

ANNUAL REPORT

2007

Report Junction

98

Supreme

॥ न हि ज्ञानेन सदृशं पवित्रमिह विद्यते ।
तत्स्वयं योगसंयुतं कालेनात्मनि विन्दति ॥

"In this world, there is no greater purifier than Knowledge. The true Karmayogi, with his pure heart and conscientious actions, imbibes such Knowledge naturally in his spirit."

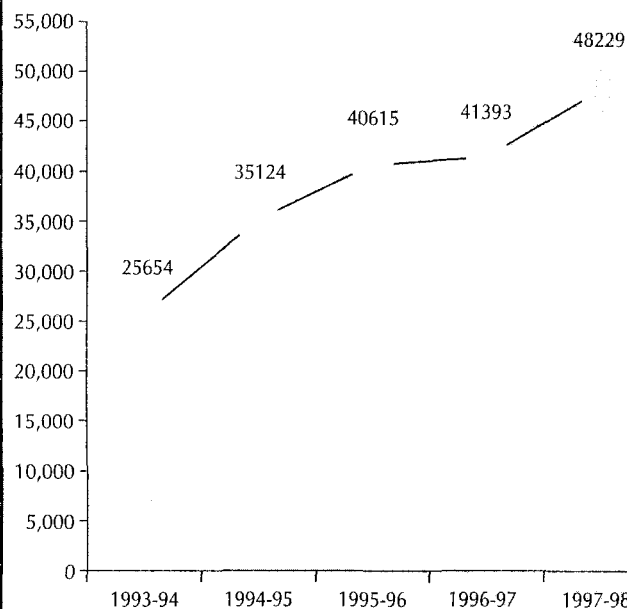
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By acquainting ourselves with the latest technologies, by consistently seeking new ways to make better products, by learning more about the precise needs of our valued customers — Supreme's quest for excellence has been inextricably linked with the zest for knowledge.

HIGHLIGHTS FOR THE YEAR ENDED JUNE 30TH		1998	1997
Polymers Processed	M.T.	59945	46513
Total Income	Rs. in Lacs	48229	41393
PBDT/Sales	%	7.6	7.3
Profit after Taxation	Rs. in Lacs	1560	1212
Operating Profit before Working Capital Charges	Rs. in Lacs	7367	6399
Cash Earnings Per Share	Rs.	36.79	31.25
Earnings Per Share	Rs.	14.38	11.85
Dividend Per Share	Rs.	6.00	6.00
Total Debt : Equity ratio	Times	2 : 1	2.09 : 1
Return on Average Capital Employed	%	19.43	18.14
Return on Average Net Worth	%	12.29	10.45
Number of Employees	Nos.	1804	1583

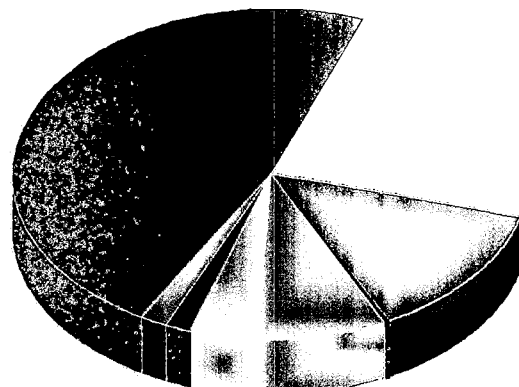
TURNOVER

(Rs. in Lakhs)



DISTRIBUTION OF REVENUE

(Rs. in Lakhs)

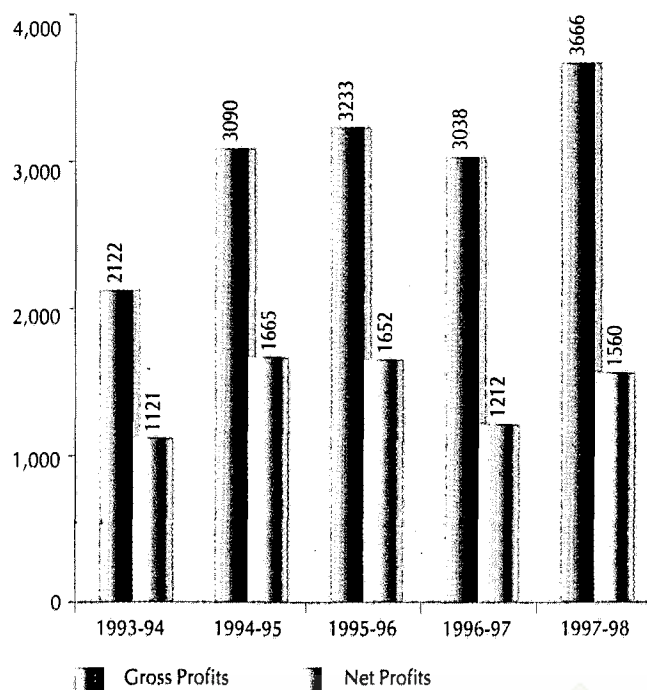
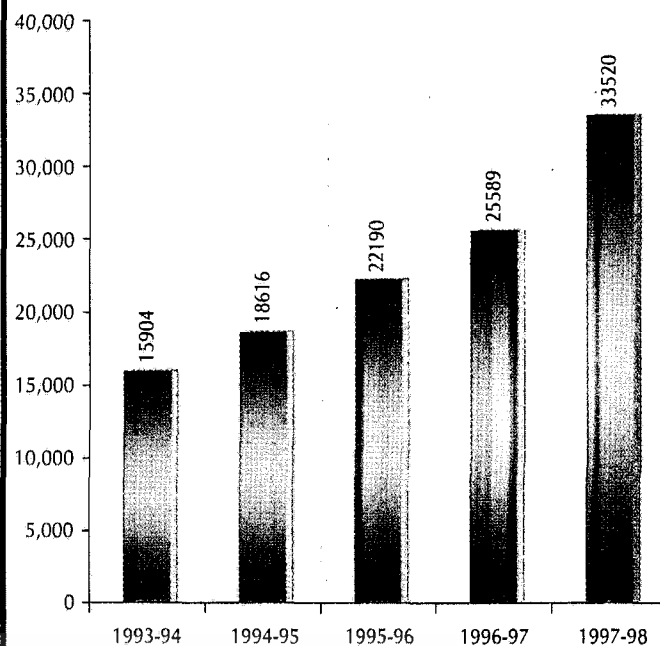


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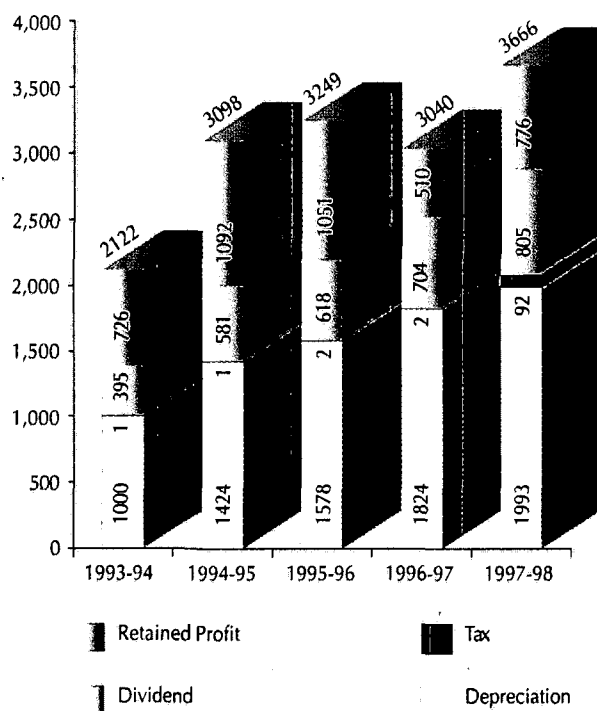
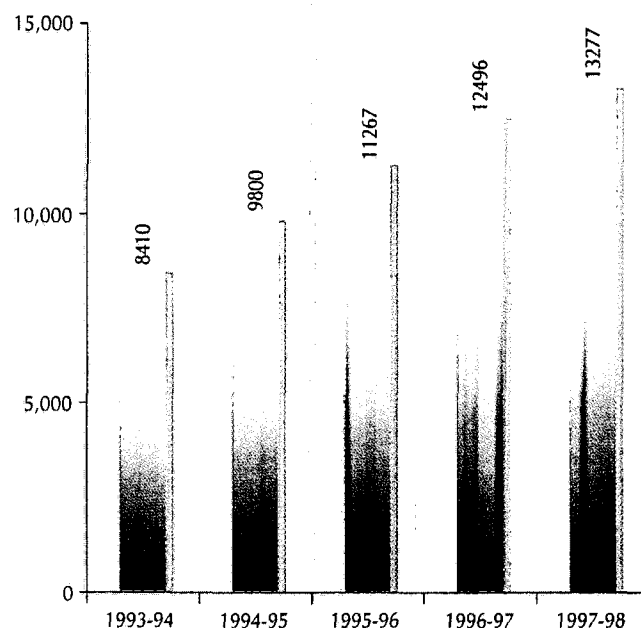
Material	22962	Interest	3915
Expenses	11185	Depreciation (Net)	1993
Excise	6501	Dividend	805
Tax	92	Retained	776

GROSS AND NET PROFITS

(Rs. in Lakhs)

**GROSS FIXED ASSETS**(Excluding Revaluation)
(Rs. in Lakhs)**DISTRIBUTION OF PROFITS**

(Rs. in Lakhs)

**SHAREHOLDERS' FUNDS**(Excluding Revaluation)
(Rs. in Lakhs)

The Supreme Industries Ltd.

BOARD OF DIRECTORS

Shri. B. L. Taparia	Chairman
Shri. M. P. Taparia,	Managing Director
Shri. S. J. Taparia,	Executive Director
Shri. S. R. Taparia,	Director
Shri. H. S. Parikh,	Director
Shri. B. V. Bhargava,	Director
Shri. N. N. Khandwala,	Director
Shri. V. K. Taparia,	Director
Shri. R. Kannan,	Nominee of ICICI

SR. VICE-PRESIDENT (FINANCE) & SECRETARY

Shri. O. P. Roongta,

SR. VICE-PRESIDENT (OPERATIONS)

Shri. J. M. Totla,

AUDITORS

M/s. Chhogmal & Co.
Chartered Accountants

BANKERS

Central Bank of India
State Bank of India
Saraswat Co-op. Bank Ltd.
Corporation Bank
British Bank of Middle East
Societe Generale
Banque Nationale De Paris
Credit Lyonnais

REGISTERED OFFICE

612, Raheja Chambers,
Nariman Point,
Mumbai - 400 021.
Tel. No. : 285 1656
Fax No. : 285 1657
Website : <http://www.supreme.co.in>
E-mail : supremenpt@supreme.co.in

CORPORATE OFFICE

17/18, Shah Industrial Estate,
Veera Desai Road, Andheri (W),
Mumbai - 400 053.
Tel. No. : 632 2800
Fax No. : 636 7057
Website : <http://www.supreme.co.in>
E-mail : supreme@supreme.co.in

WORKS

1. Andheri, Mumbai	Maharashtra
2. Taloja	Maharashtra
3. Noida	Uttar Pradesh
4. Pondicherry - 1	Union Territory
5. Pondicherry - 2	Union Territory
6. Calcutta	West Bengal
7. Kanhe	Maharashtra
8. Jalgaon	Maharashtra
9. Malanpur	Madhya Pradesh
10. Hosur	Tamil Nadu
11. Nandesari	Gujarat
12. Khopoli	Maharashtra
13. Daman	Union Territory

OFFICES

- Ahmedabad
- Bangalore
- Calcutta
- Chennai
- Hyderabad
- Mumbai
- New Delhi
- Poona

MD	✓	BKC	✓
CS	✓	DPY	NA
RO	✓	DIV	✓
TRA	NA	AC	✓
AGM	✓	SEA	✓
YE	✓		✓

CONTENTS

Board of Directors	1
Notice of AGM	2
Directors' Report	7
Auditors' Report	12
Balance Sheet	14
Profit and Loss Account	15
Schedules to the Balance Sheet	16
Schedules to the P&L A/c	24
Significant Accounting Policies	26
Notes to Accounts	27
Cash Flow Statement	33
Subsidiary Company	35
Additional Shareholders' Information	40



The Supreme Industries Ltd.

NOTICE

NOTICE is hereby given that the 56th Annual General Meeting of the Company will be held at Y.B. Chavan Auditorium, Y.B. Chavan Centre, General J. Bhosale Marg, Near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021, on Friday, the 30th October, 1998, at 4.00 p.m. to transact, with or without modifications, as may be permissible, the following 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, 1998.
2. To declare Dividend on Preference and Equity Shares for the financial year ended on 30th June, 1998.
3. To appoint a Director in place of Shri B.L. Taparia, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri S.J. Taparia, 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 which will be proposed as a Special Resolution :

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310, 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, the Company does hereby approve of the reappointment of Shri M.P. Taparia, as Managing Director, for a further period of five years with effect from 7th January, 1999 to 6th January, 2004 and the payment of the remuneration and perquisites to him at the following revised terms and conditions viz :-

- (1) Salary Rs. 50,000/- per month, which may be increased upto Rs. 75,000/- per month, at the discretion of the Board from time to time, during his tenure.
- (2) Perquisites
 - (a) Reimbursement of actual expenses incurred on housing, gas, electricity, water, furnishings, leave travel concession, for self and family, personal accident insurance premium and club fees, as well as reimbursement of medical and hospital expenses incurred in India and or abroad for self

and family as per the claims in that behalf received from the Managing Director from time to time. For the above purpose family shall mean self, wife, dependent children and dependent parents of the Managing Director.

- (b) (i) Contribution to Provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modifications or reenactment thereof;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (iii) Encashment of leave at the end of the tenure.

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Managing Director under this Agreement will be considered continuous service with the Company from the original date of his joining the service of the Company on 7th January, 1967 and termination of agreement and renewal of agreement will not be considered as any break in service.

- (3) Commission :

In addition to the above, the Managing Director shall also be entitled upto 2% of the Net Profits as commission, as may be determined by the Board provided that, the aggregate of salary, perquisites (excluding those specified in (b) above) and commission for any financial year shall not exceed 5% of the net profits of the Company for that year computed in the manner laid down in Section 198(1) of the Act.

- (4) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, plus additional two weeks' leave at the end of every third year.
- (5) Free use of motor car with driver provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof. Use of car for personal purposes shall be billed by the Company to the Managing Director.
- (6) Free telephone facility at residence. All charges including rental, call charges, etc. thereof shall be paid by the Company in full. Personal long distance calls shall be billed by the Company to the Managing Director.
- (7) Reimbursement of entertainment and other business promotion expenses actually incurred by the



Annual Report 1997-98

Managing Director in the course of business of the Company.

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, perquisites and any other allowances not exceeding the respective limits specified in Section II of Part II of Schedule XIII of the Act.

The Company shall pay to the Managing Director compensation for loss of office, or as consideration for 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 determine the appointment by giving 180 days' notice in writing.

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 alter, increase or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule XIII to the Act.

AND RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take 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 which will be proposed as a Special Resolution :

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other Statutes as applicable, and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows :

- (a) In Article 2 being the Article dealing with interpretation, the following new interpretation Clauses be inserted, viz.

- (i) after the existing interpretation of "Secretary", the following shall be inserted, viz :

"Beneficial Owner" shall mean the Beneficial Owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

- (ii) "Depositories Act" shall mean the Depositories

Act, 1996 and includes where the context so admits, any re-enactment or statutory modification thereof for the time being in force.

- (iii) "Depository" shall mean a Depository as defined under Clause (c) of Sub-section (1) of Section 2 of the Depositories Act.

- (iv) "Member(s)" or "Shareholder(s)"

"Members(s)" or "Shareholder(s)" unless otherwise provided, means the duly registered holder, from time to time of the Shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Share(s) of the Company as also one whose name is entered as beneficial owner of the Shares in the records of the Depository.

- (b) The existing Article 9 be renumbered as Article 9 (a) and the following new Sub-clause be inserted as Article 9 (b) :

Dematerialisation of Shares/Debentures/Other Marketable Securities.

9(b) Notwithstanding anything contained in these Articles, the Company shall in accordance with the provisions of the Depositories Act, be entitled to dematerialise its Shares, Debentures and other marketable securities and to offer the same for subscription in a dematerialised form and on the same being done, the Company shall be entitled to maintain a Register of Members/Debenture holders holding Shares/Debentures/other marketable securities both in material and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing Shares/Debentures or any future issue. Provided that, the provisions set forth in Article 9(a), 10, 11 (b) and 11 (c) shall not apply to Shares/Debentures and other marketable Securities which have been dematerialised.

- (c) At the end of Article 9 (a) , the following provision be inserted :

"Provided however that the provision relating to progressive numbering shall not apply to the Shares of the Company which have been dematerialised."

- (d) Existing Article 8 be substituted by the new Article 8, as under :

Trust Not To Be Recognised



The Supreme Industries Ltd.

8. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share, as also the person whose name appears as the beneficial owner of the Shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not (except as ordered by Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such Share on the part of any other person whether or not it shall have express or implied notice thereof."
- (e) That the existing Article 42, be renumbered as Article 42(A) and the following new Article 42(B) be inserted :
- Depository - Registered owner
42(B). The Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner, and who shall be deemed to be the transferor or the transferee as the case may be for the purpose of this Article and other relevant provisions contained in this behalf in these Articles.
- (f) That the existing Article 43 be deleted and substituted by a new Article 43 as under :
- Power To Refuse Transfer - Notice Of Refusal
43. The Directors may at any time subject to the provision of section 111A of the Act or any statutory modifications or re-enactment thereof for the time being in force, and so far as may be permissible by law decline to register or acknowledge any transfer of any Share and in particular may so decline in any case where such transfer is in contravention of the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act, 1985 or any other law for the time being in force and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of transfer shall be conclusive evidence of the approval of the Directors of the transferee.
- (g) That the existing Article 48 be renumbered as Article 48(A) and, the following new Articles numbered as 48(B) and 48(C) be inserted :
- 48(B). Nothing contained in Articles 42, 45, 46 and 47 shall apply to the transfer of Shares, Debentures or other marketable securities effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.
"Applicability of Depositories Act"
- 48(C) (i) In case of transfer of Shares, Debentures or other marketable securities where the Company has not issued any certificates and where such Shares, Debentures or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
- (ii) In respect of the Shares, Debentures and other marketable securities held by the Depository on behalf of a beneficial owner as defined in the Depositories Act, Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956, shall not apply."
- (h) That the existing Article 4 be deleted and substituted by a new Article 4 as under
- Purchase of Company's shares and other marketable securities convertible into shares.
4. None of the funds of the company shall, except as provided by section 77 of the Act be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of sections 78,80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any share in the company or in its holding company.
- Provided that notwithstanding anything contained in the foregoing paragraph the Company shall have power, subject to and in accordance with all applicable provisions of the Act and other applicable provisions of law and subject to such approvals, permissions and sanctions as may be necessary, to purchase, acquire or hold any of its own fully paid Shares whether or not they are redeemable and or other securities convertible into shares and may make payment therefor out of its free reserves or out of



Annual Report 1997-98

the Share Premium Account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose or from such other sources as may be permitted by law on such terms and conditions and in such proportion and in such a manner as may be prescribed by law from time to time, provided further that nothing herein contained shall be deemed to affect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable.

- (i) That the existing Article 18 be deleted and substituted by a new Article 18 as under :

Interest On Calls In Arrears

If the call payable in respect of any share or any instalment of a call be not paid on or before the day appointed for payment thereof, the holder for the time being of such share shall be liable to pay interest on the same at such rate, not exceeding twenty four percent per annum, as the Directors shall determine, from the day appointed for the payment of such call or instalment to the time of actual payment and all expenses that may have been incurred by the Company by reason of such non-payment, but the Directors may, if they shall think fit, waive the payment of such interest or expenses or any part thereof.

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

"RESOLVED that if and when permissible at law and subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force as may be enacted from time to time or any Ordinance promulgated in this regard) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof duly authorised by the Board to exercise its powers including the powers conferred on the Board under this resolution), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of Shares and /or other Securities giving right to subscribe for Shares of the Company, on a proportionate basis and /or from the open market and/or from the lots smaller than market lots of the Shares/ Securities (odd lots), the Shares or such other Securities or Securities having such underlying voting rights not exceeding such percentage of the present paid-up capital of the Company as may hereafter be notified by the Central

Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specially for the purpose, or from such other sources on such terms, conditions and in such proportion and in such manner as may be prescribed by law from time to time.

RESOLVED FURTHER THAT nothing herein contained shall confer any right on any Share holder/holder of Securities to offer or any obligation on the part of the Company or the Board to buy back any Shares/Securities of the Company.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (2) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item Nos. 6 to 8 of the above Notice is annexed.
- (3) Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 13th October, 1998 to Friday, the 30th October, 1998 (both days inclusive).
- (4) The Dividend if declared, will be payable to those Equity and Preference Shareholders whose names stand on the Register of Members on 30th October, 1998.
- (5) The Company has transferred the unclaimed dividends upto the financial year ended on 30th June, 1994 to the General Revenue Account of the Central Government. The concerned members may, therefore, submit their claims in this respect, if any, to the Registrar of Companies, Maharashtra, Mumbai by submitting an application in prescribed form.

By Order of the Board

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

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

Dated : 25th August, 1998



The Supreme Industries Ltd.

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

Item No. 6

The existing term of the office of Shri M. P. Taparia, expires on 6th January, 1999. Since the year 1967 Shri M. P. Taparia is at the helm of the management and administration of the Company and ever since his stewardship the Company has made tremendous progress as reflected by the present prosperous existence of the Company. Accordingly, subject to the approval of the members, financial institutions and such other sanctions and approvals as may be necessary, the Board of Directors have proposed reappointment of Shri M. P. Taparia as Managing Director, for a further period of five years commencing from 7th January, 1999 upon the terms and conditions as contained in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the envisaged growth in the operations of the Company and compared to the remuneration payable to other comparable personnel in the country, the terms of his 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 above may also be treated as an abstract of the terms of 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, Shri S.J. Taparia and Shri V.K. Taparia, Directors of the Company, being related to Shri M.P. Taparia, are also deemed to be interested in the Resolution.

Item Nos. 7 & 8

Consequent upon the passing of the Depositories Act, 1996 and setting-up of National Securities Depository Limited (NSDL) and considering the benefits of scripless trading, the Company, with a view to provide better services to investors, has entered into an Agreement with NSDL to have Electronic Depository facilities in respect of the Shares of the Company.

Certain provisions of the Articles of Association pertaining to issue, holding, transfer, transmission and other dealings in Shares and other securities of the Company as also issue of Certificates thereof, which were framed on the basis of the relevant provisions of the Companies Act, 1956, require amendment so as to facilitate the functioning of the Depository System.

Consequently, addition of some Articles in the Articles of Association of the Company pertaining to the issue, holding and dealing in scripless Shares and Securities as set out in the Resolution are necessary so as to bring them in line with the relevant provisions of the Depositories Act. The same are self-explanatory.

The present Article 4 of the Articles of Association of the Company restricts the use of funds of the Company for

the purchase/buy-back or to give loans for the purchase of its own shares. Further buy-back of its own Shares and/or securities convertible into Equity Shares by Companies is presently not allowed under the Companies Act, 1956 unless the same is done with a view to reduce its capital. The Companies Act, 1956 is likely to be amended to regulate the buy-back of Shares/ Securities by Companies but the law in this behalf has still to be brought on the Statute Book. It is expected that in the near future, the existing law will be amended to allow such buy-back of a Company's Shares. Consequential amendments are accordingly proposed to the existing Article 4 as set out in item 7 of the accompanying Notice.

Subject to buy back of shares being legally permissible, it is proposed to buy back the Company's Shares or other Securities giving right to subscribe for Shares of the Company in such amount as may be decided by the Board within the limits, if any, as may be prescribed by the law, from time to time, from the existing security holders on a proportionate basis and / or from the open market and / or from the lots smaller than market lots of the Securities (odd lots), in conformity with the necessary enactment at law in this regard.

The amount required for the buy back of Shares shall be met out of the free reserves and / or the securities premium account and / or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by law as set out in the resolution as per item of the notice.

The Board is of the opinion that it will be in the best interest of the Company if Shareholders approve the said Resolution, should the provisions be enacted permitting such buy back, so that the Company will be able to implement the Resolution.

The Interest on Calls in arrears is being increased from the existing 6% to a rate not exceeding 24% per annum in line with the current prevailing interest rates.

The Directors accordingly recommend the Resolution, mentioned in these items of the notice for the approval of the Shareholders.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed alterations are available for inspection by the Members at the Registered Office of the Company between the hours of 11.00 a.m. and 5.00 p.m. on all working days, excluding Saturdays, upto the date of the Annual General Meeting.

None of the Directors of the Company is, in any way concerned or interested in the Resolutions except may be to the extent of the shares held by them in the Company.

By Order of the Board

O.P. Roongta

Sr. Vice-President (Finance)
& Secretary

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

Dated : 25th August, 1998.

