

76th

2017-18
ANNUAL REPORT

Supreme[®]
People who know plastics best

SCALING NEW HEIGHTS





There's an old adage that says you can't defeat a person who refuses to quit. It is easy to dream but the path to turn it into reality is usually a long, treacherous one - a path that tests your determination, forces you to experiment, to innovate, and most times, brings you to a point when you wish to give it all up - but it is your determination, and your spirit of perseverance that pushes you on to take the challenges head on - and finally turn your dreams into living, breathing realities.

As a leader, Supreme firmly believes that growth comes from innovation, determination and perseverance; qualities that the group has always demonstrated in good measure.

With this philosophy in mind, Supreme Group is continually getting better and stronger with each passing year...scaling new heights in every facet of its operations. The company is lauded for its various attributes of excellence from product development and quality consciousness to corporate social responsibility, and from exports performance to occupational safety.

Over the last 75 years, Supreme has conquered new horizons and spread its footprints pan - India, with a vast network of manufacturing plants, offices and distributor/dealer network.

The journey of Supreme is an inspiring one - our achievements & accolades during the period are illustrious and showcase how innovation, determination and perseverance have helped us scale new heights and sustain our leadership status in the industry.

At Supreme, we have always raised the benchmarks of performance, to add better value to the society and the nation - as a pioneer, creator, leader and a responsible citizen.



Performance Highlights

(₹ In Lacs)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Market Capitalization	64,263	143,261	229,919	283,206	428,144	663,779	857,749	939,554	1,387,959	1,516,764
Polymers Processed (MT)	172,746	191,704	224,673	245,700	281,452	285,539	303,812	242,968	359,930	366,714
Product Sales (MT)								235,306	340,906	371,176
Sales	180,900	217,159	266,553	318,462	374,608	434,333	469,138	332,776	499,896	510,517
Less: Excise Duty	15,707	16,586	22,980	29,532	38,796	43,851	47,239	36,770	53,719	13,914
Net Sales	165,193	200,574	243,573	288,930	335,812	390,483	421,899	296,006	446,177	496,603
Other Income	905	1,622	4,295	4,917	4,884	6,751	4,246	1,082	802	1,778
Total Income	166,097	202,195	247,868	293,847	340,697	397,234	426,145	297,088	446,979	498,381
Operating Profit	24,699	30,556	36,709	48,282	53,940	59,903	67,265	47,171	76,961	80,432
Interest	5,456	3,303	4,250	5,480	5,235	7,614	5,795	2,888	3,024	2,192
Gross Profit	19,243	27,254	32,459	42,802	48,705	52,288	61,470	44,283	73,937	78,240
Depreciation	5,252	5,292	6,285	7,246	8,171	10,154	13,895	10,457	15,429	16,715
Profit Before Tax & Exceptional Items	13,991	21,962	26,175	35,556	40,535	42,135	47,575	33,826	58,508	61,525
Tax	(4,251)	(7,489)	(8,773)	(11,504)	(13,299)	(13,998)	(16,004)	(11,765)	(20,578)	(20,570)
Profit after Tax	9,740	14,473	17,401	24,052	27,235	28,137	31,571	21,292	37,930	40,955
Other Comprehensive Income					-	-	-	(143)	(213)	(62)
Total Comprehensive Income	9,739	14,483	17,497	24,052	27,235	28,137	31,571	21,149	37,717	40,893
Paid up Equity Capital (FV ₹ 2)	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541
Reserves and Surplus*	25,991	35,137	46,279	61,472	77,581	93,828	120,692	119,673	152,804	170,764
Shareholders' Funds	28,531	37,677	48,819	64,013	80,122	96,369	123,233	122,214	155,345	173,305
Net Loan (After Adjusted Surplus In CC Account)	41,044	37,778	50,167	34,352	45,396	45,188	27,651	41,209	22,836	24,508
Long Term Loans	29,142	18,570	27,487	20,226	29,274	34,998	29,622	24,826	6,406	135
Deferred Tax Liability (Net)	6,428	6,984	7,954	8,326	9,065	11,675	9,058	10,548	11,626	11,340
Capital Employed**	64,102	63,232	84,260	92,565	118,461	143,042	161,913	157,588	173,377	184,780
Net Fixed Assets***	54,024	56,118	74,027	73,805	102,645	108,790	103,250	118,467	126,330	135,338
Basic & Diluted Earning Per Share (Before exceptional income/loss)	8	11	14	19	21	22	25	17.37#	30	32
Basic & Diluted Earning Per Share (After exceptional income/loss)	8	11	14	19	21	22	25	16.76#	30	32
Cash Earning Per Equity Share (₹)	12	16	19	25	28	30	36	25	42	45
Book Value (₹)	22	30	38	50	63	76	97	96	122	136
Dividend (%)	120	180	215	300	375	400	450	375	750	600
ROACE (PBIT / Average Capital Employed)% **** ^	27.83	38.09	39.80	44.69	40.03	34.81	33.15	29.23	36.24	34.70
ROANW (PAT / Average Net Worth) % ^	36.55	43.72	40.24	42.63	37.79	31.88	28.75	23.13	27.33	24.92
Debt : Equity (Long Term Debt / Total Net worth)	1.02	0.49	0.50	0.29	0.36	0.36	0.24	0.20	0.04	-
Debt: Equity (Total Debt / Total Net Worth)	1.46	1.03	1.05	0.54	0.58	0.47	0.22	0.34	0.15	0.14

* Excluding revaluation reserves

** Shareholders' funds + Long Term Loans + Deferred Tax Liability

*** Excluding revaluation reserve & Capital work in Progress & Assets held for disposal

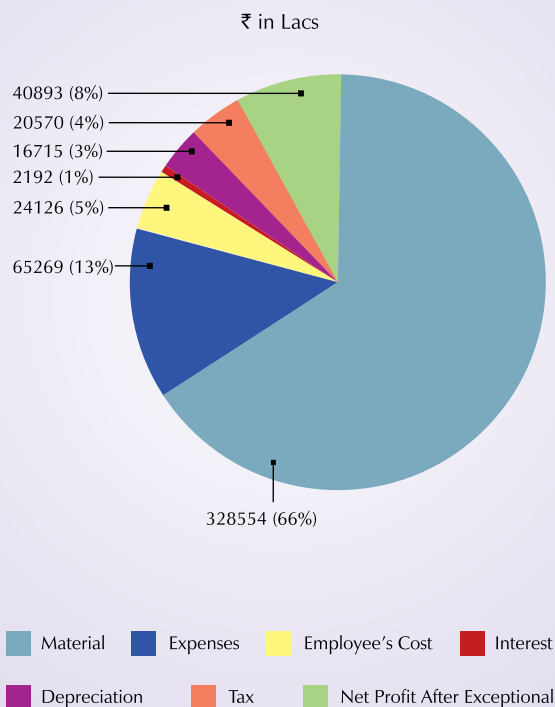
**** ROACE = PBIT (Interest is excluding interest on working capital loans & unsecured loans) / Avg. Capital employed

Figure Not Annualised

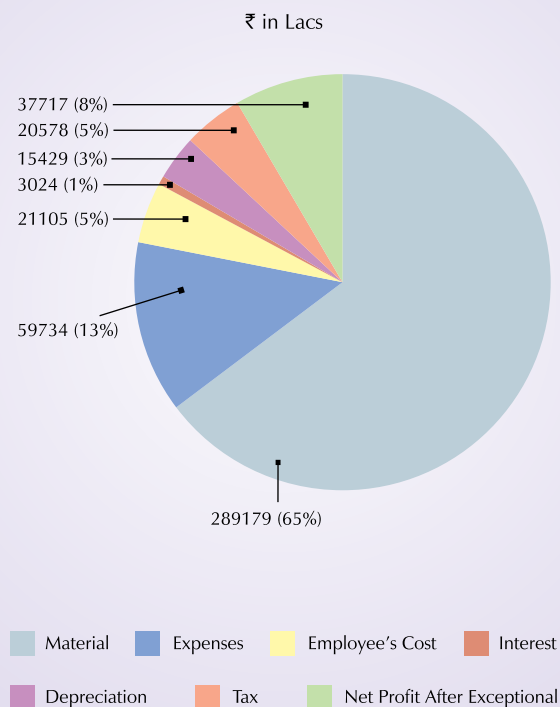
^ FY 2015-16 Figures Annualised

Previous year figure have been regrouped where ever required.

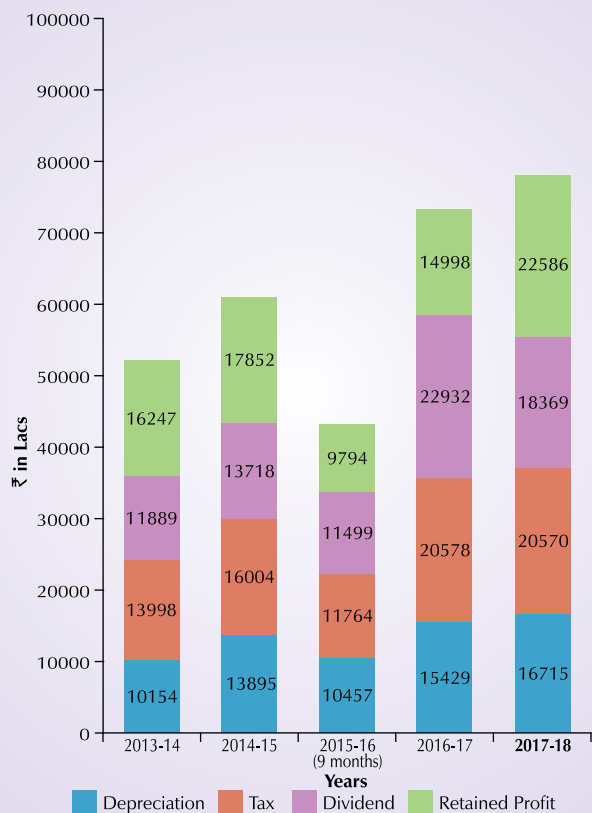
Distribution of Revenue 2017-18



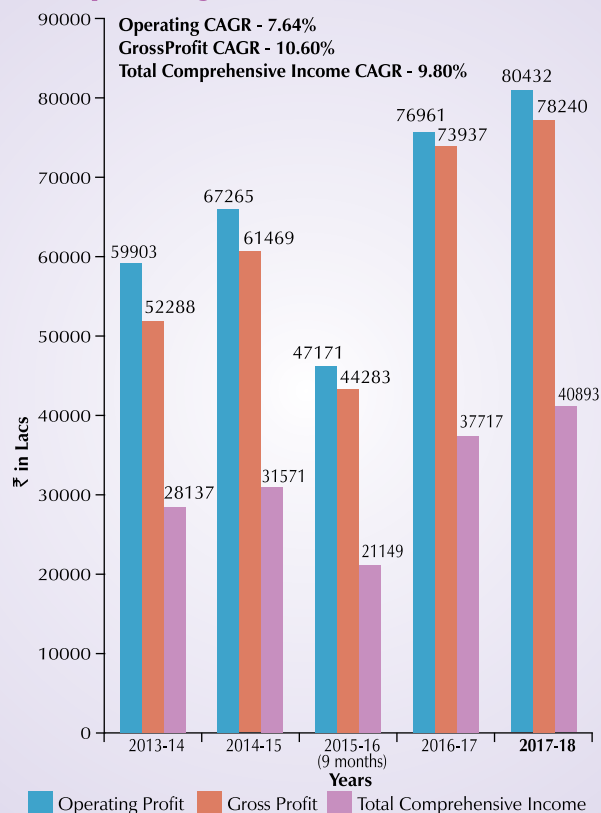
Distribution of Revenue 2016-17



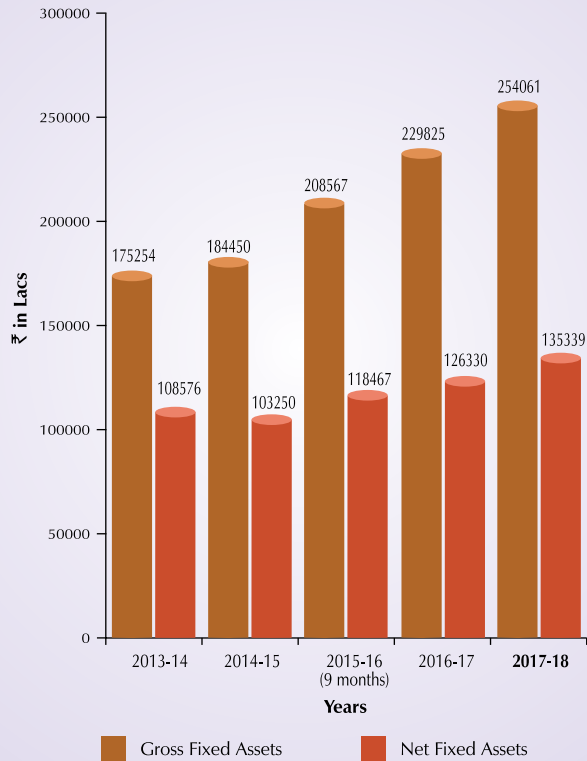
Distribution of Profit



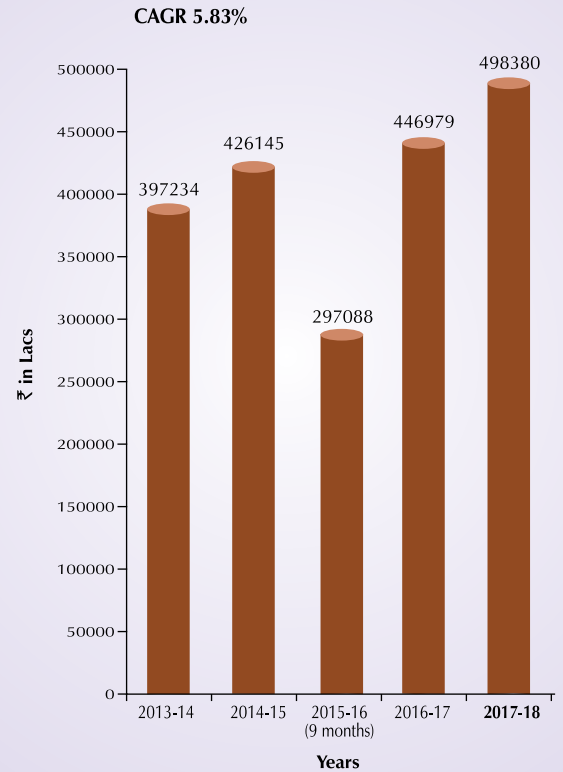
Operating, Gross and Net Profits



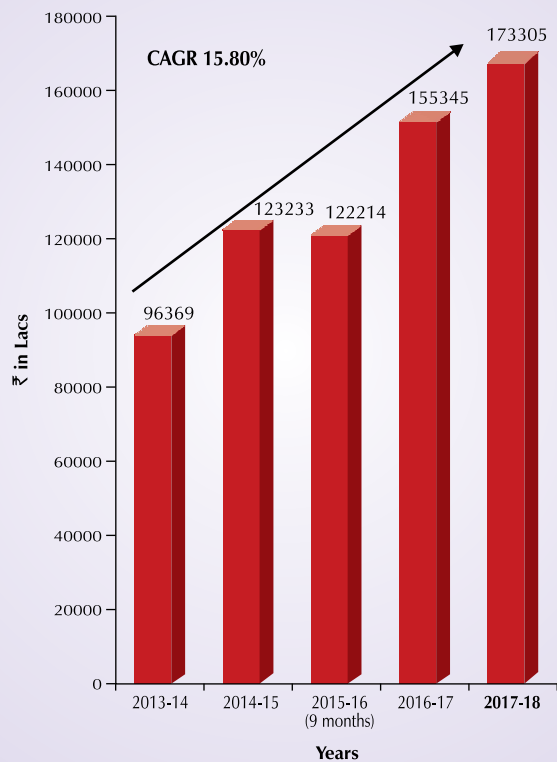
Gross and Net Fixed Assets



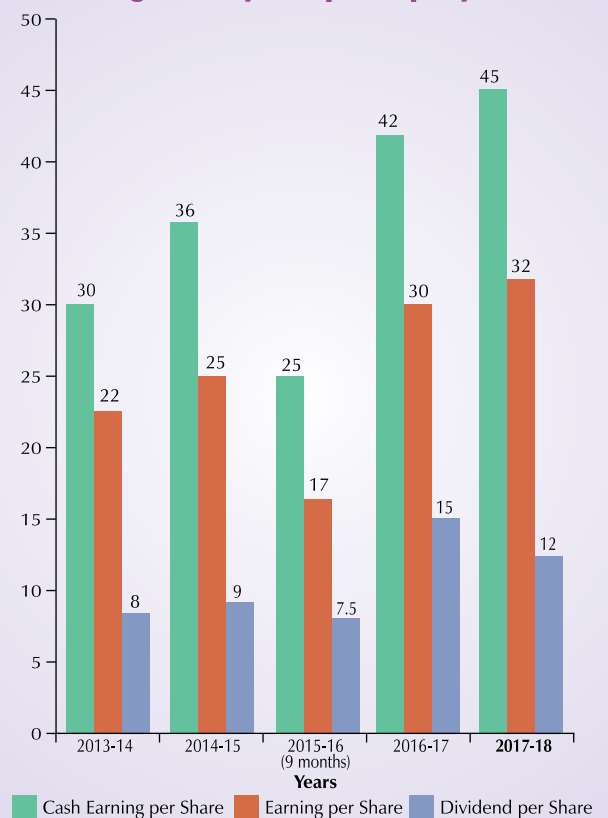
Total Income



Shareholders' Funds



Earnings & Pay out per Equity Share





**SUPREME STALL AT PLASTINDIA 2018
GANDHINAGAR, GUJARAT, INDIA**



**NOIDA PLANT RECEIVED AWARD
FOR TPM EXCELLENCE CATEGORY A - 2017**

Company Information

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
N. N. Khandwala, Director
Y. P. Trivedi, Director
R. Kannan, Director
R. M. Pandia, Director
Smt. Rashna Khan, Director

BANKERS

Central Bank of India
Axis Bank Ltd.
BNP Paribas
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank
State Bank of India
Kotak Mahindra Bank Ltd. (inducted w.e.f. 11.04.2018)
HDFC Bank Ltd. (inducted w.e.f. 11.04.2018)

CHIEF FINANCIAL OFFICER

P. C. Somani

AVP (CORPORATE AFFAIRS) & COMPANY SECRETARY

R.J. Saboo

AUDITORS

M/s. Lodha & Company
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
CIN: L35920MH1942PLC003554

CORPORATE OFFICE

1161 & 1162 Solitaire Corporate Park, Building No. 11,
6th Floor, 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. Ghiloth (Rajasthan)
5. Guwahati (Assam)
6. Halol – Unit I (Gujarat)
7. Halol – Unit II (Gujarat)
8. Halol – Unit III (Gujarat)
9. Halol – Unit IV (Gujarat)
10. Hosur Unit I (Tamil Nadu)
11. Hosur Unit II (Tamil Nadu)
12. Jalgaon – Unit I (Maharashtra)
13. Jalgaon – Unit II (Maharashtra)
14. Jadcherla (Telangana)
15. Kanhe (Maharashtra)
16. Kanpur (Uttar Pradesh)
17. Kharagpur (West Bengal)
18. Khopoli (Maharashtra)
19. Khushkheda (Rajasthan)
20. Malanpur – Unit I (Madhya Pradesh)
21. Malanpur – Unit II (Madhya Pradesh)
22. Malanpur – Unit III (Madhya Pradesh)
23. Noida (Uttar Pradesh)
24. Puducherry (Union Territory)
25. Silvassa (Union Territory)
26. Sriperumbudur (Tamil Nadu)
27. Urse (Maharashtra)

OFFICES

- | | | |
|--------------|--------------|------------|
| 1. Ahmedabad | 5. Hyderabad | 9. Mumbai |
| 2. Bangalore | 6. Indore | 10. Noida |
| 3. Chennai | 7. Kanpur | 11. Pune |
| 4. Cochin | 8. Kolkata | 12. Jaipur |

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Notice

NOTICE is hereby given that the Seventy Sixth Annual General Meeting of the Members of The Supreme Industries Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Friday the 29th June, 2018, 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:
 - a) The Audited financial statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and cash flow statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.
 - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018.
2. To declare final dividend on Equity Shares for the Financial Year ended 31st March, 2018 and to confirm the payment of interim dividend on Equity Shares considered & approved by the Board of Directors of the Company.
3. To appoint a Director in place of Shri B.L. Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to approval of members at the 74th Annual General Meeting, the appointment of M/s. LODHA & CO., Chartered Accountants having Registration No. 301051E, Mumbai, be and is hereby ratified to hold office from the conclusion of 76th Annual General Meeting until the conclusion of 77th Annual General Meeting of the Company, and the Board be and is hereby authorised to fix the remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

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

"RESOLVED THAT, pursuant to provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board be and is hereby authorised to appoint Branch Auditors of any branch of the Company, whether existing or which may be opened / acquired hereafter within or outside India, in consultation with the Company's auditors, any person(s) qualified to act as Branch Auditors and to fix their remuneration."

SPECIAL BUSINESS:

6. **To approve re-appointment and remuneration of Shri M.P. Taparia (Director Identification No. 00112461) as a Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197, 198 and 203 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri M.P. Taparia, as Managing Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and 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 ₹ 13,50,000/- (Rupees Thirteen Lacs Fifty Thousand only) in the Grade of ₹ 13,50,000/- ₹ 1,50,000/- ₹ 25,50,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).
- (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 up to 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 wholetime Director 10% for all of them together for that year computed in the manner laid down in Section 197 and 198 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 V 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 191 and 202 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 authorized to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule V 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 authorized to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

7. **To approve re-appointment and remuneration of Shri S.J. Taparia (Director Identification No. 00112513) as a Executive Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197 and 198 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri S.J. Taparia, as Executive Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and 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 ₹ 13,25,000/- (Rupees Thirteen Lacs Twenty Five Thousand Only) in the Grade of ₹ 13,25,000/- ₹ 1,50,000/- ₹ 25,25,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).

- (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.

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 up to 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 10% for all of them together for that year computed in the manner laid down in Section 197 and 198 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 V 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 191 and 202 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 authorized to increase and / or vary the terms and conditions aforesaid within the limitations specified in that behalf in Schedule V 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 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 authorized to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution."

8. **To approve re-appointment and remuneration of Shri V.K. Taparia (Director Identification No. 00112567) as a Executive Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197 and 198 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri V.K. Taparia, as Executive Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and 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 ₹ 13,00,000/- (Rupees Thirteen Lacs only) in the Grade of ₹ 13,00,000/- ₹ 1,50,000/- ₹ 25,00,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).

(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.

