



**LEADERSHIP THROUGH
CAPABILITY**

71st Annual Report 2012-13

Supreme[©]
People who know plastics best

THE SUPREME INDUSTRIES LIMITED



THE SUPREME INDUSTRIES LIMITED

FRONTLINE PERFORMANCE

AT SUPREME, QUALITY CONSCIOUSNESS AND CUSTOMER SATISFACTION ARE THE TWIN KEY PILLARS OF ITS CORPORATE MISSION.

ONE FOCUSES ON THE CONTINUAL ASSIMILATION OF NEWER, MORE ADVANCED TECHNOLOGIES TO ACHIEVE EVER GREATER LEVELS OF HIGH PRECISION MANUFACTURE AND PRODUCT IMPROVEMENT.

THE OTHER DELVES INTO AREAS OF CUTTING EDGE TECHNOLOGY AND THE DYNAMIC PURSUIT OF DEVELOPING INNOVATIVE PRODUCTS WITH NEW CAPABILITIES FOR DEMANDING APPLICATIONS – MUCH TO THE DELIGHT OF SUPREME CUSTOMERS.

COMPLEMENTING THESE TWO ASPECTS OF THE COMPANY'S CORPORATE MISSION IS THE SUPREME LEGACY OF GROWTH THROUGH CONSISTENCY, HARD WORK AND INTEGRITY. OUR TURNOVER HAS RISEN STEADFASTLY OVER THE YEARS, INCLUDING CHALLENGING PERIODS OF GLOBAL ECONOMIC DOWNTURN.

AS ONE OF THE FRONT-LINERS OF THE INDIAN PLASTICS INDUSTRY, SUPREME SEES ITSELF AS A BEACON AND AN EXPLORER.

BY REGULARLY ADDING NEW PRODUCTS TO OUR OWN PORTFOLIO AND BY REACHING OUT TO NEW TERRITORIES – BOTH WITHIN THE COUNTRY AND ABROAD – WE LAY THE ROAD TO AN EVER EXPANDING NETWORK OF BUSINESS ALLIANCES. WE STRIVE FOR MATCHLESS EFFORTS.

Performance Highlights

(₹ in Lacs)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Polymers Processed (MT)	100053	95439	118115	130547	139239	172746	191704	224673	245700	281452
Sales	90925.15	93150.04	113067.09	132963.00	149882.45	180900.03	217159.45	266553.08	318461.92	374607.92
Less: Excise Duty	11297.96	11740.33	14860.69	16796.94	18860.35	15707.16	16585.69	22979.68	29532.17	38795.70
Net Sales	79627.19	81409.71	98206.40	116166.06	131022.10	165192.87	200573.76	243573.40	288929.75	335812.22
Other Income	242.14	1003.30	466.61	666.76	893.91	904.53	1621.55	4294.66	4917.25	4884.38
Total Income	79869.33	82413.01	98673.01	116832.82	131916.01	166097.40	202195.31	247868.06	293847.00	340696.60
Operating Profit	8908.42	9008.77	10193.24	13629.66	15272.04	24698.97	30556.28	36709.23	48281.54	53939.82
Interest	2560.43	2508.59	2696.04	3300.57	3897.92	5456.03	3302.71	4250.19	5479.67	5234.61
Gross Profit	6347.99	6500.18	7497.20	10329.09	11374.12	19242.94	27253.57	32459.04	42801.87	48705.21
Depreciation	4139.01	3929.84	4134.10	4024.59	3951.04	5251.74	5292.03	6284.52	7246.28	8170.67
Profit Before Tax & Exceptional Items	2208.98	2570.34	3363.10	6304.50	7423.08	13991.20	21961.54	26174.52	35555.59	40534.54
Tax & Exceptional Items	110.09	205.00	-656.08	-1291.36	-2310.88	-4251.24	-7489.00	-8773.42	-11504.00	-13299.35
Profit after Tax	2098.89	2365.34	4019.18	5013.14	5112.20	9739.96	14472.54	17401.10	24051.59	27235.19
Prior Years Adjustments	7.99	-0.85	-23.37	2.22	-1.37	-1.35	10.48	95.90	-	-0.20
Net Profit	2106.88	2364.49	3995.81	5015.36	5110.83	9738.61	14483.02	17497.00	24051.59	27234.99
Paid up Equity Capital (Face Value of ₹ 2)	1339.08	1339.08	1381.08	2762.17	2762.17	2540.54	2540.54	2540.54	2540.54	2540.54
Reserves and Surplus*	18446.36	19409.84	18352.36	19576.27	22004.49	25990.94	35136.56	46278.92	61472.49	77580.97
Shareholders' Funds	19785.44	20748.92	19733.44	22338.44	24766.66	28531.48	37677.10	48819.46	64013.03	80121.51
Total Loans	20446.01	24653.54	23748.68	32717.48	44482.04	41571.19	38736.42	51123.74	34835.43	46737.98
Long Term Loans	16365.85	19780.84	12909.06	19975.37	28954.15	29141.93	18570.26	24600.32	18248.75	28684.61
Deferred Tax Liability (Net)			4283.20	4733.20	5228.09	6428.09	6984.39	7953.80	8325.83	9065.18
Capital Employed**	36235.29	40613.76	36925.70	47047.01	58948.90	64101.50	63231.75	81373.58	90587.61	117871.30
Net Fixed Assets***	28164.46	29759.72	32367.14	33356.68	46113.78	54024.26	56118.37	74027.37	73804.86	102645.43
Earning Per Equity Share (₹)	3.15	3.53	5.79	3.63	3.70	7.67	11.40	13.77	18.93	21.44
Cash Earning Per Equity Share (₹)	9.32	9.40	11.81	6.54	6.56	11.80	15.56	18.65	24.64	27.87
Book Value (₹)	29.55	30.99	28.58	16.17	17.93	22.46	29.66	38.43	50.39	63.07
Dividend (%)	90.00	90.00	100.00	75.00	80.00	120.00	180.00	215.00	300.00	375.00
ROACE (%)****	10.82	10.33	12.11	19.37	19.27	27.83	38.09	39.80	44.69	41.46
PBIT / Average Capital Employed										
ROANW (%)	11.00	11.67	19.86	23.83	21.71	36.55	43.72	40.24	42.63	37.79
(PAT / Average Net Worth)										
Debt : Equity	0.83	0.95	0.65	0.89	1.17	1.02	0.49	0.50	0.29	0.36
(Long Term Debt / Total Net worth)										
Debt: Equity	1.03	1.19	1.20	1.46	1.80	1.46	1.03	1.05	0.54	0.58
(Total Debt / Total Net Worth)										

* excluding revaluation reserves.

** Shareholders' Funds + Long Term Loans + Deferred Tax Liability.

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

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

BOARD OF DIRECTORS

B. L. Taparia, Chairman
M. P. Taparia, Managing Director
S. J. Taparia, Executive Director
V. K. Taparia, Executive Director
B. V. Bhargava, Director
H. S. Parikh, Director
N. N. Khandwala, Director
S. R. Taparia, Director
Y. P. Trivedi, Director

BANKERS

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

AUDITORS

M/s. Chhogmal & Co.,
Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

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

WORKS

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

OFFICES

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

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NOTICE is hereby given that the Seventy First Annual General Meeting of the Company will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Tuesday the 17th September, 2013 at 4.00 p. m. to transact with or without modification(s), as may be permissible, the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and the Audited Statement of Accounts together with Auditors' Report thereon for the financial year ended 30th June, 2013.
2. To declare final dividend on Equity Shares for the Financial year ended 30th June, 2013 and to confirm the payment of Interim Dividend on Equity Shares by the Board of Directors of the Company.
3. To appoint a Director in place of Shri H. S. Parikh, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Y. P. Trivedi, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri M. P. Taparia, as Managing Director, for a further period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz :-

(1) Salary

Monthly salary of ₹ 7,50,000/- (Rupees Seven Lacs Fifty Thousands only) in the Grade of ₹ 7,50,000/- ₹ 75,000/- ₹ 15,00,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

- A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Managing Director shall be paid House Rent Allowance equivalent to 50% of salary.
- B. Other Perquisites / Allowances
 - i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
 - ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
 - iii. Medical and Personal Accident Insurance.
 - iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
 - v. Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Managing Director.

- vi. Communication : The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Managing Director.

- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

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

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Managing Director in the course of business of the Company.

- (5) Commission

In addition to the above, the Managing Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Managing Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Managing Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Managing Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Managing Director shall not as long as he continues to be Managing Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

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

“RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 10th September 2009 and pursuant to sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri S. J. Taparia, as Executive Director, for a period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

(1) Salary

Monthly salary of ₹ 7,25,000/- (Rupees Seven Lacs Twenty Five Thousands only) in the Grade of ₹ 7,25,000- ₹ 75,00,000- ₹ 14,75,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
- ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- iii. Medical and Personal Accident Insurance.
- iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
- v. Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Executive Director.
- vi. Communication : The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence

Perquisites shall be evaluated as per Income Tax Rules where applicable. “Family” shall mean spouse and dependent children of the Executive Director.

- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

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

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.

(5) Commission

In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Executive Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Executive Director shall not as long as he continues to be Executive Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.”

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

“RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 17th September 2012 and pursuant to sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if necessary, the Company does hereby approve of the re-appointment of Shri V.K. Taparia, as Executive Director, for a period of five years with effect from 7th January, 2014 to 6th January, 2019 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

(1) Salary
Monthly salary of ₹ 7,00,000/- (Rupees Seven Lacs only) in the Grade of ₹ 7,00,000- ₹ 75,000- ₹ 14,50,000 per month, during his tenure of office (first increment falling due on July 1, 2014).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family
- Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- Medical and Personal Accident Insurance.
- Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
- Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Executive Director.
- Communication : The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Executive Director.

C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

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

(3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

(4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.

(5) Commission

In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole-time Director ten per cent for all of them together for that year computed in the manner laid down in Sections 349 and 350 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule XIII to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 318 of the Act.

Either party shall be entitled to terminate the appointment by giving 180 days notice in writing to the other.

The Executive Director shall not be entitled to Sitting Fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act or any statutory modification or re-enactment thereof for the time being in force or otherwise as may be permissible at law.

RESOLVED FURTHER THAT the Executive Director shall not as long as he continues to be Executive Director of the Company be liable to retire by rotation.

AND RESOLVED LASTLY THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item No. 6 to 8 of the above Notice is annexed.
- Register of Members and the Share transfer books of the Company will remain closed from Tuesday, 10th September, 2013 to Tuesday, 17th September, 2013 (both days inclusive).
- The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 17th September, 2013 and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on Monday, the 9th September, 2013 as per details furnished by the Depositories for this purpose.
- Pursuant to provisions of Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2006 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim shall lie in respect thereof.
- Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of / change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

By order of the Board

R. J. Saboo

Sr. General Manager (Corporate Affairs)
& Company Secretary

Registered Office

612, Raheja Chambers,
Nariman Point, Mumbai 400 021

Dated : 18th July, 2013

ITEM NO. 6

The existing term of the office of Shri M. P. Taparia, Managing Director, expires on 6th January, 2014. Since the year 1967, Shri M. P. Taparia is at the helm of the management and administration of the Company under the overall supervision, control and direction of the Board of Directors. Ever since his stewardship the Company has made tremendous strides as reflected by the present prosperous position of the Company. Accordingly, subject to the approval of the members, financial institutions and such other sanctions and approval as may be necessary, the Board of Directors have proposed the re-appointment of Shri M. P. Taparia as Managing Director, for a further period of five years commencing from 7th January, 2014 upon the terms and conditions as set out in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the tremendous growth in the operations of the Company during his tenure and compared to the remuneration payable to other comparable personnel of other Corporates in the country, the terms of his re-appointment and remuneration as set out in the resolution, and which may also be deemed to be a part of this explanatory statement, are considered to be quite just, fair and reasonable. The Resolution is accordingly commended for your approval.

A brief profile of Shri M. P. Taparia, is given in the particulars of Directors under Corporate Governance and member's attention is also invited thereto. The above may also be treated as an abstract of the terms of the re-appointment of Shri M. P. Taparia, as Managing Director, pursuant to Section 302 of the Companies Act, 1956.

Shri M. P. Taparia, is himself interested in the Resolution. Shri B.L. Taparia, Chairman, of the Company, is also interested being his Brother. Shri S. J. Taparia and Shri V. K. Taparia, Executive Directors are also related to Shri M. P. Taparia.

The Directors commend the same for your approval.

ITEM NO. 7 & 8

At the Annual General Meeting of the Company held on 10th September, 2009, Shri S.J. Taparia was reappointed as Executive Director for a further period of 5 years w.e.f. 15th June, 2010 to 14th June, 2015, as per the Resolution passed at the said Annual General Meeting and on the terms as to remuneration set out in the said Resolution.

At the Annual General Meeting of the Company held on 17th September, 2012, Shri V.K. Taparia was reappointed as Executive Director for a further period of 5 years w.e.f. 1st July, 2013 to 30th June, 2018, as per the Resolution passed at the said Annual General Meeting and on the terms as to remuneration set out in the said Resolution.

To bring the period of re-appointment and remuneration of Executive Directors in sync with that of the Managing Director, the

period of reappointment of the Executive Directors is proposed for a period of five years effective from 7th January, 2014 to 6th January, 2019 and the remuneration as stated in the Resolution.

Considering the inflationary trend and the likely considerable increase in the business activities of the Company in the coming years, resulting in increase in the workload and responsibilities of these Executive Whole time Directors of the Company, as also the amount of remuneration payable to the managerial personnel occupying similar positions in other companies, the Board of Directors have thought it appropriate to revise the monthly remuneration as payable to them and as also the perquisites as set out in the relevant resolutions in the relevant items of the Notice

The aforesaid revisions in the monthly salary may also result in some indirect increase in other perquisites to which the said Directors are entitled and approved by the members at the aforesaid Annual General Meetings of the Company. The other terms and conditions of their respective appointments will remain the same. Accordingly, the resolutions as set out in these items of the Notice are commended for your acceptance.

A brief profile of Shri S. J. Taparia and Shri V. K. Taparia is given in the particulars of Directors under Corporate Governance and member's attention is also invited thereto. The above may also be treated as an Abstract of the terms of the re-appointment of Shri S. J. Taparia as Executive Director and Shri V. K. Taparia as Executive Director, pursuant to section 302 of the Companies Act, 1956. Although not strictly necessary, copies of the resolutions passed at the respective Annual General Meetings of the Company referred to above are available for inspection of the members at the Registered Office of the Company between 10.30 a.m. to 1.00 p.m. on all working days upto the date of the ensuing Annual General Meeting.

Both the Executive Directors referred to in the resolutions are interested in the resolution.

Shri B. L. Taparia, Chairman is also interested in the resolution being the father of Shri V. K. Taparia, Executive Director. It may be mentioned that Shri S. J. Taparia is the nephew of Shri B. L. Taparia and Shri M. P. Taparia.

By order of the Board

R. J. Saboo
Sr. General Manager (Corporate Affairs)
& Company Secretary

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

Dated : 18th July, 2013

The Directors have great pleasure in presenting the 71st Annual Report together with the Audited Financial Statements for the financial year ended 30th June, 2013.

1. FINANCIAL RESULTS

	(₹ in lacs)	
	Current Year	Previous Year
Total Income (net)	340696.61	293847.01
Profit before interest, depreciation and tax	53939.82	48281.54
Interest and financial charges	5234.61	5479.67
Depreciation, Amortization and Impairment	8170.88	7246.28
Profit Before Tax	40534.33	35555.59
Provision for Current Tax	12560.00	11131.98
Deferred Tax	739.35	372.02
Net Profit available for Appropriation	27234.98	24051.59
Appropriation:		
Interim Dividend	2540.54	1905.40
Proposed (final) Dividend	6986.48	5716.21
Tax on Dividend	1599.49	1236.41
Transferred to General Reserve	16108.47	15193.57
	27234.98	24051.59

2. DIVIDEND

	₹	₹
(i) Dividend on 12,70,26,870 Equity Shares of ₹ 2.00 each @ 375% i.e. ₹ 7.50 per share (Previous year on 12,70,26,870 Equity Shares of ₹ 2.00 each @ 300% i.e. ₹ 6.00 per share) as under:		95,27,01,525
(a) Interim Dividend @ 100 % i.e. ₹ 2.00 per share (already paid in February 2013),	25,40,53,740	
(b) Final Dividend recommended @ 275% i.e. ₹ 5.50 per share	69,86,47,785	
(ii) Corporate Dividend Tax as applicable (including ₹ 4,12,13,868/- paid on Interim Dividend)		15,99,49,059
		1,11,26,50,584

3. MANAGEMENT DISCUSSION AND ANALYSIS

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

4. FIXED DEPOSITS

The amount of Fixed Deposits has decreased from ₹ 1745.41 lacs to ₹ 365.19 lacs. Out of deposits which matured during the year, 135 deposits amounting to be ₹ 22.75 lacs remained unclaimed as on 30th June, 2013 of which ₹ 1.30 lacs have since been renewed / refunded.

5. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2013 and of the Profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.