. V. Bhargava	2400
5)	Shri N. N. Khandwala	62900
6)	Shri E. B. Desai	12150
7)	Shri Y. P. Trivedi	4002



6. CEO / CFO CERTIFICATION :

The Managing Director and the Sr. Vice-President (Finance) & Secretary 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.
- (d) They have indicated to the Auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (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.

The above Certificate was placed before the Board Meeting held on 16th July, 2010.

7. GENERAL BODY MEETINGS

Location and time of last Three AGMs held :

Year	Location	Date	Time
2007 – 65th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai - 400 020	10th October, 2007	4.00 p.m.
2008 – 66th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai - 400 020	14th October, 2008	4.00 p.m.
2009 – 67th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai - 400 020	10th September, 2009	4.00 p.m.

8. MEANS OF COMMUNICATION:

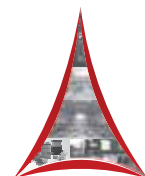
The Quarterly results of the company are published in widely circulated newspapers such as The Economic Times (English) & Maharashtra Times (Marathi). The results are also displayed on the company's websites : <http://www.supreme.co.in>

9. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:

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

10. MANAGEMENT DISCUSSION AND ANALYSIS:

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



11. DISCLOSURE REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

During the financial year 2009-10, there was no change in the composition of the Board of the Company.

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

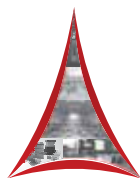
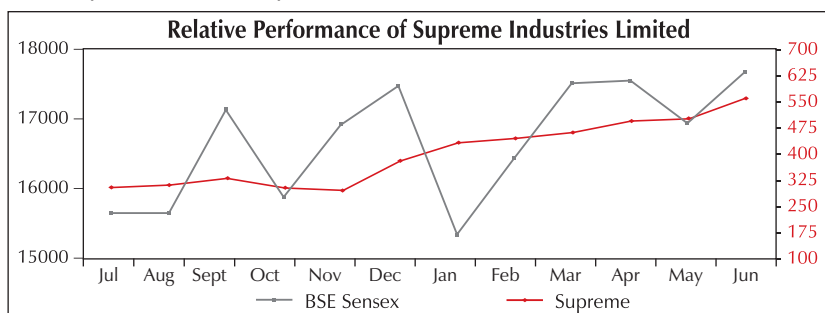
Name of the Directors	Mr. N. N. Khandwala	Mr. Y. P. Trivedi
Date of Birth	04/07/1933	06/01/1929
Date of Appointment	23/09/1982	30/08/2003
Expertise in specific functional areas	Stocks & Shares and Social Work	Legal and Tax Expert
Qualifications	Inter Science	B. Com., LLB
Chairman / Director of other companies	NIL	1. Reliance Industries Limited 2. Zodiac Clothing Co. Limited 3. Birla Power Solution Limited 4. Birla Cotsyn (India) Limited 5. Emami Limited 6. Sai Service Station Limited 7. Zandu Realty Limited 8. Seksaria Biswan Sugar Factory Ltd. 9. New Consolidated Constrn. Co. Ltd. 10. Metro Exporters Pvt. Ltd. 11. Monica Travels Pvt. Limited 12. Trivedi Consultants Pvt. Ltd.
Number of Equity Shares held in the Company	62900	4002

12. DISCLOSURES

- The Company did not have any related party transactions which may have potential conflict with the interests of Company. Nature and other particulars of such transactions have been disclosed and are forming part of the notes to the accounts.
- The Company has paid during the year ₹ 40,000/- towards professional fees to M/s. Mulla & Mulla & Craigie & Blunt & Caroe, a firm in which Shri E. B. Desai is a partner.
- The Company has paid during the year ₹ 100,000/- towards professional fees to Shri Y. P. Trivedi.

13. GENERAL SHAREHOLDER INFORMATION

- Registered Office : 612, Raheja Chambers, Nariman Point, Mumbai 400 021.
- Book Closure Date : From Tuesday, the 7th September, 2010 to Tuesday, the 14th September, 2010. (Both days inclusive)
- AGM Date & Venue : On Tuesday the 14th September, 2010 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai – 400 020.
- Dividend payment : Within the statutory time limit.
- Listing on Stock Exchanges : (i) Bombay Stock Exchange (BSE), (ii) National Stock Exchange of India Ltd., (NSE).
- Listing Fees : Annual Listing Fees for the year 2010-2011 have been paid to both the Stock Exchanges.
- Trading Group : (i) BSE : "B-1" Group,
(ii) NSE : "Other Securities"
- Stock Codes : (i) BSE : 509930
(ii) NSE : SUPREMEIND
- Relative performance of Supreme Share Price v/s. BSE Sensex :



(x) Key Financial Reporting Dates F.Y. 2010-2011.

- Unaudited Results for the First Quarter ended September 30, 2010. : On or before 15th November, 2010
- Unaudited Results for the Second Quarter ended December 31, 2010. : On or before 15th February, 2011
- Unaudited Results for the Third Quarter ended March 31, 2011. : On or before 15th May, 2011
- Audited Results for the F.Y. 2010-2011 : On or before End August 2011

(xi) Shareholders Assistance

: Shares Department

Investors Service Department

: The Supreme Industries Limited,
Regd. Office : 612, Raheja Chambers, Nariman Point,
Mumbai 400 021.

Phone Nos.

: 22820072, 22851656, 22851159-60

Fax No.

: 22851657

E-mail

: investor@supreme.co.in

14. DISTRIBUTION OF SHAREHOLDING (AS ON 30TH JUNE, 2010)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	24916	91.36	1894838	7.46
501 – 1000	1155	4.24	875525	3.45
1001 – 2000	571	2.09	844087	3.32
2001 – 3000	217	0.80	546666	2.15
3001 – 4000	98	0.36	347459	1.37
4001 – 5000	60	0.22	277923	1.09
5001 – 10000	121	0.44	826021	3.25
Over 10000	133	0.49	19792855	77.91
Total	27271	100.00	25405374	100.00

15. CATEGORIES OF SHAREHOLDERS (AS ON 30TH JUNE, 2010)

Category	No. of Shareholders	Voting Strength (Percentage)	Number of Shares held
Promoters	16	49.63	12608811
Non Residents Individuals / OCB	558	1.89	480429
Companies	485	12.74	3237470
FII's / FI's / Mutual Fund / Bank	28	4.33	1102236
Individuals	26184	31.41	7976428
Total	27271	100.00	25405374

**16. REGISTRAR & TRANSFER AGENT
(For Physical & Demat Shares)**

: M/s. Bigshare Services Pvt. Ltd.
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai 400 072.
Tel. No. 28470652, 40430200
Fax No. 28475207
E-mail : info@bigshareonline.com

Our RTA, M/s. Bigshare Services Pvt. Ltd. recently 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.



**17. DEMATERIALISATION OF SHARES
(as on 30.06.2010)**

: 24069457 Shares are Dematerialised
(94.74% of total Shares viz. 25405374 shares)

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

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

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

(in ₹)

Month	BSE		NSE	
	High	Low	High	Low
July – 2009	330.00	230.00	327.95	234.10
August – 2009	328.90	286.00	327.90	285.00
September – 2009	339.20	297.05	339.80	290.85
October – 2009	370.00	307.00	369.00	305.55
November – 2009	335.00	295.10	328.00	293.00
December – 2009	397.00	298.30	396.55	298.75
January – 2010	496.00	373.00	495.00	373.00
February – 2010	475.00	418.90	474.70	412.25
March – 2010	514.00	446.30	513.50	447.85
April – 2010	523.10	461.30	523.50	458.00
May – 2010	535.00	492.50	535.50	482.45
June – 2010	589.90	505.00	585.00	504.00

20. CODE OF CONDUCT

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

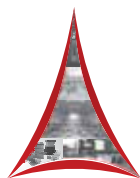
Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 30th June, 2010.

For The Supreme Industries Limited

Mumbai : 16th July, 2010

M. P. Taparia
Managing Director



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 year ended on 30th June, 2010, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

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

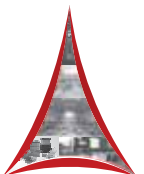
In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

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

Chintan Shah
Partner
M. No. 107490

Mumbai: 16th July, 2010

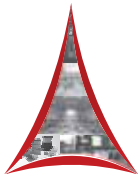


List of Promoters of the Company

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

1. Multilayer Films Limited
2. Varali Investment & Trading Company Private Limited
3. Jagatguru Investment & Trading Company Private Limited
4. Balabheem Investment & Trading Company Private Limited
5. Venkatesh Investment & Trading Company Private Limited
6. Jovial Investment & Trading Company Private Limited
7. Boon Investment & Trading Company Private Limited
8. B. L. Taparia & Family
9. M. P. Taparia & Family
10. S. J. Taparia & Family
11. V. K. Taparia & Family
12. Vivek Taparia & Family
13. Any Company / entity promoted / to be promoted by any one of the above.

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



Auditors' Report to the Shareholders

We have audited the annexed Balance Sheet of THE SUPREME INDUSTRIES LTD., Mumbai as at 30th June 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by The Companies (Auditors' Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956; our comments on the matters specified in the paragraphs 4 and 5 of the said Order are annexed herewith.
2. Further to our comments in the Auditor's Report referred to in paragraph 1 above:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. The reports on the accounts of Branches audited under Section 228 of the Companies Act, 1956 by persons other than ourselves, have been forwarded to us, as required by Clause (c) Sub - Section (3) of the said section and that we have taken due notice in our report of the points raised in the reports of the said Branch Auditors.
3. In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books.
4. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
5. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
6. On the basis of information and explanations given to us and written representations received from the directors as on 30th June, 2010 and taken on record by the Board, we report that no director is disqualified from being appointed as director of the company under Section 274 (1) (g) of the Companies Act, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet of the state of affairs of the company as at 30th June, 2010
 - ii. in the case of the Profit and Loss Account of the profit for the year ended on that date and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Annexure to the Auditors' Report:

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



- c. The company has maintained proper records of inventory, no material discrepancies were noticed on physical verification of stocks as compared to book records and the discrepancies noticed have been properly dealt with in the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the company from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956:
- a. Company's has not granted unsecured loans to parties listed in the register maintained under Section 301 of the Companies Act, 1956. Subclause (b), (c) and (d) are not applicable.
- e. The Company has accepted unsecured loans from two companies, listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 530 lacs and the balance as the end of the year was NIL.
- f. In our opinion the rate of interest and other terms and conditions of such loan is *prima facie* not prejudicial to the interest of the company.
- g. In respect of aforesaid loan company is regular in repaying the principal amount and interest thereon.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and also for the sale of goods and services. As per the information given to us, no major weaknesses in internal control system have been identified by the management or the internal auditors of the company during the year. During the course of audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company.
5. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions with Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or other relevant provision of the Act and the rules framed thereunder, for acceptance of public deposits. Since the company has not defaulted in repayment of deposits, compliance of Section 58AA or obtaining any order from the company law board, National Company Law Tribunal or RBI or any other court or tribunal does not arise.
7. On the basis of the internal audit reports reviewed by us, we are of the opinion that, the company has an internal audit system commensurate with size and nature of its business.
8. The Central Government has not prescribed for the maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Act.
9. a. According to the records of the Company and information and explanations given to us, Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues have been deposited regularly during the year with the appropriate authorities.
- According to the records of the Company and information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance Income Tax, Wealth Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax and other material statutory dues were in arrears as at 30th June, 2010 for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of, Sales Tax, Custom Duty, Excise Duty and Entry Tax as at the last day of the financial year are as follows:

Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty Excise Duty Excise Duty	12.46 139.82 224.11	1978 2003 to 2005 2005 to 2008	CESTAT CESTAT Commissioner of CE (Appeals), LTU Mumbai
The Central Sales Tax Act, 1956	Sales Tax	16.83 183.16	1995-1996 2003 to 2005	Revisionary Board Jt. Commissioner (ST, Appeals)
West Bengal Sales Tax Act, 1994	Sales Tax	55.15	2003 to 2005	Additional Commissioner
UP Trade Tax Act	Entry Tax Entry Tax Sales Tax Sales Tax Sales Tax	23.97 12.11 1.59 3.64 19.30	2000-2001 2002-2003 2002-2003 2004-2005 2005 to 2007	Hon' ble High Court Tribunal Tribunal Joint Comm., Appeal Tribunal



Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
MP Commercial Tax Act	Entry Tax Entry Tax	11.00 1.14	2001-02 2007-2009	Comm. Commercial Tax Asstt. Comm. Commercial Tax Gwalior
TN Sales Tax Act	Entry Tax	81.09	2003 to 2010	Hon'ble High Court Madras
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	18.62	2008-2009	Asst. Commissioner Provident Fund
Finance Act, 1994 (Service Tax)	Service Tax	19.13	2005 to 2007	Commissioner of CE (Appeals), LTU Mumbai
Employee State Insurance Act, 1948	ESIC	13.71	Prior to 1989-90	ESIC Court, Mumbai
Local Authority – Asansol Durgapur Development Authority	Development Fee	74.51	2009-2010	Asansol Durgapur Development Authority- Durgapur
	TOTAL	911.34		

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

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

Chintan Shah
Partner
M.No: 107490

Mumbai, 16th July, 2010



Balance Sheet as on 30th June, 2010

	Schedule	2009 - 2010		₹ in lacs 2008 - 2009	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	2540.54		2540.54	
Reserves & Surplus	2	<u>35278.57</u>	<u>37819.11</u>	<u>26267.03</u>	<u>28807.57</u>
LOAN FUNDS					
Secured Loans	3	19036.47		21517.97	
Unsecured Loans	4	<u>3869.62</u>	<u>22906.09</u>	<u>3356.10</u>	<u>24874.07</u>
DEFERRED TAX LIABILITY (Net)			<u>6984.39</u>		<u>6428.09</u>
			<u>67709.59</u>		<u>60109.73</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
	5				
Gross Block		96586.78		90224.57	
Less : Depreciation		<u>40326.40</u>		<u>35924.22</u>	
Net Block		56260.38		54300.35	
Add : Capital Work-in-Progress		1308.36		1231.31	
Add: Assets held for disposal		<u>290.06</u>	<u>57858.80</u>	<u>119.38</u>	<u>55651.04</u>
INVESTMENTS		6	3361.63		3361.63
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	29064.28		24550.16	
Sundry Debtors	8	13144.25		11563.80	
Cash & Bank Balances	9	1825.22		1041.42	
Loans & Advances	10	<u>9774.31</u>		<u>7205.83</u>	
		<u>53808.06</u>		<u>44361.21</u>	
Less : CURRENT LIABILITIES & PROVISIONS					
Creditors	11	41192.39		37656.09	
Provisions	12	<u>6126.51</u>		<u>5608.06</u>	
		<u>47318.90</u>	<u>6489.16</u>	<u>43264.15</u>	<u>1097.06</u>
			<u>67709.59</u>		<u>60109.73</u>
Significant Accounting Policies	18				
Notes to the accounts	19				

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

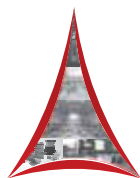
B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



Profit and Loss Account for the year ended 30th June, 2010

	Schedule	2009 - 2010		₹ in lacs 2008 - 2009	
INCOME					
Sales	13	200573.76		165192.87	
Other Income	14	1621.55	202195.31	904.53	166097.40
EXPENDITURE					
Cost of Materials	15	131578.25		105133.53	
Manufacturing, Selling & Other Expenses	16	40060.77	171639.02	36264.90	141398.43
PROFIT BEFORE INTEREST, DEPRECIATION & TAX			30556.29		24698.97
Interest & Financial Charges	17	3302.71		5456.03	
Depreciation, Amortisation & Impairment	5296.43				
[Excluding transfer from Revaluation Reserve	4.39	5292.04	8594.75	5251.74	10707.77
₹ 4.39 lacs (Previous year ₹ 14.99 lacs)]					
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			21961.54		13991.20
Exceptional Income			0.00		622.76
Depreciation for Earlier Years Provided for / (-) Written Back			0.00		-1.35
Excess Provision of Income tax of earlier years w/back			-10.48		0.00
Provision for Taxation:					
Corporate Tax		6932.70		3554.00	
Deferred Tax		556.30		1200.00	
Fringe Benefit Tax		0.00	7489.00	120.00	4874.00
PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION			14483.02		9738.61
Appropriations Therefrom :					
Interim Dividend Paid on Equity Shares		1270.27		0.00	
Proposed Dividend on Equity Shares		3302.70		3048.64	
Corporate Dividend Tax Paid		215.88		0.00	
Provision for Corporate Dividend Tax		548.54		518.12	
Transferred to General Reserve		9145.63	14483.02	6171.85	9738.61
EARNINGS PER SHARE					
(Refer Note No. 14 of Schedule 19)					
Basic & Diluted Earning per share (before Exceptional Income)			₹ 57.01		₹ 34.30
Basic & Diluted Earning per share (after Exceptional Income)			₹ 57.01		₹ 36.64
Face Value per share			₹ 10.00		₹ 10.00
Significant Accounting Policies	18				
Notes to the accounts	19				

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



Schedules to Balance Sheet

₹ in lacs
2008 - 2009

2009 - 2010

SCHEDULE 1 SHARE CAPITAL AUTHORISED

3,00,00,000 (Previous Year 3,00,00,000)			
Equity Shares of ₹ 10 each	3000.00		3000.00
1,12,00,000 (Previous Year 1,12,00,000)			
Preference Shares of ₹ 10 each	1120.00		1120.00
3,38,00,000 (Previous Year 3,38,00,000)			
Unclassified Shares of ₹ 10 each	3380.00		3380.00
	7500.00		7500.00

ISSUED AND SUBSCRIBED

2,54,05,374 Nos. (Previous Year 2,76,21,674 Nos.)			
Equity Shares of ₹ 10 each Fully paid-up (including 1,88,87,209 Nos. Shares issued as fully paid Bonus Shares out of Reserves)	2540.54		2762.17
Less: Nil Nos. (Previous Year 22,16,300 nos.)			
Equity Shares of ₹ 10 each fully paid-up, bought back and extinguished.	—		221.63
	2540.54		2540.54

SCHEDULE 2 RESERVES AND SURPLUS REVALUATION RESERVE

As per last Balance Sheet	276.09		294.90
Less: (1) Transferred to Profit & Loss Account	4.39		14.98
(2) Transferred to Leasehold Land	1.68		2.22
(3) Assets sold off / discarded	128.01	142.01	1.61
			276.09

CAPITAL RESERVE

As per last Balance Sheet	244.59		194.59
Add: Capital subsidy received	—	244.59	50.00
			244.59

SECURITIES PREMIUM ACCOUNT

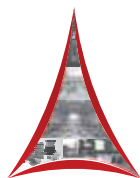
As per last Balance Sheet	4748.52		7205.55
Less: Transferred to Capital Redemption Reserve being amount equal to face value of 22,16,300 Nos. Equity Shares of ₹ 10 each fully paid bought back and extinguished.	—		221.63
Less: Utilised for premium paid on 22,16,300 Nos. Equity Shares of ₹ 10 each fully paid bought back and extinguished.	—	4748.52	2235.40
			4748.52

GENERAL RESERVE

As per last Balance Sheet	20776.19		14604.35
Add : Transferred from Profit & Loss Account	9145.63	29921.82	6171.85
			20776.20

CAPITAL REDEMPTION RESERVE

As per last Balance Sheet	221.63		—
Add: Transferred from Securities Premium Account	—	221.63	221.63
	35278.57		26267.03



Schedules to Balance Sheet

Supreme
People who know plastics best

ANNUAL REPORT
2009-2010

₹ in lacs

2009 - 2010

2008 - 2009

SCHEDULE 3

SECURED LOANS

A. WORKING CAPITAL LOANS

From Banks - Rupee Loans	466.21	-7623.96
(Surplus Balance in Cash Credit Accounts in previous year)		

B. TERM LOANS

(a) Yes Bank - Rupee Loan	5000.00	-
(b) GE Capital Services of India - Rupee Loan	3259.26	3259.26
(c) Kotak Mahindra Bank - Rupee Loan	2916.38	-
(d) Axis Bank Ltd. - Rupee Loan	2750.00	7050.00
(e) ABN AMRO Bank - Foreign Currency Loan	2189.00	2985.00
(f) Vijaya Bank - Rupee Loan	1125.00	3375.00
(g) Federal Bank Ltd. - Rupee Loan	750.00	1500.00
(h) HSBC Bank - Foreign Currency Loan	580.62	3031.38
(i) State Bank of India - Rupee Loan	-	5000.00
(j) ICICI Bank Ltd. - Foreign Currency Loan	-	372.63
(k) State Bank of Hyderabad - Rupee Loan	-	1685.62
(l) State Bank of Mysore - Rupee Loan	-	883.04
	<u>19036.47</u>	<u>21517.97</u>

NOTES :

1. Working Capital Loans from Banks (A) above are secured / to be secured against:
 - (a) hypothecation of stocks and Book Debts
 - (b) second / subservient charge on all movable plant, machinery and moulds (except plant, machinery and moulds at Malanpur (PVC Film) and Khopoli unit) and
 - (c) immovable properties of the Company situated at various locations (except properties at Andheri, Jalgaon, Malanpur (PVC Film), Nandesari and Khopoli), both present and future.
2. Term Loans from financial institutions and banks [B(a) to B(j)] are secured / to be secured on first *pari passu* charge basis as under:
 - (a) Immovable properties of the company, situated at various locations, both present & future, subject to the exclusion of properties, as mentioned in Clause 1(c) above.
 - (b) movable properties viz. plant, machinery & moulds of the Company, both present and future, subject to exclusions as mentioned in Clause 1(b) above and second / subservient charge on current assets viz. stocks and book debts of the Company.
 - (c) Term loans from banks [B(k) and B(l)] were secured on first *pari passu* charge basis by exclusive mortgage over the immovable property of the company situated at Andheri (West), Mumbai.

₹ in lacs

2009 - 2010

2008 - 2009

SCHEDULE 4

UNSECURED LOANS

Fixed Deposits	3869.62	3356.10
	<u>3869.62</u>	<u>3356.10</u>





Schedules to Balance Sheet

SCHEDULE 5 FIXED ASSETS

₹ in lacs

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01.07.2009	Additions During the Year	Deductions/ Adjustment During The Year	As At 30.6.2010	For The Year	Impairment During The Year	Deductions/ Adjustment During The Year	As At 30.06.2010	As At 30.06.2009
Freehold Land	1123.20	12.36	1.79	1133.77				1133.77	1123.20
Leasehold Land	766.45		225.97	540.48				540.48	766.45
Buildings	19629.28	698.30	197.15	20130.43	592.89		89.14	4443.22	15689.81
Plant, Machinery & Electrical Installations	49745.88	5029.13	670.98	54104.03	2814.31		488.70	21438.67	30632.82
Moulds & Dies	14545.24	1339.61	103.33	15781.52	1281.77		103.30	11593.67	4130.04
Furniture, Fixture & Office Equipments	2813.76	347.00	120.92	3039.84	396.94		108.39	2017.38	1085.79
Vehicles	701.57	98.03	89.44	710.16	87.40		73.80	425.53	289.64
Sundry Equipments	899.19	299.03	51.67	1146.55	123.12		30.92	407.93	583.46
Total	90224.57	7823.46	1461.25	96586.78	5296.43		894.25	40326.40	54300.35
Previous Year	80289.99	13930.07	3995.49	90224.57	4948.40	318.33	3223.84	54300.35	46408.68
Capital Work-in-Progress (including advances on Capital Account)									1231.31
Assets held for Disposal (Refer Note No. 5 of Schedule 19)									119.38
									57858.80
									55651.04

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

Schedules to Balance Sheet

SCHEDULE 6 INVESTMENTS

Investment in	Face Value	Quantity As At 30.6.2010	As At 30.6.2009	Amount As At 30.6.2010	As At 30.6.2009
GOVERNMENT & TRUST SECURITIES	₹				
(a) National Saving Certificate				<u>0.11</u>	<u>0.11</u>
Sub Total				<u>0.11</u>	<u>0.11</u>
OTHERS - UNQUOTED AND FULLY PAID UP					
Equity Shares					
(a) Saraswat Co-op. Bank Ltd.	10	1000	1000	0.10	0.10
(b) Samarpan Fabricators Ltd.	100	1350	1350	0.75	0.75
(c) Super Bazar Co-op. Stores Ltd.	10	1000	1000	0.10	0.10
(d) Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	1	1	<u>18.88</u>	<u>18.88</u>
Sub Total				<u>19.83</u>	<u>19.83</u>
OTHERS - QUOTED & FULLY PAID UP					
Equity Shares					
(a) Supreme Petrochem Ltd. (an associate company)	10	28936400	28936400	3337.50	3337.50
(b) Symphony Comfort Systems Ltd.	10	600	600	0.27	0.27
(c) Vijaya Bank Ltd.	10	3200	3200	0.77	0.77
(d) Central Bank of India	10	3050	3050	3.10	3.10
(e) Unimers India Ltd.	10	37	37	0.05	0.05
Sub Total				<u>3341.69</u>	<u>3341.69</u>
Total				<u>3361.63</u>	<u>3361.63</u>
(a) Aggregate Value of Quoted Investments - at Cost				3341.69	3341.69
- at Market Value				13204.35	5748.53
(b) Aggregate Value of Unquoted Investments - at Cost				19.94	19.94

During the year the Company purchased & sold the following investments in Mutual Funds

Details	Face value	Nos.	Cost ₹ In lacs
Axis Liquid Fund-Growth	1000	49627	500.00
Brila Sun Life Savings Fund Instl. -Daily Dividend -Reinvestment	10	4996602	500.00
Fortis Money Plus Institutional Plan Daily Dividend	10	4998450	500.00
LICMF Liquid Fund - Dividend Plan	10	132512454	14550.00
LICMF Liquid Fund - Growth Plan	10	63616068	10700.00
Reliance Medium Term Fund - Daily Dividend Plan	10	2924746	500.00
SBI Magnum Insta Cash Fund - Daily Dividend Option	10	11940085	2000.00
UTI Money Market Mutual Fund-Institutional Growth Plan	1000	19582	<u>200.00</u>
			<u>29450.00</u>

₹ in lacs

2009 - 2010

2008 - 2009

SCHEDULE 7 INVENTORIES

(As certified by the Management)
Stores, Spare parts, Packing Materials, etc.
Raw Materials and Components
Reusable Material
Finished / Semi-Finished Goods
Finished Goods for Resale
Commercial Complex under Construction

	768.76	634.06
	10470.36	9854.09
	781.75	532.90
	6472.98	5497.44
	348.07	310.62
	10222.36	<u>7721.05</u>
	<u>29064.28</u>	<u>24550.16</u>



Schedules to Balance Sheet

SCHEDULE 8

DEBTORS

(Unsecured, considered good unless otherwise specified)

Over Six months

Considered Good

Considered Doubtful

Less : Provision for Doubtful Debts

Add: Others (includes ₹ 98.37 lacs (Previous year ₹ 131.91) due from subsidiary, [maximum amount receivable during the year ₹ 131.91 lacs (Previous year ₹ 131.91 lacs)])

2009 - 2010

₹ in lacs
2008 - 2009

471.98	694.98
93.86	73.50
565.84	768.48
93.86	73.50
471.98	694.98
12672.27	10868.82
13144.25	11563.80

SCHEDULE 9

CASH AND BANK BALANCES

Cash on hand

Cheques in hand

Remittance in Transit

Balance with Scheduled Banks in :

Current Accounts

Deposit Accounts (Earmarked)

107.72	66.70
89.10	95.67
298.78	90.66
958.75	527.14
370.87	261.25
1825.22	1041.42

SCHEDULE 10

LOANS AND ADVANCES

(Unsecured, considered good)

Advances recoverable in cash or kind or for value to be received

Security and other Deposits

Prepaid Expenses

8393.96	5114.30
1123.46	1596.92
256.89	494.61
9774.31	7205.83

SCHEDULE 11

CREDITORS

Sundry Creditors (Refer Note no. 18 of Schedule 19)

Acceptances

Items covered by Investors Education & Protection Fund

(Refer Note No. 19 of Schedule 19)

Interest Accrued but not due on

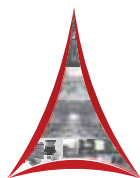
(i) Secured Loans

(ii) Unsecured Loans

Other Liabilities (includes ₹ 35.92 lacs

(Previous year ₹ 26.99 lacs) due to subsidiary [maximum amount payable during the year ₹ 35.92 lacs (Previous year ₹ 26.99 lacs)]

12731.42	8757.16
15830.32	18448.42
170.22	146.37
33.62	20.52
234.73	127.08
268.35	147.60
12192.08	10156.54
41192.39	37656.09



Schedules to Balance Sheet

2009 - 2010

₹ in lacs
2008 - 2009

SCHEDULE 12

PROVISIONS

Provision for Income Tax (Net of advances)	2136.97	1978.35
Provision for Wealth Tax (Net of advances)	5.19	4.54
Proposed Dividend	3302.70	3048.64
Provision for Corporate Dividend Tax	548.54	518.12
Provision for Gratuity Liability	133.11	58.41
	<u>6126.51</u>	<u>5608.06</u>

Schedules to Profit and Loss Account

2009 - 2010

₹ in lacs
2008 - 2009

SCHEDULE 13

TURNOVER (NET)

Plastic Products	185674.75	155760.14
Construction Business	2044.98	—
Others	12854.03	9432.73
	<u>200573.76</u>	<u>165192.87</u>

SCHEDULE 14

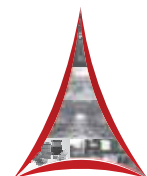
OTHER INCOME

Dividend	338.13	289.76
Industrial Promotion Subsidy (Refer note no. 9 of schedule 19)	488.16	—
Commission / Service Charges Received	5.66	—
Claims & Refunds	64.30	53.51
Sundry Receipts	315.81	352.55
Liabilities no longer required written back	39.81	—
Lease Rent Received	3.08	142.06
Gain on Sale / Discard of Assets (Net)	315.46	14.15
Profit on sale of Investments	51.14	52.50
	<u>1621.55</u>	<u>904.53</u>

SCHEDULE 15

COST OF MATERIALS

Raw Material Consumed	118651.50	95047.81
Cost of Goods Traded	13179.88	9816.60
(-)Increase / Decrease in Stocks		
Opening Stocks of Finished/Semi Finished Goods	5497.44	5766.56
Less: Closing Stocks of Finished/Semi Finished Goods	<u>6472.98</u>	<u>5497.44</u>
Cost of Premises Sold	722.41	—
	<u>131578.25</u>	<u>105133.53</u>



Schedules to Profit and Loss Account

SCHEDULE 16

MANUFACTURING, SELLING & OTHER EXPENSES

	2009 - 2010	2008 - 2009
Stores & Spare Parts Consumed	2007.45	1656.95
Labour Charges	3977.55	3263.12
Power & Fuel	7954.87	6800.84
Water Charges	70.12	58.64
Salaries, Wages & Bonus	6277.47	5420.77
Contribution to Pension & Provident Fund	393.37	314.14
Staff & Labour Welfare	454.53	375.23
Managerial Remuneration	831.53	572.53
Directors' Fees	7.05	5.90
Repairs & Maintenance of Building	453.18	184.40
Repairs & Maintenance of Plant & Machinery	852.17	723.15
Repairs & Maintenance (Others)	190.06	175.75
Rent, Rates & Taxes	513.04	450.20
Insurance	116.46	124.60
Charity & Donations	85.20	48.81
Legal & Professional Fees	385.01	415.80
Travelling & Conveyance [Directors ₹ 59.88 lacs (Previous year ₹ 64.57 lacs)]	945.89	852.82
Vehicle Expenses	197.94	205.06
Advertisement & Publicity	1291.13	1080.24
Packing, Freight and Transport Charges	6381.50	5832.25
Postage, Stationery & Telephone	623.48	593.55
Royalty, Commission & Discount	5300.62	5003.35
Sales Tax Paid	28.76	34.26
Bad Debts / Provision for Doubtful Debts	59.09	174.11
Plant Security Services	215.24	178.66
Share Buyback Expenses	—	52.77
Foreign Currency Exchange Fluctuation (Net)	-93.36	1225.14
Miscellaneous Expenses	541.42	441.86
	40060.77	36264.90

SCHEDULE 17

INTEREST & OTHER FINANCIAL EXPENSES

INTEREST				
(i) On Term Loans	2286.72		3128.65	
(ii) On Fixed Deposits	404.81		286.88	
(iii) Other Interest	300.18	2991.71	1796.39	5211.92
Bank Charges and Other Financial Expenses		493.06		369.11
		3484.77		5581.03
Less : Interest Received [TDS ₹ 6.75 lacs (Previous Year ₹ 15.61 lacs)]		182.06		125.00
		3302.71		5456.03



SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS.

A. BASIS OF ACCOUNTING

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

B. REVENUE RECOGNITION

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

C. FIXED ASSETS

- i. Certain Land, Buildings, Plant & Machinery and Moulds & Dies are stated at revalued amounts as a result of their revaluation less depreciation.
- ii. Other fixed assets are stated at cost less accumulated depreciation and amortisation.
- iii. Interest on borrowings and incidental expenses incurred during the period of construction/installation and till the acquired assets are put to use, are added to the cost of fixed assets.
- iv. The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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

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

E. DEPRECIATION & AMORTISATION

Tangible Assets

- i. Depreciation on Building, Plant & Machinery and Moulds & Dies is provided on Straight Line Method and on other assets on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except certain specific assets on which depreciation is provided at higher rates based on useful life of the assets estimated by the management.
- ii. Certain class of assets acquired after 1-7-2009 have been depreciated at rates higher than as specified in Schedule XIV of the Companies Act, 1956, the details thereof are as under
Injection moulding machines- 8.33% on SLM basis.
Electronic equipments: - 60% on WDV basis
Computers:- 60 % on WDV basis
- iii. Depreciation on additions to the assets during the year is being provided on pro-rata basis from the date of acquisition / installation.
- iv. Depreciation on assets sold or discarded during the year is being provided on pro-rata basis upto the date on which such assets are sold or discarded.



- v. Leasehold Land is amortised over the period of lease.
- vi. Assets costing upto ₹ 5,000/- each are depreciated fully in the year of purchase.

Intangible Assets

Cost of software and ERP package is amortised over a period of four years.

F. INVESTMENTS

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

G. INVENTORIES

Inventories of plastic goods are valued as under:

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

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

H. FOREIGN CURRENCY TRANSACTIONS

- (a) All transaction in foreign currency, are recorded at the rates of exchange prevailing on dates when the relevant transactions take place.
- (b) Monetary assets and liabilities in foreign currency, outstanding at end of the year, are converted in Indian Currency at appropriate rate of exchange prevailing on date of Balance Sheet. Resultant Gain or Loss is accounted for during the year.
- (c) In respect of forward exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets/liabilities. Profit or loss on cancellations/renewals of forward exchange contracts is recognised during the year.
- (d) Non-monetary foreign currency items are carried at cost.

I. EMPLOYEE BENEFITS

- 1. Short Term Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which related service is rendered.
- 2. Post Employment Benefits:
 - (a) Defined Contribution Plan:
Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which related service is rendered.
 - (b) Defined Benefit Plan:
 - Gratuity
The present value of obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. The Gratuity Funds for the employees' are administered by Life Insurance Corporation of India under Group Gratuity Scheme.
 - Provident Fund
For few employees, monthly contributions are made to a trust administered by the company. The interest rate payable to the beneficiaries is notified by the government. The company has obligation to make good shortfall, if any, between return on investment of the Trust and rates notified by the Government.
For those employees not covered by above, monthly contributions are deposited into Government.



3. Leave Liability

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

J. RESEARCH & DEVELOPMENT EXPENDITURE

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

K. SHARE / DEBENTURE ISSUE EXPENSES AND DEBENTURE REDEMPTION RESERVE

- Issue expenses are adjusted against the Share 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 Share Premium Account.

L. TAXES ON INCOME

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending 31st March, 2010.

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

M. PROVISIONS AND CONTINGENT LIABILITIES

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

N. CONSTRUCTION BUSINESS

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

- 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 Profit & Loss Account and shown separately under 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.

SCHEDULE 19: NOTES FORMING PART OF THE ACCOUNTS:

1. Contingent Liabilities not provided for:	2009-10	2008-09
		₹ in lacs
a. Bills / Cheques discounted	712.39	1515.18
b. Guarantees given by Banks	834.91	766.10
c. Claims against the Company including Show Cause-cum-Demand Notices in relation to Central Excise and Service Tax not acknowledged as Debts	871.30	897.68
d. Disputed Income Tax Demands	1902.37	1923.32
e. Disputed Sales Tax / Entry Tax Demands	459.74	375.85
f. Other claims against the company not acknowledged as debts.	164.07	85.28



- g. The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rate of duty on an understanding to fulfil quantified exports of which remaining future obligation aggregates to ₹ 7215.94 lacs (Previous Year ₹ 8265.29 lacs). Non fulfillment of such future obligation, if any, entails options / rights to the Government to confiscate capital goods imported under the said license and other penalties under the above referred scheme.
2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 5649.57 lacs (Previous year ₹ 2412.26 lacs).
3. The company has capitalised interest amounting to ₹ NIL (Previous year ₹ 697.77 lacs) on payments made towards various projects under construction.
4. (a) Depreciation has been provided at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956 except where the Company has reassessed the life of certain buildings, plant & machinery and accordingly revised the useful life of those assets. The Company has charged depreciation at higher rates than those specified under Schedule XIV of the Companies Act, 1956. During the year company has reassessed life of certain machines and charged depreciation at higher rates, above change have resulted in higher depreciation for the year by ₹ 76.52 lacs (Previous year ₹ 234.52 lacs) and correspondingly the profit for the year is lower by a similar amount.
- (b) Depreciation on incremental value due to revaluation is provided at the rates specified in Schedule XIV to the Companies Act, 1956. The additional charge of depreciation due to such revaluation is ₹ 4.39 lacs (Previous year ₹ 14.98 lacs). An equivalent amount has been transferred from Revaluation Reserve to Profit & Loss Account.
- (c) ₹ 1.68 lacs (Previous year ₹ 2.22 lacs) has been transferred from Revaluation Reserve to Leasehold Land Account being the amortisation in the value of Lease Premium due to efflux of time.
5. Pursuant to the decision taken by the Board of Directors of the Company land and building of Protective Packaging Division at Nandesari in the State of Gujarat have been put for divestment subject to necessary approvals and compliances. Accordingly Land and building of Protective Packaging Division has been treated as assets held for disposal valued at estimated net realizable value or written down values, whichever is lower. Assets held for disposal includes ₹ 170.67 lacs pertaining to the above said division.
6. Company has converted the capital asset of building under construction amounting to ₹ 7721.05 lacs and the land costing ₹ 10 lacs into stock in trade as on 1st July, 2009. Interest of ₹ 675.32 lacs incurred during the year and ₹ 1194.79 lacs incurred in previous years attributable to the property business is included in the cost of constructed property.
7. 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 under construction 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.
8. Forward contract premium of ₹ 91.03 lacs (Previous year ₹ 165.03 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company.
9. Company has setup a mega project at Gadegaon, Maharashtra and is entitled for Industrial Promotion subsidy for eligible period under Package Scheme of Incentives, 2001 of Government of Maharashtra. A sum of ₹ 488.16 lacs accrued for the year has been included in other income.
10. An unfortunate incident of fire occurred in neighbouring warehouse on 21st June, 2010 which also destroyed company's goods stored in two warehouses at Bhiwandi, Dist Thane, Maharashtra. The company has filed insurance claim of ₹ 205.88 lacs which is under assessment by surveyors. Necessary adjustment, if any, would be accounted in the year of final settlement.
11. Company is engaged mainly in production of plastic products and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS-17). The revenues, profit, and assets employed of construction business are not significant. The geographical segmentation is not relevant as export turnover is not significant in respect to total turnover.



12. Disclosure on related party transactions:

Nature of Transactions	Holding & Subsidiaries	Associates	Key Management Personnel & Relatives	Total
Purchase of goods	(-)	3679.51 (3519.24)	- (-)	3679.51 (3519.24)
Sale of goods	326.49 (290.12)	112.76 (-)	- (-)	439.25 (290.12)
Interest expense	- (-)	17.04 (5.33)	- (-)	17.04 (5.33)
Rendering of services – Paid- excluding taxes	37.91 (44.48)	38.13 (12.00)	- (-)	76.04 (56.48)
Dividend Received	- (-)	289.36 (289.36)	- (-)	289.36 (289.36)
Dividend Paid	- (-)	2008.69 (527.08)	104.23 (27.68)	2112.92 (554.76)
Inter Corporate Deposits received	- (-)	850.00 (255.00)	- (-)	850.00 (255.00)
Remuneration	- (-)	- (-)	835.70 (576.71)	835.70 (576.71)
Outstanding at year-end				
- Sundry Debtors	98.37 (131.91)	25.00 (-)	- (-)	123.37 (131.91)
- Sundry Creditors	- (-)	534.30 (538.65)	- (-)	534.30 (538.65)
- Other Payable	27.28 (35.92)	2.84 (13.12)	672.63 (436.91)	702.75 (485.95)

* 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., Multilayer Films Pvt. Ltd., Varali Investment & Trading Co. Pvt. Ltd., Jagatguru Investment & Trading Co. Pvt. Ltd., Balabheem Investment & Trading Co. Pvt. Ltd., Platinum Plastics & Industries Pvt. Ltd. and Suraj Packaging Pvt. Ltd., Venkatesh Investment & Trading Co. Pvt. Ltd., Jovial Investment & Trading Co. Pvt. Ltd., 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.

13. The Company has taken premises under cancelable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure are accounted for in Profit and Loss Account of the Company in accordance with Accounting Standard on lease transactions (AS-19).

14. Earning per Equity share – Basic / diluted

	2009-10	2008-09
Profit after tax (PAT) available for Equity shareholders (₹ In lacs)	14483.02	9738.61
Weighted Average Number of Equity shares	2,54,05,374	2,65,77,837
Nominal value of Equity shares ₹	10.00	10.00
Basic/ Diluted earning per Equity Share ₹	57.01	36.64



15. (a) Provision for Income Tax liability has been made in the accounts based on the taxable income for the period 1.4.2009 to 31.3.2010 (A.Y. 2010-11). The tax liability for the period 1.4.2010 to 30.6.2010 shall be determined on the basis of the taxable income for the year ended 31st March, 2011 (A.Y. 2011-12).
- (b) The Company has recognised deferred tax provision for the year aggregating to ₹ 556.30 lacs in the Profit & Loss Account (Previous Year ₹ 1200 lacs).
- (c) Deferred Tax Liabilities as on 31st March, 2010 comprises of:

Particulars	Balance as on 31st March, 2010	Balance as on 31st March, 2009
Deferred Tax Liability : Arising on account of timing difference in:		
i. Depreciation	7043.31	6428.09
ii. Amount to be claimed on payment basis	(58.92)	-
Total Deferred Tax Liability	6984.39	6428.09

- (d) Corporate Tax includes provision for wealth tax ₹ 4 lacs (Previous year ₹ 4.00 lacs).
16. Commitment charges / processing fee paid / payable on Borrowings is being amortised over the period of such borrowings.
17. The Company has given undertaking to IDBI Bank & ICICI Bank for non-disposal of its investments in Supreme Petrochem Ltd. (SPL) without prior consent of the respective banks as long as any part of the loan facilities sanctioned by the Bank to SPL remains outstanding.
18. The company has received memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and or Medium Enterprises Development Act, 2006) from some suppliers claiming their status as micro small or medium enterprises. Consequently the amount and interest paid / payable to these parties is as under. The above information is complied by the company on the basis of information available, on unit-wise basis and relied upon by the auditors.

	(₹ in lacs)
i) Principal amount outstanding as at 30th June, 2010	224.82
ii) Interest due on above and unpaid as at 30th June, 2010	1.00
iii) Payments made to the suppliers beyond the appointed day and interest their on during the year	-
iv) Interest due and payable for the period of delay	-
v) Interest accrued and remaining unpaid as at 30th June, 2010	1.00
vi) The amount of further interest remaining due and payable in succeeding year.	1.00

19. Items covered by Investor Education & Protection Fund shown under Schedule 11 includes:

	2009-2010	2008-2009
a. Unclaimed Dividend	85.97	66.57
b. Debenture Application Money	0.14	0.14
c. Unclaimed Matured Deposits & Interest	83.20	77.39
d. Unpaid Matured Debentures & Interest	0.91	2.27
Total	170.22	146.37

Amount due and outstanding to be credited to Investor Education & Protection Fund as on 30.06.2010 is Nil (Previous Year Nil).

20. Disclosure pursuant to Accounting Standard 15 - "Employee Benefits"

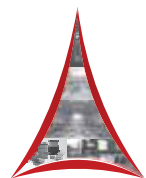
The Gratuity Funds for the employees' are administered by Life Insurance Corporation of India under Group Gratuity Scheme. Liability of Gratuity has been valued by an independent actuary as on 31st March, 2010 and has been provided accordingly.

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

	As on 31/03/2010	As on 31/03/2009
1 Assumptions		
Discount Rate	8.00%	7.80%
Salary Escalation	6.00%	6.00%



	As on 31/03/2010	As on 31/03/2009
2 Table showing changes in present value of obligations	(₹ in lacs)	(₹ in lacs)
Present value of obligations as at beginning of the period	572.32	554.18
Interest cost	44.64	44.33
Current Service Cost	61.58	53.47
Past service cost(vested benefit)	64.93	—
Benefits Paid	(61.58)	(42.90)
Actuarial (gain)/Loss on obligations	94.55	(36.76)
Present value of obligations as at end of period	776.44	572.32
3 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	513.91	401.58
Expected return on plan assets	35.36	32.13
Contributions	142.01	117.86
Benefits paid	(61.58)	(42.90)
Actuarial Gain / (Loss) on Plan assets	13.63	5.24
Fair value of plan assets at the end of year	643.33	513.91
Total Actuarial Gain / (loss) to be recognized	(80.91)	42.01
4 Actual return on plan assets		
Expected return on plan assets	35.36	32.13
Actuarial Gain / (Loss) on Plan assets	13.63	5.24
Actual return on plan assets	48.99	37.37
5 Present value of obligations as at the end of year	776.44	572.32
Fair value of plan assets as at the end of the year	643.33	513.91
Funded status (shortfall)	133.11	58.41
Net Asset/(liability) recognized in balance sheet	(133.11)	(58.41)
6 Expenses Recognised in statement of Profit & loss		
Current Service cost	61.58	53.47
Interest Cost	44.64	44.33
Expected return on plan assets	(35.36)	(32.13)
Past service cost (vested benefit) recognized	64.93	—
Net Actuarial (gain)/Loss recognised in the year	80.91	(42.01)
Expenses recognised in statement of Profit & Loss	216.70	23.66
7 Break up of Plan Assets as a percentage of total plan assets		
Insurer Managed Assets	100%	100%
8 Balance Sheet Reconciliation		
Opening Net Liability	58.41	152.61
Expenses as above	216.70	23.66
Employers Contribution Paid	(142.01)	(117.86)
Closing Net Liability	133.11	58.41



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

Name of the Instrument	Currency & Aggregate Amount	Purpose
a. Forward Purchase	US \$ 43.60 million (Previous Year US \$ 47.07 million)	Hedging
Currency Swap	US \$ 5.50 million (Previous Year US\$ 7.50 million)	Hedging
Interest Rate Swap	US \$ 1.25 million (Previous Year US \$ 6.25 million)	Hedging
b. Open Foreign Exchange Exposures		
Receivable	US \$ 1.09 million (Previous Year US\$ 1.10 million)	
Payable	US \$ 14.87 million (Previous Year US\$ 8.06 million)	

22. Remuneration to Managing Director and Executive Directors' is as follows:

(₹ in lacs)

	Managing Director M. P. Taparia		Executive Director S. J. Taparia		Executive Director V. K. Taparia	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
A Salaries	43.20	36.00	40.20	33.00	37.20	30.00
B Commission	224.21	145.64	224.21	145.64	224.21	145.64
C Contribution to PF etc.	5.18	4.32	4.82	3.96	4.46	3.60
D Other Allowances & Perquisites	6.88	7.91	8.57	10.91	8.38	5.91
Total	279.47	193.87	277.80	193.51	274.25	185.15

23. Computation of Net Profit in Accordance with Sections 198, 309 and 349 of the Companies Act, 1956 for the purpose of commission to Managing Director and Executive Directors.

(₹ in lacs)

	2009-2010	2008-2009
Profit as per Profit and Loss Account before Exceptional Items	21961.54	13991.20
Add: Managing and Executive Directors' Remuneration	831.52	572.53
	22793.06	14563.73
Less: Capital profit on sale of assets	371.96	-
Net Profit for Commission	22421.10	14563.73
i) Commission to Mr. M. P. Taparia, Managing Director @ 1% of the Profit for the year *	224.21	145.64
ii) Commission to Mr. S. J. Taparia, Executive Director @ 1% of the Profit for the year *	224.21	145.64
iii) Commission to Mr. V. K. Taparia, Executive Director @ 1% of the Profit for the year *	224.21	145.64

* As approved by the Board of Directors in their Meeting held on 16th July, 2010.

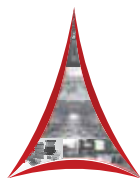
24. Payment to Auditors (including Branch Auditors):excluding Service Tax

(₹ in lacs)

	2009-2010	2008-2009
Audit Fees	21.24	17.89
Tax Audit Fees	12.41	9.88
For Taxation Matters	0.50	0.25
In other capacity	23.06	20.33
	57.21	48.35

25. Sundry Debtors, Sundry Creditors, Unsecured Loans and Advances are subject to confirmation by the respective parties.

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



27. Previous year's figures have been regrouped / rearranged wherever necessary including the capital work-in-progress of Andheri property converted into stock in trade during the year.

28. Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956.

A. Details of Capacity, Products Manufactured, Turnover, Opening Stock, Closing Stock of Goods Produced for Sale and Traded

		(₹ in lacs)			
(i) TURNOVER	UNIT	2009 - 2010		2008 - 2009	
		Quantity	Value	Quantity	Value
MANUFACTURED PRODUCTS :					
Injection Moulded Products	MT	57764.990	72321.13	48475.420	56126.23
Extruded Products	MT	131768.332	110739.67	121622.760	96744.91
Machinery & Moulds	Nos	16	71.68	16	108.16
TRADING PRODUCTS					
Injection Moulded Products	MT	150.700	257.18	73.241	139.17
Extruded Products	MT	928.210	476.82	1075.840	814.96
Others			13992.11	–	9974.17
(ii) RAW MATERIALS & COMPONENTS CONSUMED :		2009 - 2010		2008 - 2009	
		Quantity	Value	Quantity	Value
Commodity Plastics	MT	172756.51	100973.58	154056.925	79762.77
Engineering Plastics	MT	1953.744	2338.53	1430.430	1523.35
Additives	MT	16343.669	9522.88	15688.099	8753.10
Others			5816.51		5008.59
			118651.50		95047.81

Consumption figures shown above are after adjusting excess / shortages on physical count.

(iii) STOCKS :		2009 - 2010		2008 - 2009	
		Quantity	Value	Quantity	Value
OPENING STOCK OF FINISHED GOODS :					
MANUFACTURED PRODUCTS :					
Injection Moulded Products	MT	2870.404	2552.85	2319.831	2398.83
Extruded Products	MT	3789.901	2935.42	4278.675	3327.99
Machinery & Moulds	Nos.	3	9.17	8	39.74
TRADING PRODUCTS :					
Injection Moulded Products	MT	10.897	18.04	1.640	2.74
Extruded Products	MT	29.080	21.19	44.040	23.47
Others			271.39		116.81



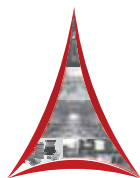
		(₹ in lacs)			
		2009 - 2010		2008 - 2009	
		Quantity	Value	Quantity	Value
PURCHASES :					
UNIT					
TRADING PRODUCTS :					
Injection Moulding Items	MT	172.080	263.64	82.499	129.67
Extrusion Items	MT	959.080	627.09	1060.880	583.49
Others			12326.60		9271.05
		2009 - 2010		2008 - 2009	
		Quantity	Value	Quantity	Value
CLOSING STOCKS OF FINISHED GOODS :					
MANUFACTURED PRODUCTS:					
Injection Moulded Products	MT	2638.510	2749.34	2870.404	2552.85
Extruded Products	MT	4874.077	3717.16	3789.901	2935.42
Machinery & Moulds	Nos.	3	6.49	3	9.17
TRADING PRODUCTS:					
Injection Moulded Products	MT	32.280	49.52	10.897	18.04
Extruded Products	MT	59.950	34.45	29.080	21.19
Others			264.10		271.39
(iv) CAPACITY AND PRODUCTION :		2009 - 2010			2008 - 2009
	Unit	Capacity Licensed	Capacity Installed *	Production	Capacity Installed *
Injection Moulded Products	MT	N.A	88450	57533.096	78400
Extruded Products	MT	N.A	203530	132852.508	197550
Machinery & Moulds	Nos.	N.A	N.A	16	N.A

NOTES :

- (1) * As certified by the Management and accepted by the auditors being a technical matter.
- (2) Production includes production achieved on labour job basis from outsiders.
- (3) The turnover does not include sale of premises for ₹ 2044.98 lacs (Previous year Nil), cost of which was ₹ 722.41 lacs (Previous Year Nil).
- (4) Job work charges from outsiders ₹ 254.99 lacs not included herein (Previous Year ₹ 770.38 lacs).
- (5) The Turnover does not include Sale of Scrap for ₹ 415.20 lacs (Previous Year ₹ 514.90 lacs).
- (6) The above Turnover does not include Excise Duty on sales ₹ 16585.69 lacs (Previous year ₹ 15707.16 lacs).
- (7) Production Quantities shown herein are after adjustment of departmental consumption.
- (8) Turnover includes 16 nos. (Previous Year 16 nos.) of Machinery and Parts ₹ 71.68 lacs (Previous Year ₹ 108.16 lacs) and Packing Material & Components ₹ 225.64 lacs (Previous year ₹ 225.01 lacs) transferred to other divisions for captive use.

B. Value of Imported and Indigenous Raw Material and Components Consumed :

		(₹ in lacs)			
		2009 - 2010		2008 - 2009	
		Value	% of Total Consumption	Value	% of Total Consumption
Imported		55542.13	46.81	44136.12	46.44
Indigenous		63109.37	53.19	50911.69	53.56
		118651.50	100.00	95047.81	100.00



C. Value of Imported and Indigenous Stores & Spare Parts Consumed:

(₹ in lacs)

	2009 - 2010		2008 - 2009	
	Value	% of Total Consumption	Value	% of Total Consumption
Imported	46.94	2.34	28.53	1.72
Indigenous	1960.51	97.66	1628.42	98.28
	<u>2007.45</u>	<u>100.00</u>	<u>1656.95</u>	<u>100.00</u>

D. CIF Value of Imports :

	2009 - 2010	2008 - 2009
i) Raw Material & Components	54339.78	45649.41
ii) Stores & Spares	44.19	38.52
iii) Capital Goods	2426.34	3131.83
	<u>56810.31</u>	<u>48819.76</u>

E. Expenses and Remittances in Foreign Currency during the Financial Year :

	2009 - 2010	2008 - 2009
i) Interest	699.61	908.50
ii) Other Matters	293.31	522.40
	<u>992.92</u>	<u>1430.90</u>

F. Details of Foreign Shareholding and Dividend Remitted Thereon :

	2009 - 2010		2008 - 2009
	Final	Interim	Final
i) Number of Non-resident Shareholders	599	590	592
ii) Number of Shares held on which dividend were paid	508887	501710	1547730
iii) Gross Dividend (₹ in lacs)	61.06	25.08	69.65

G. Earnings in Foreign Currency:

	2009 - 2010	2008 - 2009
Export (On FOB Basis)	5874.03	6863.49



29 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. REGISTRATION DETAILS

Registration No.

	3	5	5	4
--	---	---	---	---

 State Code

1	1
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Balance Sheet

3	0
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0	6
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2	0	1	0
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Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)

Public Issue										Rights Issue									
						N	I	L							N	I	L		
Bonus Issue										Private Placement									
						N	I	L							N	I	L		

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in ₹ Thousands)

Sources of Funds	Total Liabilities										Total Assets									
		6	7	7	0	9	5	9		6	7	7	0	9	5	9				
	Paid Up Capital										Reserves & Surplus									
			2	5	4	0	5	4		3	5	2	7	8	5	7				
Application of Funds	Secured Loans										Unsecured Loans									
		1	9	0	3	6	4	7			3	8	6	9	6	2				
	Deferred Tax Liabilities										Investments									
			6	9	8	4	3	9			3	3	6	1	6	3				
	Net Fixed Assets										Miscellaneous Expenditure									
		5	7	8	5	8	8	0								0				
	Net Current Assets																			
		6	4	8	9	1	6													
	Accumulated Losses																			
							0													

IV. PERFORMANCE OF COMPANY (Amount in ₹ Thousands)

Turnover										Total Expenditure									
	2	0	2	1	9	5	3	1		1	8	0	2	3	3	7	7		
Profit Before Tax										Profit After Tax									
		2	1	9	6	1	5	4			1	4	4	8	3	0	2		
Earning per Share in ₹										Dividend Rate (%)									
							5	7							1	8	0		

V. GENERIC NAME OF THE PRINCIPAL PRODUCTS OF THE COMPANY (as per monetary terms) :

Item Code No. (ITC Code)			3	9	1	7	2	3	0	9			3	9	1	7	4	0	0	0		
Product Description	P	V	C		P	I	P	E	S		&		F	I	T	T	I	N	G	S		
Item Code No. (ITC Code)			3	9	2	6	9	0	0	9												
Product Description	C	R	O	S	S		L	A	M	I	N	A	T	E	D		F	I	L	M		
Item Code No. (ITC Code)			9	4	0	1	8	0	0	0												
Product Description	P	L	A	S	T	I	C		M	O	U	L	D	E	D		C	H	A	I	R	S

Note : Signatures to Schedules 1 to 19 forming part of Balance Sheet and Profit and Loss Account

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

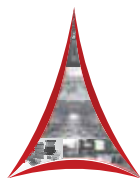
B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



Cash Flow Statement for the year ended 30th June, 2010

	For Year Ended 30.06.2010	For Year Ended 30.06.2009
₹ in Lacs		
A Cash Flow Arising From Operating Activities		
Net Profit Before Tax	21961.54	13991.20
Adjustment For :		
Add : Depreciation	5292.04	5251.74
Leasehold Assets Premium W/off	7.01	7.18
Interest Net	3302.71	5456.03
(Profit) / Loss on sale of Investments	-51.14	-52.50
	8550.62	10662.45
	30512.16	24653.65
Less : Dividend Received	338.13	289.76
Profit /(Loss) on sale of Assets	315.46	14.15
Lease Rent etc. Received	3.08	142.06
	656.67	445.97
Operating Profit before working capital changes	29855.49	24207.68
Adjustments for :		
Inventories	4514.12	1159.63
Trade & Other Receivable	4148.93	-3851.32
Trade & Other Payable	-3611.00	303.65
	5052.05	-2388.04
Cash Generated from Operations	24803.44	26595.72
Interest Paid	-3484.77	-5581.03
Direct Taxes Paid	-6762.95	-2152.67
Net Cash Flow from Operating Activities (A)	14555.72	18862.02
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	7900.51	16041.14
Sale of Fixed Assets	-575.08	-3140.40
Sale of Investments	-51.13	-86.22
Buy Back of Shares	0	2457.03
Capital Subsidy received	0	-50.00
Exceptional Income	0	-622.76
Interest Received	-182.06	-125.00
Dividend Received	-338.13	-289.76
Lease Rent Received	-3.08	-142.06
Net Cash Used in Investing Activities (B)	6751.03	14041.97
C Cash Flow from Financing Activities		
Proceeds / Repayments from Long Term & Short Term Borrowings	-1967.98	-5157.96
Dividend & Corporate Dividend Tax paid	-5052.91	-1454.22
Net Cash Used in Financing Activities (C)	-7020.89	-6612.18
Net Increase / (Decrease) in Cash & Cash Equivalents (A-B-C)	783.80	-1792.13
Opening Balance as on 01.07.2009	1041.42	2833.55
Closing Balance as on 30.06.2010	1825.22	1041.42

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



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

1. The Financial Year of the Subsidiary Company ended on : 30th June 2010.
2. Date from which it became Subsidiary : 10th December, 2005.
3. No. of shares held by The Supreme Industries Ltd. (Holding Company) with its nominees in the subsidiary at the end of the financial year of the subsidiary : 1 no. Equity Shares of AED 1,50,000 each fully paid up each.
Extent of Interest of Holding Company at the end of the financial year of the subsidiary : 100 %
4. The net aggregate amount of the Subsidiary's profit after deducting losses, so far as it concerns the members of the Holding Company.
Not dealt with in Holding Company's accounts.
i) For the Financial Year ended 30th June, 2010 : ₹ 14.98 lacs Profit
ii) For the Previous Financial years : ₹ 13.42 lacs Loss
Dealt with in Holding Company's accounts.
i) For the Financial Year ended 30th June, 2010 : Nil
ii) For the Previous Financial years : Nil
5. Changes in the Holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the Holding Company's financial year : None
6. Material changes between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect of
a) Fixed Assets : Nil
b) Investments : Nil
c) Money lent by the subsidiary : Nil
d) Money borrowed by the subsidiary for any purpose other than meeting current liabilities : Nil

B. L. Taparia <i>Chairman</i>	M. P. Taparia <i>Managing Director</i>	H. S. Parikh	} <i>Directors</i>
		E. B. Desai	
S. J. Taparia <i>Executive Director</i>	V. K. Taparia <i>Executive Director</i>	N. N. Khandwala	
		B. V. Bhargava	
O. P. Roongta <i>Sr. Vice-President (Finance) & Secretary</i>		S. R. Taparia	

Mumbai, 16th July, 2010

Financial Summary

RELATING TO SUBSIDIARY COMPANY AS ON 30.06.2010

₹ in lacs

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 30.06.10	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Profit	Proposed Dividend
1	The Supreme Industries Overseas (FZE)	AED	12.82	18.88	1.56	134.91	134.91	NIL	493.40	14.98	NIL	14.98	NIL

Ministry of Corporate Affairs, Government of India vide their Letter No. 47/624/2010-CL-111 dated 28.07.2010 have granted exemption under Section 212(8) of the Companies Act, 1956 from attaching the financial statements of the subsidiary company viz. The Supreme Industries Overseas (FZE), to the company's accounts for the financial year ended 30th June, 2010. The annual accounts of the subsidiary company and the related detailed information will be made available to the holding and subsidiary company investors seeking such information at any point of time. The annual accounts of the subsidiary company will also be kept for inspection by any investor at the Registered Office.



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

We have examined the attached Consolidated Balance Sheet of The Supreme Industries Limited and its subsidiary, as at June 30, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Audited by other Auditors:	Total assets	Total revenues
Foreign subsidiary	₹ 134.91 lacs	₹ 493.40 lacs

As stated in Note no. 3 of Notes forming part of consolidated accounts, the financial statements as on June 30, 2010 are not available in case of an associate. The investment in this associate has been stated at "equity method" as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

2. We further report that in respect of an associate, we did not carry out the audit. These financial statements have been certified by Management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the associates is based solely on these certified financial statements. Since the financial statements for the nine months ended March 31, 2010, which were compiled by Management of these companies, were not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. The details of the net carrying cost of investment and current year's share of profit or (loss) in respect of these associates to the extent to which they are reflected in the consolidated financial statements are given below:

Certified by management:	Net carrying cost of investment	Current year / period share of profit / (loss)
Associate	₹ 3337.50 lacs	₹ 1389.82 lacs

3. We report that, unless stated otherwise, the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements", and AS 23, "Accounting for Investments in Associates in Consolidated Financial Statements" notified under sub section 3C of section 211 of the Companies Act, 1956, and on the basis of the separate audited / certified financial statements of the SUPREME Group included in the consolidated financial statements.
4. We report that on the basis of the information and explanations given to us and on the consideration of report of other auditors on separate financial statement and on the other financial information of the components of the group, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the state of affairs of The Supreme Industries Limited Group as at June 30, 2010;
 - b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date
 - c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

Chintan Shah
Partner
M. No. 107490

Mumbai, 16th July, 2010.



Consolidated Balance Sheet as on 30th June, 2010

	Schedule	2009 - 2010		₹ in lacs 2008 - 2009	
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	2540.54		2540.54	
Reserves & Surplus	2	38866.72	41407.26	27871.56	30412.10
LOAN FUNDS					
Secured Loans	3	19036.47		21517.97	
Unsecured Loans	4	3869.62	22906.09	3356.10	24874.07
DEFERRED TAX LIABILITY (Net)			6984.39		6428.09
			71297.74		61714.26
APPLICATION OF FUNDS					
FIXED ASSETS					
	5				
Gross Block		96597.68		90235.24	
Less : Depreciation		40333.55		35929.00	
Net Block		56264.13		54306.24	
Add : Capital Work-in-Progress		1308.36		1231.31	
Add: Assets held for disposal		290.06	57862.55	119.38	55656.93
INVESTMENTS			6929.35		4959.49
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	7	29064.28		24550.16	
Sundry Debtors	8	13103.76		11526.16	
Cash & Bank Balances	9	1867.43		1073.89	
Loans & Advances	10	9782.42		7213.67	
		53817.89		44363.88	
Less : CURRENT LIABILITIES & PROVISIONS					
Creditors	11	41185.54		37657.98	
Provisions	12	6126.51		5608.06	
		47312.05	6505.84	43266.04	1097.84
			71297.74		61714.26
Significant Accounting Policies					
Notes to the accounts					

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

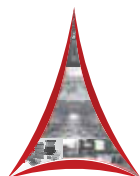
B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



Consolidated Profit and Loss Account for the year ended 30th June, 2010

Supreme
People who know plastics best
ANNUAL REPORT
2009-2010

	Schedule	2009 - 2010	2008 - 2009
INCOME			
Sales	13	200702.25	165493.66
Other Income	14	1332.19	615.17
EXPENDITURE			
Cost of Materials	15	131648.09	105419.24
Manufacturing, Selling & Other Expenses	16	40099.73	36290.99
PROFIT BEFORE INTEREST, DEPRECIATION & TAX			
Interest & Financial Charges	17	3305.05	5457.74
Depreciation, Amortisation & Impairment		5298.80	
[Excluding transfer from Revaluation Reserve		4.39	
₹ 4.39 lacs (Previous year ₹ 14.99 lacs)]		5294.41	5253.96
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS			
Exceptional Income		21687.16	13686.90
Depreciation for Earlier Years Provided for / (-) Written Back		0.00	622.76
Excess Provision of Income tax of earlier years w/back		0.00	-1.35
Provision for Taxation:		-10.48	0.00
Corporate Tax		6932.70	3554.00
Deferred Tax		556.30	1200.00
Fringe Benefit Tax		0.00	120.00
PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION			
Add : share of Profit (+)/Loss (-) in associate for the period		14208.64	9434.31
GROUP PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION		1389.82	-349.51
Appropriations Therefrom :		15598.46	9084.80
Transferred to Capital Reserve		1.48	
Interim Dividend Paid on Equity Shares		1270.27	0.00
Proposed Dividend on Equity Shares		3302.70	3048.64
Corporate Dividend Tax Paid		215.88	0.00
Provision for Corporate Dividend Tax		548.54	518.12
Transferred to General Reserve		10259.59	5518.04
EARNINGS PER SHARE			
(Refer Note No. 16 of Schedule 19)			
Basic & Diluted Earning per share (before Exceptional Income)		₹ 61.40	₹ 31.84
Basic & Diluted Earning per share (after Exceptional Income)		₹ 61.40	₹ 34.18
Face Value per share		₹ 10.00	₹ 10.00
Significant Accounting Policies	18		
Notes to the accounts	19		

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
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E. B. Desai

N. N. Khandwala

B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

Mumbai, 16th July, 2010



Schedules to Consolidated Balance Sheet

₹ in lacs
2008 - 2009

2009 - 2010

SCHEDULE 1

SHARE CAPITAL

AUTHORISED

3,00,00,000 (Previous Year 3,00,00,000)	3000.00	3000.00
Equity Shares of ₹ 10 each		
1,12,00,000 (Previous Year 1,12,00,000)	1120.00	1120.00
Preference Shares of ₹ 10 each		
3,38,00,000 (Previous Year 3,38,00,000)	3380.00	3380.00
Unclassified Shares of ₹ 10 each		
	7500.00	7500.00

ISSUED AND SUBSCRIBED

2,54,05,374 Nos. (Previous Year 2,76,21,674 Nos.)	2540.54	2762.17
Equity Shares of ₹ 10 each Fully Paid Up		
(including 1,88,87,209 Nos. Shares issued as		
fully paid Bonus Shares out of Reserves)		
Less: Nil Nos. (Previous Year 22,16,300 nos.)	—	221.63
Equity Shares of ₹ 10 each fully paid up,		
bought back and extinguished.		
	2540.54	2540.54

SCHEDULE 2

RESERVES AND SURPLUS

REVALUATION RESERVE

As per last Balance Sheet	276.09	294.90
Less: (1) Transferred to Profit & Loss Account	4.39	14.98
(2) Transferred to Leasehold Land	1.68	2.22
(3) Assets sold off / discarded	128.01	1.61
	142.01	276.09

CAPITAL RESERVE

As per last Balance Sheet	244.89	194.89
Add : Transferred from Profit & Loss Account	1.48	—
Add: Capital subsidy received	246.37	50.00
		244.89

SECURITIES PREMIUM ACCOUNT

As per last Balance Sheet	4748.52	7205.55
Less: Transferred to Capital Redemption Reserve being amount	—	221.63
equal to face value of 22,16,300 Nos. Equity Shares of ₹ 10 each		
fully paid bought back and extinguished.		
Less: Utilised for premium paid on 22,16,300 Nos. Equity Shares of	—	2235.40
₹ 10 each fully paid bought back and extinguished.	4748.52	4748.52

GENERAL RESERVE

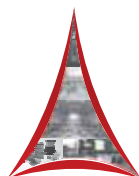
As per last Balance Sheet	22380.10	16589.93
Add : Adjustments due to Associate Grouping	869.47	272.13
Add : Transferred from Profit & Loss Account	10259.59	5518.04
	33509.16	22380.10

CAPITAL REDEMPTION RESERVE

As per last Balance Sheet	221.63	—
Add: Transferred from Securities Premium Account	—	221.63
	221.63	221.63

FOREIGN EXCHANGE TRANSLATION RESERVE

-0.97	0.33
38866.72	27871.56



Schedules to Consolidated Balance Sheet

2009 - 2010

₹ in lacs
2008 - 2009

SCHEDULE 3

SECURED LOANS

A. WORKING CAPITAL LOANS

From Banks - Rupee Loans	466.21	-7623.96
(Surplus Balance in Cash Credit Accounts in previous year)		

B. TERM LOANS

(a) Yes Bank - Rupee Loan	5000.00	—
(b) GE Capital Services of India - Rupee Loan	3259.26	3259.26
(c) Kotak Mahindra Bank - Rupee Loan	2916.38	—
(d) Axis Bank Ltd. - Rupee Loan	2750.00	7050.00
(e) ABN AMRO Bank - Foreign Currency Loan	2189.00	2985.00
(f) Vijaya Bank - Rupee Loan	1125.00	3375.00
(g) Federal Bank Ltd. - Rupee Loan	750.00	1500.00
(h) HSBC Bank - Foreign Currency Loan	580.62	3031.38
(i) State Bank of India - Rupee Loan	—	5000.00
(j) ICICI Bank Ltd. - Foreign Currency Loan	—	372.63
(k) State Bank of Hyderabad - Rupee Loan	—	1685.62
(l) State Bank of Mysore - Rupee Loan	—	883.04
	19036.47	21517.97

NOTES :

- Working Capital Loans from Banks (A) above are secured / to be secured against:
 - hypothecation of stocks and Book Debts
 - second / subservient charge on all movable plant, machinery and moulds (except plant, machinery and moulds at Malanpur (PVC Film) and Khopoli unit) and
 - immovable properties of the Company situated at various locations (except properties at Andheri, Jalgaon, Malanpur (PVC Film), Nandesari and Khopoli), both present and future.
- Term Loans from financial institutions and banks [B(a) to B(j)] are secured / to be secured on first *pari passu* charge basis as under:
 - Immovable properties of the company, situated at various locations, both present & future, subject to the exclusion of properties, as mentioned in Clause 1(c) above.
 - movable properties viz. plant, machinery & moulds of the Company, both present and future, subject to exclusions as mentioned in Clause 1(b) above and second / subservient charge on current assets viz. stocks and book debts of the Company.
 - Term loans from banks [B(k) and B(l)] were secured on first *pari passu* charge basis by exclusive mortgage over the immovable property of the company situated at Andheri (West), Mumbai.

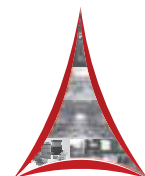
2009 - 2010

₹ in lacs
2008 - 2009

SCHEDULE 4

UNSECURED LOANS

Fixed Deposits	3869.62	3356.11
	3869.62	3356.11





Schedules to Consolidated Balance Sheet

SCHEDULE 5 FIXED ASSETS

₹ in lacs

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
ASSETS	As At 01.07.2009	Additions During the Year	Deductions/ Adjustment During the Year	As At 30.6.2010	As At 01.07.2009	For the Year	Impairment During the Year	Deductions/ Adjustment During The Year	As At 30.06.2010	As At 30.06.2009	
Freehold Land	1123.20	12.36	1.79	1133.77					1133.77	1123.20	
Leasehold Land	766.45		225.97	540.48					540.48	766.45	
Buildings	19629.28	698.30	197.15	20130.43	3939.47	592.89		89.14	4443.22	15689.81	
Plant, Machinery & Electrical Installations	49745.88	5029.13	670.98	54104.03	19113.06	2814.31		488.70	21438.67	30632.82	
Moulds & Dies	14545.24	1339.61	103.33	15781.52	10415.18	1281.77		103.30	11593.65	4130.06	
Furniture, Fixture & Office Equipments	2814.81	347.73	120.92	3041.62	1729.52	397.34		108.39	2018.47	1085.79	
Vehicles	710.69	98.03	89.44	719.28	416.03	89.37		73.80	431.60	294.66	
Sundry Equipments	899.19	299.03	51.67	1146.55	315.74	123.12		30.92	407.94	583.45	
Total	90234.74	7824.19	1461.25	96597.68	35929.00	5298.80	-	894.25	40333.55	54306.24	
Previous Year	80300.19	13930.54	3995.49	90235.24	33883.89	4950.62	318.33	3223.84	35929.00	46416.30	
Capital Work-in-Progress (including advances on Capital Account).											
Assets held for Disposal (Refer Note No. 7 of Schedule 19)											
									1308.36	1231.31	
									290.06	119.38	
									57862.55	55656.43	

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

Schedules to Consolidated Balance Sheet

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ANNUAL REPORT
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₹ in lacs

SCHEDULE 6 INVESTMENTS

Investment in	Face Value	Quantity As At 30.6.2010	As At 30.6.2009	Amount As At 30.6.2010	As At 30.6.2009
GOVERNMENT & TRUST SECURITIES	₹				
(a) National Saving Certificate				0.11	0.11
Sub Total				0.11	0.11
OTHERS - UNQUOTED AND FULLY PAID UP					
Equity Shares					
(a) Saraswat Co-op. Bank Ltd.	10	1000	1000	0.10	0.10
(b) Samarpan Fabricators Ltd.	100	1350	1350	0.75	0.75
(c) Super Bazar Co-op. Stores Ltd.	10	1000	1000	0.10	0.10
(d) Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	AED 150000	1	1		
Sub Total				0.95	0.95
OTHERS - QUOTED & FULLY PAID UP					
Equity Shares					
(a) Supreme Petrochem Ltd. (an associate company)	10	28936400	28936400	2834.83	2834.84
Add: Goodwill on acquisition				502.66	502.66
Add: Accumulated share in profit / (-) loss at the beginning of the year				2486.15	2255.61
Add: Share in profit / (-) loss - current year				1400.89	-342.89
Less: Unrealised Profit for Stock in hand				11.07	6.62
Less: Dividend received during the year				289.36	289.36
				6924.10	4954.24
(b) Symphony Comfort Systems Ltd.	10	600	600	0.27	0.27
(c) Vijaya Bank Ltd.	10	3200	3200	0.77	0.77
(d) Central Bank of India	10	3050	3050	3.10	3.10
(d) Unimers India Ltd.	10	37	37	0.05	0.05
Sub Total				6928.29	4958.43
Total				6929.35	4959.49
(a) Aggregate Value of Quoted Investments - at Cost				14453.25	10504.63
- at Market Value				13204.35	5748.53
(b) Aggregate Value of Unquoted Investments - at Cost				1.06	1.06
During the year the Company purchased & sold the following investments in Mutual Funds					
Details		Face value	Nos.	Cost	₹ In lacs
Axis Liquid Fund-Growth		1000	49627	500.00	
Birla Sun Life Savings Fund Instl. -Daily Dividend -Reinvestment		10	4996602	500.00	
Fortis Money Plus Institutional Plan Daily Dividend		10	4998450	500.00	
LICMF Liquid Fund - Dividend Plan		10	132512454	14550.00	
LICMF Liquid Fund - Growth Plan		10	63616068	10700.00	
Reliance Medium Term Fund - Daily Dividend Plan		10	2924746	500.00	
SBI Magnum Insta Cash Fund - Daily Dividend Option		10	11940085	2000.00	
UTI Money Market Mutual Fund-Institutional Growth Plan		1000	19582	200.00	
				29450.00	
					₹ in lacs
					2008 - 2009

SCHEDULE 7 INVENTORIES

(As certified by the Management)		
Stores, Spare parts, Packing Materials, etc	768.76	634.06
Raw Materials and Components	10470.36	9854.09
Reusable Material	781.75	532.90
Finished / Semi-Finished Goods	6472.98	5497.44
Finished Goods for Resale	348.07	310.62
Commercial Complex under Construction	10222.36	7721.05
	29064.28	24550.16



Schedules to Consolidated Balance Sheet

	2009 - 2010	2008 - 2009
SCHEDULE 8		
DEBTORS		
(Unsecured, considered good unless otherwise specified)		
Over Six months		
Considered Good	471.98	694.98
Considered Doubtful	93.86	73.50
	565.84	768.48
Less : Provision for Doubtful Debts	93.86	73.50
	471.98	694.98
Add: Others	12631.78	10831.18
	13103.76	11526.16
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on hand	108.59	67.92
Cheques in hand	89.10	95.67
Remittance in Transit	298.78	90.66
Balance with Scheduled Banks in :		
Current Accounts	1000.09	558.39
Deposit Accounts (Earmarked)	370.87	261.25
	1867.43	1073.89
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	8395.59	5115.55
Security and other Deposits	1124.83	1598.32
Prepaid Expenses	262.00	499.80
	9782.42	7213.67
SCHEDULE 11		
CREDITORS		
Sundry Creditors (Refer Note no. 20 of Schedule 19)	12722.67	8783.39
Acceptances	15830.32	18448.42
Items covered by Investors Education & Protection Fund (Refer Note No. 21 of Schedule 19)	170.22	146.37
Interest Accrued but not due on		
(i) Secured Loans	33.62	20.52
(ii) Unsecured Loans	234.73	127.08
Other Liabilities	12193.98	10132.20
	41185.54	37657.98



Schedules to Consolidated Balance Sheet

	2009 - 2010	2008 - 2009
SCHEDULE 12		
PROVISIONS		
Provision for Income Tax (Net of advances)	2136.97	1978.35
Provision for Wealth Tax (Net of advances)	5.19	4.54
Proposed Dividend	3302.70	3048.64
Provision for Corporate Dividend Tax	548.54	518.12
Provision for Gratuity Liability	133.11	58.41
	<u>6126.51</u>	<u>5608.06</u>

Schedules to Consolidated Profit and Loss Account

	2009 - 2010	2008 - 2009
SCHEDULE 13		
TURNOVER (NET)		
Plastic Products	185803.24	156060.92
Construction Business	2044.98	—
Others	12854.03	9432.74
	<u>200702.25</u>	<u>165493.66</u>
SCHEDULE 14		
OTHER INCOME		
Dividend	48.77	0.40
Industrial Promotion Subsidy (Refer Note No.11 of schedule 19)	488.16	—
Commission / Service Charges Received	5.66	—
Claims & Refunds	64.30	53.51
Sundry Receipts	315.81	352.55
Liabilities no longer required written back	39.81	—
Lease Rent Received	3.08	142.06
Gain on Sale / Discard of Assets (Net)	315.46	14.15
Profit on sale of Investments	51.14	52.50
	<u>1332.19</u>	<u>615.17</u>
SCHEDULE 15		
COST OF MATERIALS		
Raw Material Consumed	118651.50	95047.81
Cost of Goods Traded	13249.72	10102.31
(-)Increase / Decrease in Stocks		
Opening Stocks of Finished/Semi Finished Goods	5497.44	5766.56
Less: Closing Stocks of Finished/Semi Finished Goods	6472.98	5497.44
Cost of Premises Sold	722.41	—
	<u>131648.09</u>	<u>105419.24</u>



Schedules to Consolidated Profit and Loss Account

₹ in lacs
2008 - 2009

SCHEDULE 16

MANUFACTURING, SELLING & OTHER EXPENSES

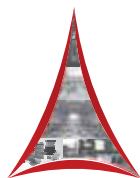
	2009 - 2010	2008 - 2009
Stores & Spare Parts Consumed	2007.45	1656.95
Labour Charges	3977.55	3263.12
Power & Fuel	7954.87	6800.84
Water Charges	70.12	58.64
Salaries, Wages & Bonus	6313.88	5420.77
Contribution to Pension & Provident Fund	393.37	314.14
Staff & Labour Welfare	454.53	411.58
Managerial Remuneration	831.53	572.53
Directors' Fees	7.05	5.90
Repairs & Maintenance of Building	453.18	184.40
Repairs & Maintenance of Plant & Machinery	852.17	723.15
Repairs & Maintenance (Others)	190.06	168.45
Rent, Rates & Taxes	519.91	454.12
Insurance	116.46	124.60
Charity & Donations	85.20	48.81
Legal & Professional Fees	387.16	421.45
Travelling & Conveyance [Directors ₹ 59.88 lacs (Previous year ₹ 64.57 lacs)]	950.50	853.04
Vehicle Expenses	197.94	205.06
Advertisement & Publicity	1304.17	1088.29
Packing, Freight and Transport Charges	6381.50	5832.25
Postage, Stationery & Telephone	631.44	601.45
Royalty, Commission & Discount	5262.20	5054.04
Sales Tax Paid	28.76	34.26
Bad Debts / Provision for Doubtful Debts	59.09	174.11
Plant Security Services	215.24	178.66
Share Buyback Expenses	—	52.77
Foreign Currency Exchange Fluctuation (Net)	-93.36	1225.14
Miscellaneous Expenses	547.76	362.47
	40099.73	36290.99

SCHEDULE 17

INTEREST & OTHER FINANCIAL EXPENSES

INTEREST

(i) On Term Loans	2286.72	3128.65
(ii) On Fixed Deposits	404.81	286.88
(iii) Other Interest	300.18	1796.39
Bank Charges and Other Financial Expenses	495.40	370.82
	3487.11	5582.74
Less: Interest Received [TDS ₹ 6.75 lacs (Previous Year ₹ 15.61 lacs)]	182.06	125.00
	3305.05	5457.74



SCHEDULE 18 : SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS

A. BASIS OF ACCOUNTING

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

B. REVENUE RECOGNITION

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

C. FIXED ASSETS

- i. Certain Land, Buildings, Plant & Machinery and Moulds & Dies are stated at revalued amounts as a result of their revaluation less depreciation.
- ii. Other fixed assets are stated at cost less accumulated depreciation and amortisation.
- iii. Interest on borrowings and incidental expenses incurred during the period of construction / installation and till the acquired assets are put to use, are added to the cost of fixed assets.
- iv. The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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

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

E. DEPRECIATION & AMORTISATION

Indian Company

Tangible Assets

- i. Depreciation on Building, Plant & Machinery and Moulds & Dies is provided on Straight Line Method and on other assets on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except certain specific assets on which depreciation is provided at higher rates based on useful life of the assets estimated by the management.
- ii. Certain class of assets acquired after 1-7-2009 have been depreciated at rates higher than as specified in Schedule XIV of the Companies Act, 1956, the details thereof are as under
Injection moulding machines- 8.33% on SLM basis.
Electronic equipments: - 60% on WDV basis
Computers:- 60 % on WDV basis
- iii. Depreciation on additions to the assets during the year is being provided on pro-rata basis from the date of acquisition / installation.



- iv. Depreciation on assets sold or discarded during the year is being provided on pro-rata basis upto the date on which such assets are sold or discarded.
- v. Leasehold Land is amortised over the period of lease.
- vi. Assets costing upto ₹ 5,000/- each are depreciated fully in the year of purchase.

Intangible Assets

Cost of software and ERP package is amortised over a period of four years.

Foreign Company

Depreciation have been provided by the foreign company on methods and at the rates required by the local laws so as to write off the assets over the useful life.

F. INVESTMENTS

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

G. INVENTORIES

Inventories of plastic goods are valued as under:

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

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

H. FOREIGN CURRENCY TRANSACTIONS

- (a) All transaction in foreign currency, are recorded at the rates of exchange prevailing on dates when the relevant transactions take place.
- (b) Monetary assets and liabilities in foreign currency, outstanding at end of the year, are converted in Indian Currency at appropriate rate of exchange prevailing on date of Balance Sheet. Resultant Gain or Loss is accounted for during the year.
- (c) In respect of forward exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward exchange contracts is recognised during the year
- (d) Non-monetary foreign currency items are carried at cost.

I. EMPLOYEE BENEFITS

- 1. Short Term Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which related service is rendered.
- 2. Post Employment Benefits:
 - (a) Defined Contribution Plan:
Company's contribution to the superannuation scheme, state governed provident fund scheme, etc. are recognised during the year in which related service is rendered.
 - (b) Defined Benefit Plan:
– Gratuity
The present value of obligation is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account. The Gratuity Funds for the employees' are administered by Life Insurance Corporation of India under Group Gratuity Scheme.



– Provident Fund

For few employees, monthly contributions are made to a trust administered by the company. The interest rate payable to the beneficiaries is notified by the government. The company has obligation to make good shortfall, if any, between return on investment of the Trust and rates notified by the Government.

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

3. Leave Liability

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

J. RESEARCH & DEVELOPMENT EXPENDITURE

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

K. SHARE / DEBENTURE ISSUE EXPENSES AND DEBENTURE REDEMPTION RESERVE

- i. Issue expenses are adjusted against the Share Premium Account.
- ii. Debenture Redemption Reserve is created pursuant to SEBI (Disclosure and Investor Protection) Guidelines, 2000.
- iii. Premium paid / payable on redemption is adjusted against the Share Premium Account.

L. TAXES ON INCOME

Indian Company

Current tax is determined based on the amount of tax payable in respect of taxable income for the financial year ending 31st March, 2010.

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

Foreign Company

Taxes are provided by the company as per prevailing local laws.

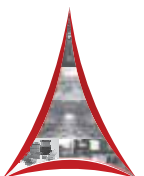
M. PROVISIONS AND CONTINGENT LIABILITIES

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

N. CONSTRUCTION BUSINESS

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

- a. Revenue recognition
Income from real estate sales is recognized on the transfer of all significant risk and rewards of ownership to the buyers and is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.
- b. Cost recognition
Proportionate cost including estimated cost of completion of real estate sold is recognized in Profit & Loss Account and shown separately under Cost of materials.
- c. Valuation of inventory
Finished / under construction inventory of real estate is stated at cost or net realizable value whichever is lower.
Construction work-in-progress includes cost of land, premium for development rights, construction cost, materials, services and allocated interest and expenses incidental to the construction business.
Other accounting policies, wherever applicable, are same as followed in normal course of business.



SCHEDULE 19 : NOTES FORMING PART OF THE ACCOUNTS:

1. Basis of 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".

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

Name of Subsidiary	Country of Incorporation	Proportion of Ownership As on 30th June, 2010
The Supreme Industries Overseas (FZE)	Sharjah (UAE)	100%
Name of Associate	Country of Incorporation	Proportion of Ownership As on 30th June, 2010
Supreme Petrochem Limited	India	29.88%

3. The accounts of the associates are not available as on 30th June, 2010. Financial statements as certified by the management for the 9 month period ending 31st March, 2010 have been considered for the preparation of the consolidated financial statements.

4. Contingent Liabilities not provided for:

	2009-10	2008-09
a. Bills / Cheques discounted	712.39	1515.18
b. Guarantees given by Banks	834.91	766.10
c. Claims against the Company including Show Cause-cum-Demand Notices in relation to Central Excise and Service Tax not acknowledged as Debts	871.30	897.68
d. Disputed Income Tax Demands	1902.37	1923.32
e. Disputed Sales Tax / Entry Tax Demands	459.74	375.85
f. Other claims against the company not acknowledged as debts	164.07	85.28
g. The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rate of duty on an understanding to fulfil quantified exports of which remaining future obligation aggregates to ₹ 7215.94 lacs (Previous Year ₹ 8265.29 lacs). Non fulfillment of such future obligation, if any, entails options / rights to the Government to confiscate capital goods imported under the said license and other penalties under the above referred scheme.		

5. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 5649.57 lacs (Previous year ₹ 2412.26 lacs).

6. The company has capitalised interest amounting to NIL (Previous year ₹ 697.77 lacs) on payments made towards various projects under construction.

- (a) Depreciation has been provided at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956 except where the Company has reassessed the life of certain buildings, plant & machinery and accordingly revised the useful life of those assets. The Company has charged depreciation at higher rates than those specified under Schedule XIV of the Companies Act, 1956. During the year company has reassessed life of certain machines and charged depreciation at higher rates, above change have resulted in higher depreciation for the year by ₹ 76.52 lacs (Previous year ₹ 234.52 lacs) and correspondingly the profit for the year is lower by a similar amount.
- (b) Depreciation on incremental value due to revaluation is provided at the rates specified in Schedule XIV to the Companies Act, 1956. The additional charge of depreciation due to such revaluation is ₹ 4.39 lacs (Previous year ₹ 14.98 lacs). An equivalent amount has been transferred from Revaluation Reserve to Profit & Loss Account.
- (c) ₹ 1.68 lacs (Previous year ₹ 2.22 lacs) has been transferred from Revaluation Reserve to Leasehold Land Account being the amortisation in the value of Lease Premium due to efflux of time.

7. Pursuant to the decision taken by the Board of Directors of the Company land and building of Protective Packaging Division at Nandesari in the State of Gujarat have been put for divestment subject to necessary approvals and compliances. Accordingly Land and building of Protective Packaging Division has been treated as assets held for disposal valued at estimated net realizable value or written down values, whichever is lower. Assets held for disposal includes ₹ 170.67 lacs pertaining to the above said division.



8. Company has converted the capital asset of building under construction amounting to ₹ 7721.05 lacs and the land costing ₹ 10 lacs into stock in trade as on 1st July, 2009. Interest of ₹ 675.32 lacs incurred during the year and ₹ 1194.79 lacs incurred in previous years attributable to the property business is included in the cost of constructed property.
9. 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 under construction 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.
10. Forward contract premium of ₹ 91.03 lacs (previous year ₹ 165.03 lacs) is to be recognized in subsequent accounting period in respect of forward exchange contracts entered by the company.
11. Company has setup a mega project at Gadegaon, Maharashtra and is entitled for Industrial Promotion subsidy for eligible period under Package Scheme of Incentives, 2001 of Government of Maharashtra. A sum of ₹ 488.16 lacs accrued for the year has been included in other income.
12. An unfortunate incident of fire occurred in neighbouring warehouse on 21st June 2010 which also destroyed company's goods stored in two warehouses at Bhiwandi, Dist Thane, Maharashtra. The company has filed insurance claim of ₹ 205.88 lacs which is under assessment by surveyors. Necessary adjustment, if any, would be accounted in the year of final settlement.
13. Company is engaged mainly in production of plastic products and as such is the only reportable segment as per Accounting Standard on Segment Reporting (AS-17). The revenues, profit, and assets employed of construction business are not significant. The geographical segmentation is not relevant as export turnover is not significant in respect to total turnover.
14. Disclosure on related party transactions:

(₹ in lacs)

Nature of Transactions	Holding & Subsidiaries	Associates	Key Management Personnel & Relatives	Total
Purchase of goods	(-)	3679.51 (3519.24)	- (-)	3679.51 (3519.24)
Sale of goods	326.49 (290.12)	112.76 (-)	- (-)	439.25 (290.12)
Interest expense	- (-)	17.04 (5.33)	- (-)	17.04 (5.33)
Rendering of services – Paid- excluding taxes	37.91 (44.48)	38.13 (12.00)	- (-)	76.04 (56.48)
Dividend Received	- (-)	289.36 (289.36)	- (-)	289.36 (289.36)
Dividend Paid	- (-)	2008.69 (527.08)	104.23 (27.68)	2112.92 (554.76)
Inter Corporate Deposits received	- (-)	850.00 (255.00)	- (-)	850.00 (255.00)
Remuneration	- (-)	- (-)	835.70 (576.71)	835.70 (576.71)
Outstanding at year-end				
- Sundry Debtors	98.37 (131.91)	25.00 (-)	- (-)	123.37 (131.91)
- Sundry Creditors	- (-)	534.30 (538.65)	- (-)	534.30 (538.65)
- Other Payable	27.28 (35.92)	2.84 (13.12)	672.63 (436.91)	702.75 (485.95)

* 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., Multilayer Films Pvt. Ltd., Varali Investment & Trading Co. Pvt. Ltd., Jagatguru Investment & Trading Co. Pvt. Ltd., Balabheem Investment & Trading Co. Pvt. Ltd., Platinum Plastics & Industries Pvt. Ltd. and Suraj Packaging Pvt. Ltd. Venkatesh Investment & Trading Co. Pvt. Ltd., Jovial Investment & Trading Co. Pvt. Ltd., 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.

15. The Company has taken premises under cancelable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure are accounted for in Profit and Loss Account of the Company in accordance with Accounting Standard on lease transactions (AS-19).

16. Earning per Equity share – Basic / diluted

	2009-10	2008-09
Profit after tax (PAT) available for Equity shareholders (₹ In lacs)	15598.46	9084.80
Weighted Average Number of Equity shares	2,54,05,374	2,65,77,837
Nominal value of Equity shares ₹	10.00	10.00
Basic/ Diluted earning per Equity Share ₹	61.40	34.18

17. (a) Provision for Income Tax liability has been made in the accounts based on the taxable income for the period 1.4.2009 to 31.3.2010 (A.Y. 2010-11). The tax liability for the period 1.4.2010 to 30.6.2010 shall be determined on the basis of the taxable income for the year ended 31st March, 2011 (A.Y. 2011-12).

- (b) The Company has recognised deferred tax provision for the year aggregating to ₹ 556.3 lacs in the Profit & Loss Account (Previous Year ₹ 1200 lacs).

- (c) Deferred Tax Liabilities as on 31st March, 2010 comprises of:

	(₹ in lacs)	
Particulars	Balance as on 31st March, 2010	Balance as on 31st March, 2009
Deferred Tax Liability : Arising on account of timing difference in:		
i. Depreciation	7043.31	6428.09
ii. Amount to be claimed on payment basis	(58.92)	-
Total Deferred Tax Liability	6984.39	6428.09

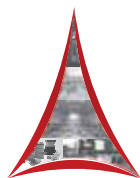
- (d) Corporate Tax includes provision for wealth tax ₹ 4 lacs (Previous year ₹ 4.00 lacs).

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

19. The Company has given undertaking to IDBI Bank & ICICI Bank for non-disposal of its investments in Supreme Petrochem Ltd. (SPL) without prior consent of the respective banks as long as any part of the loan facilities sanctioned by the Bank to SPL remains outstanding.

20. The company has received memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and or Medium Enterprises Development Act, 2006) from some suppliers claiming their status as micro small or medium enterprises. Consequently the amount and interest paid / payable to these parties is as under. The above information is complied by the company on the basis of information available, on unit-wise basis and relied upon by the auditors

	(₹ in lacs)
i) Principal amount outstanding as at 30th June, 2010	224.82
ii) Interest due on above and unpaid as at 30th June, 2010	1.00
iii) Payments made to the suppliers beyond the appointed day and interest their on during the year	-
iv) Interest due and payable for the period of delay	-
v) Interest accrued and remaining unpaid as at 30th June, 2010	1.00
vi) The amount of further interest remaining due and payable in succeeding year	1.00



21. Items covered by Investor Education & Protection Fund shown under Schedule 11 includes:

	2009-2010	2008-2009
a. Unclaimed Dividend	85.97	66.57
b. Debenture Application Money	0.14	0.14
c. Unclaimed Matured Deposits & Interest	83.20	77.39
d. Unpaid Matured Debentures & Interest	0.91	2.27
Total	170.22	146.37

Amount due and outstanding to be credited to Investor Education & Protection Fund as on 30.06.2010 is Nil (Previous Year Nil).

22. Disclosure pursuant to Accounting Standard –15- “Employee Benefits”

The Gratuity Funds for the employees’ are administered by Life Insurance Corporation of India under Group Gratuity Scheme. Liability of Gratuity has been valued by an independent actuary as on 31st March, 2010 and has been provided accordingly.

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

	As on 31/03/2010	As on 31/03/2009
1 Assumptions		
Discount Rate	8.00%	7.80%
Salary Escalation	6.00%	6.00%
2 Table showing changes in present value of obligations	(₹ in lacs)	(₹ in lacs)
Present value of obligations as at beginning of the period	572.32	554.18
Interest cost	44.64	44.33
Current Service Cost	61.58	53.47
Past service cost (vested benefit)	64.93	-
Benefits Paid	(61.58)	(42.90)
Actuarial (gain)/Loss on obligations	94.55	(36.76)
Present value of obligations as at end of period	776.44	572.32
3 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	513.91	401.58
Expected return on plan assets	35.36	32.13
Contributions	142.01	117.86
Benefits paid	(61.58)	(42.90)
Actuarial Gain / (Loss) on Plan assets	13.63	5.24
Fair value of plan assets at the end of year	643.33	513.91
Total Actuarial Gain / (loss) to be recognized	(80.91)	42.01
4 Actual return on plan assets		
Expected return on plan assets	35.36	32.13
Actuarial Gain / (Loss) on Plan assets	13.63	5.24
Actual return on plan assets	48.99	37.37
5 Present value of obligations as at the end of year	776.44	572.32
Fair value of plan assets as at the end of the year	643.33	513.91
Funded status (shortfall)	133.11	58.41
Net Asset / (liability) recognized in balance sheet	(133.11)	(58.41)
6 Expenses Recognised in statement of Profit & loss		
Current Service cost	61.58	53.47
Interest Cost	44.64	44.33
Expected return on plan assets	(35.36)	(32.13)
Past service cost (vested benefit) recognised	64.93	-
Net Actuarial (gain)/Loss recognised in the year	80.91	(42.01)
Expenses recognised in statement of Profit & loss	216.70	23.66
7 Break up of Plan Assets as a percentage of total plan assets		
Insurer Managed Assets	100%	100%
8 Balance Sheet Reconciliation		
Opening Net Liability	58.41	152.61
Expenses as above	216.70	23.66
Employers Contribution Paid	(142.01)	(117.86)
Closing Net Liability	133.11	58.41



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

Name of the Instrument	Currency & Aggregate Amount	Purpose
a. Forward Purchase	US \$ 43.60 million (Previous Year US \$ 47.07 million)	Hedging
Currency Swap	US \$ 5.50 million (Previous Year US \$ 7.50 million)	Hedging
Interest Rate Swap	US \$ 1.25 million (Previous Year US \$ 6.25 million)	Hedging
b. Open Foreign Exchange Exposures		
Receivable	US \$ 1.09 million (Previous Year US \$ 1.10 million)	
Payable	US \$ 14.87 million (Previous Year US \$ 8.06 million)	

24. Payment to Auditors (including Branch Auditors): excluding Service Tax

		(₹ in lacs)
	2009-2010	2008-2009
Audit Fees	21.98	17.89
Tax Audit Fees	12.41	9.88
For Taxation Matters	0.50	0.25
In other capacity	23.06	20.33
	57.95	48.35

25. Sundry Debtors, Sundry Creditors, Unsecured Loans and Advances are subject to confirmation by the respective parties.
26. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all the known and determined liabilities are adequate and not in excess of the amounts reasonably required.
27. Previous year's figures have been regrouped/ rearranged wherever necessary including the capital work-in-progress of Andheri property converted into stock in trade during the year.



Consolidated Cash Flow Statement for the year ended 30th June, 2010

Supreme
People who know plastics best

ANNUAL REPORT
2009-2010

	For Year Ended 30.06.2010	For Year Ended 30.06.2009
A Cash Flow Arising From Operating Activities		
Net Profit Before Tax	21686.44	13686.26
Adjustment For :		
Add : Depreciation	5294.41	5253.96
Leasehold Assets Premium W/off	7.01	7.18
Interest Net	3305.05	5457.74
(Profit) / Loss on sale of Investments	-51.14	-52.50
	8555.33	10666.38
	30241.77	24352.64
Less : Dividend Received	48.77	0.40
Profit /(Loss) on sale of Assets	315.46	14.15
Lease Rent etc. Received	3.08	142.06
	367.31	156.61
Operating Profit before working capital changes	29874.46	24196.03
Adjustments for :		
Inventories	4514.12	1159.63
Trade & Other Receivable	4146.35	-3900.58
Trade & Other Payable	-3602.26	347.01
	5058.21	-2393.94
	24816.25	26589.97
Cash Generated from Operations		
Interest Paid	-3487.11	-5582.74
Direct Taxes Paid	-6762.95	-2152.67
Net Cash Flow from Operating Activities (A)	14566.19	18854.56
B Cash Flow from Investing activities		
Purchase of Fixed Assets	7901.24	16041.61
Sale of Fixed Assets	-575.08	-3140.69
Sale of Investments	-51.13	-86.22
Buy Back of Shares	0	2457.03
Capital Subsidy Received	0	-50.00
Exceptional Income	0	-622.76
Interest Received	-182.06	-125.00
Dividend Received	-48.77	-0.40
Dividend Received from Associate Company	-289.36	-289.36
Lease Rent Received	-3.08	-142.06
	6751.76	14042.15
Net Cash Used in Investing Activities		
C Cash Flow from Financing Activities		
Proceeds / Repayments from Long Term & Short Term Borrowings	-1967.98	-5157.96
Dividend & Corporate Dividend Tax paid	-5052.91	-1454.22
	-7020.89	-6612.18
Net Cash Used in Financing Activities		
Net Increase / (Decrease) in Cash & Cash Equivalents (A-B-C)	793.54	-1799.77
Opening Balance as on 01.07.2009	1073.89	2873.66
Closing Balance as on 30.06.2010	1867.43	1073.89

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

Chintan Shah
Partner
M No. 107490

B. L. Taparia
Chairman

S. J. Taparia
Executive Director

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

M. P. Taparia
Managing Director

V. K. Taparia
Executive Director

H. S. Parikh

E. B. Desai

N. N. Khandwala

B. V. Bhargava

S. R. Taparia

Directors

Mumbai, 16th July, 2010

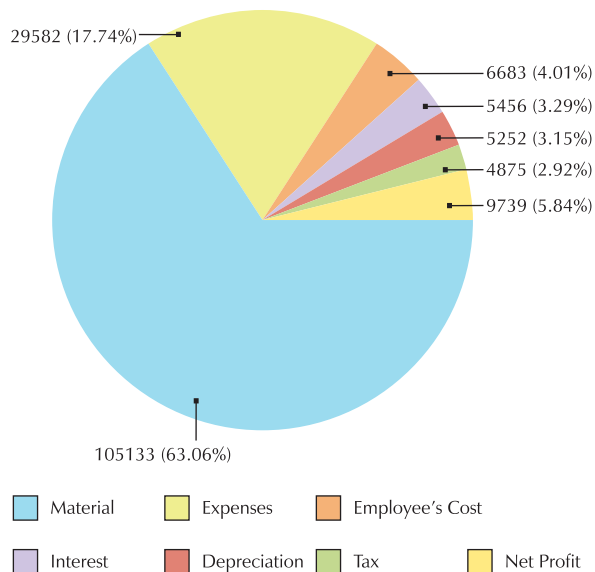
Mumbai, 16th July, 2010





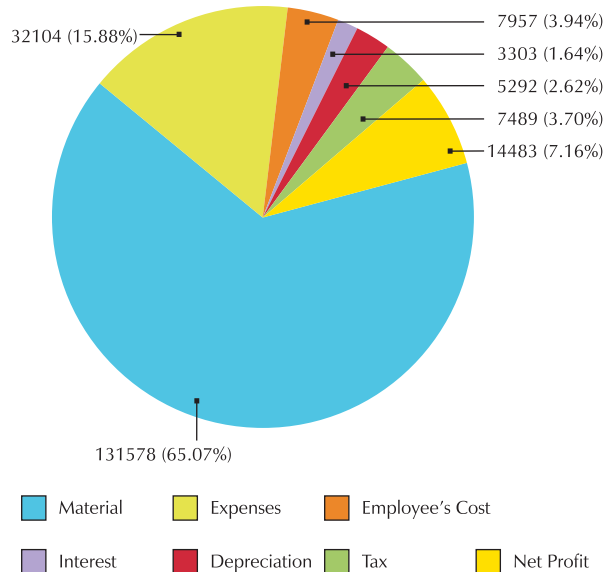
Distribution of Revenue 2008-09

₹ in Lacs

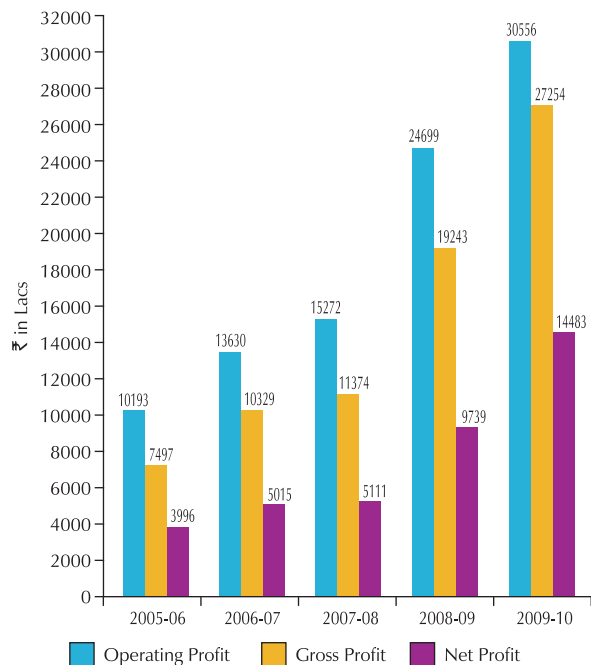


Distribution of Revenue 2009-10

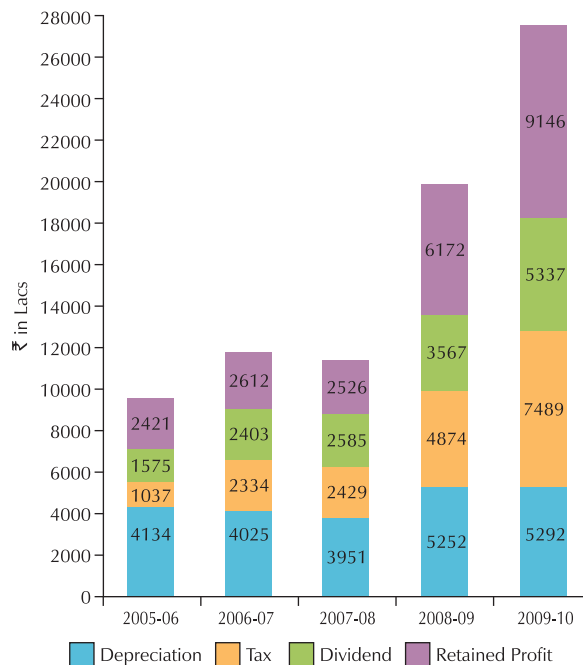
₹ in Lacs



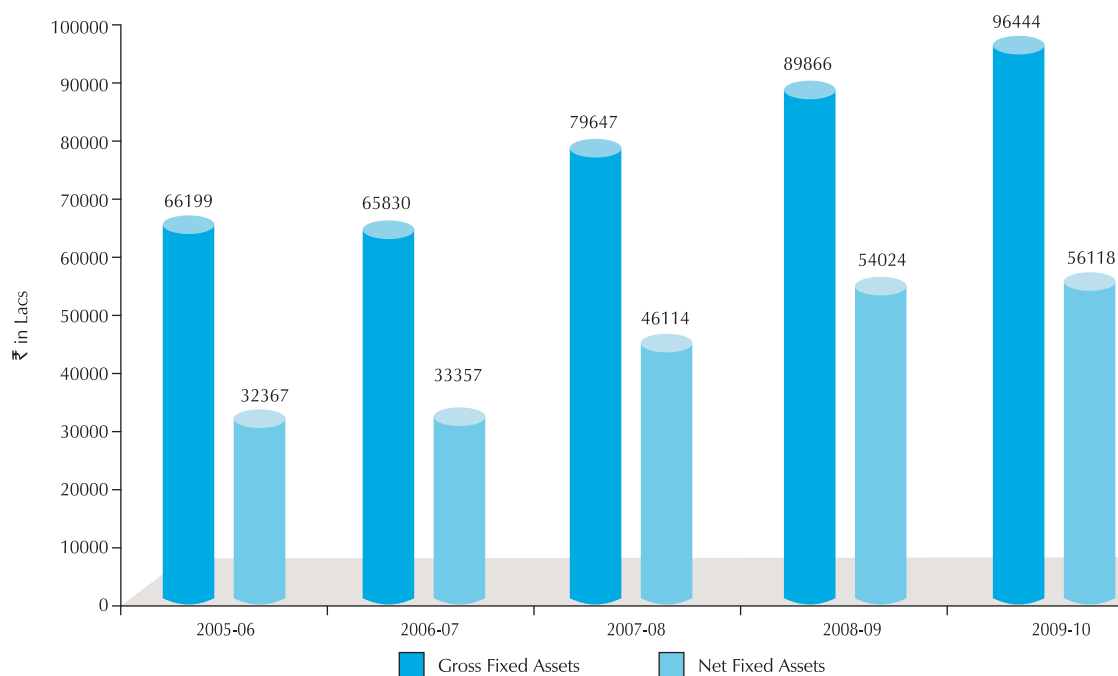
Operating Gross And Net Profits



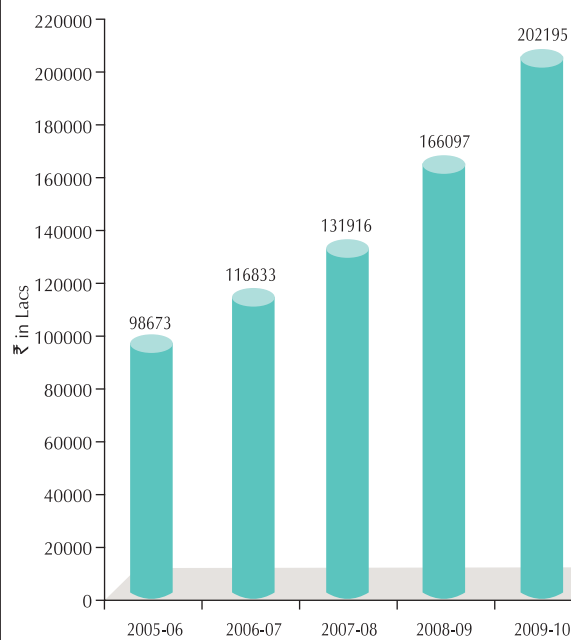
Distribution of Profit



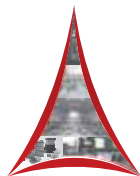
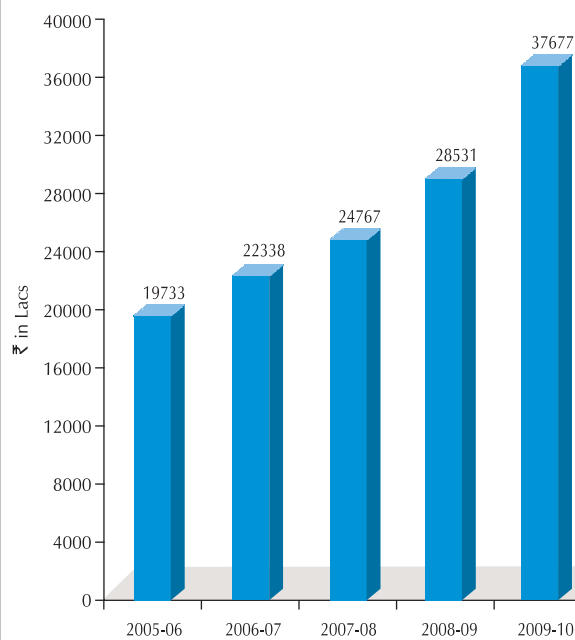
Gross And Net Fixed Assets



Income



Shareholders' Funds





Certificate of Registration

ENERGY MANAGEMENT SYSTEM - EN 16001: 2009

This is to certify that:

The Supreme Industries Ltd.
C 30 & 31, Phase II
Noida 201 305
Dist. Gautam Budh Nagar
Uttar Pradesh
India

Holds Certificate No: ENMS 558492

and operates an Energy Management System which complies with the requirements of EN 16001: 2009 for the following scope:

The manufacture of injection moulded plastic components and assemblies for various industrial sectors including automotive, electronics and consumer appliances.

For and on behalf of BSI:

Managing Director, BSI India, Venkataram Arabolu

Originally registered: 27/01/2010

Latest issue: 27/01/2010

Expiry Date: 26/01/2013

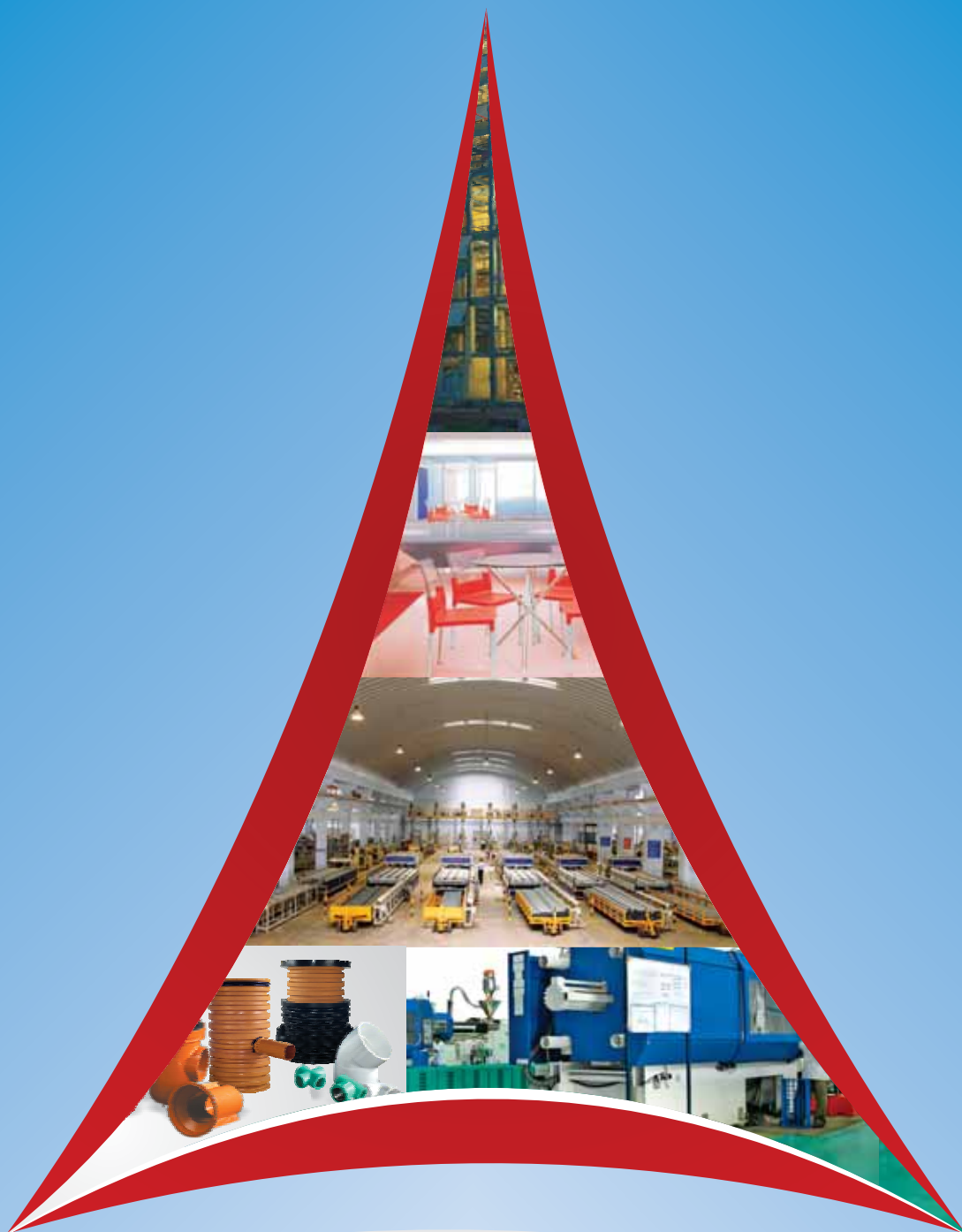


Page: 1 of 1

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](http://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2992 9300.
Further certification regarding the scope of this certificate and the applicability of EN 16001: 2009 requirements may be obtained by consulting the organization. This certificate is valid only if provided original copies are in complete set.
BSI, The BSI Group, Suite (A-2), Plot 1 and 2, Infratec Nagar, Mediant Road, New Delhi 110 085.



Noida Plant got certification in Energy Management System, i.e. EN 16001:2009 and became First Plant in Plastic Category, Third Plant in the country and Seventeenth Plant in the world to have this honor



Supreme®
People who know plastics best

THE SUPREME INDUSTRIES LIMITED

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