

ANNUAL REPORT

2002

2003

Supreme

Annual Report 2002-2003

तस्मादसक्तः सततं कार्यं कर्म समाचर ।
असक्तो ह्याचरन् कर्म परमाप्नोति पूरुषः ॥

"Therefore, without attachment, constantly perform action which is duty, for, by performing action without attachment, man verily reacheth the Supreme."



At Supreme, we are committed to our duties, responsibilities, accountabilities and work towards a common corporate goal of continuous value enhancement for all the stakeholders.

PERFORMANCE HIGHLIGHTS

(Figures in Lakhs)

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Polymers Processed (MT)	66858.00	67262.00	68413.00	83499.00	91913.00
Sales	55441.16	56096.08	53487.76	67466.02	79241.62
Less : Excise Duty	7469.00	8145.00	6961.00	8339.00	9905.00
Net Sales	47972.16	47951.08	46526.76	59127.02	69336.62
Other Income	312.16	476.32	289.13	338.96	380.59
Total Income	48284.32	48427.40	46815.89	59465.98	69717.21
Operating Profit (PBITD+Misc. Exp. W/off)	8625.78	8032.27	7184.44	9106.03	8647.30
Interest	4156.68	3805.26	4177.11	4554.28	3144.47
Gross Profit	4267.77	4199.43	2893.20	4551.75	5502.83
Depreciation	2442.82	2526.87	2570.60	3349.69	3647.87
Profit Before Tax & Exceptional items	1824.95	1672.56	322.60	1202.06	1854.96
Tax & Exceptional items	72.00	117.00	46.50	94.00	353.75
Profit After Tax	1752.95	1555.56	276.10	1108.06	1501.21
Prior Years Adjustments	7.86	24.23	3.73	-2.45	-73.49
Net Profit	1760.81	1579.79	279.83	1105.61	1427.72
Paid Up Equity Capital	971.49	971.49	971.49	1001.23	1305.78
Reserves and Surplus*	11853.05	12766.93	12730.58	12870.54	17069.45
Shareholders' Funds	12824.54	13738.42	13702.07	13871.77	18375.24
Loans	22470.40	21362.56	27655.27	24251.20	17008.04
Capital Employed**	35737.07	34658.18	41041.38	37843.43	35276.71
Net Fixed Assets***	23806.38	23524.54	25109.25	29663.17	31284.68
Net Current Assets	6616.77	5895.56	10554.68	5177.15	1220.65
Earning Per Equity Share (Rs.)	16.58	15.08	2.84	11.07	10.93
Cash Earning per Equity Shares (Rs.)	41.73	41.09	29.30	44.52	38.48
Book Value (Rs.)	132.00	141.00	141.00	139.00	141.00
Dividend (%)	70.00	70.00	30.00	60.00	70.00
PBDIT / Average Capital Employed	23.09	22.82	18.98	23.09	23.65
ROACE (%) (PBIT / Average Capital Employed)	16.55	15.64	12.18	14.59	13.67
ROANW (%) (PAT / Average Net Worth)	13.09	11.03	2.03	8.02	9.31
Debt : Equity (Long Term Borrowings / Total Net Worth)	1.29	0.96	1.10	0.95	0.59

* excluding revaluation reserves & after reducing miscellaneous expenditure

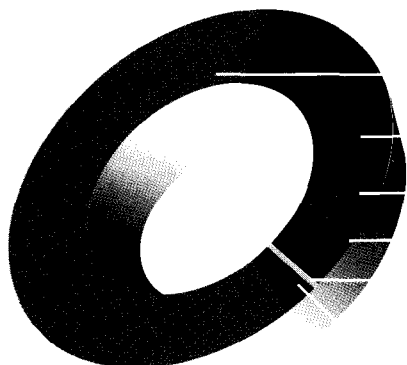
** excluding revaluation reserves, miscellaneous expenditure & Capital work-in-progress

*** excluding revaluation

DISTRIBUTION OF REVENUE

2002-2003

Rs. in lakhs

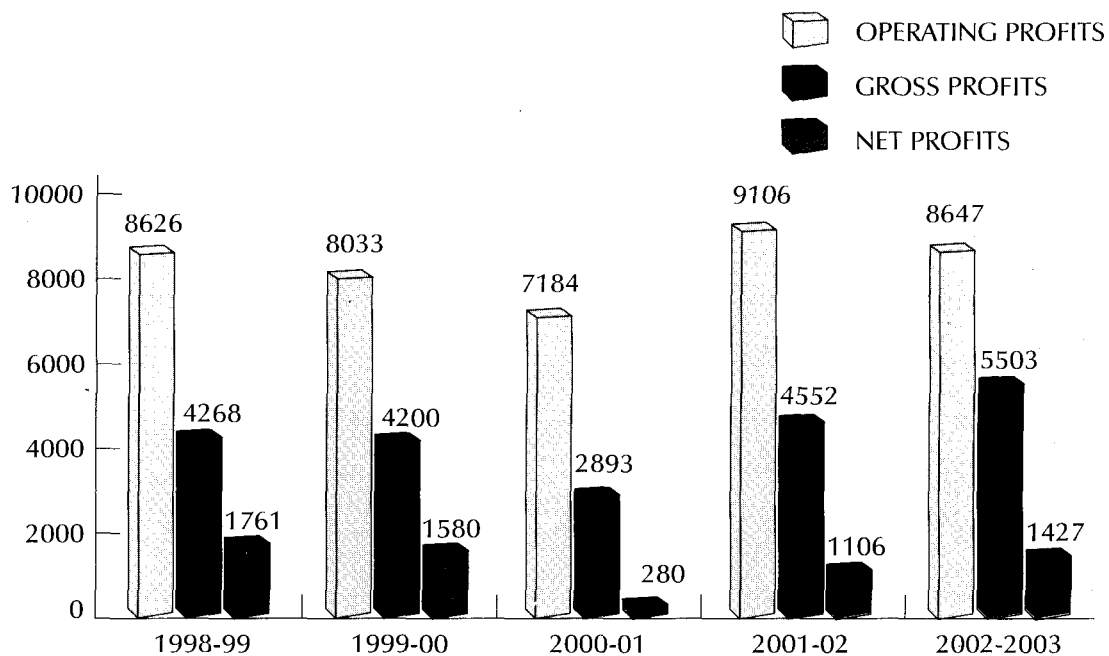


• Material	44630	64.02%
• Expenses	16667	23.91%
• Interest	3144	4.51%
• Depreciation	3597	5.16%
• Tax	251	0.36%
• Net profit	1428	2.04%



OPERATING, GROSS AND NET PROFITS

Rs. in lakhs



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BOARD OF DIRECTORS

B L Taparia, Chairman
 M P Taparia, Managing Director
 S J Taparia, Executive Director
 B V Bhargava, Director
 E B Desai, Director
 H S Parikh, Director
 Smt. N Mukerji, Director (Nominee of ICICI)
 N N Khandwala, Director
 R M Bhandari, Director
 S R Taparia, Director
 V K Taparia, Director
 Y P Trivedi, Director

Sr. VICE – PRESIDENT (FINANCE) & SECRETARY

O P Roongta

Sr. VICE – PRESIDENT (OPERATIONS)

J M Totla

BANKERS

Central Bank of India
 State Bank of India
 Saraswat Co-op. Bank Ltd.
 Bank of India
 ING Vysya Bank
 The Karur Vysya Bank Ltd.
 Banque Nationale De Paris
 ICICI Bank Ltd.
 Centurion Bank
 Bank of Baroda
 IDBI Bank Ltd.

AUDITORS

M/s. Chhogmal & Co.,
 Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

17/18, Shah Industrial Estate,
 Veera Desai Road, Andheri (W),
 Mumbai 400 053.
 Tele : 2673 4700 Fax : 2673 4777
 Website: <http://www.supreme.co.in>
 Email: supreme@supreme.co.in

WORKS

1. Andheri, Mumbai (Maharashtra)
2. Daman (Union Territory)
3. Derabassi (Punjab)
4. Durgapur (West Bengal)
5. Halol (Gujarat)
6. Hosur (Tamil Nadu)
7. Jalgaon (Maharashtra)
8. Kanhe (Maharashtra)
9. Kanpur (Uttar Pradesh)
10. Khopoli (Maharashtra)
11. Khushkheda (Rajasthan)
12. Kolkata (West Bengal)
13. Malanpur 1 (Madhya Pradesh)
14. Malanpur 2 (Madhya Pradesh)
15. Nandesari (Gujarat)
16. Noida (Uttar Pradesh)
17. Pithampur (Madhya Pradesh)
18. Pondicherry (Union Territory)
19. Silvassa (Union Territory)

OFFICES

- Ahmedabad
- Bangalore
- Chennai
- Hyderabad
- Kolkata
- Mumbai
- New Delhi

• C O N T E N T S •

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The Supreme Industries Limited

NOTICE

NOTICE is hereby given that the 61st Annual General Meeting of the Company will be held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Friday the 17th October, 2003 at 11.30 a. 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, 2003.
2. To declare dividend on Equity Shares for the Financial year ended 30th June, 2003.
3. To appoint a Director in place of Shri B.V. Bhargava, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. N.N. Khandwala, 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 an Ordinary Resolution :
"Resolved that Shri R. M. Bhandari (who was appointed as an Additional Director of the Company with effect from 30th August, 2003 in terms of Section 260 of the Companies Act, 1956, and Article 94 of the Articles of Association of the Company and who holds office under the provisions of the said Article and the Section only upto the date of this Annual General Meeting and in respect of whom the Company has received from a member under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- a notice proposing Shri R. M. Bhandari's candidature for the office of director) be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution :
"Resolved that Shri Y. P. Trivedi (who was appointed as an Additional Director of the Company with effect from 30th August, 2003 in terms of Section 260 of the Companies Act, 1956, and Article 94 of the Articles of Association of the Company and who holds office under the provisions of the said Article and the Section only upto the date of this Annual General Meeting and in respect of whom the Company has received from a member under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- a notice proposing Shri Y. P. Trivedi's candidature for the office of director) be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution :
"Resolved that Shri E. B. Desai (who was appointed as an

Additional Director of the Company with effect from 30th August, 2003 in terms of Section 260 of the Companies Act, 1956, and Article 94 of the Articles of Association of the Company and who holds office under the provisions of the said Article and the Section only upto the date of this Annual General Meeting and in respect of whom the Company has received from a member under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- a notice proposing Shri E. B. Desai's candidature for the office of director) be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. 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, 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 and subject to such approvals, if any necessary, 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, 2004 to 6th January, 2009 and the payment of the remuneration and perquisites to him on the following revised terms and conditions viz :-

- (1) Salary
Rs. 1,00,000/- per month, which may be increased upto Rs. 1,25,000/- per month, at the discretion of the Board at any time and from time to time, during his tenure of office.
- (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. For the above purpose family shall mean self and wife, of the Managing Director.
 - (b) (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modifications 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 under this Agreement will be considered continuous service with the Company from the original date of his joining the service of the Company as Managing Director on 7th January, 1967 and termination of agreement and renewal of agreement will not be considered

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as any break in service.

(3) **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 for that year computed in the manner laid down in Sections 349 and 350 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, encashment of leave at the end of the tenure being permitted.**

(5) **Free use of motor car with chauffeur provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof. Use of car for personal purpose 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 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 and perquisites as specified above subject to the restrictions specified in Schedule XIII of 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 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 all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

10.

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, 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 any necessary, the Company does hereby approve of the appointment of Shri V.K. Taparia, as a Whole time Director designated as Executive Director, for a period of five years with effect from 1st July, 2003 to 30th June, 2008 and the payment of the remuneration and perquisites to him as under viz :-

(1) **Salary**

Rs. 74,000/- per month, which may be increased upto Rs.1,15,000/- per month, at the discretion of the Board at any time or from time to time, during his tenure of office.

(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 Executive Director. For the above purpose family shall mean self, wife, dependent children and dependent parents of the Executive Director.

(b) (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Executive Director under this Agreement will be considered continuous service with the Company and termination of appointment and renewal of appointment will not be considered as any break in service.

(3) **Commission**

In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits 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 for that year computed in the manner laid down in Sections 349 and 350 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**

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year, encashment of leave at the end of the tenure being permitted.

- (5) Free use of motor car with chauffeur provided by the Company for business purpose; the Company meeting all running, maintenance and other expenses of every kind whatsoever incurred in respect thereof. Use of car for personal purpose shall be billed by the Company to the Executive 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 Executive Director.
- (7) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive 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 Executive Director shall be entitled to payment by way of salary and perquisites as specified above, subject to the restrictions specified in Schedule XIII of 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 is hereby authorised to alter, increase or vary the terms and conditions aforesaid within the limitations specified/which may be 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 all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

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

"RESOLVED that pursuant to the provisions of section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri Vivek Taparia, a relative of two of the Directors of the Company, holding and continuing to hold with effect from 1st July, 2003 an office or place of profit under the Company on a monthly basic salary of Rs. 10150/- in the company's scale of Rs. 10150 - 500 - 12650 - 550, in the Managerial Grade M3 with allowances and benefits including bonus and other perquisites and privileges as are allowed to other

comparable officers similarly placed in the employment of the Company with liberty to the Board to revise the same on the same basis as in the cases of other similarly placed executives of the Company."

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 11 of the above Notice is annexed.
3. Register of Members and the Share transfer books of the company will remain closed from Wednesday, 15th October, 2003 to Friday, 17th October, 2003 (both days inclusive).
4. The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 17th October, 2003. However, in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as at the close of business on 14th October, 2003 as per details furnished by the Depositories for this purpose.
5. Pursuant to provisions of Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 1996 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on expiry of seven years, to the Investor Education and Protection Fund, as stated herein, no claim shall lie in respect thereof.
6. Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.

By order of the Board

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

Registered Office

612, Raheja Chambers,
Nariman Point,
Mumbai 400 021

Dated : 30th August, 2003

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

Item No. 6, 7 & 8

Shri R. M. Bhandari, Shri Y. P. Trivedi and Shri E. B. Desai were appointed as Additional Directors at the meeting of the Board of Directors held on 30th August, 2003 pursuant to Section 260 of the Companies Act, 1956 and Article 94 of the Articles of Association of the Company. They hold office as such Directors up to the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

All of them were erstwhile Directors of the Siltap Chemicals Limited which has since been merged with the Company. Shri R. M. Bhandari had held the office of Controller of Capital Issues, and after retirement held directorship in quite a few well-known companies in India. A brief profile of Shri R. M. Bhandari is given in para (8) at Sr. No. (5) of the Particulars of Directors under Corporate Governance.

Shri Y. P. Trivedi is an eminent tax counsel and is a Director / Committee Member of various well-known companies in the country. A brief profile of Shri Y. P. Trivedi is given in para (8) at Sr. No. (6) of the Particulars of Directors under Corporate Governance.

Shri E. B. Desai is an eminent Solicitor and senior partner of M/s. Mulla & Mulla Craigie Blunt & Caroe, Solicitors. He is also Director and Committee Member of various companies of reputed Industrial houses in the country. A brief profile of Shri E. B. Desai is given in para (8) at Sr. No. (7) of the Particulars of Directors under Corporate Governance.

Considering their vast experience in business, legal and industrial arena and particularly being on the Board of the erstwhile Siltap Chemicals Limited, which has merged with the Company, their presence on the Board is of immense benefit to the Company and accordingly the respective resolutions as in these items of the Notice are commended for your acceptance. All of them are deemed to be interested / concerned in the Resolution pertaining to them.

Item No. 9

The existing term of the office of Shri M. P. Taparia, expires on 6th January, 2004. 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 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 the re-appointment of Shri M. P. Taparia as Managing Director, for a further period of five years commencing from 7th January, 2004 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 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 and 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 the brother of Shri M.P. Taparia. Shri S. J. Taparia and Shri V. K. Taparia, Directors are also related to Shri M. P. Taparia.

Item No. 10

Shri V. K. Taparia, has been a Director of the Company since 29-10-1984. Apart from being involved generally in corporate strategy, long term business plan and other incidental activities of the Company, Shri V.K. Taparia has for quite some time been looking after the following activities of the Company without charging any remuneration to the Company therefor, viz.

- a). Company's business in all spheres of activities viz. Production marketing, procurement working capital management, Business development expansion and overall administration pertaining to
 - i) Performance packing products which includes Multilayer Films for various applications having its manufacturing facilities at Khopoli, Maharashtra,
 - ii) Protective Packaging products which includes Expanded Polyethylene foam, Cross-Link Foam, Air Bubble Film, net and tubes and products made thereof having manufacturing facilities at Malanpur, Hosur and Nandesari, as also fabrication facilities at Gurgaon, Talegaon and Pondicherry.

- iii) P P Mats having manufacturing facilities at Sangli through ancillaries.
- iv) BOPP Film having manufacturing facilities at Pithampur.

- b). He is also a driving force and leading the I.T Team of the Company for upgrading its computerization, ERP implementation and other related areas,
- c). He has represented the Company on various organisations such as Plast India Foundation, OPPI and other delegations.
- d). He was also the Managing Director of the erstwhile Supreme Oriented Films Ltd. upto 9th May, 2002, when it merged with the Company.

His role in the Company is now being activated by his appointment as the Executive Director of the Company as stated in the resolution.

Considering his competence, experience as also the growth in the activities of the Company and as compared to the remuneration presently being paid to persons holding similar positions 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 just, fair and reasonable and the Resolution is accordingly commended for your approval.

The above may also be treated as an abstract of the terms of the appointment of Shri V. K. Taparia, as Executive Director, pursuant to Section 302 of the Companies Act, 1956.

Shri V. K. Taparia, is himself interested in the Resolution and Shri B.L. Taparia, Chairman, of the Company, is the father of Shri V. K. Taparia. Also, Shri M. P. Taparia is his uncle and Shri S. J. Taparia is his cousin.

Item 11

Shri Vivek Taparia, son of Shri V. K. Taparia - a Director of the Company, is B. A. in Business Administration from Eckerd College, St. Petersburg, Florida, U.S.A. Since last two years he has been groomed in the organization in all disciplines & activities viz. manufacturing, marketing, accounts, administration and Import & Export without receiving any remuneration from the Company. He was stationed at PPD Malanpur works of the Company for more than six months, He also worked at Pondicherry, Talegaon and corporate office for quite some time under Senior Management people. Since 2002-2003 he is actively involved in

- a) Conceptualizing and selecting new products /models for furniture products.
- b) Market development and Advertising - campaign right from concept, film preparation, selection of Ad agencies and Ad. media.
- c) Shouldering the responsibilities of furniture division in western region including manufacturing and marketing.
- d) Co-ordination of production schedules and performance parameters for all furniture products.
- e) Actively involved as member of Core Team for company's IT upgrading and ERP implementation project.
- f) Participating in National / International exhibitions for market development and new product identification.

Apart from above he is also involved in various deliberations of Corporate management Group on Corporate strategy, business development and other administrative matters. He is to be designated as Business Manager.

Like other comparable executives of the Company, the perquisites payable to him will also include House Rent Allowance / rent free accommodation, free use of Company's car with driver, telephone at residence, provident fund, superannuation fund, Gratuity, Personal Accident Insurance, reimbursement of medical expenses, Leave, Leave Travel Assistance, etc. Shareholders approval has been sought vide a Special Resolution as required u/s 314 of the Companies Act, 1956. As Shri Vivek Taparia happens to be related to two of the Directors of the Company, the Resolution is accordingly commended for your approval.

Shri B.L. Taparia, Chairman and Shri V. K. Taparia, Director, of the Company, being related to Shri Vivek Taparia, are deemed to be interested in the Resolution. None of the other Directors are concerned and/or interested in this Resolution.

By order of the Board

O.P. Roongta

Sr. Vice-President (Finance) & Secretary

Registered Office

612, Raheja Chambers, Nariman Point,
Mumbai 400 021

Dated : 30th August, 2003

The Supreme Industries Limited

DIRECTORS' REPORT

To

The Members,

The Directors have great pleasure in presenting the 61st Annual Report along with the Audited Accounts for the financial year ended 30th June 2003.

FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Year's working shows a surplus of	55,02,83,244	45,51,74,905
Add: Excess provision for depreciation written back	50,25,419	-
Less: Provision for Depreciation for earlier years	-	2,44,709
Less: Provision for Taxation for earlier years.	<u>1,23,74,214</u>	<u>45,49,30,196</u>
	54,29,34,449	33,49,68,908
Less: Exceptional items	2,26,75,144	94,00,000
Less: Depreciation	36,47,86,707	11,05,61,288
Less: Provision for taxation	<u>1,27,00,000</u>	<u>6,08,64,989</u>
	14,27,72,598	-
Add: Balance Brought forward from previous year	-	6,58,29,688
Provision for deferred tax liability written back	6,58,29,688	-
Transfer from Debenture Redemption Reserve	-	27,33,000
Total Amount available for appropriation	<u>20,86,02,286</u>	<u>17,41,59,277</u>
Appropriation therefrom	-	-
Transfer to Debenture Redemption Reserve	1,10,00,000	6,00,73,566
Proposed Dividend (including Corporate Dividend Tax)	10,31,16,107	11,40,85,711
Transferred to General Reserve	<u>9,44,86,179</u>	<u>17,41,59,277</u>
	<u>20,86,02,286</u>	<u>17,41,59,277</u>

Your company has incurred a capital expenditure of Rs.24.02 Crores during the year. The same has been incurred primarily

- 1) To increase production capacities for crate business;
- 2) To add new moulds for bottle & trade crates business;
- 3) To augment capacities and add new products in plastic pipe business;
- 4) To launch new products of moulded furniture and
- 5) For balancing equipments and de-bottlenecking of capacities at various locations.

The same has been financed through internal accruals.

DIVIDEND

The Directors have recommended payment of dividend for the year ended 30th June 2003, as under :

	Rs.
(i) Dividend on 1,30,57,837 Equity Shares of Rs. 10/- each @ 70% i.e. Rs.7/- per share	9,14,04,859
(Previous year on 1,00,12,261 Equity Shares of Rs. 10/- each @ 60% i.e. Rs.6/- per share)	1,17,11,248
(ii) Corporate Dividend Tax :	<u>10,31,16,107</u>