

THE SUPREME INDUSTRIES LIMITED**MUMBAI**

(R. J. Saboo)

Sr. General Manager (Corporate Affairs)

THE 70TH ANNUAL GENERAL MEETING
MINUTES

The 70th Annual General Meeting of the Shareholders of The Supreme Industries Limited, was held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai – 400020, on Monday the 17th September, 2012 at 4.00 p. m.

The following members were present :-

- | | | |
|-----|-------|-----------------------------|
| 01) | Shri | B. L. Taparia |
| 02) | Shri | M. P. Taparia |
| 03) | Shri | H. S. Parikh |
| 04) | Shri | S. R. Taparia |
| 05) | Shri | S. J. Taparia |
| 06) | Shri | V. K. Taparia |
| 07) | Shri | N. N. Khandwala |
| 08) | Shri | B. V. Bhargava |
| 09) | Shri | Lalchand Karwa |
| 10) | Shri | R. J. Saboo |
| 11) | Shri | O.P. Roongta |
| 12) | Shri | K.R. Choksey |
| 13) | Shri | Rajiv Choksey |
| 14) | Shri | T.M. Davar |
| 15) | Shri | Vinit Kumar Parikh |
| 16) | Shri | Rajesh Nanavaty |
| 17) | Shri | Kamal Kishore Daga |
| 18) | Shri | Jitendra Prakash Maheshwari |
| 19) | Smt. | Ashalata Maheshwari |
| 20) | Shri | P. A. Vijayakar |
| 21) | Shri | B. L. Marfatia |
| 22) | Shri. | Babulal I. Parekh |
| 23) | Shri | Hari Ram Choudhary |
| 24) | Shri | Pramod Kumar Agnihotri |
| 25) | Shri | Hiren Vyas |
| 26) | Shri | A. P. Mascarenhas |
| 27) | Shri | Bimal Panchal |
| 28) | Shri | Janak Mathuradas |
| 29) | Shri | M. I. Parekh |

and 166 others as per Attendance Register.

1. The Chairman of the Board of Directors, Shri B.L. Taparia, presided.
2. The Chairman informed the members that 102 proxies were received from the members holding 78166877 Equity Shares and further informed that Register of Proxy, Register of Directors' Shareholdings and Register of Contracts were kept on the table and were open for inspection of the members during the meeting.



3. With the consent of the Shareholders present, the Notice convening the meeting was taken as read.
4. Thereafter, at the direction of the Chairman, Shri R.J. Saboo, Sr. General Manager (Corporate Affairs) & Company Secretary of the Company, read out the Auditors' Report.
5. The Chairman of the Company, then made the following statement :-

"Ladies and Gentlemen,

I extend to each and everyone of you a warm welcome to the 70th Annual General Meeting of the Company. The Annual Report together with the Audited Accounts and the Directors' Report for the year ended 30th June, 2012 have been with you for quite sometime and with your permission, I take them as read. I hope it gives you a clear idea of the working of the Company during the year under review.

The Company achieved Net Revenues for the year 2011-12 at Rs. 2976.22 Crores (including Rs. 88.03 crores by way of trading in other related products and Rs. 69.16 crores from sale of premises) as against Rs. 2478.68 crores (including Rs. 62.94 Crores by way of trading in other related products and Rs. 39.75 crores from sales of premises) in the previous year, a growth of about 20%.

The Profits before interest, Depreciation and Taxes have gone up by 31.52% from Rs. 367.09 crores in 2010-11 to Rs. 482.82 crores in the year under review. Net Profit, after setting aside Tax provisions of Rs. 115.04 crores (previous year Rs. 87.73 crores) grew over 37% from Rs. 174.97 crores in 2010-11 to Rs. 240.52. crores in 2011-12.

The Directors have recommended Final dividend of 225% i.e. Rs. 4.50 per share which together with the interim dividend of 75% i.e. Rs. 1.50 per share (already paid) aggregates to 300% i.e. Rs. 6.00 per share on Face Value of Share of Rs. 2/- each as against 215% i.e. Rs. 4.30/- per share on Face Value of Share of Rs. 2/- each in the previous year. Total Dividend payout including Corporate Dividend Tax would be Rs. 88.58 crores, as compared to Rs. 63.55 crores of the previous year. After making necessary provisions, a sum of Rs. 151.94 Crores has been transferred to General Reserve.

In the first two months of the current year, the Company processed 38,727 tons of Polymers as compared to 32,657 tons of Polymers in the corresponding period of previous year showing a growth of 18.59%.

The net sales and other income during first two months of the current year are Rs. 409.40 crores (including Rs. 9.35 crores by way of trading in other related products as against Rs. 306.45 Crores (including Rs. 9.46 Crores by way of trading in other related products) in the corresponding period of previous year achieving a growth of over 33%.

Business Outlook

Most of the verticals in which Company is operating are enjoying growth impulse. The Company expects reasonable business growth in volume and value during the current year.

Monsoon is expected to be near normal through out most parts of the country. It augurs well for both the Kharif and Rabi crops.

This will give further boost to the rural economy inclusive of the economies of Tier Two and Tier Three towns. The company enjoys good demand for its products from these areas.

To increase its reach, the Company has increased the number of channel partners for all its products Pan India from 1647 in 2010-11 to 2052 in the year 2011-12. The Company continues its drive to increase its reach for all its products in unrepresented areas in the current year also.

The Company in its expansion plan committed in the previous year and in the current year aim to increase volume and varieties of its exportable products. The Company's exports which used to hover between US\$ 13 to 14.5 million annually in previous three years may cross US \$ 21 million in the current year. The products which participate in export market are cross laminated film products, Plastics Pipe System and Performance Packaging Film.

In its Composite Cylinder business, Company has drawn plans to make Cylinders of different capacity to cater to international demand. The Company expects to place large portion of its currently installed capacity in the international markets.

With these initiatives and opportunities, the Company expects to expand its export turnover in the current year and thereafter.

Raw material prices remain at elevated level. Supply of the same is adequate. Company is able to pass on the increased cost on all its products except commodity furniture.

The commodity portion of its furniture business is lagging behind in passing the increased raw material cost. That part of business has shown negative volume growth in the previous year. Similar trend continues during the first two months of the current year. The Company has taken steps to reduce its share of such business and is moving to increase volume by adding new varieties of specialty furniture products.

The Company will launch high quality Bath room fittings made from superior varieties of plastics during the first quarter of 2013. The Company expects decent volume of business from this product range for years to come.

Work to put up composite LPG cylinder facility at Halol (Gujarat) for initial capacity of 5 lacs Cylinders per annum is progressing satisfactorily. Equipments are ready at suppliers end. Products made on the said equipments have received acceptance from accredited lab in Europe. Company is further in process of obtaining accreditations in African and Gulf market. Equipments are likely to reach at plant site during December 2012 and company hopes to commence production before end of March 2013.

Company has initiated all the effective steps to produce composite pipes for oil & gas industry for initial capacity of 15000 pipes per annum ranging from 2 3/8" dia. to 7" dia. The plant is under manufacturing at Japan at suppliers end. Team of company's representatives is likely to visit suppliers facility during mid - October, 2012 for witnessing the trials and thereafter the plant shall be shipped to India. Company expects to commence the production by January 2013.

Company has drawn plans to invest in excess of about Rs. 1100 crores over a period of Five years from 2011-12 to 2015-16 on its existing verticals in addition to Rs. 95 crores of CAPEX committed for Composite Cylinders and Composite Pipes.

During the current year, envisaged Capital Investment would be about Rs. 400 crores including commitments made in previous year.

The investments of the Company in the current year is committed to the following businesses.

- a. To set up new Manufacturing Unit to produce Cross Laminated Film Products at Halol (Gujarat). Part of First phase capacity of 4000 MT, out of 12000 MT capacity, shall be operational by Oct. 2012. Balance capacity of 8000 MT shall be operational by April 2013.
- b. To set up new production of Plastics Piping System Facility at erstwhile closed down unit of PVC Film Business at Malanpur (M.P.) and utilize existing Land, Building, and other infrastructure already in place. Part capacity shall be operational by October 2012 and remaining capacity by March 2013.
- c. To set up new manufacturing facility of Protective Packaging Products at Hosur (Tamil Nadu) which is being operational by end of Sep. 2012.
- d. To put up the Unit to manufacture Composite LPG Cylinders and composite Pipes at Halol (Gujarat). Production of Composite Pipes is likely to commence by January 2013 and composite LPG Cylinder facility shall be operational by March 2013.
- e. To acquire requisite Land in West Bengal to set up new unit for Plastics Piping System, Protective Packaging Products and Industrial Components in Eastern India.
- f. To create additional capacities and Product range and to install automation and balancing equipments at all its existing sites and product groups.

Company's focus remains to increase the share of value added products in its turnover. Company increased its share of value added products from 29.34% to 30.75% in the previous year. The company aims to increase the same to 35% level by 2015-16.

The Company's borrowings have come down from Rs. 514.28 crores as on 30/6/2011 to Rs. 351.10. Crores as on 30/6/2012. As the demand for commercial real estate is slow, which is delaying monetization of "Supreme Chambers" unsold area, the Company's borrowing may increase by around Rs. 100 crores during the current year.

The Company's investment plans and increased working capital requirement may be met from its business revenue and supplier's credit and increased borrowings to the extent of Rs. 100 crores.

Real Estate market continues to remain sluggish for commercial properties in Mumbai. Company is getting quite a few enquiries regularly. However, no transaction could take place in recent past. Company is optimistic to realize better value in due course of time for its excellent signature commercial premises built with all statutory clearances in place. Out of the total saleable area of about 2.79 lac sq.ft., an area of about 1.97 Lac sq.ft. still remains to be sold till date.

SUPREME PETROCHEM LTD (SPL) having received the requisite environmental and pollution control approvals has commissioned its 4000 KVA Captive Gas Engine Power Plant this month. A saving of upto 20% is expected in the power bill on account of this power plant. The same may be fully operational by October 2012. The first phase of the project for debottlenecking the existing Polystyrene (PS) lines to increase production capacity of premium value added grades has been completed. This project to enhance value added grades production capacity by 50000 TPA within the overall capacity of 272000 TPA is likely to be completed by December 31, 2012. SPL estimates a decent volume growth in sales of manufactured products during 2012-13 as benefits of the new EPS plants and revamped PS plant start coming.

I am extremely grateful to my fellow members of the Board for their valuable guidance.

I convey my appreciation to Executives, Staff and Workmen for the unstinted support extended by them. Shri O.P. Roongta, Sr. Vice President (Finance) & Company Secretary, who was associated with the company for last 40 years has retired from service w.e.f. 1st August, 2012. The Company cherish the memory of the yeoman services rendered by him to the company during his long association. He shall continue to remain associated as Advisor to the Company.

I, on behalf of the Board of Directors, sincerely appreciate the encouragement and co-operation received by the Company from customers, Bankers, Shareholders, Distributors and suppliers during the entire period.

Ladies and Gentlemen, now I move the following Resolution :

RESOLUTION NO. 1

"RESOLVED THAT the Directors' Report together with the Audited Statement of Accounts for the Financial Year ended 30th June, 2012 be and are hereby approved and adopted."

Shri Rajesh Nanavaty seconded the resolution.

6. Before putting the Resolution to vote, the Chairman invited comments on the Annual Report, from the Shareholders.

Thereafter, 13 shareholders had spoken on the subject, made certain comments and raised certain queries.

At the instance of the Chairman, Shri M. P. Taparia, Managing Director replied to all the comments made and queries raised by the shareholders, to their satisfaction.

The Chairman, then, put the Resolution for adoption of the Director's Report and the Audited Statement of Accounts for the year 2011-2012 to vote, on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

Thereafter, the following Resolutions were proposed and seconded and passed on show of hands, one after the other :-

7. **RESOLUTION NO. 2**

"RESOLVED that the Dividend be paid as follows :-

	Rs.	Rs.
(i) Dividend on 12,70,26,870 Equity Shares of Rs. 2/- each @ 300% i.e. Rs.6/- per share		76,21,61,220
(Previous year on 12,70,26,870 Equity Shares of Rs. 2/- each @ 215% i.e. Rs. 4.30 per share)		
(a) Interim Dividend @ 75% i.e. Rs. 1.50 per share (already paid in February 2012),	19,05,40,305	
(b) Final Dividend recommended @225% i.e. Rs.4.50 per share	57,16,20,915	
(ii) Corporate Dividend Tax as applicable (including Rs. 3,09,10,401/- paid on Interim Dividend)		12,36,41,604
		<u>88,58,02,824</u>

CHAIRMAN'S
INITIALS

Proposed by Shri Lalchand Karwa
Seconded by Shri T. M. Davar

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

8. **RESOLUTION NO. 3**

"RESOLVED that Shri B.V. Bhargava, be and is hereby re-elected as a Director of the Company."

Proposed by Shri. K. R. Choksey
Seconded by Shri Kamal Kishore Daga.

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

9. **RESOLUTION NO. 4**

"RESOLVED that Shri S.R. Taparia, be and is hereby re-elected as a Director of the Company."

Proposed by Shri Hiren Vyas
Seconded by Shri Rajiv Choksey.

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

10. **RESOLUTION NO. 5**

"RESOLVED that Shri N.N. Khandwala, be and is hereby re-elected as a Director of the Company."

Proposed by Shri A. P. Mascarenhas
Seconded by Shri Jitendra Prakash Maheshwari.

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

11. **RESOLUTION NO. 6**

"RESOLVED THAT M/s. Chhogmal & Company, Chartered Accountants, Mumbai [Firm Registration No. (FRN 101826W)], the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

CHAIRMAN'S
INITIALS



FURTHER RESOLVED THAT pursuant to Section 228 of the Companies Act, 1956, the appointment of the Branch Auditors for the financial year 2012-2013 for any of the Branch(es) of the Company, be made at such remuneration as the Board of Directors may decide in consultation with the Statutory Auditors of the Company and the respective Branch Auditor(s) who may be so appointed."

Proposed by Shri Babulal I. Parekh
Seconded by Shri B. L. Marfatia.

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

12. RESOLUTION NO. 7

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

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (the Act), and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, if any necessary, the Company does hereby approve of the re-appointment of Shri V. K. Taparia, as Executive Director, for a further period of five years with effect from 1st July, 2013 to 30th June, 2018 and the payment of the remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall be deemed to include any committee constituted by the Board) from time to time to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz :-

(1) Salary

Monthly salary of Rs. 5,50,000/- (Rupees Five Lacs Fifty Thousand only) in the grade of Rs. 5,50,000 – Rs. 60,000 – Rs. 8,50,000 per month, during his tenure of office (first increment falling due on 1st July, 2014).

(2) Perquisites

(a) Reimbursement of actual expenses incurred on housing, gas, electricity, water, furnishings, "life" / "medical" / "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 provided that the aggregate of the said perquisites shall be restricted to an amount equal to two times his annual salary in a financial year. "Family" shall mean spouse and dependent children of the Executive Director.

(b) 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."

(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 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 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) Commission

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

(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.

(6) Free telephone facility at residence. All charges including rental, call charges, etc. thereof shall be paid by the Company in full.

(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 to the Act.

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

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

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

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

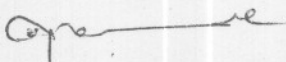
RESOLVED FURTHER THAT the Executive Director shall not as long as he continues to be Executive Director of the Company be liable to retire by rotation.

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

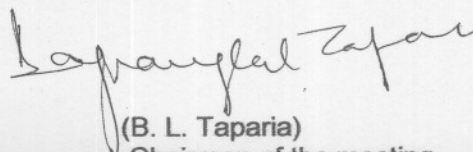
Proposed by Shri Hari Ram Choudhary
Seconded by Shri Vinit Kumar Parikh.

The Resolution was put to vote on a show of hands, when all the members present voted in favour of the Resolution and accordingly the Resolution was carried nem con.

There being no other business, the meeting terminated with a vote of thanks to the Chair.



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



(B. L. Taparia)
Chairman of the meeting

28/09/2012

