



**SUPREME PETROCHEM LTD**

**ANNUAL REPORT  
2015 - 2016**

## PERFORMANCE HIGHLIGHTS

₹ Lacs unless indicated otherwise

	<b>2015-2016 (9 Month)</b>	<b>2014-2015 (12 Month)</b>	<b>2013-2014 (12 Month)</b>	<b>2012-2013 (12 Month)</b>	<b>2011-2012 (12 Month)</b>	<b>2010-2011 (12 Month)</b>
Net Sales	<b>206805.25</b>	265253.76	326429.78	296715.90	227267.22	194369.87
Other Income	<b>333.61</b>	319.16	585.55	538.52	648.76	866.92
Total Income	<b>207138.86</b>	265572.92	327015.33	297254.42	227915.98	195236.79
Operating Profit (EBIDTA)	<b>10599.91</b>	9653.51	9557.14	16157.72	10269.33	16903.64
Financial Cost	<b>530.63</b>	1660.02	2284.39	2388.17	3199.28	2021.64
Depreciation/Amortisation	<b>1697.79</b>	2364.19	2873.74	2770.61	2292.34	2037.02
Profit Before Tax & Exceptional Items	<b>8371.49</b>	5629.30	4399.01	10998.94	4777.71	12844.98
Net Profit (After Prior Period adjustment)	<b>5604.86</b>	3570.12	3058.99	7282.33	3137.47	8769.07
Paid up Equity Capital	<b>9650.20</b>	9650.20	9650.20	9683.86	9683.86	9683.86
Reserves and Surplus	<b>31848.88</b>	27986.23	26777.04	25596.30	21146.38	19584.55
Shareholders' Funds (Net Worth)	<b>41499.08</b>	37636.43	36427.24	35280.16	30830.24	29268.41
Deferred Tax Liability (Net)	<b>4801.15</b>	4848.40	4924.15	4872.04	4385.59	4096.64
Loans	-	-	3203.62	7468.85	14230.64	16608.48
Capital Employed	<b>46300.23</b>	42484.83	44555.01	47621.05	49446.47	49973.53
Avg Capital Employed	<b>44392.53</b>	43519.92	46088.03	48533.76	49710.00	46742.09
Earning Per Equity Share (₹)	<b>5.81</b>	3.70	3.16	7.52	3.24	9.06
Cash Earning Per Equity Share (₹)	<b>7.57</b>	6.15	6.13	10.38	5.61	11.16
Book Value (₹)	<b>43.00</b>	39.00	37.75	36.43	31.84	30.22
Dividend (%)	<b>*15.00</b>	15.00	15.00	25.00	14.00	28.00
ROACE (%) (PBIT/Average Capital Employed)	<b>20.05</b>	16.75	14.50	27.58	16.05	31.81
ROANW (%) (PAT/Average Net Worth)	<b>14.17</b>	9.64	8.53	22.03	10.44	33.14
Debt : Equity (Total Debt/Total Net Worth)	-	-	0.09	0.21	0.46	0.57
Total Outside Liabilities/ Total Net Worth	<b>1.14</b>	1.21	1.56	1.78	2.25	2.24

\* Interim Dividend

**BOARD OF DIRECTORS:**

M. P. Taparia, Chairperson  
Rajan B. Raheja  
B. L. Taparia  
S. J. Taparia  
Hasmukh Shah – Upto April 06, 2016  
M. S. Ramachandran  
R. Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
Dr. S. Sivaram

**REGISTERED OFFICE:**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone: + 91 22 6709 1900  
Fax: + 91 22 4005 5681  
Email: investorhelpline@spl.co.in  
Website: www.supremepetrochem.com  
CIN: L23200MH1989PLC054633

**PLANTS:**

Amdoshi, Wakan Roha Road, Post : Patansai, Taluka Roha,  
Dist. Raigad, Maharashtra - 402 106 and  
Ammulavoyil Village, Andarkuppam Post, Manali New Town,  
Chennai - 600 103, Tamil Nadu

**BANKERS:**

State Bank of India  
AXIS Bank Ltd.  
Central Bank of India  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Societe General Bank  
The Hongkong & Shanghai Banking Corporation Ltd.  
The Karur Vysya Bank Ltd.

**AUDITORS:**

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

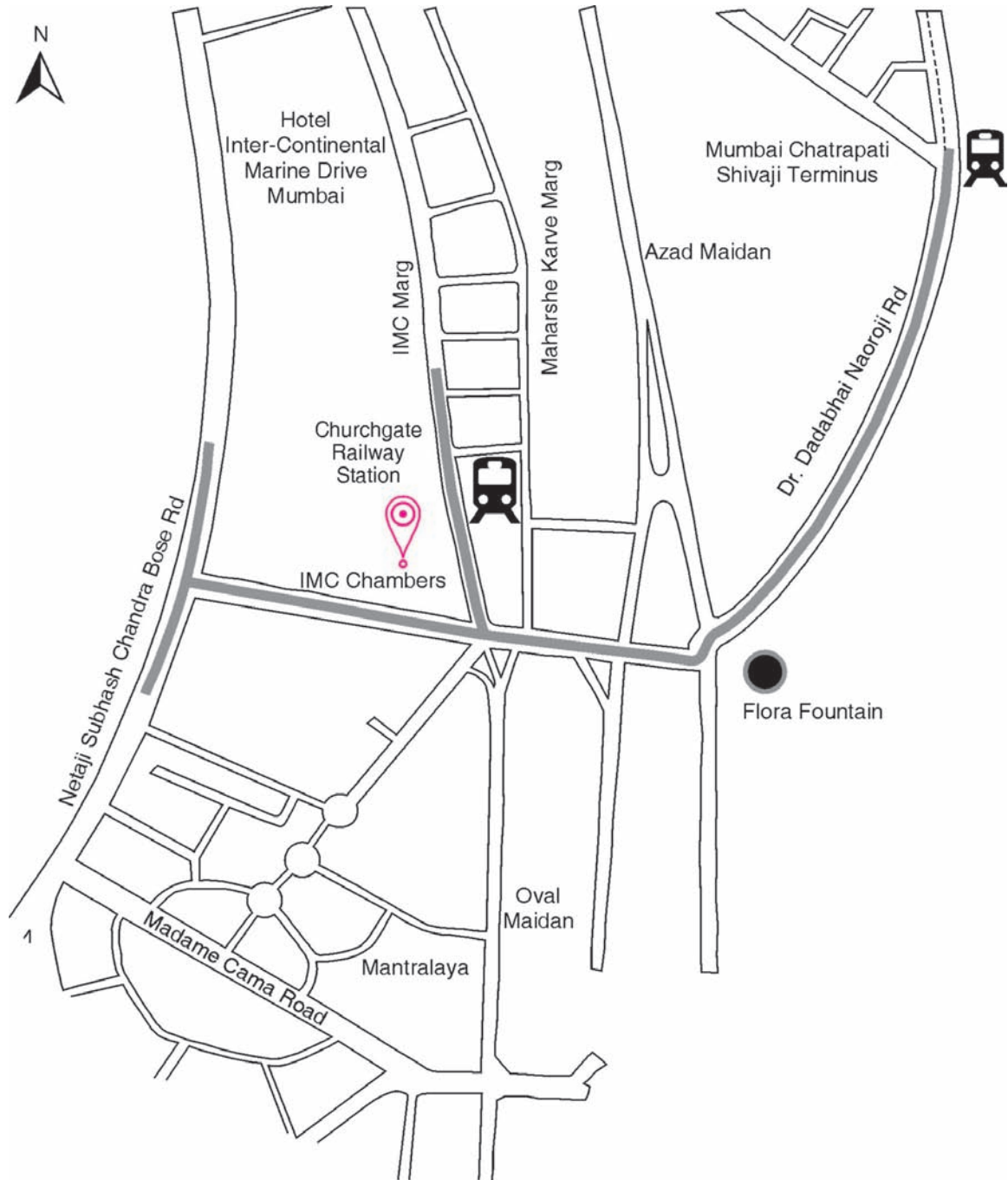
**REGISTRARS & TRANSFER AGENTS:**

Karvy Computershare Private Limited,  
Karvy Selenium Tower B, 6<sup>th</sup> Floor,  
Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032

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**Route Map to the AGM Venue of:**  
Supreme Petrochem Ltd.  
27<sup>th</sup> Annual General Meeting,  
Wednesday, August 24, 2016  
at 04:00 p.m.



**Venue:**

Walchand Hirachand Conference Hall,  
Indian Merchants' Chambers,  
IMC Marg, Opp. Churchgate Rly. Station,  
Mumbai - 400 020.  
Ph.: 022 2204 6683.

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## NOTICE

NOTICE is hereby given that the twenty seventh Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, August 24, 2016 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended March 31, 2016, (July 01, 2015 to March 31, 2016) together with the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend of ₹ 1.50 per share paid on Equity Shares of the Company in March 2016 and to declare the same as the final dividend for the year ended March 31, 2016 (July 01, 2015 to March 31, 2016).
3. To appoint a Director in place of Shri M. P. Taparia, (DIN: 00112461) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. J. Taparia, (DIN: 00112513) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Registration No. 104767W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 the Company hereby ratifies the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants, (Registration No. 104767W) as Statutory Auditors of the Company, to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2018 at a remuneration to be decided by the Audit Committee of Directors of the Company".

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of the Central Government, if required and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri N. Gopal as a Manager of the Company and to his being paid and provided remuneration, benefits and amenities as the Manager of the Company for the period

from April 20, 2016 to March 31, 2018 on the terms, conditions and stipulations approved by the Nomination and Remuneration Committee and as contained in the explanatory statement annexed to this notice and in the Agreement between the Company and Shri N. Gopal a copy whereof is placed before the meeting and for the purpose of identification, is initialed by the Chairperson with liberty to the Board of Directors of the Company (the Board) to alter, vary and modify the terms and conditions of the said appointment and the agreement in such manner as may be agreed to between the Board and Shri N. Gopal.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Shri N. Gopal's term of office as Manager, Shri N. Gopal be paid the remuneration including perquisites and other benefits as provided in the Companies Act, 2013.

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

7. To approve the remuneration of the Cost Auditors' of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under and subject to all other approvals, if any, the consent of the Company be and is hereby accorded to the payment of remuneration of ₹ 3.75 lacs to M/s. Kishore Bhatia & Associates, Cost Accountants appointed by the Board of Directors of the Company (Registration No.00294) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017."

For and on behalf of the Board

M. P. Taparia  
Chairperson

CIN : L23200MH1989PLC054633

Registered Office :

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com

Date : April 20, 2016



## NOTES

- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of himself / herself and a proxy need not be a Member.** A person can act as proxy on behalf of Members up to and not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the Company. Further, a member holding more than 10% (ten) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
- An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at Item Nos. 6 to 7 of the notice is annexed hereto.
- Register of Members and share transfer books of the Company will remain closed from Monday, August 22, 2016 to Wednesday, August 24, 2016 (both days inclusive).
- Members who hold shares in de-materialised form are requested to write their Client ID and DP ID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- Members holding shares in physical form are advised to furnish particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in future dividend payments.
- To receive faster communication of all shareholders communications, including Annual Reports, the Members are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their e-mail address with Karvy Computershare Private Limited, Hyderabad.
- Members are requested to bring their copies of the Annual Report to the Meeting.
- Voting through electronic means/ballot form:

### **INFORMATION AND OTHER INSTRUCTIONS RELATING TO E-VOTING ARE AS UNDER:**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 209 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). In order to enable Members who do not have

access to e-voting facility to cast their vote, a Ballot Form is sent along with this Notice and is also available on the Company's website.

The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Agency to provide e-voting facility.

The facility for voting through ballot shall also be made available at the meeting and the Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting/ ballot form may also attend the Meeting but shall not be entitled to cast their vote again.

The Company has appointed Shri P. N. Parikh (FCS 327) or failing him Ms. Jigyasa N Ved (FCS 6488) of Parikh & Associates, Company Secretaries as Scrutiniser to scrutinise the remote e-voting process and voting at the meeting (including voting through Ballot forms received from Members) in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and will be available for this purpose.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, August 17, 2016.

A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Wednesday, August 17, 2016 only shall be entitled to avail the facility of remote e-voting/ballot form and voting at the meeting.

Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 17, 2016, may obtain the User ID and password in the manner as mentioned below:

However, if he/she is already registered with Karvy for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://evoting.karvy.com>

Member may call Karvy's toll free Number 1-800-3454-001. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)

The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 a.m. (IST) on Saturday, August 20, 2016.

End of remote e-voting : At 5.00 p.m. (IST) on Tuesday, August 23, 2016.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

The Scrutiniser shall, after first counting the votes cast at the meeting unblock the votes cast through remote e-voting, and will not later than three days of conclusion of the Meeting, make a consolidated Scrutiniser's report and submit the same to the Chairperson or a person authorised by him in writing who shall countersign the same. The results declared along with the consolidated Scrutiniser's report shall be placed on the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges. The results shall also be placed on the Notice Board at the Registered Office of the Company.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 24, 2016.

**PROCEDURE FOR REMOTE E-VOTING:**

1 A) In case a Member receives an e-mail from Karvy [for Members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- (a) Launch internet browser by typing the URL:<https://evoting.karvy.com>
- (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.

- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.

- (f) On successful login, the system will prompt you to select the E-Voting Event Number of Supreme Petrochem Ltd.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date. **You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.**
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as **abstained**.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [supreme.scrutiniser@gmail.com](mailto:supreme.scrutiniser@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- B) In case a Member receives physical copy of the Notice by Post [for Members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:
  - (a) User ID and initial password - These will be sent separately.
  - (b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
- 2) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- 3) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>

## ANNEXURE TO THE NOTICE

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

### ITEM NO. 6:

The Board of Directors at their meeting held on April 20, 2016 have appointed Shri N. Gopal as Manager of the Company for the period from April 20, 2016 to March 31, 2018 subject to approval of the Members of the Company and other statutory approvals as may be necessary.

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

### REMUNERATION:

- (a) Not exceeding ₹ 225 lacs per annum.

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

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

- (b) The remuneration shall not exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) or any amendment made thereto, without such approvals as may be mandated by the Companies Act, 2013 and the Rules made thereunder.

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

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

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

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

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

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

In the event of absence or inadequacy of profits of the Company for any year, Shri N. Gopal shall be entitled to remuneration, perquisite and reimbursement of expenses as provided in the Companies Act, 2013.

### Statement of Information as required under Schedule V of the Companies Act, 2013:

I. General Information					
1	Nature of Industry	:	Manufacture and Trading of Petrochemicals.		
2	Date of Commencement of Commercial Production	:	October 01, 1995.		
3	Financial Performance	:	<b>2013-14</b> <b>(12 months)</b> (₹ In lacs)	<b>2014-15</b> <b>(12 months)</b> (₹ In lacs)	<b>2015-16</b> <b>(9 months)</b> (₹ In lacs)
	Gross Sales	:	323523.79	263910.89	204656.36
	Profit before tax	:	4399.01	5629.30	8371.49
	Net Profit	:	3058.99	3570.12	5604.86
	Export Performance	:	80940.42	52775.09	49771.90
	Net Foreign Exchange Earnings	:	(200052.85)	(168396.51)	(114872.89)
4	Foreign Investment or Collaborators, if any	:	NOVA Chemicals (International) S.A (Technical Knowhow) for food grade EPS.		
II Information about the Appointee					
1.	Background Details	:	Shri N. Gopal is B-Tech (in Chemical Engineering) from Madras University and M.Sc., DIC (Advanced Chemical Engineering) from Imperial College, London. He has 47 years		



		experience in the Petrochemical field having worked with companies like ICI Petrochemicals Division, U.K.; Indian Petrochemical Corporation Limited (IPCL) and Reliance Industries Limited (Reliance).
2.	Past Remuneration and other benefits	: ₹ 126.09 lacs for the period 01/07/2015 to 29/02/2016.
3	Recognition or Award	: —
4	Job Profile and his suitability	: Shri N. Gopal shall have overall responsibility for the day to day operations of the Company's plant, supply chain management and project implementation subject to the direction, superintendence and control of the Board of Directors. Shri N. Gopal has 47 years experience in the petrochemical industry.  He joined the Company in 1991 as Sr. Vice President (Projects & Operations). He was instrumental in setting up the Company's grass root Polystyrene plant with a capacity of 66000 TPA which has since been expanded to 272000 TPA. He oversaw the restoration and expansion of the fire damaged EPS plant in Chennai. The SPC Plant and its expansion and the projects for EPS at Nagothane and Extruded Polystyrene (XPS) were spearheaded by him.
5	Remuneration Proposed	: As given above in the explanatory statement.
6	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person (in case of expatriates the relevant date would be w.r.t. the country of this origin)	: The Company is the largest domestic manufacturer of Polystyrene and has a major share in the domestic market. It also has a presence in the Expandable Polystyrene, Speciality Polymers & Compounds and Extruded Polystyrene Insulation Board markets. It has customers across the globe. The proposed remuneration is comparable with other Companies of similar size and nature.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any	: No pecuniary relationship apart from remuneration drawn from the Company. No relationship with other Managerial Personnel.
<b>III. Other information</b>		
1.	Reasons of loss or inadequate profits	: N. A.
	Steps taken or proposed to be taken for improvement	: N. A.
	Expected increase in productivity and profits in measurable terms	: N. A.
<b>IV. Disclosures</b>		
The following disclosures shall be mentioned in the Board of Director's Report under the heading "Corporate Governance", if any, attached to the financial statement		
(i)	All elements of remuneration purpose such as salary, benefits, bonus, stock options, pension etc. of all the Directors	:
(ii)	Details of fixed component and performance linked incentives alongwith the performance criteria	: Will be disclosed in the Board Reports wherever applicable.
(iii)	Service contracts, notice period, severance fees	:
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	:

The Agreement with Shri N. Gopal can be inspected at the Secretarial Department of the Company at Solitaire Corporate Park, Building No. 11, 5<sup>th</sup> Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai 400 093 between 11.00 a.m. to 5.00 p.m. on any working day from Monday to Friday.

The Directors commend the resolution at Item No. 6 for your approval.

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



**ITEM NO. 7**

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on April 20, 2016, have approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records for the financial year ending March 31, 2017 on a remuneration of ₹ 3.75 lacs.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Directors commend the resolution at Item No. 7 for your approval.

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

**For and on behalf of the Board**

**M. P. Taparia**  
**Chairperson**

**CIN : L23200MH1989PLC054633**

**Registered Office :**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com  
Date : April 20, 2016

## DIRECTORS' REPORT

Your Directors are pleased to present the twenty seventh Annual Report and the Company's audited financial statements for the nine months period ended on March 31, 2016. (July 1, 2015 to March 31, 2016).

### 1. FINANCIAL RESULTS

(₹ in lacs)

	2015-2016 (9 months)	2014-2015 (12 months)
Income (net of excise)	206805.25	265253.76
Profit before Tax	8371.47	5629.30
Tax expenses	2750.79	2351.76
Profit after tax	5620.68	3277.54
Profit for the year (net of prior period adjustment)	5604.86	3570.12
Balance brought forward from Previous Year (net of adjustment relating to transitional provision)	3164.65	3336.74
Amount available for appropriation	<b>8769.51</b>	<b>6906.86</b>
Appropriation thereof (as recommended by the Board)		
Dividend on equity shares (including corporate dividend tax)	*1742.21	1742.21
Transfer to general reserve	4000.00	2000.00
Balance carried forward	3027.30	3164.65

\*Interim Dividend paid in March 2016

### 2. DIVIDEND

During the period under review i.e. July 1, 2015 to March 31, 2016 your Directors declared an interim dividend of ₹1.50 per equity share for the year 2015-2016. Your Directors recommend that this dividend be declared as the final dividend.

### 3. REVIEW OF OPERATIONS

Steep fall in crude oil prices in the period July 2015 to December 2015 resulted in consequent fall in price of the main raw material Styrene Monomer (SM) and your Company's products causing inventory losses to your Company during the first quarter ended September, 2015. The SM prices however stabilised in the second quarter ended on December 31, 2015 and with the low prices of the Company's products, demand improved. The January to March 2016 quarter witnessed upsurge in demand for the Company's main products due to marked improvement in demand for consumer appliances like refrigerators, air conditioners, air coolers and televisions. This coupled with smart pick up in business sentiments, helped your Company earn PBDIT of ₹10584.07 lacs and profit after tax of ₹ 5604.86 lacs for this financial year of nine months.

Your Company registered a volume growth of 26% in

respect of all its manufactured products during the period July 2015 – March 2016 compared to the same period in the previous year.

The domestic Polystyrene (PS) market saw healthy growth of 10.11% in the nine months period of July 2015 to March 2016, while the export of PS grew by 57% in the year under review, as compared to the same period in previous year. With this growth in exports, Company was able to increase share of export volumes to over 35% of total volume sales of Polystyrene.

Expandable Polystyrene (EPS) market grew by 9.70% during the nine months period under review. The growth was contributed mainly by packaging industry for white goods and grape boxes apart from construction industry using sandwich panels, 3-D panels and cold storage constructions.

Extruded Polystyrene Insulation Board (XPS) sales volume grew by 79% during the period under review. Continuous efforts are being made to strengthen the distributor network.

#### **SMMA Project (Styrene Methyl Methacrylate)**

Your Company proposes to modify one of the three Polystyrene (PS) lines at the plant in villages Amdoshi, Wangani in Maharashtra into a swing line capable of producing either PS or upto 42500 TPA of SMMA. The technology for the modification of the PS line and production of SMMA will be from Polysty Inc. USA. The cost of the project, including hardware and technology fees will not exceed ₹ 600 lacs and shall be met from internal accruals. The plant start-up is expected by end of 2016 and the estimated payback period is two years. SMMA is widely used for optical sheets. Other applications include homeware, office accessories, toys and medical devices.

#### **Disruption in Operations of the Chennai Plant**

The operations of the EPS plant in Chennai were disrupted in December 2015 due to the unprecedented rains and flooding in Chennai. The flood waters attained a level of 6 feet inside the plant and damaged inventories, electrical, mechanical equipment and instrumentation as also spares, system hardware, office equipment and furniture. Parts of the compound wall and water pond were also damaged. The Management team and employees worked untiringly to restore operations in a month's time. The Board commends these efforts of the employees in not only restoring operations but also in servicing customers from the plant in Maharashtra. The Company has adequate insurance for its assets and have filed an initial claim of ₹1092 lacs with the Insurance Company. Your Company is also insured for "Loss of Profit" during the period the plant operations were shut. The Company therefore does not envisage any financial loss on this account. The final report of the surveyor appointed by the Insurers is awaited. In the interim your Company has received an on account claim of ₹ 449 lacs from the Insurance Company.



#### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE

Management Discussion and Analysis for the period under review i.e. July 1, 2015 to March 31, 2016 is presented separately in the Annual Report. The Report on Corporate Governance forms an integral part of this Report. The compliance of 'Corporate Governance' conditions has also been certified by the Auditors and the same is Annexed to the report on Corporate Governance.

#### 5. HEALTH, SAFETY & ENVIRONMENT

##### 1. Health Safety and Environment Management:

Both the Occupational Health and Safety Management System (OHSMS) and Environmental Management System (EMS) continued to be maintained as per the OHSAS 18001:2007 Standard and ISO 14001:2004 Standard respectively.

SPL has continued implementation of HSE Management Systems under the Guiding Principles of declared "Occupational Health and Safety Policy" and "Environmental Policy".

HSE Performance Index for the period under review stood to be in 'Excellent' range.

##### 2. Highlights of the HSE Activities implemented during the period under review:

Continued implementation of Compliance Management System (CMS) software to track various HSE related statutory compliance.

HSE training conducted as per the Plan. Competence Assessment is done six monthly by practical test. Average competency for last three years is 82.8 % as against targeted 70%.

Procedures for permit to work system, Management and Handling of Hazardous Wastes, Management of Change and SOPs for Plant Operations are revised and implemented based on internal audits and reviews.

External Audit of Integrated Management System was conducted by BVC Auditors during March 2016. No major non conformity observed.

Quantitative Risk Assessment done by M/s.Chilworth Technology (Pvt) Ltd in November 2015.

On Site Emergency Management Plan is revised by incorporating results of Risk Registers, Observations from mock drills, as well as provision from applicable legal requirements.

In order to check adequacy of emergency planning, preparedness and response mechanisms, total 24 nos of "Department Level Mock Drills" were conducted in addition to two six monthly full scale mock drills.

Environmental Monitoring for effluents and emissions are done (self as well as MOEF approved third party) as per the Environmental Monitoring Plan which was developed in consultation with MPCB

Officials. All the parameters are found within the prescribed limits.

Medical examinations (annual comprehensive and six monthly periodic) for all SPL and contract employees completed during June 2015 and Dec 2015 respectively. No occupational ill health observed during the examination.

Safety Committee Meetings, Management Review Meetings, and Monthly Performance Review Meetings are conducted as per schedule and required actions have been taken on all the points.

#### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri M P Tarparia (DIN 00112461) and Shri S J Taparia (DIN 00112513), Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

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

During the period under review i.e. July 1, 2015 to March 31, 2016 Dr. S Sivaram (DIN 00009900) was appointed as an Independent Director by the Members to hold office for a consecutive period upto September 21, 2019. The members also re-appointed Shri Rajan B Raheja (DIN 0037480) and Shri B L Taparia (DIN 00112438) as Non-Executive Non-Independent Directors liable to retire by rotation. Shri Hasmukh Shah resigned from the Board of Directors of the Company w.e.f. April 7, 2016. The Board places on record its appreciation of his invaluable guidance and contribution to the Company as a member of the Board of Directors and its various Committees.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Your Company has in place criteria for evaluation of performance of the Board, Independent Directors and Non-Independent Directors approved by the Nomination and Remuneration Committee. Annual evaluations of the Board and of the Directors were carried out as follows:

The Independent Directors, in their meeting evaluated the performance of the Board, the Chairperson and the Non-independent Directors while the Nomination and Remuneration Committee evaluated the performance of all the Directors. The Board evaluated the performance of the Independent Directors.

The criteria/policies of the Company for selection of Directors and Remuneration Policy for Directors, Key Managerial Personnel and other Employees are attached herewith marked as **Annexure-1**

The details of the Familiarisation Programme for Independent Directors are placed on the website of the Company and can be accessed at <http://supremepetrochem.com/pdf/Familiarisation-Programme-For-Independent-Directors.pdf>

**7. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**8. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company transferred an aggregate amount of ₹26.07 lacs during the period under review i.e. July 1, 2015 to March 31, 2016 to the Investor Education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹ 271.33 lacs.

The unclaimed dividends on equity shares paid in October 2009 will be due for transfer to the Fund in November 2016. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the R & T Agents.

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

Information as per Section 134(3)(m) read with COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF THE (BOARD OF DIRECTORS) RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 forms part of the DIRECTORS' REPORT for the period under review i.e. July 1, 2015 to March 31, 2016.

**A. CONSERVATION OF ENERGY**

**At the plant in Amdoshi, Maharashtra**

Various Energy Conservation Programmes were implemented during the period under review i.e. July 1,

2015 to March 31, 2016 which resulted in savings of energy to the extent of 164877 KWH.

Energy Conservation Programmes namely consisted of following :

- 1. Use of LED Tube Lights in place of conventional Tube Lights.
- 2. Use of Variable Frequency Drives (VFDs)
- 3. Use of high efficiency electrical motors and transformers.

**Use of Alternate Energy Sources**

Use of natural gas is being made to generate Captive Power to the extent of 2 MW.

**At the plant in Manali, Chennai**

SPL, Chennai continued its efforts in bringing down unit energy consumption and furnace oil consumption. By improving operations and implementation of various energy conservation efforts, unit furnace oil consumption has been reduced. The revamp of the existing effluent treatment plant and the addition of a set of ultra filtration and R.O. units last year resulted in achievement of "Zero liquid discharge".

**B. TECHNOLOGY ABSORPTION**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ In lacs)

Foreign exchange earnings and outgo	2015-16 (9 months)
a. Foreign exchange inflow	47247.85
b. CIF value of imports including capital goods	161567.32
c. Expenditure in foreign currency	553.42

**10. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

The said information is available for inspection at the registered office of the Company during working hours



and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Not Applicable

- b. **The percentage increase in remuneration of Manager, CFO and Company Secretary**

Designation	% increase in remuneration in the financial year
Manager (upto 29/02/2016)	12.42
Chief Financial Officer	10.05
Company Secretary	10.20

- c. **The percentage increase in the median remuneration of employees in the financial year : 13%**

- d. **The number of permanent employees on the rolls of Company: 343**

- e. **The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 10%. The operating profits before interest, depreciation and tax was ₹ 10584.07 lacs compared to ₹ 9638.09 lacs in the previous year despite losses incurred in the first quarter due to fall in crude and consequent fall in Styrene Monomer and your Company's product prices. The increase in remuneration is in line with the market trends. The increments are also linked to Company's performance, apart from an individual's performance.

- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) during the period under review i.e. July 1, 2015 to March 31, 2016 (₹ In lacs)	312.72
Revenue (₹ In lacs)	206805.25
Remuneration of KMPs (as % of revenue)	0.15
Profit before Tax (PBT) (₹ In lacs)	8355.65
Remuneration of KMP (as % of PBT)	3.74

- g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year i.e. from July 1, 2015 to March 31, 2016 and previous financial year:**

Particulars	March 31, 2016	June 30, 2015	% Change
Market capitalisation (₹ In lacs)	105428.39	80627.39	23.52
Price earnings ratio	18.80	22.58	(16.74)

- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2016	February 21, 1994 (IPO)	% Change
Market Price (BSE)	108.90	10	989.00
Market Price (NSE)	109.25	10	992.50

- i. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	Manager*	Chief Financial Officer	Company Secretary
Remuneration during the period under review i.e. July 1, 2015 to March 31, 2016 (₹ In lacs)	126.09	154.69	31.94
Revenue (₹ In lacs)	206805.25		
Remuneration as a % of revenue	0.06	0.08	0.02
Profit before tax (PBT) (₹ In lacs)	8355.65		
Remuneration (as % of PBT)	1.51	1.85	0.38

\* Upto February 29, 2016

- j. **The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable

- k. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

None.

- l. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

## 11. AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

The members in the Annual General Meeting have appointed M/s. G M Kapadia & Co., Chartered Accountants, Membership No. 048243 as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in the calendar

year 2018. In accordance with the first proviso of Section 139(1) of the Companies Act, 2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the auditors' report.

#### **Cost Auditors**

Cost Auditors' report for the year 2014-15 was filed with the authorities on December 22, 2015 well within the due date. M/s.Kishore Bhatia & Associates, Cost Accountants have been appointed as Cost Auditors to audit the cost accounts of the Company for the period July 1, 2015 to March 31, 2016.

#### **Secretarial Auditors**

The Company had appointed M/s. Parikh & Associates, Company Secretaries to conduct secretarial audit for the period under review i.e. July 1, 2015 to March 31, 2016. The secretarial audit report for the financial year ended March 31, 2016 is annexed hereto marked as **Annexure-2**. The Secretarial Auditors' Report does not contain any qualifications or adverse remark.

### **12. RELATED PARTY TRANSACTIONS**

Transactions with related parties during the financial year were in the ordinary course of business and on an arm's length basis. During the year the Company had not entered into any contract or arrangement with related party which would be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.pdf>. Information on related party transactions are given in **Annexure-5** in Form AOC-2 forming part of this report.

### **13. CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. This Policy has been approved by the Board. The CSR Policy is available on the Company's website at the link: <http://supremepetrochem.com/pdf/Corporate-Social-Responsibility.pdf>

The Company has identified the following areas for its CSR activities:

- (i) promoting preventive health care and sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills, livelihood enhancement projects, granting of scholarships and

building/improving infrastructure at educational institutions.

- (iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries.
- (iv) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Caste, the Scheduled Tribes, other backward classes, minorities and women.
- (v) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (vi) ensuing environmental stability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) rural development projects.
- (viii) Slum rehabilitation.

These activities will be carried out in the villages in proximity to your Company's plants in Maharashtra and Tamil Nadu.

The report on CSR activities during the year under review is given in **Annexure-4** to this report.

### **14. RISK MANAGEMENT**

Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business opportunities. As a process, the risks associated with the business are prioritised based on Severity, Likelihood and Effectiveness of current detection.

Risk Management approach is composed of three components:

- 1) Risk Governance
- 2) Risk Identification
- 3) Risk Assessment and Control

Each risk factor is monitored periodically by the Management, any event arising from these, likely to impact operations are reported to the Board.

### **15. INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with reference to financial statements. The Company's internal auditors carry out regular checks on the adequacy of the internal financial controls. Company has specific internal auditors for functions such as excise, service tax, VAT and financial controls and systems.

### **16. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has established a vigil / whistle blower mechanism which provides a channel to any employer / director to report to the Management concerns about unethical behavior, actual or suspected fraud or violation



of code of conduct or policy. The mechanism provides for adequate safe guards against victimisation of the whistle blower and also provides for direct access to the Chairperson/CEO/Chairperson of the Audit Committee in exceptional cases.

**17. MEETINGS OF THE BOARD**

Five meetings of the Board of Directors were held during the year. For further details please refer to the report on corporate governance in this annual report.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

There are no loans, guarantees or investments under Section 186 of the Companies Act, 2013 as on March 31, 2016.

**19. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-3** to this annual report.

**20. GENERAL**

No disclosure or reporting is required of the following items as there were no transactions on these items during the year under review.

- (i) Issue of equity shares with differential rights as to dividend, voting or otherwise.

- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iii) No significant or material order were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company does not have any Associate/Joint Venture Subsidiary Companies.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013) during the year under review.

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

**M. P. Taparia**  
**Chairperson**

Place: Mumbai  
Date : April 20, 2016



## ANNEXURE -1

### CRITERIA FOR SELECTION OF DIRECTORS

The Board of Directors has delegated responsibility to the Nomination and Remuneration Committee to formulate criteria for identification and selection of candidates in various positions in Senior Management and who are qualified to be Directors on the Board of Directors of the Company. The Committee has adopted certain criteria for selection of candidates.

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

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

### REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES DIRECTORS, KEY MANAGERIAL PERSONNEL

- (1) Remuneration to Directors by way of sitting fees for attending meetings is presently as follows:-

Board Meeting	: ₹ 50,000/- per meeting
Nomination & Remuneration Committee Meeting	: ₹ 30,000/- per meeting
Audit Committee Meeting	: ₹ 30,000/- per meeting
Independent Directors Meeting:	₹ 50,000/- per meeting

The Nomination and Remuneration Committee will review and recommend to the Board any revision in sitting fees from time to time.

- (2) At present the Company does not have any Executive Director on its Board to whom remuneration is paid. Hence a policy in this regard will be considered at an appropriate time.
- (3) Considering profitability and uneven earnings it is recommended not to distribute any share of profits to the Directors till further review.
- (4) The remuneration to Key Managerial Personnel viz. the Manager/CFO and the Company Secretary is as per the remuneration policy for employees of the Company. The Managerial Remuneration would be in compliance with

the requirements of the Companies Act, 2013 including its Schedules, the Rules framed thereunder approval of shareholders and the requirements of the Listing Agreement with the Stock Exchanges.

- (5) Any fees paid to the Directors for rendering any legal or consultancy services to the Company on a professional basis shall not be included in the definition of Remuneration to Directors.

### OTHER EMPLOYEES

#### Objective:

To define and streamline Company's Remuneration Structure & to define the criteria for the same.

#### Categories of Employees:

- i. Unionised
- ii. Non Unionised

#### Remuneration Structure:

##### i. Unionised:

The Remuneration Structure of Unionised category of Employees is governed by the Agreement between the Union Workers and the Company.

##### ii. Non Unionised:

##### a. Entry Level Recruitments (Trainees)

As per prevailing structure.

##### b. Lateral Recruitments

Lateral Recruitments are done on the basis of Organisation's manpower requirement and placed in one of the existing functional level group/grade. For lateral recruitment salary and personal pay is fixed as may be agreed with the candidate (while fixing this criticality of position, prevailing salary structure in similar companies and the experience of the candidate are considered). Other allowances and benefits are as fixed for various grades.

#### Performance Assessment / Appraisal:

Performance appraisal is conducted once in a year for all employees.

The Employees are appraised on the following factors:-

1. Key Responsibilities
2. Functional Competencies
3. Behavioral Competencies

Employees are assessed on the 4 rating Scale i.e. 4 – Excellent, 3 – Good, 2 – Average & 1 - Needs Improvement.

Considering the competition, similar sized companies in other industries and Company's performance, the range of percentage hike is fixed.

#### Grade Revision

The Grades are reviewed and revised, if necessary, once in three years to bring them in line with changed market conditions.

**ANNEXURE-2****FORM No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

SUPREME PETROCHEM LTD

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue

of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely:
  - (a) The Petroleum Act, 1934
  - (b) Explosives Act, 1884
  - (c) The Environment Protection Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of ₹ 1.02 lacs against the amount of ₹ 105 lacs to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**  
Company Secretaries

P. N. Parikh  
Partner

Place: Mumbai  
Date : April 20, 2016

FCS No: 327 CP No: 1228

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**'Annexure A'**

To,

The Members  
Supreme Petrochem Ltd

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

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

**For Parikh & Associates**  
Company Secretaries

P. N. Parikh  
Partner

Place: Mumbai  
Date : April 20, 2016

FCS No: 327 CP No: 1228

**ANNEXURE-3****Form No. MGT-9  
EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2016**

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

**I REGISTRATION AND OTHER DETAILS**

i) CIN	L23200MH1989PLC054633
ii) Registration Date	14-12-1989
iii) Name of the Company	Supreme Petrochem Ltd
iv) Category / Sub-Category of the Company	Public Company /Limited by shares
v) Address of the Registered office and contact details	Solitaire Corporate Park, Building No.11, 5 <sup>th</sup> Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Ganchibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel : +91 40 3321 1500 / 3321 5570

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

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

As per Attachment A

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Not Applicable

**IV SHARE HOLDING PATTERN  
(Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise shareholding	As per Attachment B
ii) Shareholding of Promoters	As per Attachment C
iii) Change in Promoters' Shareholding	Not Applicable
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment D
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment E

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

As per Attachment F

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Director and/or Manager	As per Attachment G
B. Remuneration to other Directors	As per Attachment H
C. Remuneration of Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment I

**VII PENALTIES / PUNSHMENT/ COMPOUNDING OF OFFENCES**

Not Applicable

**ATTACHMENT- A**

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

All the business activities contributing 10% or more of the total turnover of the Company are given below :

Sl. No.	NIC Code of main products/service	Name and Description of main products / service	% to total turnover of the Company
1	201	Manufacture and Trading of Petrochemicals	96.35

**ATTACHMENT- B**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

	Category of shareholders	No. of shares held at the beginning of the year 01/07/2015				No. of shares held at the end of the year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	<b>Promoters</b>									
	(1) <b>Indian</b>									
	a) Individual/HUF	-	-	-	-	-	-	-	-	-
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	58712000	-	58712000	60.84	58712000	-	58712000	60.84	-
	e) Banks/FI	-	-	-	-	-	-	-	-	-
	f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>-</b>
	(2) <b>Foreign</b>									
	(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	(b) Other - Individuals	-	-	-	-	-	-	-	-	-
	(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	(d) Banks/FI	-	-	-	-	-	-	-	-	-
	(e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>-</b>
B.	<b>Public Shareholding</b>									
	1. <b>Institutions</b>									
	(a) Mutual Funds	565	55000	55565	0.06	552	55000	55552	0.06	0.00
	(b) Banks / FI	16402	22250	38652	0.04	66457	22250	88707	0.09	-0.05
	(c) Central Govt	-	-	-	-	-	-	-	-	-
	(d) State Govt(s)	-	-	-	-	-	-	-	-	-
	(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(f) Insurance Companies	-	-	-	-	-	-	-	-	-
	(g) FIIs	109317	12800	122117	0.13	120462	12800	133262	0.14	-0.01
	(h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
	(i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B) (1)</b>	<b>126284</b>	<b>90050</b>	<b>216334</b>	<b>0.22</b>	<b>187471</b>	<b>90050</b>	<b>277521</b>	<b>0.29</b>	<b>-0.06</b>
	2. <b>Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian	4183635	123836	4307471	4.46	4224217	123736	4347953	4.51	-0.04
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	9879062	3540839	13419901	13.91	10214520	3411101	13625621	14.12	-0.21



**i) Category-wise Share Holding**

	Category of shareholders	No. of shares held at the beginning of the year 01/07/2015				No. of shares held at the end of the year 31/03/2016				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	18085248	156000	18241248	18.90	18023830	156000	18179830	18.84	0.06
	c) Others (specify)									
	Clearing Members	182356	-	182356	0.19	29742	-	29742	0.03	0.16
	Foreign Bodies	16867	-	16867	0.02	16867	-	16867	0.02	0.00
	Non Resident Indians	658892	623400	1282292	1.33	677931	613000	1290931	1.34	-0.01
	Trusts	123489	-	123489	0.13	21493	-	21493	0.02	0.11
	<b>Sub-total (B) (2)</b>	<b>33129549</b>	<b>4444075</b>	<b>37573624</b>	<b>38.94</b>	<b>33208600</b>	<b>4303837</b>	<b>37512437</b>	<b>38.87</b>	<b>0.06</b>
	<b>Total shareholding (B) = (B)(1)+(B) (2)</b>	<b>33255833</b>	<b>4534125</b>	<b>37789958</b>	<b>39.16</b>	<b>33396071</b>	<b>4393887</b>	<b>37789958</b>	<b>39.16</b>	<b>0.00</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>91967833</b>	<b>4534125</b>	<b>96501958</b>	<b>100.00</b>	<b>92108071</b>	<b>4393887</b>	<b>96501958</b>	<b>100</b>	<b>-</b>

**ATTACHMENT - C**

**(ii) Shareholding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01/07/2015			Shareholding at the end of the year 31/03/2016			% of change in share holding during the year
		No. shares	% of total of shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	The Supreme Industries Ltd.	28936400	29.99	-	28936400	29.99	-	-
2	R Raheja Investments Pvt. Ltd.	28936400	29.99	-	28936400	29.99	-	-
3	Boon Investment And Trading Company Pvt. Ltd.	279734	0.29	-	279734	0.29	-	-
4	Jovial Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	-
5	Venktesh Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	-

**ATTACHMENT - D**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding					Cumulative shareholding during the year (01-07-2015 to 31-03-2016)	
		No. of shares at the beginning 01-07-2014/ end of the year 31-03-2016	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Urmila D Shah	900030	0.93	01/07/2015	-	Nil movement during the year		
		900030	0.93	31/03/2016			900030	0.93
2	Preeti N Shah	900000	0.93	01/07/2015	-	Nil movement during the year		
		900000	0.93	31/03/2016			900000	0.93
3	Sonal D Shah	900000	0.93	01/07/2015	-	Nil movement during the year		
		900000	0.93	31/03/2016			900000	0.93
4	Hathway Investments Pvt. Ltd.	784400	0.81	01/07/2015	-	Nil movement during the year		
		784400	0.81	31/03/2016			784400	0.81
5	Bharat Jaikrishna Taparia	739557	0.77	01/07/2015				
				03/07/2015	-10000	Transfer	729557	0.76
				17/07/2015	-47677	Transfer	681880	0.71
				24/07/2015	-38250	Transfer	301630	0.31
				31/07/2015	-50000	Transfer	251630	0.26
				07/08/2015	-35025	Transfer	216605	0.22
				14/08/2015	-20000	Transfer	196605	0.20
				28/08/2015	-24373	Transfer	172232	0.18
				09/10/2015	-31275	Transfer	140957	0.15
				16/10/2015	-47538	Transfer	93419	0.10
				30/10/2015	-31479	Transfer	61940	0.06
6	Ramesh P Mehta	61940	0.06	31/03/2016	-	-	61940	0.06
		680281	0.70	01/07/2015	-	Nil movement during the year		
680281	0.70	31/03/2016		680281	0.70			
7	Gagandeep Credit Capital Pvt. Ltd.	650000	0.67	01/07/2015				
				10/07/2015	-100000	Transfer	550000	0.57
				17/07/2015	-300000	Transfer	250000	0.26
				24/07/2015	-250000	Transfer	0	0.00
		0	0.00	31/03/2016		0	0.00	
8	Coronet Investments Pvt. Ltd.	635300	0.66	01/07/2015	-	Nil movement during the year		
		635300	0.66	31/03/2016			635300	0.66
9	Dhanesh S Shah	600000	0.62	01/07/2015	-	Nil movement during the year		
		600000	0.62	31/03/2016			600000	0.62
10	Durgesh S Shah	600000	0.62	01/07/2015	-	Nil movement during the year		
		600000	0.62	31/03/2016			600000	0.62
11	Nimesh Sumatilal	600000	0.62	01/07/2015	-	Nil movement during the year		
		600000	0.62	31/03/2016			600000	0.62
12	Jagruti P Sheth	450000	0.47	01/07/2015	-	Nil movement during the year		
		450000	0.47	31/03/2016			450000	0.47



**ATTACHMENT - E**

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (01-07-2015 to 31-03-2016)	
		No. of shares at the beginning 01-07-2015/ end of the year 31-03-2016	% of total shares of the Company				No. of shares	% of total shares of the Company
1	M P Taparia Non Executive Promoter/Chairperson	37733	0.04	01/07/2015	-	Nil movement during the year		
		37733	0.04	31-03-2016			37733	0.04
2	Rajan B Raheja Non Executive Promoter	400	-	01/07/2015	-	Nil movement during the year		
		400	-	31-03-2016			400	-
3	Bajranglal Taparia Non Executive Promoter	4834	-	01/07/2015	-	Nil movement during the year	-	-
		4834	-	31-03-2016			4834	-
4	S J Taparia Non Executive Promoter	37733	0.04	01/07/2015	-	Nil movement during the year		
		37733	0.04	31-03-2016			37733	0.04
5	Hasmukh Shah Independent Director	2800	-	01/07/2015	-	Nil movement during the year		
		2800	-	31-03-2016			2800	-
6	Ameeta Parpia Independent Director	21900	0.02	01/07/2015	-	Nil movement during the year		
		21900	0.02	31-03-2016			21900	0.02
7	R Kannan Independent Director	-	-	01/07/2015	-	Nil holding/movement during the year		
		-	-	31-03-2016			-	-
8	Nihalchand Chauhan Independent Director	-	-	01/07/2015	-	Nil holding/movement during the year		
		-	-	31-03-2016			-	-
9	M S Ramachandran Independent Director	-	-	01/07/2015	-	Nil holding/movement during the year		
		-	-	31-03-2016			-	-
10	S Sivaram Independent Director	-	-	01/07/2015	-	Nil holding/movement during the year		
		-	-	31-03-2016			-	-
11	N Gopal Manager	15943	0.02	01/07/2015	-	Nil movement during the year		
		15943	0.02	31-03-2016			15943	0.02
12	Rakesh Nayyar CFO	500	-	01/07/2015	-	Nil movement during the year		
		500	-	31-03-2016			500	-
13	Ravi V Kuddyady Company Secretary	452	-	01/07/2015	-	Nil movement during the year		
		452	-	31-03-2016			452	-



**ATTACHMENT- F**

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.07.2015)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	-	-	-

**ATTACHMENT- G**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Manager (Upto 29.02.2016)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	114.47	114.47
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	11.62	11.62
	(c) Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others	-	-
	<b>TOTAL (A)</b>	<b>126.09</b>	<b>126.09</b>
	Ceiling as per the Act		<b>418.73</b>

**ATTACHMENT - H****B. REMUNERATION TO OTHER DIRECTORS**

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Hasmukh Shah	M S Ramachandran	Nihalchand Chauhan	R Kannan	Ameeta Parpia	S Sivaram	
<b>1.</b>	<b>Independent Director</b>							
-	Fee for attending Board / Committee Meetings	2.00	2.00	3.90	3.40	3.40	2.50	17.20
-	Commission	-	-	-	-	-	-	
-	Others	-	3.75	-	-	-	-	3.75
	<b>TOTAL (1)</b>	<b>2.00</b>	<b>5.75</b>	<b>3.90</b>	<b>3.40</b>	<b>3.40</b>	<b>2.50</b>	<b>20.95</b>
		Name of the Directors						
		M P Taparia	Rajan B Raheja	B L Taparia	S J Taparia			
<b>2.</b>	<b>Other Non-Executive Director</b>							
-	Fee for attending Board/Committee Meetings	2.50	2.50	2.00	2.90			9.90
-	Commission	-	-	-	-			
-	Others	-	-	-	-			
	<b>TOTAL (2)</b>	<b>2.50</b>	<b>2.50</b>	<b>2.00</b>	<b>2.90</b>			<b>9.90</b>
	<b>TOTAL (B) = (1+2)</b>							<b>30.85</b>
	Overall Ceiling as per the Act	Not Applicable						

**ATTACHMENT - I****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ In lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	147.86	30.32	178.18
(b)	Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	6.83	1.62	8.45
(c)	Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
-	as % of profit	-	-	-
-	Others	-	-	-
5.	Others	-	-	-
	<b>TOTAL</b>	<b>154.69</b>	<b>31.94</b>	<b>186.63</b>

## ANNEXURE - 4

### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2015-16

(a) Amount to be spent for the financial year : ₹105 lacs

(b) Amount unspent : ₹103.98 lacs

(c) Manner in which amount spent during the financial year:

(₹ In lacs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program Wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period FY 2015-16	Amount Spent Direct or through Implementing Agency
1	Promoting Education	Clause (ii)	Villages in proximity to Company's plant in District Raigad, Maharashtra	40.00	1.02	1.02	Direct

The budget outlay included : Construction of public toilet blocks, class rooms for the village high school, construction of science laboratory and provision of laboratory equipment for the village high school. However, since the land allocation for construction of the public toilet blocks, class rooms and laboratory is pending, the expenditure could not be incurred during the period under review.

The Company expects a substantial jump in spending in CSR in the current year as several new activities have been identified for implementation in villages surrounding the Company's Plant.

## ANNEXURE - 5

### FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related party referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

1)

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH							
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification of entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date of which the special resolution was passed in general meeting as including under the first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable							

2)

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS					
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in lacs)	Date(s) of approval by the Board	Amount paid as advance, if any
(a)	(b)	(c)	(d)	(e)	(f)
The Supreme Industries Ltd - Co Promoter	Sales, purchase or supply of any goods or materials and availing of any services in connection with the purchase or sale of goods or material including storage thereof	As per individual purchase order	Sales: 1421.45 Purchase: 393.15	Not applicable as at arm's length basis not material transactions. However placed before Audit Committee every quarter	NIL



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY REVIEW

Indian Economy grew at 7.5% in 2015-16 and is poised to grow at about the same rate in 2016-17. This year's budget is designed around nine pillars aimed at 'Transform India' with greater focus on agriculture and rural sectors with a view to boosting the rural demand. Fast tracking of irrigation projects, 100% village electrification by May 2018, push to rural infrastructure, opening up farm product marketing to enable farmers to discover product price and an outlay of ₹ 2.18 trillion on roads and railways will all add to the development of rural areas and in turn pushing overall demand growth in the coming years. The Government's aim to double the farmers income by 2022 will help in growing the rural demand year after year.

The fiscal deficit and revenue deficit targets fixed by the Government for FY 2016-17 are positive for the economy. The steep fall in the global crude oil prices has greatly helped the Government meet its fiscal deficit target and also contain the current account deficit during FY 2015-16. The implementation of seventh pay commission award and forecast of above normal monsoons are likely to provide help in boosting demand in the coming year. Initiatives taken by Reserve Bank of India and the Government to address the rising NPAs problem in the banking sector will help lowering of interest rate going forward. Lower inflation with low interest rates will boost discretionary spending which augurs well for your Company.

### REVIEW OF OPERATIONS

Steep fall in crude oil prices in the period July 2015 to December 2015 from \$60/barrel to less than \$30 /barrel resulted in consequent fall in price of the main raw material Styrene Monomer (SM) and your Company's products.

SM prices saw a fall of over \$400/MT during the July 2015 to September 2015 quarter, resulting in erosion in inventory values and steep fall in the selling prices of your Company's products. The falling prices had the anticipated effect of reduction of inventory by the distributors/ customers, simultaneously resulting in poor off-take of your Company's products. The SM prices however stabilised in the second quarter ended on December 31, 2015 and with the low prices of the Company's products demand improved. The January to March 2016 quarter witnessed upsurge in demand for the Company's main products due to marked improvement in demand for consumer appliances like refrigerators, air conditioners and air coolers. The demand for daily use products also has shown better growth.

The uptick in Crude oil prices and stable SM price with upward trend from January 2016 enthused your Company's customers to start stocking, anticipating increase in prices of your Company's products. This coupled with smart pick up in business sentiments, helped your Company earn PBIDT of ₹ 106.00 crores as compared to ₹ 3.14 crores in the corresponding nine month period in the previous year. Your Company earned net profit of ₹ 56.05 crores for this financial year of nine months as compared to loss of (₹ 27.72) crores in the corresponding nine months of the previous year and ₹ 35.70 crores for the twelve months period July 2014 to June 2015.

Your Company registered a volume growth of 26% in respect of all its manufactured products during the period July 2015 – March 2016 compared to the same period in the previous year.

### Polystyrene (PS):

The domestic market saw healthy growth of 10.11% in the nine months financial period of July 2015 to March 2016, whereas for April 2015 to March 2016 the growth was 8.1%. Robust growth in consumption was seen in Consumer Durable sector, Air-conditioners and Air Coolers where by major players are not only manufacturing for domestic market but also for exporting to neighboring countries and Africa. Growth in Rigid sheets, artificial jewellery & embellishments, stationery, PS foam food service also added to demand growth. Your Company is working closely with the customers to create awareness of post consumer recycling which if not handled in a sustainable manner can dampen this growth.

Export of PS grew by 57% in the year under review, as compared to the same period in previous year due to addition of new distributors in Europe, USA and Canada. Business in Turkey remained stagnant since the anticipated correction in duty structure by Turkish Government in line with EU levels did not take place. With this growth in Exports, Company was able to increase share of export volumes to over 35% of total volume sales of Polystyrene as against 30% in the corresponding period in the previous year.

### Expandable Polystyrene (EPS):

EPS market grew by 9.7% during 9 months period under review. Demand growth of EPS April 2015 to March 2016 period was in double digit at 11%. The growth was contributed mainly by packaging industry for white goods and grape boxes apart from construction industry using sandwich panel, 3-D panels and cold storage constructions.

Your Company continues to lead in promoting EPS based applications and technologies for construction segment. Use of 3-D EPS Panels in construction of individual houses and bungalows is growing. Use of EPS sheets for external insulation of residential buildings has been undertaken.

Geofoam technology for construction of roads and highways especially on soft soil and other geotechnical applications using EPS blocks was introduced. Seminars were conducted in Mumbai and Delhi for the benefit of the Officials from the Government, road authorities, research institutes and infrastructure companies with the help of qualified and distinguished professors from USA universities. Trial project for Defence was undertaken as planned and is presently under performance investigation. Civil projects to testify this application are under evaluation. Your Company has supplied EPS FR grade for sandwich panels used for economical RO Water Plants.

Introduction of new machinery imported from Bulgaria which made steam boilers redundant has made it possible for many entrepreneurs to enter the business of processing food grade EPS for cups. This helped in meeting local demand in Tier II & III cities like Surat, Amritsar etc, avoiding long distance transportation of light weight product which was adding significantly to the cost of EPS cups.

The operations of the EPS plant in Chennai were disrupted in December 2015 due to the unprecedented rains and flooding in Chennai. The flood waters attained a level of 6 feet inside the plant and damaged inventories, electrical, mechanical equipment and instrumentation as also spares, system hardware, office equipment and furniture. Part of the compound wall and water pond were also damaged. The Management team and employees worked untiringly to restore operations in a months time. Care was taken to ensure that customers were not inconvenienced as supplies were made to them from the plant in Maharashtra.

Your Company has adequate insurance cover on the reinstatement cost basis for fixed assets, on cost basis for raw material and stores and on market price basis for finished goods. Your Company is also insured for "Loss of Profit" during the period the plant operations were shut. The Company therefore does not envisage any financial loss on this account. The insurance Company has appointed surveyor and his work is in progress. The Company has in the interim received an on account claim amount of ₹4.49 crores from the Insurance Company.

**Speciality Polymers and Compounds business (SPC):**

SPC business has been restructured with a team focusing on sales and marketing of variety of Masterbatches and compounds. We expect volume growth to happen in the coming year. Efforts are on to replace the market lost in Middle East due to political instability by concentrating on other regions.

**Extruded Polystyrene Insulation Board (XPS):**

Your Company sold 16068m<sup>3</sup> during the period under review as against 8968m<sup>3</sup> in the corresponding period in the previous year thus clocking 79% growth during the period under review. Continuous efforts are being made to strengthen the distributor network. Your Company is the only producer of XPS board in India, who has successfully incorporated the most environment friendly blowing agent in the product. World-class quality & timely delivery have enabled your Company to be recognized as a leading player of building insulation material. Leading construction companies have started incorporating your Company's product in their tenders for major projects.

**FINANCE:**

Your Company continues to remain debt free. This has helped in preserving the cash flows for Company's operations with reduced financial cost.

**CAPITAL EXPENDITURE:**

Your Company proposes to modify one of the three Polystyrene (PS) lines into a swing line capable of producing either PS or upto 42500 TPA of SMMA. The technology for the modification of the PS line and production of SMMA will be from Polysty Inc. USA. The cost of the project, including hardware and technology fees will not exceed ₹600 lacs and shall be met from internal accruals. The plant start-up is expected by end of 2016 and the estimated payback period is two years.

SMMA is widely used for optical sheets. Other applications include homeware, office accessories, toys and medical devices.

During the year 2016-17 your Company also intends to integrate its standard EPS and food grade EPS lines at the

Maharashtra plant to achieve better efficiencies and improved rated capacity. Your Company would also be incurring capital expenditure on revamp of extrusion lines in the SPC plant to meet new requirements.

The total capital expenditure for the year 2016-2017 for above scheme including the expenditure to be incurred on replacement/renewal of certain old equipment and general plant improvement projects is estimated at ₹23 crores. The said capital expenditure shall be met from internal accruals of the Company.

**OUTLOOK**

Globally availability of Styrene Monomer, our major raw material, remains tight with no new major capacities under implementation. One of the large SM producers in Japan moth-balled permanently an old SM unit of 320,000 TPA capacity without any plans to replace this capacity.

Your Company, however, is well protected for procuring its Styrene Monomer requirement with long term commitment from its foreign suppliers.

While the polymer industry is undergoing a paradigm shift in USA due to new plants being commissioned or existing plants being revamped based on the availability of cheap shale gas & oil, Styrene/ Polystyrene industry seem to be relatively unaffected by this trend, since the major raw material Benzene is not obtained by the shale fracking technology. Your Company therefore expects stability in PS/ EPS business both in India and export markets.

GDP projection of 7.5% for 2016-17 augurs well for your Company in achieving all round growth in all products of your Company.

**Polystyrene (PS):**

Your Company expects favourable market conditions created by the stability in raw material & finished goods prices to help in growing the domestic demand in PS. Your Company has established a dedicated Business Development team to focus on upgrading technology of the highly fragmented but high potential sector like beads/ embellishment etc. Efforts are being made to bring back household tableware & rigid disposables which had migrated to alternate polymers, by bringing about new technology hitherto not used in India.

Stable power situation in Tier II & III cities is expected to give a fillip to sale of entry level refrigerators in towns where lack of continuous power supply was a deterrent in the past. Serious emphasis in modernising agriculture & direct transfer of benefits to rural population by Govt. of India is expected to give more disposable income in the hands of farmers, which will substantially improve their purchasing power; this is expected to be a game changer for growth of the beads/ bangles/ artificial jewellery sector. With the monsoon predicted to be above normal and states gearing up for better acreages for agricultural and implementation of seventh pay commission it is estimated that the PS market will grow at about 6% - 7% during 2016-2017.

**Expandable Polystyrene (EPS):**

With the growth in demand for packaging for appliances, increased application of EPS in construction activities it is

estimated that EPS market in the country will grow at 10% in 2016-2017.

In respect of EPS food grade we expect that 26 additional Bulgarian machines for processing of EPS for Cups will be installed in 2016-2017 in cities like Gorakhpur, Noida, Bengaluru etc. thus increasing demand for EPS food grade. Your Company expects to reap rich dividends, being the only producer of Food Grade EPS in India.

#### **Speciality Polymers & Compounds (SPC):**

A strong sales & marketing organisation is in place and promotion via exhibitions/ seminars in metro cities and other industrial locations is being done vigorously. Introduction of new grades suitable for the rapidly growing plastics industry is continuing apace, in line with the Government of India's emphasis in modernising Agriculture sector.

Efforts are being made with the help of your Company's technical collaborator M/s Ultrabatch, Italy to develop suitable masterbatch for Agricultural applications, like Green House films etc. in which India is dependant on imported products due to non availability of required technical expertise.

#### **Extruded Polystyrene Insulation Board (XPS):**

Several cities have been identified for converting to smart cities, which will give a great opportunity for the growth of XPS insulation board business. Construction of several new IIT's, IIM's and AIIM's in different cities, construction of new capital of Andhra Pradesh & Chattisgarh (Naya Raipur) are all based on Gold / Platinum rated Green buildings, with Roof/Wall insulation an important feature. The strong distribution network being established by your Company is expected to help in increasing the sales volumes of XPS vertical of your Company by 35-40% during 2016-2017.

#### **RISK MANAGEMENT**

International pricing and demand/supply risk are inherent in the import of Styrene Monomer, the main raw material. Your Company enters into procurement contracts for imports of Styrene Monomer on annual basis. The contracts specifies the quantity and attributes for arriving at monthly pricing. However, a part of the requirement is sourced on spot basis so as to float with fluctuations in the market demand and to guard against price volatility. Your Company has linked part of its sales to raw material prices so that any increase/decrease in raw material cost has an adequate cushion to protect the margin.

The global economic events impacting the Dollar Index and in turn dollar-rupee parity has a direct effect on cost of imports and also pricing of your Company's products. To overcome these risk of cost and pricing due to foreign exchange volatility your Company hedges part of open foreign exchange exposure relating to imports so as to lessen the impact of foreign exchange rate fluctuations in respect of import of raw material. Your Company also has a natural hedge to the extent of its exports and pricing its products for domestic market based on import parity of its products.

Your Company has adequately insured its plant and machinery on a reinstatement basis. The Policies also cover stocks of finished goods, raw materials (at plant and while in transit)

projects under erection and third party liabilities. Adequate loss of profit insurance policy to cover loss of gross profit if any, due to interruption has also been purchased by your Company. Your Company also has Credit Risk Insurance in respect of its receivables for one of its products. The management periodically reviews the adequacy of the insurance cover.

#### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

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

#### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

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

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

#### **AWARDS & RECOGNITION**

Your Company received the following awards and recognition during the period under review:

- National safety Council of India Safety Awards 2015 - "**Shreshtha Suraksha Puraskar**" in recognition of developing and implementing highly effective Management Systems and Procedures and achieving outstanding performance in OSH for the assessment period 2012 to 2014.
- Greentech safety Award 2015 (Gold Award) from Greentech Foundation, New Delhi for outstanding achievement in Safety Management.
- Greentech Environment Award 2015 (Gold Award) from Greentech Foundation, New Delhi for outstanding achievement in Environment Management.
- Your Company has completed 5641 Accident Free Days as on March 31, 2016 which amounts to 14.87 million man-hours of accident free operation.

#### **CAUTIONARY STATEMENT**

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

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

## CORPORATE GOVERNANCE

### PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE:

Your Company believes that good Corporate Governance is the foundation for a truly sustainable Company. Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all Employees of the Company for enhancement of shareholder value while keeping in view interests of other stakeholders. Good governance ensures adoption of best business practices and accountability of the person in-charge of the Company's operations. Your Company is fully committed to the principles of integrity, transparency and compliance with regulations in all dealings with the Government, Customers, Suppliers, Employees and other Stakeholders. Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of the Listing Agreement.

### 1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors comprised of 10 members as on March 31, 2016. The Directors bring to the Board a wide range of experience and skills.

Name of the Director	Category	No. of outside Directorship		No. of Chairpersonship/ Membership in other Board/Committees		No of Shares Held	Relationships with other Directors
		Public	Private	Chairperson	Member		
M. P. Taparia DIN No. 00112461	Non-Executive - Promoter/ Chairperson	4	2	-	2	37733	Brother of Shri B.L. Taparia and uncle of Shri S.J. Taparia
Rajan B. Raheja DIN No. 00037480	Non-Executive - Promoter	5	12	-	5	400	-
B. L. Taparia DIN No. 00112438	Non-Executive - Promoter	2	1	1	-	4834	Brother of Shri M.P. Taparia and uncle of Shri S.J. Taparia
S. J. Taparia DIN No. 00112513	Non-Executive - Promoter	4	2	-	1	37733	Nephew of Shri M.P. Taparia and Shri B.L. Taparia
Hasmukh Shah DIN No. 00152195	Non-Executive - Independent	Resigned w.e.f. April 07, 2016.					
R. Kannan DIN No. 00380328	Non-Executive - Independent	4	-	1	4	-	-
M. S. Ramachandran DIN No. 00943629	Non-Executive - Independent	5	-	7	9	-	-
Nihalchand Chauhan DIN No. 00021782	Non-Executive - Independent	1	-	-	1	-	-
Ameeta Parpia DIN No. 02654277	Non-Executive - Independent	3	-	5	3	21900	-
Dr. S. Sivaram DIN No. 00009900	Non-Executive - Independent	3	2	1	5	-	-

During the period under review i.e. July 01, 2015 to March 31, 2016 the Board met on 5 occasions i.e. July 21, 2015; September 23, 2015; October 27, 2015; January 22, 2016 and March 15, 2016.

The attendance of each Director at the Board Meetings during the period under review i.e. July 01, 2015 to March 31, 2016 and at the last Annual General Meeting is listed below:

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



Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
Nihalchand Chauhan	Non-Executive – Independent	5	5	Yes
Ameeta Parpia	Non-Executive – Independent	5	4	No
Dr. S. Sivaram	Non-Executive – Independent	5	4	Yes

**2. AUDIT COMMITTEE:**

Your Company had constituted an Audit Committee, the Composition of Audit Committee is as under:

Name of the Director	Category
R. Kannan	Chairpeson – Non-Executive Independent
S. J. Taparia	Non-Executive – Promoter
Nihalchand Chauhan	Non-Executive – Independent
Ameeta Parpia	Non-Executive – Independent

The Audit Committee's composition and terms of reference meets the requirements of provisions of Section 177 of the Companies Act, 2013 and Clause 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Audit Committee has the following powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice and
- to secure attendance of outsiders with relevant expertise, if it considers necessary

Role of Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the Whistle Blower mechanism;
- (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and
6. Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 23(1);
  - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee functions under the overall supervision of the Board of Directors of the Company.

During the period under review i.e. July 01, 2015 to March 31, 2016 the Audit Committee met on 3 occasions i.e. July 21, 2015; October 27, 2015 and January 22, 2016.

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

### 3. NOMINATION AND REMUNERATION COMMITTEE:

The Composition of Nomination and Remuneration Committee is as under

Name of the Director	Category
Hasmukh Shah	* Non-Executive – Independent/Chairperson
S. J. Taparia	Non-Executive – Promoter
R. Kannan	**Non-Executive – Independent
Ameeta Parpia	Non-Executive – Independent

\*Resigned w.e.f. April 07, 2016

\*\*Chairperson w.e.f. April 19, 2016

The Nomination and Remuneration Committee's composition and terms of reference meet the requirements of provisions of Section 178(1) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Role of Nomination and Remuneration Committee inter-alia includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;



2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee functions under the overall supervision of the Board of Directors of the Company.

During the period under review i.e. July 01, 2015 to March 31, 2016 no meeting of Nomination and Remuneration Committee was held.

Performance Evaluation Criteria for Independent Directors:

The Criteria for performance evaluation for Independent Directors includes:

1. Attends meetings regularly.
2. Understands business regulatory competitive and social environment in which the Company operates.
3. Understands strategic issues and challenges confronting the Company.
4. Demonstrates a solid understanding of his/her responsibility as a Director including his/her statutory and fiduciary roles and acts appropriately in his/her governance role.
5. Attends meetings well prepared to evaluate and/or add value to Agenda items presented to the Board.
6. Brings useful outside information and perspective to Board deliberations.
7. Contributes meaningfully to Board discussions, makes useful suggestions, provides strategic insight and directions.
8. Demonstrates an ability to identify the cost benefits and implications of Board decisions.
9. Demonstrates a strong understanding of financial statements, ratios and/or indices of performance and can see the issues behind the numbers.
10. Appropriately questions data and information presented to the Board for its deliberations.
11. Listens effectively to others ideas and view points and encourages contributions from other Directors.
12. Works effectively with fellow Directors to build consensus, manages conflict constructively.
13. Awareness about the developments regarding corporate governance.

**4. REMUNERATION OF DIRECTORS:**

During the period under review i.e. July 01, 2015 to March 31, 2016 sitting fees paid to the Non-Executive Directors for attending Meetings of the Board & Committees thereof are as follows:

Name of the Director	Category	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter/Chairperson	2,50,000
Rajan B. Raheja	Non-Executive – Promoter	2,50,000
B. L. Taparia	Non-Executive – Promoter	2,00,000
S. J. Taparia	Non-Executive – Promoter	2,90,000
Hasmukh Shah	Non-Executive – Independent	2,00,000
R. Kannan	Non-Executive – Independent	3,40,000
M. S. Ramachandran*	Non-Executive – Independent	2,00,000
Nihalchand Chauhan	Non-Executive – Independent	3,90,000
Ameeta Parpia	Non-Executive – Independent	3,40,000
Dr. S. Sivaram	Non-Executive – Independent	2,50,000
<b>TOTAL</b>		<b>27,10,000</b>

\*Shri M. S. Ramachandran was paid an amount of ₹ 3,75,000/- during the period under review i.e. July 01, 2015 to March 31, 2016 for rendering services of a professional nature.

The Company has no Stock Option Scheme. The Company does not make any payments to Non-Executive Directors other than sitting fees for attending meetings of the Board/Committees.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition of Stakeholders Relationship Committee is as under:

Name of the Director	Category
M. P. Taparia	Non-Executive – Promoter/Chairperson
Rajan B. Raheja	Non-Executive – Promoter
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

The terms of reference of the Stakeholders Relationship Committee are as follows:

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report, and non-receipt of declared dividend and shall approve transfers of the Company's securities.

The details of Stakeholders Relationship Committee Meetings held during the period under review i.e. July 01, 2015 to March 31, 2016 is listed below:

Member	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive Promoter/Chairperson	12	12
Rajan B. Raheja	Non-Executive Promoter	12	9
S. J. Taparia	Non-Executive Promoter	12	12
Ameeta Parpia	Non-Executive Independent	12	10

**Compliance Officer:** Shri Ravi V Kuddyady, Company Secretary.

During the period under review, your Company received 77 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and majority of these complaints were resolved within 30 days. There were NIL pending complaints as on March 31, 2016.

**6. FINANCE COMMITTEE:**

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

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

During the period under review i.e. July 01, 2015 to March 31, 2016 the Finance Committee met on 3 occasions i.e. September 01, 2015; February 02, 2016 and March 26, 2016.

Member	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairperson	3	3
Rajan B. Raheja	Non-Executive – Promoter	3	2
B. L. Taparia	Non-Executive – Promoter	3	3
S. J. Taparia	Non-Executive – Promoter	3	3
Ameeta Parpia	Non-Executive – Independent	3	3

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Your Company has constituted Corporate Social Responsibility Committee as mandated by Schedule VII of the Companies Act, 2013 on July 18, 2014, to perform the following functions:

- a) To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause above and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.



The Corporate Social Responsibility Committee functions under the overall supervision of the Board of Directors of the Company. During the period under review i.e. July 01, 2015 to March 31, 2016 the Corporate Social Responsibility Committee comprising of the following Directors met on one occasion i.e. October 27, 2015.

Member	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairperson	1	1
Rajan B. Raheja	Non-Executive – Promoter	1	1
Hasmukh Shah *	Non-Executive – Independent	1	1

\*Resigned w.e.f. April 07, 2016

#### 8. INDEPENDENT DIRECTORS:

Shri Hasmukh Shah, Shri R. Kannan, Shri M. S. Ramachandran, Shri Nihalchand Chauhan, Miss Ameeta Parpia and Dr. S. Sivaram were the Independent Directors on the Board of Directors of your Company as on March 31, 2016. Shri Hasmukh Shah resigned from the Board of Directors of the Company w.e.f. April 07, 2016. The other Independent Directors continue to serve on the Board and hold Office for a consecutive term up to September 21, 2019 pursuant to the provisions of the Companies Act, 2013.

During the period under review i.e. July 01, 2015 to March 31, 2016 the Independent Directors met on one occasion i.e. January 22, 2016.

Member	Category	Meetings held	Meetings Attended
Hasmukh Shah *	Non-Executive – Independent/Chairperson	1	1
R. Kannan	Non-Executive – Independent	1	1
M. S. Ramachandran	Non-Executive – Independent	1	1
Nihalchand Chauhan	Non-Executive – Independent	1	1
Ameeta Parpia	Non-Executive – Independent	1	1
Dr. S. Sivaram	Non-Executive – Independent	1	1

\*Resigned w.e.f. April 07, 2016

#### 9. CODE OF CONDUCT:

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management of the Company. This code has been posted on the Company's website [www.supremepetrochem.com](http://www.supremepetrochem.com).

##### Declaration by the CEO:

During the period under review i.e. July 01, 2015 to March 31, 2016 all Directors and Senior Management personnel have affirmed adherence to the provisions of the code of conduct for Board Members and Senior Management.

**N. Gopal**  
CEO

#### 10. COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER

- A. We have reviewed the financial statements and the cash flow statement for the year (9 months period) and that to the best of our knowledge and belief:
  - (1) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
  - (1) significant changes in internal control over financial reporting during the year;

- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
- (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

The above certificate was placed before the Board at its meeting held on April 20, 2016.

#### 11. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held:

Year	Location	Date	Time	Special Resolutions Passed
2012-2013	24 <sup>th</sup> I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	18.10.2013	4.00 p.m.	No
2013-2014	25 <sup>th</sup> I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	22.09.2014	4.00 p.m.	Yes
2014-2015	26 <sup>th</sup> I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	23.09.2015	4.00 p.m.	Yes

Details of Special Resolutions passed at the last three Annual General Meetings:

- a) At the 25<sup>th</sup> Annual General Meeting held on September 22, 2014:
  - i) Under Section 188 of the Companies Act, 2013, for related party transactions and
  - ii) Under Section 180 (1)(a) of the Companies Act, 2013, for creation of security to secure Working Capital and Long Term Borrowings.
- b) At the 26<sup>th</sup> Annual General Meeting held on September 23, 2015:
  - i) Under Section 14 of the Companies Act, 2013 for adoption of a new set of Articles of Association of the Company.

#### 12. SUBSIDIARY COMPANY:

Your Company does not have any Subsidiary, hence has not laid down a policy for determining material Subsidiaries.

#### 13. DISCLOSURES:

- a. **Basis of related party transactions -**  
Your Company places all the details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Annual Report (Please refer to note no.33). However, these transactions are not likely to have any conflict with the interest of the Company at large. The policy on dealing with Related Party Transactions is available on the Company's website on the link <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.pdf>.
- b. **Disclosure of Accounting Treatment -**  
Your Company has followed all relevant Accounting Standards notified under Section 133 of The Companies Act, 2013 read together with Rules 7 of The Companies (Accounts) Rules 2014.
- c. **Risk Management -**  
Your Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimisation procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.
- d. **Proceeds from public issues, right issues, preferential issues etc.**  
During the period under review i.e. July 01, 2015 to March 31, 2016 your Company has not raised any proceeds from public issue, right issue or preferential issue.
- e. **Disclosure of non-compliance of the Company -**  
There were no instances of non-compliance or penalty, strictures imposed on your Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- f. **Whistle Blower Policy/Vigil Mechanism -**  
A Whistle Blower Policy/Vigil Mechanism has been adopted by the Board of Directors on July 18, 2014. No personnel have been declined access to the Audit Committee.
- g. The Company has adopted Clause D and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, by having separate persons to the post of Chairperson and CEO and by direct reporting by internal auditor to the Audit Committee.
- h. Compliance with Corporate Governance requirements specified in regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015,



Clause	Head	Status
17	Board of Directors	Complied
18	Audit Committee	Complied
19	Nomination and Remuneration Committee	Complied
20	Stakeholders Relationship Committee	Complied
21	Risk Management Committee	N. A.
22	Vigil Mechanism	Complied
23	Related Party Transaction	Complied
24	Corporate Governance requirements with Respect to Subsidiary of listed entity	N. A.
25	Obligations with respect to Independent Directors	Complied
26	Obligations with respect to Directors and Senior Management	Complied
27	Other Corporate Governance requirements	Complied
46 (2) (b)	Terms and conditions of appointment of Independent Director	Complied
(c)	Composition of various Committees of Board of Directors	Complied
(d)	Code of Conduct of Board of Directors and Senior Management personnel	Complied
(e)	Details of establishment of Vigil Mechanism and Whistle Blower Policy	Complied
(f)	Criteria for making payments to non-executive Directors	Complied
(g)	Policy with dealing with related party transaction	Complied
(h)	Policy for determining 'material' subsidiaries	N. A.
(i)	Details of familiarisation programmes imparted to Independent Directors	Complied
(i)	No of programmes attended by Independent Director (during the year and on a cumulative basis till date)	3
(ii)	No of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	2.15
(iii)	Other relevant details	

The following familiarisation programs were held for the Independent Directors:

- Domestic and Global PS (Polystyrene) Industry, The Company's (SPL) standing and its markets, SPL's role in the development of new applications and its business footprint locally and in global market.
- Domestic and Global EPS (Expandable Polystyrene) Industry including new applications and business development activities undertaken by the Company.
- Status and prospects of XPS (Extruded Polystyrene Insulation Board) manufactured by the Company.

The Company is in compliance of all the Mandatory Requirements of Corporate Governance.

#### **14. IMPLEMENTATION OF CODE OF INTERNAL PROCEDURE & CONDUCT FOR REGULATING, MONITORING & REPORTING OF TRADING BY INSIDERS:**

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

#### **15. MEANS OF COMMUNICATION:**

Shareholders are intimated through the press and the Company's website: <http://www.supremepetrochem.com> of the quarterly performance and financial results of the Company. The website also displays Chairperson's statement and the shareholding pattern. The quarterly results during the period under review i.e. July 01, 2015 to March 31, 2016 were published in Business Standard, DNA, Free Press Journal, Sakal and Navshakti. Announcement to Stock Exchanges are also displayed on the Company's website. No presentations were made to institutional investors or to the analysts during the period under review i.e. July 01, 2015 to March 31, 2016.

#### **16. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**17. PARTICULARS OF DIRECTORS:**

Particulars of Directors seeking re-appointment are given below:

Name of the Director	M. P. Taparia	S. J. Taparia
Age (Years)	78	71
Date of Appointment	14/12/1989	22/11/1993
Qualification	B. A.	B. E. (Mechanical)
Experience of specific functional area.	He is Managing Director of The Supreme Industries Limited. Expertise and wide experience in Business Management, Marketing, Operations and actively involved in various Industry Forums.	He is Executive Director of The Supreme Industries Limited. Expertise and rich experience in technical, operational and marketing aspects of industrial products. Actively involved in Industry Forums.
Chairperson/Director of other Companies	The Supreme Industries Limited; Supreme Capital Management Limited; Kabra Extrusion-technik Limited and The West Coast Paper Mills Limited.	The Supreme Industries Limited; Supreme Capital Management Limited; Bharat Business Channel Limited and Oricon Enterprises Limited.
Shareholding in the Company	37733	37733
Relationship with other Directors	Brother of Shri B. L. Taparia and uncle of Shri S. J. Taparia	Nephew of Shri M. P. Taparia and Shri B. L. Taparia
No. of Meetings attended	5	4

**18. GENERAL SHAREHOLDERS INFORMATION :**

Annual General Meeting	Wednesday, August 24, 2016 at 4.00 p.m. at I.M.C. Walchand Hirachand Conference Hall, Churchgate, Mumbai - 400 020
Period under review	July 01, 2015 to March 31, 2016 (9 months)
Date of Book Closure	Monday, August 22, 2016 to Wednesday, August 24, 2016 (both days inclusive)
Dividend Payment Date	N. A.
Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, 1 <sup>st</sup> Floor, Dalal Street, Mumbai - 400 001 The National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code	BSE Ltd - 500405 The National Stock Exchange of India Ltd. – SUPPETRO
Payment of Listing Fees	Annual listing fees for the year 2016-2017 have been paid to BSE and The National Stock Exchange of India Ltd.
Payment of Depository Fees	Annual Custody/Issuer Fees for the year 2016-2017 will be paid to NSDL and CDSL on receipt of invoices.

Market Price Data:

(In ₹)

Month/Year	BSE Limited		National Stock Exchange of India Ltd.	
	High	Low	High	Low
July 2015	130.00	84.10	130.60	83.15
August 2015	136.00	94.70	136.10	95.00
September 2015	125.00	100.10	124.90	99.65
October 2015	129.40	99.00	129.45	97.00
November 2015	123.70	101.60	123.65	102.00
December 2015	124.30	105.10	124.70	105.15
January 2016	121.20	96.10	120.65	96.00
February 2016	114.80	97.00	114.25	97.00
March 2016	117.00	100.45	117.30	98.10

**COMPARISON WITH INDICES:**

	July 2015 Opening	March 2016 Closing	% Rise (Fall)
BSE Sensex	27823.65	25341.86	(8.92)
NSE Nifty	8481.60	7738.40	(8.23)
SPL Shares	83.15	109.25	31.39



**REGISTRAR AND TRANSFER AGENT** : Karvy Computershare Pvt. Ltd.,  
Karvy Selenium Tower B, 6<sup>th</sup> Floor, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, HYDERABAD - 500 032

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

**DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2016)**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
0001 - 5000	45493	89.95	6986695	7.24
5001 - 10000	2534	5.01	2135064	2.21
10001 - 20000	1142	2.26	1794034	1.86
20001 - 30000	447	0.88	1155978	1.20
30001 - 40000	175	0.35	631605	0.65
40001 - 50000	196	0.39	940632	0.97
50001 - 100000	240	0.47	1782586	1.85
100001 & above	351	0.69	81075364	84.02
<b>TOTAL</b>	<b>50578</b>	<b>100.00</b>	<b>96501958</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS (AS ON MARCH 31, 2016)**

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	58712000	60.84
2.	Mutual Funds	43652	0.05
3.	Foreign Portfolio Investors	133262	0.14
4.	Financial Institutions/Banks	100607	0.10
5.	Foreign Corporate Bodies	16867	0.02
6.	Foreign Nationals	500	0.00
7.	Private Corporate Bodies	4301286	4.46
8.	NBFCs Registered with RBI	46667	0.05
9.	Indian Public	31826444	32.98
10.	NRIs	1290931	1.33
11.	Others (clearing members)	29742	0.03
	<b>GRAND TOTAL</b>	<b>96501958</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES & LIQUIDITY** : Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited 95.44% Shares have been dematerialised up to March 31, 2016.

**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES**

Your Company's main raw material like Styrene Monomer, Polybutadiene Rubber and major additives are imported and therefore your Company has a substantial exposure in foreign exchange currencies. To overcome the risk to Company's operations due to foreign exchange volatility your Company's Board has approved a policy to hedge by way of forward cover foreign exchange exposures. Your Company also has some hedge by way of export receivables.

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

**ADDRESS FOR CORRESPONDENCE** : **Registered Office:**  
Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), MUMBAI - 400 093



**SHAREHOLDERS' ASSISTANCE:**

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

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

**(1) Shri Ravi V Kuddyady / Shri Finian Lopez / Ms. Jean Bhandary**

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

OR

**(2) Shri K. S. Reddy**

**Karvy Computershare Private Limited,**  
Unit: Supreme Petrochem Ltd,  
Karvy Selenium Tower B, 6<sup>th</sup> Floor, Plot No. 31 & 32,  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally, HYDERABAD - 500 032  
Telephone No. : 040-33211500/33215570  
Toll Free No. : 1800-3454-001  
Fax No. : 040-23440674  
E-mail : reddy.ks@karvy.com, einward.ris@karvy.com  
Website : www.karvy.com

OR

**(3) Shri Praveen Amlani**

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

**EQUITY SHARES IN SUSPENSE ACCOUNT**

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

	No. of Shareholders	No. of Shares
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1023	89164
No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year	1	83
No of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	1	83
No, of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	1022	89081

The voting rights on these Shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such Shares claims the Shares.

**For and on behalf of the Board**

Place : Mumbai  
Date : April 20, 2016

**M. P. Taparria**  
**Chairperson**

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



## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Shareholders of  
Supreme Petrochem Limited

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Limited ('the Company') for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E) of the Listing Agreements of the Company with the Stock Exchanges in India.) for the period April 1, 2015 to November 30, 2015;
- Clause 49(VII)(E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016; and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the respective periods of applicability as specified under the above paragraph, during the year ended March 31, 2016.

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 **G. M. Kapadia & Co.**  
Chartered Accountants  
Firm Registration No. 104767W

Place: Mumbai  
Date : April 20, 2016

**(Rajen Ashar)**  
Partner  
Membership No.048243

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Supreme Petrochem Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Supreme Petrochem Limited** which comprise the Balance sheet as at March 31, 2016, Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors



is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the financial statements
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No: 104767W

**Rajen Ashar**

Partner

Membership No: 048243

Place : Mumbai

Dated: April 20, 2016

## ANNEXURE TO THE AUDITOR'S REPORT

**Annexure I referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties classified as fixed assets are held in the name of the Company.
- (ii) The inventory have been physically verified at reasonable intervals by the management during the period. The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise.
- (iv) The Company has not granted any loans or under section 185, made any investment, provided any guarantee or security. Hence, the question of reporting under clause 3(iv) of the Order does not arise.
- (v) 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 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable.  
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2016 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise duty demand	Apr-2001 - Aug-2014	426.20	CESTAT
			Dec-2012 - Aug-2014	15.89	Commissioner (Appeals)
			Sep-2002 - Aug-2009	19.29	Commissioner (Appeals)
			Apr-2006 - Sep-2009	1.47	CESTAT
			Oct-2009 - Jul-2010	1.04	CESTAT
			Apr-2005 - Mar-2008	2.11	Commissioner (Appeals)
			Sep-2013 - Jun-2014	1.18	Commissioner (Appeals)
			Jul-2013	7.56	CESTAT
			Dec-2013	1.79	
2	Service Tax (Finance Act 1994)	Service Tax and penalty.	Apr-2004 - Jul-2007	44.21	CESTAT
			Apr-2005 - Sep-2009	14.92	
			Jan-2011 - Oct-2011	5.88	
			Sep-2004 - Aug-2013	452.45	
			Apr-2003 - Mar-2005	188.42	
			Apr-2011 - Mar-2013	222.57	
			Sep-2013 - May-2015	117.57	



Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
			Sep-2011 - Jun-2014	1.51	Commissioner Office (SCN)
3	Central Excise Act, 1944 (Tamil Nadu)	Excise duty demand	Mar-08	23.16	CESTAT
			Feb-2008 - Jun 2008	16.52	Jt. Commissioner of Central Excise
			Apr-2009 - Dec-2009	3.35	Asst / Deputy Commissioner of Central Excise
			Jan-2010 - Oct-2010	0.61	Superintendent of Central Excise
			Nov-2010 - Oct-2011	0.16	Superintendent of Central Excise
4	Service Tax (Finance Act 1994)	Service Tax and penalty	Sep-2010 - Nov-2012	8.91	CESTAT
			Dec-2012 - Sep-2013	5.67	Commissioner (Appeals)
			Jan-2009 - Aug-2014	16.73	Superintendent / Asst./ Deputy Commissioner of Central Excise
5	Tamil Nadu VAT Act, 2006	VAT and penalty	2005 - 2006	0.88	Deputy Commissioner (Commercial tax)
			2012-2013	1.20	Deputy Commissioner (Commercial tax)
			2010-2011	7.43	Deputy Commissioner (Commercial tax)
			2003-2004	2.61	Asst. Commissioner (Commercial tax)
6	Income Tax Act, 1961	Income Tax, interest and penalty	Assessment Year		Commissioner of Income Tax (Appeal)
			2007-2008	44.43	
			2005-2006	30.96	
			2008-2009	121.26	
			2006-2007	4.71	ITAT Bombay

- (viii) We have been informed that the Company has not defaulted in repayment of loans or borrowings to financial institutions banks and Government. The Company has not raised any funds through debentures.
- (ix) The Company has not raised money raised by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, we state that the Company has prima facie applied the term loan for the purpose for which it was obtained.
- (x) 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, no fraud on or by the company has been noticed or reported during the period by the Company.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a chit fund or a Nidhi company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.
- (xiii) The Company has complied with the provisions of sections 177 and 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm's Registration No: 104767W

**Rajen Ashar**

Partner

Membership No: 048243

Place : Mumbai

Dated: April 20, 2016

## Annexure II to our report of even date

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

We have audited the internal financial controls over financial reporting of **Supreme Petrochem Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

**For G. M. Kapadia & Co.**

Chartered Accountants

Firm’s Registration No: 104767W

**Rajen Ashar**

Partner

Place : Mumbai

Dated: April 20, 2016

Membership No: 048243

## BALANCE SHEET AS AT MARCH 31, 2016

(₹ Lacs)

Particulars	Note No	As at 31-03-2016	As at 30-06-2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	9650.20	9650.20
Reserves and surplus	3	31848.88	27986.23
		41499.08	37636.43
<b>Non-Current Liabilities</b>			
Long-term borrowings		-	-
Deferred tax liabilities (Net)	4	4801.15	4848.40
Other long term liabilities	5	189.68	146.87
Long-term provisions	6	198.66	149.47
		5189.49	5144.74
<b>Current Liabilities</b>			
Trade payables and acceptance due to Micro and small enterprises	7	-	-
Other than micro and small enterprises		43566.13	39300.87
Other current liabilities	8	2682.53	3085.06
Short-term provisions	9	870.86	2974.36
		47119.52	45360.29
<b>TOTAL</b>		93808.09	88141.46
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets	10		
Tangible assets		33012.30	34346.64
Intangible assets		146.35	166.74
Capital work-in-progress-tangible assets		1028.40	427.33
		34187.05	34940.71
Long term loans and advances	11	379.20	697.83
Other non-current assets	12	2153.70	1619.15
		2532.90	2316.98
<b>Current Assets</b>			
Inventories	13	18271.97	18799.69
Trade receivables	14	28130.22	23896.35
Cash and cash equivalents	15	7093.48	3249.85
Short-term loans and advances	16	3033.81	4364.72
Other current assets	17	558.66	573.16
		57088.14	50883.77
<b>TOTAL</b>		93808.09	88141.46
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
ICAI Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board  
M P Taparia  
Chairperson

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia  
} Directors

Mumbai  
Date: April 20, 2016

Mumbai  
Date: April 20, 2016



## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2016

(₹ Lacs)

Particulars	Note No	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
<b>INCOME</b>			
<b>Revenue from Operations</b>	<b>18</b>		
Sale of goods		233175.89	294356.30
Less : Excise duty		28519.53	30445.41
		<u>204656.36</u>	<u>263910.89</u>
Other operating revenues		2148.89	1342.87
		<u>206805.25</u>	<u>265253.76</u>
<b>Other Income</b>	<b>19</b>	<b>333.61</b>	<b>319.16</b>
<b>Total Revenue</b>		<u><b>207138.86</b></u>	<u><b>265572.92</b></u>
<b>EXPENSES</b>			
Cost of materials consumed	<b>20</b>	<b>128676.51</b>	168787.86
Purchase of stock-in-trade	<b>21</b>	<b>49144.13</b>	69833.49
Changes in inventories of finished goods and work-in-process	<b>22</b>	<b>2823.54</b>	(3596.68)
Employee benefits expenses	<b>23</b>	<b>2721.16</b>	3192.60
Finance costs	<b>24</b>	<b>530.63</b>	1660.02
Depreciation and amortisation expenses	<b>25</b>	<b>1697.79</b>	2364.19
Other expenses	<b>26</b>	<b>13173.61</b>	17702.14
<b>Total Expense</b>		<u><b>198767.37</b></u>	<u><b>259943.62</b></u>
<b>Profit Before Tax</b>		<b>8371.49</b>	5629.30
<b>Tax Expenses</b>			
Current tax		<b>2798.04</b>	2100.06
Deferred tax		<b>(47.25)</b>	251.70
<b>Profit After Tax</b>		<u><b>5620.70</b></u>	<u><b>3277.54</b></u>
Prior period adjustments(Net) (Refer Note 40)		<b>15.84</b>	15.42
Provision for prior period tax		-	(308.00)
<b>Profit for the year</b>		<u><b>5604.86</b></u>	<u><b>3570.12</b></u>
<b>Earning per share (₹)</b>			
Basic		<b>5.81</b>	3.70
Diluted		<b>5.81</b>	3.70
<b>Nominal Value of Share</b>			
		<b>10.00</b>	10.00

Significant Accounting Policies 1  
The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
ICAI Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board  
M P Taparia Chairperson

Rajan B Raheja  
B L Taparia  
S J Taparia  
M S Ramachandran  
R Kannan  
Nihalchand Chauhan  
Ameeta Parpia Directors

Mumbai  
Date: April 20, 2016

Mumbai  
Date: April 20, 2016

## CASH FLOW FOR THE PERIOD : 2015 - 2016

( ₹ Lacs)

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	8371.49	5629.30
Adjustments for :		
Depreciation & amortisation expenses	1697.79	2364.19
Interest received	(17.94)	(1.89)
Dividend received	(202.23)	(174.41)
Loss/(Profit) on sale of investments	-	(5.35)
Interest and finance charges	530.63	1660.02
(Profit)/Loss on sale/scraping of fixed assets	(3.17)	9.39
Bad debts written-off	12.02	172.23
Foreign exchange fluctuation assets & liability	(404.52)	92.83
(Expenses)/Income related to earlier year	(15.84)	(15.42)
Operating profit before working capital changes	9968.23	9730.89
Adjustment For :		
Trade & other receivables	(2959.68)	9409.70
Inventories	527.72	(873.72)
Trade payables & other provisions	4451.46	(9299.49)
Cash generated from operations	11987.73	8967.38
Direct tax paid	(3746.73)	(983.94)
Net cash from operating activities (A)	8241.00	7983.44
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(605.79)	(667.28)
Sale of fixed assets	5.67	6.56
Sale of investments	-	5.35
Interest income	17.94	1.89
Dividend income	202.23	174.41
Net cash used in investing activities (B)	(379.95)	(479.07)
<b>C. Cash Flow from Financing Activities</b>		
Interest and finance charges paid	(530.63)	(1660.02)
Dividend & dividend tax paid	(3484.42)	(1693.54)
Proceeds from borrowings	(2.37)	(3218.24)
Net cash from financing activities (C)	(4017.42)	(6571.80)
<b>Net Change in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>3843.63</b>	<b>932.57</b>
Opening balance of cash & cash equivalents	3249.85	2317.28
Closing balance of cash & cash equivalents	6612.74	2776.61
Add : Other cash and bank balance	93.99	177.57
Add : Balance in dividend payment account	386.75	295.67
Cash & cash equivalents considered for cash flow	<b>7093.48</b>	<b>3249.85</b>

As per our report of even date.

For G M Kapadia & Co  
Chartered Accountants  
ICAI Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board

M P Taparia	Chairperson
Rajan B Raheja	}
B L Taparia	
S J Taparia	
M S Ramachandran	
R Kannan	
Nihalchand Chauhan	}
Ameeta Parpia	

Mumbai  
Date: April 20, 2016

Mumbai  
Date: April 20, 2016

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016.

### NOTE 1

#### 1] Corporate Information

Supreme Petrochem Ltd (The Company) a public limited company incorporated under the Companies Act, 1956 is engaged in the manufacture of Polystyrene (PS), Expandable Polystyrene (EPS), Speciality Polymers & Compounds and Extruded Polystyrene (XPS) with manufacturing facilities at Nagothane Dist Raigad, Maharashtra and Ammulavoyil Village, Manali New Township, Chennai, Tamil Nadu. The Company also has a captive gas power plant at Nagothane.

### SIGNIFICANT ACCOUNTING POLICIES

#### 2] Basis of Preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. In accordance with first proviso to section 129(1) of the Companies Act, 2013 (the Act), and clause 6 of the General Instructions given in Schedule III to the Act the items contained in the enclosed financial statements are in accordance with the Accounting Standards as referred to herein. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 3] Use of Estimates

The preparation of financial statements in conformity with Indian generally accepted accounting principles (GAAP) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences on account of revision of estimates, actual results and existing estimates are recognised in periods in which the results are known/ materialised in accordance with the requirements of the respective accounting standard, as may be applicable.

#### 4] Revenue Recognition

##### [a] Income and Expenditure

Income and expenditure are accounted on accrual basis and is recognised when it is reasonably certain of the ultimate collection.

##### [b] Sale of Goods

Domestic sales are accounted on passing of risks and rewards attached to the goods to customers. Export sales are accounted on date of bill of lading. Gross Sales include Excise duty but excludes Value Added Tax/ Central Sales Tax and are net of trade discounts.

##### [c] Dividend Income

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

##### [d] Interest Income

Interest income is accounted on accrual basis.

##### [e] Export Incentives

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

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

##### Fixed Assets

##### [a] Tangible Assets

Tangible assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost, net charges on foreign exchange contracts and adjustments arising from exchange



rate variations attributable to the assets, and any cost directly attributable to bringing the asset to its working condition for its intended use.

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

**[b] Capital Work-in-progress**

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

**[c] Intangible Assets**

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

**[d] Depreciation and Amortization**

Depreciation is provided on a straight-line basis over the useful life as prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.

When significant parts of the fixed assets are required to be replaced at interval, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the Statement of Profit or Loss as incurred.

Depreciable amount for assets is the cost of an asset less its estimated residual value.

In case of certain assets, based on the technical evaluation, the Company uses different useful life than those prescribed in Schedule II to the Companies Act, 2013. Such class of assets and their estimated useful lives are as under:

Assets	Useful Life
Plant and Machinery	15 to 25 Years

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

**6] Impairment of Assets**

The carrying amounts of tangible and intangible assets are tested for impairment at each Balance Sheet date to determine if there is any indication of impairment, based on internal / external factors. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

**7] Inventories**

Inventories are valued as under :

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

**8] Cash and Cash Equivalents**

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

**9] Foreign exchange transactions and forward contracts**

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

Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and in other cases, if any, accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of loan.

In respect of Foreign Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Option contracts entered into to hedge foreign currency hedge are marked to market at the date of balance sheet. The difference between premium paid and the current market value of the option is taken to the statement of Profit and Loss account. Gains if any, are ignored. Profit or loss on cancellations/ renewals of forward contracts and options are recognized as income or expense during the year.

## **10] Cenvat Credit**

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

## **11] Employee Benefits**

### **[a] Short Term Employee Benefits**

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

### **[b] Post-employment Benefits**

#### **[i] Provident and Family Pension Fund**

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

#### **[ii] Gratuity**

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

#### **[iii] Superannuation**

The eligible employees of the Company are entitled to receive post employment benefits of superannuation under Company’s Senior Officers Superannuation Scheme to which the Company makes annual contribution at a specified percentage of the employees’ salary subject to the contribution not exceeding Rs.1,00,000/- p.a. except in the case of Manager where the upper limit of Rs.1,00,000/- is not applicable. The contribution is made to the Life Insurance Corporation of India (LIC). Superannuation is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution. The Company’s contribution is charged to the Statement of Profit and Loss as incurred.

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

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

## **12] Segment Reporting**

Styrenics is the primary business segment of the Company. There are no separate segments within the Company as defined by AS 17 (Segment Reporting) notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 except Geographical segment as reportable segment.

## **13] Taxation**

[a] The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to it.



- [b] Deferred Tax Asset or Liability is recognised for timing differences between the profit as per financial statements and the profit offered for Income tax, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realization in future. The effect on deferred tax assets and liabilities of change in tax rates is recognized in the Statement of Profit and Loss in the period of enactment of the change.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Tax Assets on carry forward of unabsorbed depreciation and tax losses are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized.

#### **14] Contingent Liabilities**

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

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

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

#### **15] Provision**

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

#### **16] Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long - term investments are carried at cost. Diminution, if any, other than temporary, is provided for. Current investments are carried at lower of cost or fair value.

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

#### **17] Leases**

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

#### **18] Borrowing Costs**

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

#### **19] Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, share split, etc., if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

(₹ Lacs)

Particulars	As at 31-03-2016	As at 30-06-2015
<b>NOTE 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 (Previous Year 125,000,000) Equity Shares of ₹ 10 each	12500.00	12500.00
25,000,000 (Previous Year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2500.00	2500.00
	<b>15000.00</b>	<b>15000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
96,501,958 (Previous Year 96,501,958) Equity Shares of ₹ 10 each	9650.20	9650.20
	<b>9650.20</b>	<b>9650.20</b>

2.1. In the financial year 2013-2014, the company bought back and extinguished 336655 equity shares which has reduced the paid-up share capital of the company from ₹ 9683.86 lacs to ₹ 9650.20 lacs.

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

Name of the Shareholder	No. of Shares		No. of Shares	
	As at 31-03-2016	% held	As at 30-06-2015	% held
The Supreme Industries Limited	28,936,400	29.99	28,936,400	29.99
R. Raheja Investments Private Limited	28,936,400	29.99	28,936,400	29.99

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

Particulars	As at 31-03-2016 No. of Shares	As at 30-06-2015 No. of Shares
Equity Shares at the beginning of the year	96,501,958	96,501,958
Equity Shares at the end of the year	<b>96,501,958</b>	<b>96,501,958</b>

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



(₹ Lacs)

Particulars	As at 31-03-2016	As at 30-06-2015
<b>NOTE 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Balance as per the last Balance Sheet	1563.46	1563.46
	<u>1563.46</u>	<u>1563.46</u>
<b>General Reserve</b>		
Balance as per the last Balance Sheet	23258.12	21258.12
Add : Transferred from Profit and Loss Account	4000.00	2000.00
	<u>27258.12</u>	<u>23258.12</u>
<b>Surplus</b>		
Balance as per the last Balance Sheet	3164.65	3955.46
Less: Adjustment relating to transitional provision contained in schedule II	-	618.72
Add : Profit for the Year	5604.86	3570.12
	<u>8769.51</u>	<u>6906.86</u>
<b>Amount available for appropriations</b>		
<b>Appropriations :</b>		
Transfer to General Reserve	4000.00	2000.00
Interim Dividend	1447.53	-
Proposed Dividend	-	1447.53
Dividend Tax	294.68	294.68
	<u>5742.21</u>	<u>3742.21</u>
	<u>3027.30</u>	<u>3164.65</u>
	<u>31848.88</u>	<u>27986.23</u>
<b>NOTE 4</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	4993.53	4936.30
<b>Deferred Tax Assets</b>		
Amount to be claimed on payment basis	(192.38)	(87.90)
	<u>4801.15</u>	<u>4848.40</u>
<b>Net Deferred Tax Liabilities</b>		
Opening Deferred Tax Liabilities	4848.40	4924.15
	<u>(47.25)</u>	<u>(75.75)</u>
Deferred Tax Assets adjusted against retained earning	-	327.45
<b>Net Deferred Tax expenses/(income) for the Year</b>	<u>(47.25)</u>	<u>251.70</u>



Particulars	As at 31-03-2016	(₹ Lacs) As at 30-06-2015
<b>NOTE 5</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Security Deposits from Distributors	189.68	146.87
	<u>189.68</u>	<u>146.87</u>
<b>NOTE 6</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for leave encashment	178.42	149.47
Provision for Gratuity	20.24	-
	<u>198.66</u>	<u>149.47</u>
<b>NOTE 7</b>		
<b>TRADE PAYABLES AND ACCEPTANCE DUE TO</b>		
Micro and small enterprises	-	-
Other than micro and small enterprises	43566.13	39300.87
	<u>43566.13</u>	<u>39300.87</u>
<b>NOTE 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Unclaimed fixed deposits	7.32	9.69
Accrued salaries and benefits	52.05	314.79
Statutory liabilities	1041.88	900.30
Interest accrued but not due on deposits/others	2.00	14.76
Advances from Customers	532.98	580.73
Excise duty on closing stock	659.55	969.12
Unclaimed dividend	386.75	295.67
	<u>2682.53</u>	<u>3085.06</u>
<b>NOTE 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Proposed dividend	-	1447.53
Tax on proposed dividend	-	294.68
Income tax (net of advance tax)	716.65	1138.13
Leave encashment	66.80	67.63
Gratuity	87.41	26.39
	<u>870.86</u>	<u>2974.36</u>



**NOTE 10  
FIXED ASSETS**

(₹ Lacs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	DURING THE PERIOD					DURING THE PERIOD						
	As at 30-06-2015	Adjust- ments	Additions	Disposal	As at 31-03-2016	Upto 30-06-2015	Adjust- ments	Provided/ Adjust- ments	Disposal	Upto 31-03-2016	As at 31-03-2016	As at 30-06-2015
<b>(A) Tangible Assets</b>												
Land (Freehold)	3539.43	-	-	-	3539.43	-	-	-	-	-	3539.43	3539.43
Buildings	15592.42	-	-	-	15592.42	4869.99	-	366.91	-	5236.90	10355.52	10722.43
Plant and Machinery	46592.25	-	249.29	6.00	46835.54	26820.86	-	1213.18	3.65	28030.39	18805.15	19771.39
Office Equipments	251.70	-	6.23	-	257.93	222.98	-	12.54	-	235.52	22.41	28.72
Computers	480.63	-	63.28	2.96	540.95	370.52	-	30.66	2.95	398.23	142.72	110.11
Air-conditioners	54.05	-	2.16	-	56.21	32.34	-	5.62	-	37.96	18.25	21.71
Vehicles	176.50	-	-	7.24	169.26	87.91	-	15.31	7.10	96.12	73.14	88.59
Furniture and Fixtures	333.69	-	0.90	-	334.59	269.43	-	9.48	-	278.91	55.68	64.26
<b>TOTAL A</b>	<b>67020.67</b>	<b>-</b>	<b>321.86</b>	<b>16.20</b>	<b>67326.33</b>	<b>32674.03</b>	<b>-</b>	<b>1653.70</b>	<b>13.70</b>	<b>34314.03</b>	<b>33012.30</b>	<b>34346.64</b>
Previous Year	66382.95	-	710.39	72.67	67020.67	29477.01	946.17	2307.57	56.72	32674.03	34346.64	
<b>(B) Intangible Assets</b>												
Computer Software	492.02	-	23.71	-	515.73	325.29	-	44.09	-	369.38	146.35	166.74
<b>TOTAL B</b>	<b>492.02</b>	<b>-</b>	<b>23.71</b>	<b>-</b>	<b>515.73</b>	<b>325.29</b>	<b>-</b>	<b>44.09</b>	<b>-</b>	<b>369.38</b>	<b>146.35</b>	<b>166.74</b>
Previous Year	491.46	-	0.56	-	492.02	268.67	-	56.62	-	325.29	166.74	
<b>TOTAL A+B</b>	<b>67512.69</b>	<b>-</b>	<b>345.57</b>	<b>16.20</b>	<b>67842.06</b>	<b>32999.32</b>	<b>-</b>	<b>1697.79</b>	<b>13.70</b>	<b>34683.41</b>	<b>33158.65</b>	<b>34513.38</b>
Previous Year	66874.41	-	710.95	72.67	67512.69	29745.68	946.17	2364.19	56.72	32999.32	34513.38	

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

10.2 Disposal/adjustments include assets scrapped.

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

	Total		Long-term		Current Maturity	
	As at 31-03-2016	As at 30-06-2015	As at 31-03-2016	As at 30-06-2015	As at 31-03-2016	As at 30-06-2015

**NOTE 11**

**LONG TERM LOANS AND ADVANCES**

**Unsecured, Considered Good**

Loans to employees	210.02	161.26	132.73	110.53	77.29	50.73
Capital advances	246.47	587.30	246.47	587.30	-	-
Amount included under the head "Short term loans and advances"	-	-	-	-	(77.29)	(50.73)
	<b>456.49</b>	<b>748.56</b>	<b>379.20</b>	<b>697.83</b>	<b>-</b>	<b>-</b>

**NOTE 12**

**OTHER NON-CURRENT ASSETS**

Security deposits to vendors	357.36	365.40
Advance Income tax (Net of provision)	1588.53	1061.31
Deposits with statutory authorities	78.42	57.17
Others	129.39	135.27
	<b>2153.70</b>	<b>1619.15</b>

(₹ Lacs)

	As at 31-03-2016	As at 30-06-2015
<b>NOTE 13</b>		
<b>INVENTORIES</b>		
Raw materials and packing materials	9938.95	7746.74
Stock-in-process	109.55	165.46
Finished goods	5877.97	9141.74
Finished goods in transit	749.45	253.32
Stores and spares	1553.56	1459.79
Fuel	42.49	32.64
	<u>18271.97</u>	<u>18799.69</u>
<b>NOTE 14</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured-Considered Good)		
Overdue for more than six months from due date	301.13	262.21
Others	27829.09	23634.14
	<u>28130.22</u>	<u>23896.35</u>
<b>NOTE 15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
1. Balances with banks		
Current accounts	2106.53	220.47
Cash credit accounts	4327.88	2089.31
Bank deposit with more than 12 months maturity (Including Interest accrued but not due)	93.99	177.57
	<u>6528.40</u>	<u>2487.35</u>
2. Cheques on hand	153.44	454.67
3. Cash on hand	24.89	12.16
4. Unclaimed dividend	386.75	295.67
	<u>7093.48</u>	<u>3249.85</u>
<b>NOTE 16</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured-Considered Good)		
Current maturity of loan to employees	77.29	50.73
Prepaid expenses	425.07	353.93
Advance recoverable in cash or in kind	451.11	1038.53
Balance with statutory authorities	1849.38	2908.93
Advance to SPL PF Trust	230.00	-
Advances to employees	0.96	12.60
	<u>3033.81</u>	<u>4364.72</u>
<b>NOTE 17</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits with statutory authorities	79.44	75.19
Other deposits	28.36	371.11
Other receivables	450.86	126.86
	<u>558.66</u>	<u>573.16</u>



(₹ Lacs)

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
<b>NOTE 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of goods	233175.89	294356.30
Less : Excise duty	28519.53	30445.41
	<u>204656.36</u>	<u>263910.89</u>
<b>OTHER OPERATING REVENUES</b>		
Duty benefit on raw material import for exports	1580.35	914.49
Other export benefit	309.47	33.50
Scrap sales	259.07	394.88
	<u>2148.89</u>	<u>1342.87</u>
	<u>206805.25</u>	<u>265253.76</u>
<b>18.1</b>		
<b>PARTICULARS OF SALE OF GOODS</b>		
(Manufactured and traded goods)		
Polymers of Styrene and Petrochemicals	198346.99	255881.29
Others	6309.37	8029.60
	<u>204656.36</u>	<u>263910.89</u>
<b>NOTE 19</b>		
<b>OTHER INCOME</b>		
Interest received on trade receivables	43.11	45.87
Interest received on bank fixed deposits	17.94	1.89
Interest received Others	0.15	2.86
Gain on sale of Investment (net)	-	5.35
Gain on sale of fixed assets (net)	3.17	-
Dividend (gross)	202.23	174.41
Miscellaneous income	67.01	88.78
	<u>333.61</u>	<u>319.16</u>
<b>NOTE 20</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Consumption Raw materials (including packing materials)	128676.51	168787.86
	<u>128676.51</u>	<u>168787.86</u>

**20.1**

**Particulars of consumption of Imported/Indigenous raw materials (including packing materials)**

	Period 01-07-2015 to 31-03-2016 (9 Months)		Year Ended 2014-2015 (12 Months)	
	%	(₹ Lacs)	%	(₹ Lacs)
Imported	92.27	118726.01	93.06	157079.05
Indigenous	7.73	9950.50	6.94	11708.81
	<u>100.00</u>	<u>128676.51</u>	<u>100.00</u>	<u>168787.86</u>

(₹ Lacs)

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
<b>Raw materials (including packing materials) consumed</b>		
Petrochemicals	113554.54	147879.37
Others	15121.97	20908.49
	<u>128676.51</u>	<u>168787.86</u>
<b>NOTE 21</b>		
<b>PURCHASES OF STOCK-IN-TRADE</b>		
Petrochemicals	49140.52	69816.82
Others	3.61	16.67
	<u>49144.13</u>	<u>69833.49</u>
<b>NOTE 22</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-PROCESS</b>		
<b>Inventories (at close)</b>		
Finished goods	6627.42	9395.05
Stock-in-process	109.55	165.46
	<u>6736.97</u>	<u>9560.51</u>
<b>Inventories (at commencement)</b>		
Finished goods	9395.05	5909.47
Stock-in-process	165.46	54.36
	<u>9560.51</u>	<u>5963.83</u>
	<u>2823.54</u>	<u>(3596.68)</u>
<b>NOTE 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	2440.45	2849.80
Contribution to provident and other funds	170.48	207.44
Staff welfare expenses	110.23	135.36
	<u>2721.16</u>	<u>3192.60</u>
<b>23.1</b>		
As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :		
<b>A. Gratuity</b>		
<b>I. Assumptions</b>		
Discount Rate (Current)	8.04%	8.30%
Rate of return on Plan Assets Current Year	8.04%	8.30%
<b>II. Changes in the defined benefit obligation :</b>		
Liability at the beginning of the year	528.03	371.48
Interest cost	32.87	33.25
Current Service cost	20.05	22.57
Benefits paid	(12.57)	(14.01)
Actuarial (gains)/ losses on obligations Due to Change in Demographic Assumption	(1.62)	-
Actuarial (gains)/ losses on obligations Due to Change in Financial Assumption	69.61	17.24
Actuarial (gains)/ losses on obligations Due to Experience	32.15	97.50
Liability at the end of the year (a)	<u>668.52</u>	<u>528.03</u>



(₹ Lacs)

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
<b>III. Changes in the fair value of plan assets :</b>		
Fair value of plan assets at the beginning of the year	501.64	450.17
Expected return on plan assets	31.23	39.16
Employer's contributions	39.58	34.82
Benefits paid	(12.33)	(14.01)
Actuarial gains/ (losses) on plan assets Due to Experience	0.75	(8.51)
Fair value of plan assets at the end of the year (b)	560.87	501.63
<b>IV. Balance Liability (a-b)</b>	<b>107.65</b>	26.40
<b>V. Actual Return on plan Assets :</b>		
Expected return on plan assets	31.23	39.16
Actuarial gains / (losses) on plan assets due to experience	0.75	(8.51)
Actual return on plan assets	31.98	30.65
<b>VI. Expenses Recognised in Statement of Profit and Loss :</b>		
Current Service Cost	20.05	22.57
Net Interest Cost	1.64	(5.92)
Past Service cost (Vested benefit) recognized	-	-
Actuarial (gain)/ loss to be recognized	99.38	123.25
<b>Expenses recognized in Profit &amp; Loss</b>	<b>121.07</b>	139.90
<b>VII. The Categories of plan assets as a percentage of total plan are as follows :</b>		
Insurer managed funds	100%	100%

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

(₹ Lacs)

Particulars	2016	2015	2014	2013	2012
Defined benefit obligation	668.52	528.03	371.47	363.99	-
Plan assets	560.87	501.63	450.16	441.75	-
(Surplus) / deficit	107.65	26.40	(78.69)	(77.76)	-
Experience adjustments on plan liabilities	32.15	97.50	39.75	7.61	-
Experience adjustments on plan assets	0.75	(8.51)	(2.12)	8.87	-

**B. Leave Encashment**

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

**C. Provident Fund**

The provident fund contribution is made to a trust administered by the company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no shortfall as at 31st March, 2016.

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

Average holding period of assets	5 years
Guaranteed rate	8.80 %

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
(₹ Lacs)		
<b>NOTE 24</b>		
<b>FINANCE COST</b>		
Interest on short term loans	10.84	421.71
Interest on fixed deposits	-	27.95
Interest others	348.31	756.53
Other borrowing costs	171.48	118.93
Net loss on foreign currency transaction and translation	-	334.90
	<u>530.63</u>	<u>1660.02</u>
<b>NOTE 25</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	1653.70	2307.58
Amortisation	44.09	56.61
	<u>1697.79</u>	<u>2364.19</u>
<b>NOTE 26</b>		
<b>OTHER EXPENSES</b>		
Consumption of stores and spares	727.95	791.05
Power	2792.13	3795.77
Fuel	573.28	347.38
Repairs to building	72.56	73.29
Repairs to machinery	198.11	277.32
Repairs to others	252.92	244.29
Commission on sales	670.03	733.20
Carriage outward	3921.16	5148.52
Bad debts written-off	12.02	172.23
Rent,rates and taxes	290.58	337.79
Directors' fees	27.11	28.90
Insurance	291.85	395.47
Loss on sale/scraping of fixed assets (net)	-	9.39
Auditors remuneration	28.69	33.82
Legal & Professional fees	232.82	226.76
Travelling & Conveyance	255.41	278.77
Advertisement,Publicity & Business Promotion	12.10	15.94
Corporate social responsibility expenses (refer note 38 )	1.02	3.35
Miscellaneous expenditure	1125.74	1324.50
Increase/(Decrease) in excise duty included in opening and closing stock of finished goods	(309.58)	386.37
Net loss on foreign currency transaction and translation (Other than considered as financial cost)	1997.71	3078.03
	<u>13173.61</u>	<u>17702.14</u>

**26.1**
**Particular of consumption of imported/indigenous Stores & Spares**

	Period 01-07-2015 to 31-03-2016 (9 Months)		Year Ended 2014-2015 (12 Months)	
	%	( ₹ Lacs)	%	( ₹ Lacs)
Imported	30.01	218.48	31.29	247.48
Indigenous	69.99	509.47	68.71	543.57
	<b>100.00</b>	<b>727.95</b>	<b>100.00</b>	<b>791.05</b>

(₹ Lacs)

	Period 01-07-2015 to 31-03-2016 (9 Months)	Year Ended 2014-2015 (12 Months)
--	--	--

**26.2**
**Payment to Statutory Auditors**

For audit fees	15.00	15.00
For taxation matters	6.98	5.05
For other services	4.21	6.27
For limited review	2.50	7.50
	<b>28.69</b>	<b>33.82</b>

**26.3**
**Expenditure in Foreign Currency**

a. Interest	77.58	132.73
b. Membership and subscription	26.64	11.77
c. Seminar, training, exhibition & product development	33.28	17.60
d. Travelling expenses	33.10	16.03
e. Commission	205.36	221.59
f. Legal and professional fees	0.44	8.82
g. Bank charges	73.75	109.62
h. Royalty	27.21	42.88
i. Demurrage charges	76.06	1.57

**NOTE 27**
**CIF VALUE OF IMPORTS**

Raw materials and traded goods	161399.36	217764.11
Stores and spares	113.50	175.48
Capital goods	54.46	42.40

**NOTE 28**
**INCOME IN FOREIGN CURRENCY**

FOB value of exports	47247.85	50148.09
----------------------	----------	----------



**NOTE 29**

(₹ Lacs)

	2015-2016	2014-2015
<b>(i) Contingent liabilities</b>		
(a) Claims against the company not acknowledged as debt; (matters pending in court/ arbitration. No cash outflow is expected in future).		
Disputed Excise/ Service Tax demand.	1802.21	2015.59
Disputed Sales Tax demand.	12.13	-
Disputed Income Tax liability (matters under appeal)	581.08	805.03
(b) Other bank guarantees.	349.64	250.83
(c) Other money for which the Company is contingently liable		
Letter of Credit opened by Bankers and outstanding at the year end.	19307.50	21774.59
Bills discounted but not matured	3708.36	3149.61
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	727.04	155.78

The management has estimated the provisions for pending litigation, claims and demands (including cases relating to direct and indirect taxes) on its assessment of probability for these demands crystallising against the Company in due course. The difference between the amount demanded and provision made is disclosed as contingent liabilities.

**NOTE 30**

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

	Period 01-07-2015 to 31-03-2016 (9 Months) (₹ Lacs)	2014-2015 (12 Months)  (₹ Lacs)
(a) Revenue		
Sales (net of Excise Duty) and Operating Income		
Within India	157033.35	212478.67
Outside India	49771.90	52775.09
Total	<u>206805.25</u>	<u>265253.76</u>

(b) All the Assets of the Company except the trade receivables amounting to ₹ 2396.98 lacs (Previous Year : ₹ 2239.39 lacs) are within India.

**NOTE 31**

Working Capital facilities (including letters of credit) from banks are secured by hypothecation of company's stock and trade receivables and by second charge by way of mortgage of the company's immovable properties (including plant and machinery) situated at the Maharashtra & Tamil Nadu plant.

**NOTE 32**

The heavy rains and consequent floods in Chennai in the month of December, 2015, disrupted the operations of the Company at its EPS plant in Manali, Chennai. Certain items of fixed assets and parts of inventory of raw materials, finished goods and stores and spares got lost/ destroyed/ damaged. The Insurance company has appointed surveyor and his work is in progress. Based on the recommendations of Surveyor, the Insurance Company has approved an interim claim of ₹ 449.81 lacs. Since the Company has adequate insurance cover on reinstatement basis for fixed assets and on cost basis for raw materials and stores and on market price basis for finished goods, the management does not expect any financial loss on account of the same and accordingly, the receivables from the Insurance Company is recognized to the extent of amount incurred towards repairs and replacement of fixed assets and book value of inventory lost/destroyed/damaged.

The Company is also insured for "Loss of Profit:" during the period the plant operations were shut.

**NOTE 33**

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

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

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

b) Transactions with Related Parties

(₹ lacs)

Sr. No.	Nature of Transactions*		Promoters The Supreme Industries Ltd.	Key Management Personnel Shri N. Gopal
1	Sales of Goods (Net)	<b>Current Period</b> Previous year	<b>1421.45</b> 1926.09	- -
2	Purchase of Goods	<b>Current Period</b> Previous year	<b>393.15</b> 356.63	- -
3	Reimbursement of Expenses paid	<b>Current Period</b> Previous year	<b>0.20</b> -	- -
4	Remuneration Paid	<b>Current Period</b> Previous year	- -	<b>126.09</b> 154.78
5	Balance Receivable			
A	Sales of Goods	<b>31st March 2016</b> 30th June 2015	<b>191.05</b> 175.12	- -
6	Balance Payable			
A	Purchase of goods	<b>31st March 2016</b> 30th June 2015	<b>25.02</b> 106.62	- -

\* All Transactions are on commercial basis at market rates

**Dividend**

(₹ lacs)

Sr. No.	Nature of Transactions	Year	Period 01-07-2015 to 31-03-2016 (9 Months)	Year 2014-2015 (12 Months)
1.	Dividend paid on Equity Shares			
	The Supreme Industries Ltd.	Promoters	<b>868.00</b>	434.00
2.	R. Raheja Investments Pvt. Ltd.	Promoters	<b>868.00</b>	434.00
3.	N. Gopal	Key Management Personnel	<b>0.48</b>	0.24

**NOTE 34****Leasing - Operating Lease**

The Company has taken premises on operating lease :

(₹ lacs)

		Period 01-07-2015 to 31-03-2016 (9 Months)	Year 2014-2015 (12 Months)
a.	Obligations on non cancellable leases		
	i) Not later than one year.	<b>221.99</b>	210.71
	ii) Later than one year and not later than five years.	<b>513.83</b>	591.09
b	Lease rental expenses in respect of operating lease.	<b>213.98</b>	291.05

**NOTE 35**

(₹ lacs)

<b>EARNINGS PER SHARE (EPS)</b>	<b>Period 01-07-2015 to 31-03-2016 (9 Months)</b>	<b>Year 2014-2015 (12 Months)</b>
Profit for the year	5604.86	3570.12
Number of equity shares at the beginning of the year.	96501958	96501958
Number of equity shares at the end of the year.	96501958	96501958
Weighted average number of shares outstanding for basic EPS during the year.	96501958	96501958
Basic earning per share (Rupees) (Face value – ₹ 10/- per share)	5.81	3.70
Profit for the year for computing Diluted EPS	5604.86	3570.12
Weighted average number of shares for computing Diluted EPS during the year.	96501958	96501958
Diluted earning per share (Rupees) (Face value – ₹10/- per share)	5.81	3.70

**NOTE 36**

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

**NOTE 37**

According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the details of amounts due to micro and small enterprises under the said Act as at March 31, 2016 as follows :

(₹ lacs)

	<b>Period 01-07-2015 to 31-03-2016 (9 Months)</b>	<b>Year 2014-2015 (12 Months)</b>
[a] As stated above, there is no principal amount and interest due thereon remaining unpaid to any MSME supplier at the year end;	-	-
[b] During the year neither any interest was paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 nor any principal amount of the payment was made to the MSME supplier beyond the appointed day;	-	-
[c] Since there is no amount payable to MSME supplier, no amount of interest was due and payable for the period of delay in making the payment and any interest thereon under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
[d] As specified in above clauses there is no amount of interest accrued at the end of the year; Further there is no amount of interest remaining due and payable in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE 38**

The provisions of Section 135 of the Companies Act, 2013 are applicable to the entities incorporated in India. Details are as indicated below:

- (a) Gross amount required to be spent by the company during the period : ₹ 122.59 lacs (Previous year ₹ 134.50 lacs).  
 (b) Amount spent during the year on :

(₹ lacs)

	<b>In cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.02 (3.35)	(-) (-)	1.02 (3.35)
Total	1.02 (3.35)	(-) (-)	1.02 (3.35)

**NOTE 39****DISCLOSURE OF FOREIGN CURRENCY EXPOSURE :**

(a) Forward exchange contracts to hedge the foreign currency exposure for payments to be made against imports &amp; borrowings.

Currency	As at March 31, 2016		As at June 30, 2015	
	Amount in Foreign Currency	Amount ₹ Lacs	Amount in Foreign Currency	Amount ₹ Lacs
USD	35674455	23636.11	62122131	39537.63

(b) Particulars of unhedged foreign currency asset/ liability as at Balance Sheet date :

Currency	Nature	Period 01-07-2015 to 31-03-2016 (9 Months)		2014 - 2015 (12 Months)	
		Amount in Foreign Currency	Amount ₹ Lacs	Amount in Foreign Currency	Amount ₹ Lacs
USD	Liability	20448376	13548.07	4863006	3095.06
USD	Asset	2812296	1863.29	1987724	1265.09
EURO		12394	9.34	36538	26.02

**NOTE 40**

Prior period adjustments include expenses for the period of ₹ 15.84 lacs (Previous year ₹ 23.43 lacs) and income for the period of ₹ Nil (Previous year ₹ 8.01 lacs).

**NOTE 41**

Current period's figures are for the period from July 1, 2015 to March 31, 2016 and that of previous year are for the period from July 1, 2014 to June 30, 2015. Therefore, the figures for the current period are not comparable with those of the previous year. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this period's classification.

Signatures to Notes 1 to 41

As per our report of even date.  
For G M Kapadia & Co  
Chartered Accountants  
ICAI Firm's Reg.No.104767W

Rajen Ashar  
Partner  
Membership No.048243

Rakesh Nayyar  
Executive Director  
(Finance & Corporate Affairs)  
Chief Financial Officer

Ravi V Kuddyady  
Company Secretary

For and on behalf of the Board

M P Taparia	}	Chairperson
Rajan B Raheja		Directors
B L Taparia		
S J Taparia		
M S Ramachandran		
R Kannan		
Nihalchand Chauhan		
Ameeta Parpia		

Mumbai  
Date: April 20, 2016

Mumbai  
Date: April 20, 2016



**SUPREME PETROCHEM LTD**

**CIN : L23200MH1989PLC054633**

Registered Office: Solitaire Corporate Park, Building No. 11, 5<sup>th</sup> Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), MUMBAI – 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681; e-mail : investorhelpline@spl.co.in  
website: [www.supremepetrochem.com](http://www.supremepetrochem.com)

**ATTENDANCE SLIP**

**27<sup>th</sup> ANNUAL GENERAL MEETING**

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

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

I/We hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of the Company held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai - 400 020 on Wednesday, August 24, 2016 at 4.00 p. m.

\_\_\_\_\_  
SIGNATURE OF THE MEMBER OR PROXY



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website: [www.supremepetrochem.com](http://www.supremepetrochem.com)

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**Form No. MGT-11**

Name of the Member (s)		e-mail Id	
Registered Address		Folio No./ DP ID and Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of Supreme Petrochem Ltd, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, August 24, 2016 at 4.00 p.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr.No.	Resolution	For	Against
1	Adoption of Audited Financial Statements for the Financial Year ended March 31, 2016 together with the Reports of the Board of Directors' and Auditors' Report thereon		
2	Declaration of interim dividend of ₹ 1.50 per share on Equity Shares as final dividend		
3	Re-appointment of Shri M. P. Taparia (DIN: 00112461) who retires by rotation		
4	Re-appointment of Shri S. J. Taparia (DIN: 00112513) who retires by rotation		



Sr.No.	Resolution	For	Against
5	Ratification of appointment of M/s. G M Kapadia & Co. as Statutory Auditors until the conclusion of Annual General Meeting to be held in calendar year 2018.		
6	Appointment of Shri N. Gopal, as Manager of the Company for the period April 20, 2016 to March 31, 2018.		
7	Consent of the Member of the Company for payment of remuneration to Cost Auditors pursuant to provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder, for the financial year ending March 31, 2017.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016 \_\_\_\_\_  
 Signature of shareholder

\_\_\_\_\_  
 Signature of first proxy holder      Signature of second proxy holder      Signature of third proxy holder

Affix a  
 1 Re.  
 Revenue  
 Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of member not exceeding fifty and holding the aggregate not more than 10% of the total share capital of the Company voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



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 Email: investorhelpline@spl.co.in  
 website: www.supremepetrochem.com

**BALLOT FORM**

(In lieu of e-voting)

1. Name :  
 Registered Address :  
 of the sole / First named Shareholder

2. Name(s) of the Joint Shareholder(s) if any :

3. Registered Folio No./DP ID No./Client ID No. :

4. Number of Equity Shares held :

5. I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 27<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, August 24, 2016 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sr. No.	Description	No. of equity shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Adoption of Audited Financial Statement for the financial year ended Marh 31, 2016 together with the Reports of the Board of Directors and Auditors' thereon.			
2	Declaration of interim dividend of ₹ 1.50 per share on Equity Shares as final dividend			
3	Re-appointment of Shri M. P. Taparia (DIN 00112461) who retires by rotation			
4	Re-appointment of Shri S. J. Taparia (DIN 00112513) who retires by rotation			
5	Ratification of appointment of M/s. G M Kapadia & Co. as Statutory Auditors until the conclusion of Annual General Meeting to be held in calendar year 2018.			
6	Appointment of Shri N. Gopal, as Manager of the Company for the period April 20, 2016 to March 31, 2018.			
7	Consent of the Member of the Company for payment of remuneration to Cost Auditors, pursuant to provisions of section 148 of the Companies Act, 2013 and Rules framed thereunder for the financial year ending March 31, 2017.			

Place :

Date :

\_\_\_\_\_  
Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutiniser by 5.00 p.m. on August 23, 2016 shall only be considered.

**E-VOTING**

Users who wish to opt for e-voting may use the following login credentials.

Event (e-voting) No.	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com>

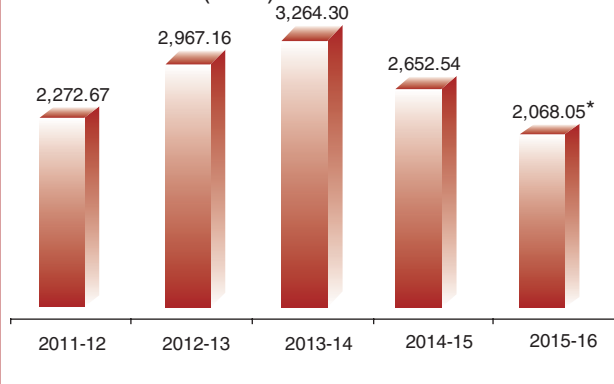
## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutiniser, Shri P. N. Parikh or failing him Ms. Jigyasa N. Ved of Parikh & Associates, Company Secretaries at the Registered Office of the Company at Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai - 400 093 or to email id supreme.scrutiniser@gmail.com, so as to reach by 5.00 p.m. on August 23, 2016. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutiniser on the validity of the forms will be final.
4. In the event member casts his/her votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form will not be considered.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID - Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.

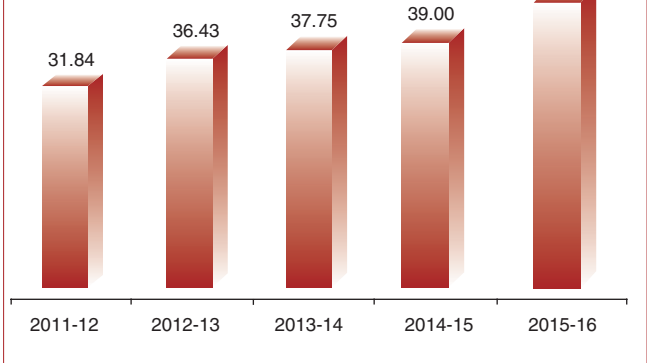


## FINANCIAL HIGHLIGHTS

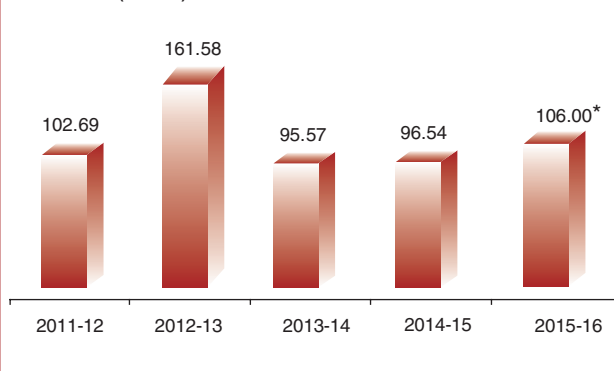
Sales Revenue (₹ Cr.)



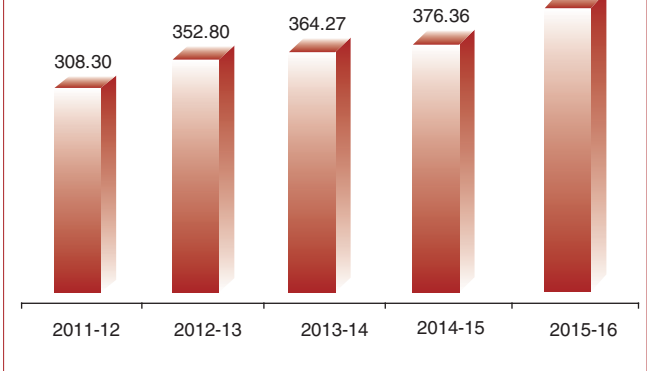
Book Value Per Share (₹)



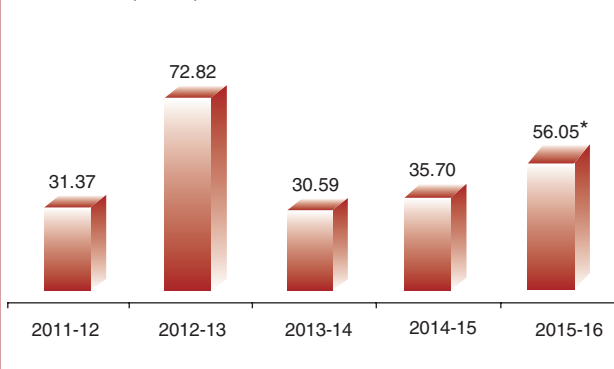
EBIDTA (₹ Cr.)



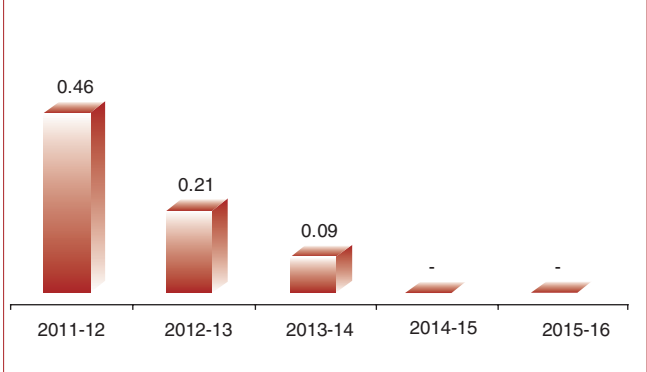
Net Worth (₹ Cr.)



Net Profit (₹ Cr.)



Debt : Equity



\*For 9 months



## **SUPREME PETROCHEM LTD**

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Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai - 400 093, Maharashtra, India.  
Website: [www.supremepetrochem.com](http://www.supremepetrochem.com)