



**SUPREME PETROCHEM LTD**

**ANNUAL REPORT  
2014-2015**



## PERFORMANCE HIGHLIGHTS

₹ Lacs unless indicated otherwise

|  | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Net Sales                                  | 265253.76 | 326429.78 | 296715.90 | 227267.22 | 194369.87 | 161184.41 |
| Other Income                               | 319.16    | 585.55    | 538.52    | 648.76    | 866.92    | 270.93    |
| Total Income                               | 265572.92 | 327015.33 | 297254.42 | 227915.98 | 195236.79 | 161455.34 |
| Operating Profit (EBIDTA)                  | 9653.52   | 9557.14   | 16157.72  | 10269.33  | 16903.64  | 12876.19  |
| Financial Cost                             | 1660.02   | 2284.39   | 2388.17   | 3199.28   | 2021.64   | 1789.50   |
| Depreciation/Amortisation                  | 2364.19   | 2873.74   | 2770.61   | 2292.34   | 2037.02   | 2068.29   |
| Profit Before Tax & Exceptional items      | 5629.30   | 4399.01   | 10998.94  | 4777.71   | 12844.98  | 9018.40   |
| Net Profit for the year                    | 3570.12   | 3058.99   | 7282.33   | 3137.47   | 8769.07   | 6047.49   |
| Paid up Equity Capital                     | 9650.20   | 9650.20   | 9683.86   | 9683.86   | 9683.86   | 9683.86   |
| Reserves and Surplus                       | 27986.23  | 26777.04  | 25596.30  | 21146.38  | 19584.55  | 13966.84  |
| Shareholders' Funds (Net Worth)            | 37636.43  | 36427.24  | 35280.16  | 30830.24  | 29268.41  | 23650.70  |
| Deferred Tax Liability ( Net)              | 4848.40   | 4924.15   | 4872.04   | 4385.59   | 4096.64   | 4349.29   |
| Loans                                      | -         | 3203.62   | 7468.85   | 14230.64  | 16608.48  | 15510.66  |
| Capital Employed                           | 42484.83  | 44555.01  | 47621.05  | 49446.47  | 49973.53  | 43510.65  |
| Avg Capital Employed                       | 43519.92  | 46088.03  | 48533.76  | 49710.00  | 46742.09  | 40736.61  |
| Earning Per Equity Share (₹)               | 3.70      | 3.16      | 7.52      | 3.24      | 9.06      | 6.24      |
| Cash Earning Per Equity Share (₹)          | 6.15      | 6.13      | 10.38     | 5.61      | 11.16     | 8.38      |
| Book Value (₹)                             | 39.00     | 37.75     | 36.43     | 31.84     | 30.22     | 24.42     |
| Dividend (%)                               | 15.00     | 15.00     | 25.00     | 14.00     | 28.00     | 18.00     |
| ROACE (%)<br>(PBIT/Avg Capital Employed)   | 16.75     | 14.50     | 27.58     | 16.05     | 31.81     | 26.53     |
| ROANW (%) (PAT/Average Net Worth)          | 9.64      | 8.53      | 22.03     | 10.44     | 33.14     | 27.95     |
| Debt : Equity (Total Debt/Total Net Worth) | -         | 0.09      | 0.21      | 0.46      | 0.57      | 0.66      |
| Total Outside Liabilities/ Total Net Worth | 1.21      | 1.56      | 1.78      | 2.25      | 2.24      | 2.14      |

**BOARD OF DIRECTORS:**

M. P. Taparia, Chairman  
 Rajan B. Raheja  
 B. L. Taparia  
 S. J. Taparia  
 Hasmukh Shah  
 M. S. Ramachandran  
 R. Kannan  
 Nihalchand Chauhan  
 Ameeta Parpia  
 Dr. S. Sivaram

**REGISTERED OFFICE:**

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

**PLANTS:**

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

**BANKERS:**

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

**AUDITORS:**

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

**REGISTRARS & TRANSFER AGENTS:**

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

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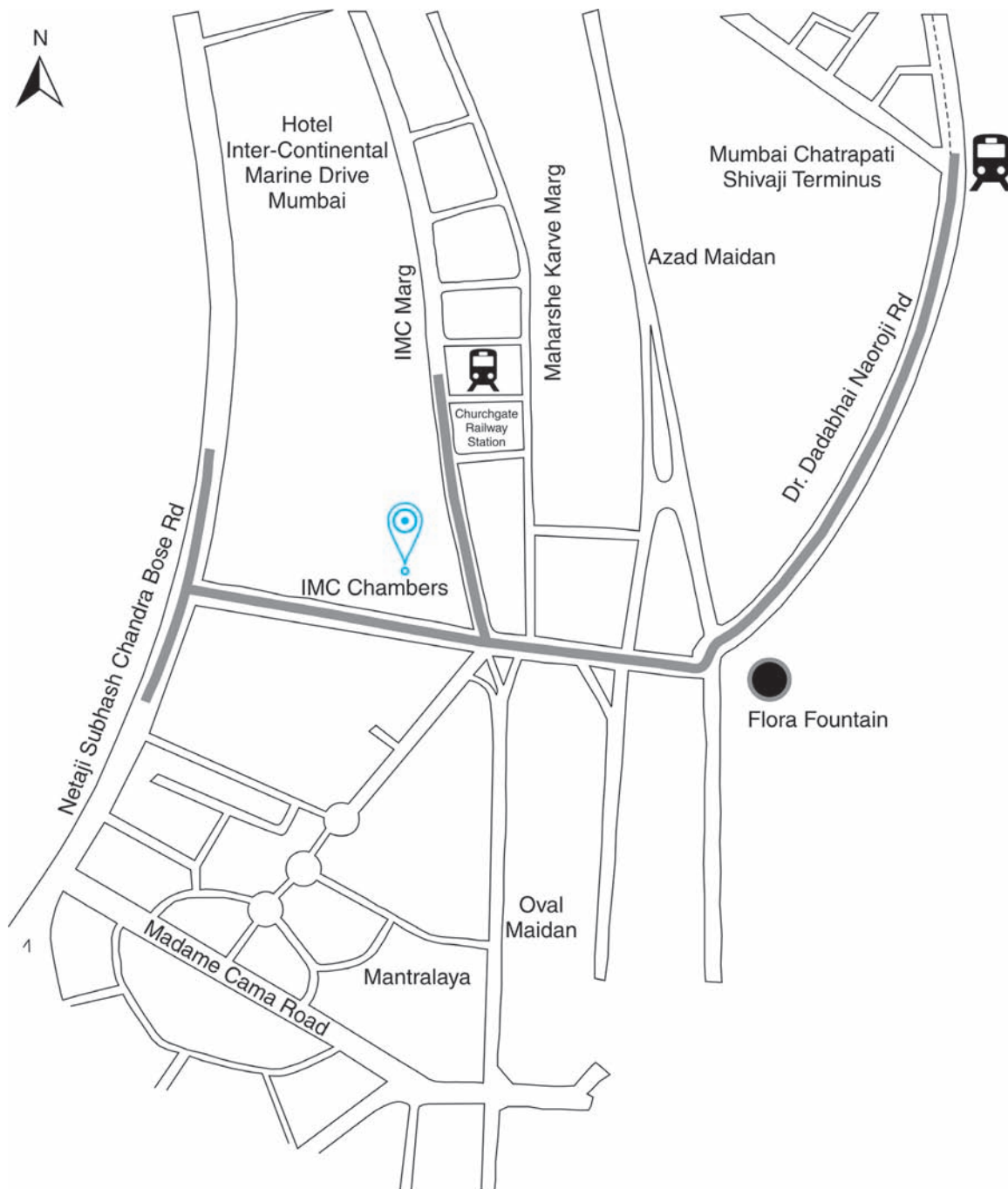
## Route Map to the AGM Venue of:

Supreme Petrochem Ltd.

26<sup>th</sup> Annual General Meeting,

Wednesday, 23rd September, 2015

at 04:00 p.m.



## Venue:

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

## NOTICE

NOTICE is hereby given that the twenty sixth Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, September 23, 2015 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the Financial Year ended June 30, 2015 together with the reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on equity shares for the year ended June 30, 2015.
3. To appoint a Director in place of Shri Rajan B. Raheja, (DIN: 00037480) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B. L. Taparia, (DIN: 00112438) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Registration No. 104767W) as Statutory Auditors and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

### SPECIAL BUSINESS:

6. Appointment of Dr. S. Sivaram as an Independent Director.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Rules framed there under, approval be and is hereby accorded to the appointment of Dr. S. Sivaram (DIN:00009900), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible

for appointment and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period upto September 21, 2019".

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

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under and subject to all other approvals, if any, the consent of the Company be and is hereby accorded to the payment of remuneration of ₹3.00 lacs to M/s. Kishore Bhatia & Associates, Cost Accountants appointed by the Board of Directors of the Company (Registration No.00294) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016."

8. To consider and, if thought fit, to pass with or without modification, as a Special Resolution the following:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto".

**For and on behalf of the Board**

**M. P. Taparia**  
Chairman

CIN : L23200MH1989PLC054633

#### Registered Office :

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093  
Phone : +91 22 67091900; Fax : +91 22 40055681  
email : investorhelpline@spl.co.in  
website: www.supremepetrochem.com  
Date : July 21, 2015





## NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and a proxy need not be a member. A person can act as proxy on behalf of members upto and not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the company. Further, a member holding more than 10% (ten) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.
2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at item Nos. 6 to 8 of the notice is annexed hereto.
3. Register of Members of the Company will remain closed from Monday, September 21, 2015 to Wednesday, September 23, 2015 (both days inclusive).
4. Members who hold shares in de-materialised form are requested to write their Client ID and DP ID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
5. Members holding shares in physical form are advised to furnish, on or before September 16, 2015 particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in the dividend warrants/payment instrument.
6. To receive faster communication of all shareholders communications, including Annual Reports, the Members are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their e-mail address with Karvy Computershare Private Limited, Hyderabad.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Voting through electronic means/ballot form:

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

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). In order to enable members who do not have access to e-voting facility to cast their vote, a Ballot Form is sent along with

this Notice and is also available on the Company's website.

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

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

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

The Company has appointed Shri P. N. Parikh (FCS 327) or failing him Ms. Jigyasa N Ved (FCS 6488) of Parikh & Associates, Company Secretaries (CP No. 1228) as Scrutiniser to scrutinise the remote e-voting process (including voting through Ballot forms received from Members) in a fair and transparent manner and he/she has communicated his/her willingness to be appointed and will be available for this purpose.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 16, 2015.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 16, 2015 only shall be entitled to avail the facility of remote e-voting/ballot form.

Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 16, 2015, may obtain the User ID and password in the manner as mentioned below:

If e-mail address of the member is registered against Folio No./DP ID Client ID, then on the home page of [https:// evoting.karvy.com](https://evoting.karvy.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

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

If the member is already registered with Karvy e-voting platform then he/she can use his existing User ID and password for casting the vote through remote e-voting.

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

Commencement of remote e-voting : From 9.00 a.m. (IST) on Saturday, September 19, 2015

End of remote e-voting : At 5.00 p.m. (IST) on Tuesday, September 22, 2015

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

The Scrutiniser shall, after first counting the votes cast at the meeting unblock the votes cast through remote e-voting, and will not later than three days of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 23, 2015.

### PROCEDURE FOR REMOTE E-VOTING:

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

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

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

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

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

## ANNEXURE TO THE NOTICE

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

### ITEM NO. 6

Dr. S. Sivaram, was appointed as an Additional Director of the Company, w.e.f. September 23, 2014, pursuant to provisions of Section 161 of the Companies Act 2013 to hold office upto the date of the ensuing Annual General Meeting.

It is proposed to appoint Dr. S. Sivaram, as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges to hold office for a consecutive period upto September 21, 2019.

**Name: Dr. S. Sivaram**

**Age:** 68 years.

**Qualification:** M. Sc. (Chemistry) from IIT, Kanpur, Ph D & DSc (h. c.) from Purdue University, W. Lafayette, Indiana, USA.

**Experience:** Dr. Sivaram is presently a CSIR Bhatnagar Fellow at the National Chemical Laboratory (NCL) Pune, India. Prior to this, he served as the eighth Director of NCL (2002-10).

Dr. Sivaram is a highly decorated scientist with numerous awards to his credits. He is a recipient of the Vishwakarma Medal (INSA), Silver Medal of the Chemical Research Society of India, Millennium Medal of the Indian Science Congress Association, Distinguished Alumnus Award of IIT, Kanpur, Professor S.R. Palit Memorial Award of the Indian Association for Cultivation of Science, K.G. Naik Gold Medal of M.S. University, Baroda, FICCI Award in Physical Sciences, Om Prakash Bhasin Award, Goyal prize in Applied Sciences and the Distinguished Material Scientist of the Year Award, 2011 bestowed by Materials Research Society of India.

The President of India conferred the coveted civilian honor, Padma Shri, on Dr. Sivaram in 2006.

He has mentored the Ph.D. thesis of 36 students and published over 210 papers in peer reviewed scientific journals. He is cited as an inventor in 49 granted European and US as well as 52 Indian patents. Several of his patents have been licensed to companies worldwide. He has edited two books, authored one book and serves on the Editorial Board of several national and international journals in chemistry and polymer science. He is an elected Fellow of all the learned academies of science and engineering in India, namely, Indian National Science Academy, New Delhi, Indian Academy of Sciences, Bangalore, National Academy of Sciences, Allahabad and Indian National Academy of Engineering, New Delhi. He is also an elected Fellow of the Academy of Sciences for the Developing World, Trieste, Italy (TWAS), Fellow of the International Union of Pure and Applied Chemistry (IUPAC) and Royal Society of Chemistry, UK.

Dr. Sivaram's research interest concerns polymer synthesis (cationic, anionic, GTP, Ziegler Natta, free radical and step

growth polymerizations), high performance polymers; surface chemistry of polymers; porous polymers, biodegradable polymers, polymers from renewable resources, organic, inorganic, hybrids and structure property relationship in polymers.

**Other Directorships:** Apcotex Industries Limited, Asian Paints Limited, GMM Pfaudler Limited, Entrepreneurship Development Centre, CSIR Tech Private Limited and Deepak Nitrate Pvt. Limited.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. S. Sivaram as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of Dr. S. Sivaram, shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

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

None of the Directors or Key Managerial Personnel or their relatives except Dr. S. Sivaram and his relatives to the extent of their shareholding in the Company may be deemed to be in any way concerned or interested in the resolution.

### ITEM NO. 7:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on July 21, 2015, have approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records for the financial year ending March 31, 2016 on a remuneration of ₹ 3.00 lacs.

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

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

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

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

### ITEM NO. 8:

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated



under the Companies Act, 1956, and were amended from time to time. It is proposed to amend the existing Articles of Association of the Company to make it consistent with the provisions of the Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft of the Articles of Association of the Company is available on the Company's website: [www.supremepetrochem.com](http://www.supremepetrochem.com) for perusal by the Members.

The Directors commend the resolution at Item No. 8 for your approval.

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

**For and on behalf of the Board**

**M. P. Taparia**

**Chairman**

CIN : L23200MH1989PLC054633

**Registered Office :**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
Chakala, Andheri (East), Mumbai - 400 093

Phone : +91 22 67091900; Fax : +91 22 40055681

email : [investorhelpline@spl.co.in](mailto:investorhelpline@spl.co.in)

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

Date : July 21, 2015



## DIRECTORS' REPORT

Your Directors are pleased to present the twenty sixth Annual Report and the Company's audited financial statements for the financial year ended June 30, 2015.

## 1. FINANCIAL RESULTS

|   | (₹ in lacs)    |                |
|---|----------------|----------------|
|   | 2014-2015      | 2013-2014      |
| Income (net of excise)  | 265253.76      | 326429.78      |
| Profit before Tax (net of prior period adjustments)   | 5613.88        | 4430.32        |
| Tax expenses (net of short/excess provisions of earlier year)                                     | 2043.76        | 1371.33        |
| Profit after tax  | 3570.12        | 3058.99        |
| Balance brought forward from Previous Year (net of adjustment relating to transitional provision) | 3336.74        | 4090.01        |
| Amount available for appropriation  | <b>6906.86</b> | <b>7149.00</b> |
| Appropriation thereof :   |                |                |
| Dividend on equity shares (including corporate dividend tax)                                      | 1742.21        | 1693.54        |
| Transfer to general reserve   | 2000.00        | 1500.00        |
| Balance carried forward   | 3164.65        | 3955.46        |

## 2. DIVIDEND

Your Directors recommend a dividend of ₹ 1.50 per equity share for the year 2014-2015. The dividend subject to approval of members at the Annual General Meeting shall be paid to the members whose names appear in the register of members as on date of applicable book closure.

## 3. REVIEW OF OPERATIONS

The continuous fall in the price of crude oil during October 2014 to December 2014 quarter resulted in a sharp correction in the price of Styrene Monomer (SM) the main raw material for your Company's products. Styrenics market started stabilizing from mid-February and this bought back the customers to the market and encouraged them to start stocking. With improved sentiments in the market place and increased demand your Company could recover the losses incurred during first half of the year under review and earn profits before tax of ₹ 5629.33 lacs for the year. Due to fall in the price of Styrene Monomer, the end product prices also fell resulting in lower revenue numbers.

Sales volume of all products put together including exports was lower by 4.5% as compared to the previous year due to fall in exports. Domestic market volumes were up

by 6.7% during the year under review. Exports volumes however, dropped to 25.5% of total sales volumes during the year from 33.3% in the previous year.

Domestic market of Polystyrene (PS) grew by 7.5% during 2014-15 as against a negative growth of 9.7% in the previous year. Expandable Polystyrene (EPS) market grew by 6.5% in 2014-15 in comparison to a degrowth of 5.2% in the previous year. Lower prices of EPS buoyed demand from the cold storage, construction and packaging sectors. Continuous efforts to increase the usage of EPS in construction sector were made during the year.

Exports of PS to Europe was affected due to weakness of Euro currency which made your Company's products far less competitive in comparison to local European product. Exports to Nigeria, Tunisia and Egypt were low due to political unrest and weak economic conditions in these countries. Similarly, non-applicability of concessional duty on Indian exports to Turkey vis-a-vis other exporting countries like Egypt and Korea also adversely affected your Company's export to Turkey, a key market for your company's exports.

XPS sales volume grew by 35% during the year under review. The distribution network has increased your Company's share in various regions of the country. Continued improvement in quality has made your Company the first choice XPS supplier to major and prestigious building projects

## 4. BUY BACK OF SECURITIES

The Company's offer to Buy Back its equity shares from the open market through stock exchanges on BSE Limited and the National Stock Exchange of India Limited, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998 at a price not exceeding ₹ 70/- per share closed on October 31, 2014 (The Buy Back opened on May 9, 2014). The Company was able to Buy Back and extinguish 3,36,655 shares thereby reducing the Company's share capital from ₹ 9683.86 lacs to ₹ 9650.20 lacs. The total amount spent on the Buy Back was ₹ 219.24 lacs including brokerage and other charges.

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

Management Discussion and Analysis for the year under review as stipulated under clause 49 of the Listing Agreement with Stock Exchanges is presented separately in the Annual Report. The Report on Corporate Governance Forms an integral part of this report. The compliance of 'Corporate Governance' conditions has also been certified by the Auditors and the same is Annexed to the report on Corporate Governance.

## 6. HEALTH, SAFETY & ENVIRONMENT

### 1. Health Safety and Environment Management:

Both the Occupational Health and Safety Management System (OHSMS) and Environmental