



# SUPREME PETROCHEM LTD

Regd. Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,  
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400 093, INDIA  
☎ : 91-22-6709 1900 Fax - 022 - 4005 5681 • CIN : L23200MH1989PLC054633  
Website : www.supremepetrochem.com • Email : corporate@spl.co.in

Ref: CFA/CS/12/AGM\_30/2019-2020

August 24, 2020

BSE Limited  
Phiroze Jeejeebhoy Towers,  
1st Floor, Dalal Street,  
**Mumbai - 400 001**  
Code: 500405

National Stock Exchange of India Ltd  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East,  
**Mumbai – 400 051**  
Code: SUPPETRO

Dear Sir,

**Sub: Annual General Meeting – Annual Report 2019-20 and Intimation of Record Date**  
**Ref : Regulation 34 and 42 of SEBI (LODR), Regulations, 2015**

The Thirty First Annual General Meeting (“AGM”) of the Company will be held on Friday, September 18, 2020 at 4.00 p.m. IST through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Board of Directors have recommended a final dividend of Rs.1.50/- per equity share of the Company for the financial year 2019-20 subject to approval of the shareholders at the AGM.

Pursuant to Regulation 42 of the SEBI Listing Regulations, if the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made on or after September 25, 2020 as under:

- i) To all the Beneficial Owners in respect of dematted share holders, as at the close of business hours on September 15, 2020;
- ii) to all the Members in respect of physical share holders, as at the close of business hours on September 18, 2020.

The Annual Report containing the Notice is also uploaded on the Company's website [www.supremepetrochem.com](http://www.supremepetrochem.com)

Thanking you,

Yours faithfully,  
for SUPREME PETROCHEM LTD

  
D. N. MISHRA  
COMPANY SECRETARY

Encl: as above





**SUPREME PETROCHEM LTD**  
**ANNUAL REPORT**  
**2019-2020**

**PERFORMANCE HIGHLIGHTS**

₹ in Lakhs unless indicated otherwise

	<b>2019-2020</b>	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
	<b>(12 Months)</b>	(12 Months)	(12 Months)	(12 Months)	(9 Months)	(12 Months)	(12 Months)	(12 Months)	(12 Months)	(12 Month)
Net Sales	<b>272425</b>	319381	302661	291862	206805	265254	326430	296716	227267	194370
Other Income	<b>1193</b>	1003	802	749	347	319	586	539	649	867
Total Income	<b>273618</b>	320384	303463	292611	207152	265573	327015	297254	227916	195237
Operating Profit (EBIDTA)	<b>16042</b>	10338	20429	30477	10721	9654	9557	16158	10269	16904
Financial Cost	<b>649</b>	394	460	470	531	1660	2284	2388	3199	2022
Depreciation/Amortisation	<b>3603</b>	2327	2075	2222	1705	2364	2874	2771	2292	2037
Profit Before Tax & Exceptional items	<b>11790</b>	7616	17894	27785	8485	5629	4399	10999	4778	12845
Net Profit	<b>10265</b>	4921	11612	17941	5705	3570	3059	7282	3137	8769
Paid up Equity Capital	<b>9650.20</b>	9650.20	9650.20	9650.20	9650.20	9650.20	9650.20	9683.86	9683.86	9683.86
Less : Shares Purchased under buy back scheme – Pending Extinguishment	<b>6.59</b>	–	–	–	–	–	–	–	–	–
Paid up Equity Capital	<b>9643.61</b>	9650.20	9650.20	9650.20	9650.20	9650.20	9650.20	9683.86	9683.86	9683.86
Reserves and Surplus	<b>57684</b>	54593	54909	48560	31823	27986	26777	25596	21146	19585
Shareholders' Funds (Net Worth)	<b>67328</b>	64243	64559	58210	41473	37636	36427	35280	30830	29268
Deferred Tax Liability (Net)	<b>3743</b>	5233	4874	4787	4796	4848	4924	4872	4386	4097
Loans	<b>–</b>	–	–	–	–	–	3204	7469	14231	16608
Capital Employed	<b>71070</b>	69476	69433	62997	46269	42485	44555	47621	49446	49974
Avg Capital Employed	<b>70273</b>	69455	66215	54633	44377	43520	46088	48534	49710	46742
Earning Per Equity Share (Rs.)	<b>10.64</b>	5.10	12.03	18.59	5.91	3.70	3.16	7.52	3.24	9.06
Cash Earning Per Equity Share (Rs.)	<b>14.37</b>	7.51	14.18	20.89	7.68	6.15	6.13	10.38	5.61	11.16
Book Value (Rs.)	<b>69.77</b>	66.57	66.90	60.32	42.98	39.00	37.75	36.43	31.84	30.22
Dividend (%)	<b>*55</b>	30	45	45	15	15	15	25	14	28
ROACE (%) (PBIT/ Average capital Employed)	<b>17.70</b>	11.53	27.72	51.72	20.32	16.75	14.50	27.58	16.05	31.81
ROANW (%) (PAT/ Average Net Worth)	<b>15.60</b>	7.64	18.92	36.00	14.42	9.64	8.53	22.03	10.44	33.14
Debt : Equity (Total Debt/ Total Net Worth)	<b>–</b>	–	–	–	–	–	0.09	0.21	0.46	0.57
Total Outside Liabilities/ Total Net Worth	<b>0.81</b>	0.82	0.93	0.86	1.15	1.21	1.56	1.78	2.25	2.24

\* Interim Dividend of 40% (including 30% special dividend) was paid during the year. Final Dividend of 15% recommended for the F.Y. 2019-20.


**BOARD OF DIRECTORS:**

M. P. Taparia, Chairperson  
 Rajan B. Raheja  
 B. L. Taparia  
 S. J. Taparia  
 M. S. Ramachandran  
 R. Kannan  
 Ms. Ameeta Parpia  
 Dr. S. Sivaram  
 Rajeev M. Pandia  
 Nihalchand Chauhan – upto September 21, 2019

**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

**CIN:**

L23200MH1989PLC054633

**PLANTS:**

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

**BANKERS:**

ICICI Bank Ltd.  
 AXIS Bank Ltd.  
 Central Bank of India  
 IndusInd Bank  
 IDBI Bank Ltd.  
 Kotak Mahindra Bank Ltd.  
 Standard Chartered Bank  
 The Hongkong & Shanghai - Banking Corporation Ltd.

**AUDITORS:**

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

**REGISTRARS & TRANSFER AGENT (R&T AGENT):**

**# KFin Technologies Private Limited,**  
 KFin Selenium Tower B, 6th Floor,  
 Plot No. 31 & 32, Gachibowli, Financial District,  
 Nanakramguda, Serilingampally,  
 HYDERABAD - 500 032, TELANGANA.

**# Name of Karvy Fintech Private Limited changed to KFin Technologies Private Limited w.e.f. December 5, 2019.**

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## NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of SUPREME PETROCHEM LTD will be held on Friday, September 18, 2020 at 4.00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following items of business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors and Auditors thereon.
2. To confirm the interim dividend of Rs.4/- per share (including special dividend of Rs 3/- per share) paid on Equity Shares of the Company in November 2019 and to declare final dividend on the Equity Shares of the Company for the financial year ended March 31, 2020.

### SPECIAL BUSINESS:

3. **Approval for re-appointment of Shri M. P. Taparia as a Non Executive and Non Independent Promoter Director of the Company:**

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

"RESOLVED THAT consent of the members be and is hereby accorded, pursuant to the provisions of Section 152(6) of the Companies Act, 2013, for re-appointment of Shri M P Taparia (DIN: 00112461), who retires by rotation and being eligible offers himself for re-appointment, as a Non Executive and Non Independent Promoter Director of the Company, subject to retirement by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuance of Shri M P Taparia, who has attained the age of 75 years, as a Director of the Company as long as he continues as Director of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **Approval for re-appointment of Shri S J Taparia as a Non Executive and Non Independent Promoter Director of the Company:**

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

"RESOLVED THAT consent of the members be and is hereby accorded, pursuant to the provisions of Section 152(6) of the Companies Act, 2013, for re-appointment of Shri S. J. Taparia (DIN: 00112513), who retires by rotation and being eligible offers himself for re-appointment, as a Non Executive and Non Independent Promoter Director of the Company, subject to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuance of Shri S. J. Taparia as a Director of the Company on attaining the age of 75 years as long as he continues as Director of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **Ratification of remuneration of the Cost Auditors:**

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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force), the annual remuneration of Rs.4,00,000/- (Rupees Four Lakhs only) plus out of pocket expenses & GST to M/s. Kishore Bhatia & Associates, (Firm Registration No.00294) - Cost Accountants as fixed by the Board of Directors for appointing them as Cost Auditors of the Company for the financial year 2020-21 to conduct audit of its cost accounting records, as prescribed under the Companies (Cost Records & Audit) Rules, 2014 and amendments made thereto be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors  
For **Supreme Petrochem Ltd**

**D. N. Mishra**  
Company Secretary  
FCS-5506

### 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 23, 2020

Place: Mumbai



## NOTES

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI Circular dated May 12, 2020 granted certain relaxations and thus permitted the holding of Annual General Meeting (“AGM”) of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA/SEBI Circulars, as applicable, the AGM of the Company is being held through VC/OAVM (e-AGM).
2. The Deemed Venue of the 31st AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM, the Route Map for venue of AGM is not annexed to the Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/R&T Agent. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.supremepetrochem.com](http://www.supremepetrochem.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of R&T Agent of the Company viz. KFin at <https://evoting.karvy.com>.  
  
Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic mode)/copy of share certificate (in case of physical mode) via e-mail at the Email Id – [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for obtaining the Annual Report and Notice of e-AGM of the Company electronically.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. To avoid fraudulent transactions, the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.
8. Pursuant to the provisions of the Act and other applicable Regulations, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf and the proxy need not be a Member of the Company. However since this AGM is being held pursuant to the MCA/SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will also not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
9. Corporate/institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter/Power of Attorney etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at [supreme.scrutiniser@gmail.com](mailto:supreme.scrutiniser@gmail.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format ‘SPL\_EVENT No.’
10. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 03.45 p.m. to 04.15 p.m. and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
11. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.
12. To receive faster communication by Company including Annual Reports and Notices, the Members are requested to register/update their e-mail address, Telephone Number/Mobile Number with their respective Depository Participants (DPs) where they hold their shares in electronic form. However if their shares are held in physical form, Members are advised to register their e-mail address with R&T Agent of the Company by clicking on the link <https://karisma.kfintech.com/emailreg> and following instructions thereof. Members are requested to support the green initiative efforts of the Company.
13. For ease of conduct, Members who would like to ask questions/express their views on the items of the businesses to be transacted at the AGM can send in their questions/comments in advance by visiting URL <https://emeetings.kfintech.com> and clicking on the tab 'Post your Queries' during the period starting from September 11, 2020 (9.00 a.m. IST) up to September 14, 2020 (5.00 p.m. IST) mentioning their name, demat account no./Folio no., Email Id, mobile number etc. The queries so

raised must also be mailed at investorhelpline@spl.co.in. The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

14. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office - Andheri (East), Mumbai:
  - i. Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - ii. Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to <https://emeetings.kfintech.com> and clicking the button next to Thumb symbol.

15. The Members approved the appointment of M/s. G M Kapadia & Co. Chartered Accountants (FRN104767W) as Statutory Auditors of the Company, in their Annual General Meeting held on 18th July, 2018, to hold office from conclusion of 29th Annual General Meeting of the Company to the conclusion of its 34th Annual General Meeting to be held in calendar year 2023. Since the requirement of ratification of appointment of Statutory Auditors every year by the Members of Company have been dispensed with w.e.f. May 7, 2018 vide Companies (Amendment) Act, 2017, no resolution is being proposed for ratification of appointment of Statutory Auditors at the AGM.
16. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are annexed hereto.
17. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ('Act') setting out details/material facts relating to the special business(es) under item number 3 to 5 of the Notice is annexed hereto.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their share holdings into dematerialized form. Members can contact the Company or its R&T Agent for assistance in this regard.
19. In terms of circulars/regulations issued by SEBI, it is now mandatory to furnish a copy of PAN Card to the Company or its R&T Agent in case of transactions related to transfer

of shares, deletion of name, transmission of shares and transposition of shares, hence members are requested to furnish copy of their PAN Card while proceeding for such transactions.

20. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant Share Certificates to the R&T Agent of the Company.
21. Register of Members and share transfer books of the Company will remain closed from Wednesday, September 16, 2020 to Friday, September 18, 2020 (both days inclusive), for the purpose of AGM and for determining the name of members eligible for dividend on equity shares, if declared at AGM. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 which can be downloaded from the Company website [www. supremepetrochem.com](http://www.supremepetrochem.com). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's R&T Agent M/s KFin Technologies Pvt Ltd. in case the shares are held in physical form by sending an email to [ganesh.patro@kfintech.com](mailto:ganesh.patro@kfintech.com).
22. SEBI Listing Regulations have mandated the Companies to credit the dividends electronically to the Members' Bank account. Members who hold shares in electronic/dematerialized form should inform their Depository Participant (DP) as well as to the Company and those Members holding shares in physical form should inform to the Company or its R&T Agent, their bank details viz. Bank Account Number, Name of the Bank and Branch details, IFSC Code and MICR Code to enable the Company to incorporate the same for dividend payments. Those Members who have earlier provided their bank details and if there is any change therein, they should also update the same instantly in the manner as aforesaid. The Dividend warrant for those members who fail to update their bank details will be posted when the postal agencies start their normal functioning which is irregular at present due to COVID-19 Pandemic situation.
23. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories or KFin to the Company will be printed on their dividend warrants as per the applicable regulations 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 the dividend, directly to their Depository Participants or KFin, as the case may be.
24. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after September 25, 2020 as under:





- i. to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories viz. National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on Tuesday, September 15, 2020 (viz. the “Record Date”);
  - ii. to all the Members in respect of shares held in physical form after giving effect to their valid transmission or transposition requests lodged with the Company, if any, as at the close of business hours on Friday, September 18, 2020.
25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Some of the major features of the latest tax provisions on dividend distribution are stated as hereunder for a quick reference.

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income tax Act, 1961 at 7.5% on the amount of Dividend declared and paid by the Company during financial year 2020-21 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during financial year 2020-21 does not exceed Rs. 5,000/-. Please note that this includes the previous dividend paid during the financial year and future dividends if any which may be declared by the Board in the financial year 2020-21.

In cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source shall be deducted.

Apart from the above, since the TDS/ Withholding rates are different for resident and non-resident shareholders, members are requested to confirm their residential status as per the provisions of the Income Tax Act 1961, by email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with cc to [spldividend@spl.co.in](mailto:spldividend@spl.co.in).

Company shall arrange to email the soft copy of TDS certificate of the Members at their registered email ID in due course, post payment of the said Dividend and in remaining cases where no Email ID is registered, TDS certificates shall be posted to the Members when the postal services normalizes.

In view of above provisions, the shareholders are requested to update their PAN with the Company/R&T Agent (in case

shares held in physical mode) and with the depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H as aforesaid, to avail the benefit of non-deduction of tax at source, by sending email to [spldividend@spl.co.in](mailto:spldividend@spl.co.in) upto 5.00 p.m. (IST) on September 15, 2020.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits under the provisions of Income Tax Act, 1961 by sending an email to [spldividend@spl.co.in](mailto:spldividend@spl.co.in) upto 5.00 p.m. (IST) on September 15, 2020.

26. Shareholders who have not yet en-cashed their dividend warrant(s) for the financial year 2012-13 and/or any subsequent financial years, are requested to submit their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPF A/c.

Members are requested to note that pursuant to the provisions of Section 124 and 125 of Companies Act, 2013, the dividends if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) and the shares in respect of which dividends remain unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority and no claim with the Company shall lie in respect thereof. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). With respect to procedure for making claim from IEPF, please refer to Corporate Governance Report which is a part of the Annual Report.

The Company has uploaded the information in respect of unclaimed dividends on the website of the Company [www. supremepetrochem.com](http://www.supremepetrochem.com).

27. Instructions for e-voting and joining the AGM are as follows:

**A. VOTING THROUGH ELECTRONIC MEANS  
INFORMATION AND OTHER INSTRUCTIONS  
RELATED TO E-VOTING ARE AS UNDER :**

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company is pleased to provide to its Members, facility to exercise their right to

vote on resolutions proposed to be passed at the AGM by electronic means. The Members may cast their votes using electronic voting system from any place (viz. 'remote e-voting'). The Company has engaged the services of Kfin Technologies Private Limited ("Kfin") as the Agency to provide e-voting facility to members.

2. The Board of Directors of the Company has appointed Shri P. N. Parikh (FCS 327) or failing him Shri Mitesh Dhabliwala (FCS 8331) or failing him Ms. Sarvari Shah (FCS9697) of Parikh & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
3. Voting right of the Members shall be reckoned in proportion to their shares held in the paid-up equity share capital of the Company as on Friday, September 11, 2020 (the "Cut-off date"). Person who is not a member as on the cut-off date should treat the Notice for information purposes only.
4. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories (viz. CDSL/NSDL) as on the cut-off date i.e. Friday, September 11, 2020 only shall be entitled to avail the facility of remote e-voting for the resolutions placed in the AGM. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
5. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. Any person who becomes a Member of the Company after sending the Notice of the meeting but on or before the cut-off date viz. Friday September 11, 2020 may obtain the USER ID and Password in the manner as mentioned below or may write an email on ganesh.patro@kfintech.com for obtaining support in this regard.
  - a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. (in case of physical shareholders) or DP ID Client ID (in case of dematted shareholders) to 9212993399.

Example for NSDL	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> XXX1234567890

- a. If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <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.

- c. Member may call Kfin toll free number 1-800-3454-001 for all e-voting related matters.
  - d. Member may send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for all e-voting related matters
7. If the member is already registered with Kfin e-voting platform, then he 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 Monday, September 14, 2020.

End of remote e-voting : At 5.00 p.m. (IST) on Thursday, September 17, 2020.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by Kfin upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

## INSTRUCTION FOR REMOTE E-VOTING AND JOINING THE E-AGM ARE AS FOLLOWS:

### A. VOTING THROUGH ELECTRONIC MEANS:

- I- The details of the process and manner for remote e-voting are given below:
  - a. Initial password is provided in the body of the e-mail.
  - b. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
  - c. Enter the log in credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
  - d. After entering the details appropriately, click on LOGIN.
  - e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. You need to login again with the new credentials.
  - g. On successful login, the system will prompt you to select the EVENT. Select Supreme Petrochem Limited.



- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or '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.
- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. 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 subsequently. During the voting period, you can log in multiple times till you are confirmed that you have voted on the resolution.
- k. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin Technologies Pvt. Ltd. on 1800 345 4001 (toll free).

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE E-AGM:**

- a) Members will be able to attend the e-AGM through VC/OAVM provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab 'video conference' and using their remote e-voting login credentials. The link for e-AGM will be available in Members login where the EVENT and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned hereinbefore under heading 'A'.
- b) Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- c) Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance/glitch/garbling etc. during the meeting.
- d) While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

- e) Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from September 11, 2020 (9.00 a.m. IST) up to September 14, 2020 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes.

Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during September 11, 2020 to September 14, 2020, subject to the condition that size of such video should be less than 50 MB.

The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz September 11, 2020.

- f) A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com>
- g) Members who need technical or other assistance before or during the e-AGM can contact KFin by sending email at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 345 4001 (toll free). For any other kind of support/assistance related to the AGM, members can also contact Mr. Finian Lopez at phone number 022-67091900 or may write to [investorhelpline@spl.co.in](mailto:investorhelpline@spl.co.in).
- h) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM conference.

**C. VOTING AT E-AGM:**

- a. Only those members/shareholders, who will be present in the e-AGM through video conference facility and have not casted their vote through remote e-voting are eligible to vote through e-voting in the e-AGM.
- b. However, members who have voted through remote e-voting will be eligible to attend the e-AGM.
- c. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.
- d. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall

click on the thumb sign on the left hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'instapoll' page.

- e. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
- f. The Company has opted to provide the same electronic voting system at the meeting, as used during remote e-voting and the said facility shall be operational till all the resolutions proposed in the AGM notice are considered and voted upon at the meeting but not exceeding 30 minutes from the commencement of e-voting as declared by the Chairman at e-AGM and can be used for voting only by those Members who hold shares as on the cut off date viz. September 11, 2020 and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

**D. GENERAL INSTRUCTIONS:**

- i. The Chairperson shall formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 31st AGM (e-AGM) and announce the start of the casting of vote at AGM through the e-voting system of KFin Technologies Pvt Ltd.
- ii. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes through e-voting in the presence (either virtual or physical) of at least 2 (two) witnesses, not in the employment of the Company and make a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorized in that respect, who shall countersign the same and thereafter such person shall declare the results of the voting. The results declared along with the scrutiniser’s report shall be placed on the Company’s website at [www.supremepetrochem.com](http://www.supremepetrochem.com) and on the website of R&T Agent KFin viz. <https://evoting.karvy.com> and shall also be communicated to the stock exchanges viz BSE Limited & National Stock Exchange of India

Ltd. where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

- (iii) The Notice of the AGM alongwith Annual Report of 2019-20 is being sent by electronic mode only to those Members whose email addresses are registered with the Company/ Depositories/R&T Agent. Members may note that the AGM Notice and the Annual Report for financial year 2019-20 will also be available on the Company’s website [www.supremepetrochem.com](http://www.supremepetrochem.com) inter alia others as stated earlier.
- (iv) Process for registration of email id for obtaining Annual Report if not received by the Member and user id/ password for e-voting and process for updation of bank account mandate for receipt of dividend:

Physical Holding	<p>Submit a request to KFin at <a href="https://karisma.kfintech.com/emailreg">https://karisma.kfintech.com/emailreg</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address on or before September 18, 2020.</p> <p>For updation of dividend mandate, please send following details to <a href="mailto:ganesh.patro@kfintech.com">ganesh.patro@kfintech.com</a> on or before September 18, 2020.</p> <ul style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions,</li> <li>d) 9 digit MICR Code Number,</li> <li>e) 11 digit IFSC Code and</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ul>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

**ANNEXURE TO THE NOTICE****Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 regarding Special Business:****ITEM NO. 3 & 4 :**

Shri M P Taparia and Shri S J Taparia shall retire at the ensuing Annual General Meeting of the company and being eligible offer themselves for re-appointment.

Regulation 17(1A) of SEBI (LODR) Regulations, 2015 requires the listed entities to obtain approval of the shareholders by way of special resolution to appoint or continue the directorship of Non Executive Directors who have attained the age of 75 Years or more.

Shri M P Taparia and Shri S J Taparia, are concerned or interested in the resolution mentioned at Item Number 3 & 4 of the AGM Notice relating to their own re-appointment as Non- Executive & Non Independent Promoter Director of the Company liable to retire by rotation. Shri B. L. Taparia, Director, is the brother of Shri M P Taparia and uncle of Shri S J Taparia. Other than these Directors, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested in such Resolutions.

The Board recommends for the re-appointment of Shri M. P. Taparia and Shri S. J. Taparia as Non-Executive &

Non Independent Promoter Director of the Company liable to retire by rotation.

**ITEM NO. 5:**

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on May 20, 2020 have approved the re-appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditor of the Company to conduct audit of its cost accounting records for the financial year ending on March 31, 2021 for an annual remuneration of Rs. 4,00,000/- (Rupees Four Lakhs only) plus out of pocket expenses and GST thereon.

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 post their appointment by the Board.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of remuneration payable to the Cost Auditor as aforesaid and the Board recommends the same.

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

**BRIEF PARTICULARS/PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:****A. PROMOTER DIRECTORS:-**

Name of the Director	<b>M P Taparia</b>
DIN	00112461
Age	82 years (DOB 22-10-1937)
Nationality	Indian
Qualification	B.A.
Experience/Expertise	He is the Managing Director of The Supreme Industries Ltd. He commenced his business career over 62 years ago and possesses expertise and diversified experience in the Plastic and Polymer segment including Business Management, Marketing, Operations etc. and also remains actively involved in various industry forums.
Date of Appointment as Director of the Company	December 14, 1989
Other Directorships (Listed/Public Companies)	The Supreme Industries Limited Supreme Capital Management Limited Kabra Extrusiontechnik Limited West Coast Paper Mills Limited
Membership/Chairmanship in other Committees	The Supreme Industries Limited Stakeholders Relationship Committee – Member Corporate Social Responsibility Committee – Member Risk Management Committee – Chairperson Kabra Extrusiontechnik Limited Nomination and Remuneration Committee - Chairperson West Coast Paper Mills Ltd Nomination and Remuneration Committee – Chairperson Corporate Social Responsibility Committee – Member



Shareholding in the Company	37733
Relationships between the Directors inter-se, if any	Shri M P Taparia is brother of Shri B L Taparia and uncle of Shri S J Taparia – Directors of the Company
Name of the Director	<b>S J Taparia</b>
DIN	00112513
Age	74 Years (DOB 07-08-1945)
Nationality	Indian
Qualification	B. E (Mechanical)
Experience / Expertise	He is the Executive Director of The Supreme Industries Limited. He commenced his business career over 52 years ago and possesses expertise and rich experience in technical, operational and marketing aspects of industrial products related to plastic and polymers and remains actively involved in various industry forums.
Date of Appointment as Director of the Company	November 22, 1993
Other Directorships (Listed/Public Companies)	The Supreme Industries Limited Supreme Capital Management Limited
Membership/Chairmanship in other Committees	NIL
Shareholding in the Company	37733
Relationships between the Directors inter-se, if any	Shri S.J Taparia is nephew of Shri M P Taparia and Shri B L Taparia – Directors of the Company

For other details such as number of meetings attended during the year and remuneration drawn by the Directors, please refer to the Corporate Governance Report in the Annual Report.

By Order of the Board of Directors  
For **Supreme Petrochem Ltd**

**D. N. Mishra**  
Company Secretary  
FCS-5506

**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 23, 2020

Place: Mumbai



**BOARD'S REPORT 2019-20**

**Members,**

The Board of Directors of your Company are pleased to present the Thirty First Annual Report of the Company alongwith its Audited Financial Statements for the Financial Year ended on March 31, 2020.

**1. FINANCIAL HIGHLIGHTS**

(₹ in lakhs)

	<b>Year Ended 31.03.2020</b>	Year Ended 31.03.2019
Revenue (net of GST)	<b>273617.50</b>	320383.52
<b>Profit Before Tax (PBT)</b>	<b>11789.79</b>	7616.30
Less- Tax Expenses	<b>1524.51</b>	2695.61
<b>Profit After Tax (PAT)</b>	<b>10265.28</b>	4920.69
Interim/Final Dividend on equity shares (including corporate dividend tax) paid during the year	<b>6980.58</b>	5235.49
<b>Transfer to General Reserves:</b>	<b>3000.00</b>	2500.00
<b>Adjustment related to Buy Back from General Reserve</b>	<b>(143.45)</b>	–
<b>Retained Earnings</b>	<b>6701.00</b>	<b>6416.30</b>

**2. DIVIDEND**

During the year under review, your Directors declared on October 22, 2019, an interim dividend @40% on its paid up Share capital, consisted of 9,65,01,958 equity shares of ₹ 10/- each, viz. ₹ 4.00 (Four) per equity share (including 30% special dividend viz. ₹ 3/- per share) leading to an total outflow of ₹ 4653.71 Lakhs inclusive of corporate dividend tax of ₹ 793.63 Lakhs thereon.

Your Directors have now further recommended a final dividend of ₹ 1.50 per share for financial year 2019-20 (viz 15%) on its paid up Share capital, as may prevail on the record date fixed for dividend eligibility of the members viz. existing paid up share capital consisted of 9,65,01,958 equity shares of ₹ 10/- each reduced by the number of equity shares bought back by the Company under ongoing buy back scheme and extinguished as on the record date, subject to approval of members in the ensuing Annual General Meeting of the Company.

The payout of dividend is in line with your Company's policy to meet its long term growth objectives and meet the financial requirements through its internal cash accruals.

Pursuant to the provisions of Regulation 43A(1) of SEBI (LODR) Regulations, 2015, the Company has formulated its Dividend Distribution Policy which is available at the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com).

**3. BUY BACK OF SHARES**

The Buy Back Scheme of the Company was approved by the Board of Directors in their meeting held on 12-03-2020 in accordance with the provisions of SEBI (Buy Back) Regulations, 2018 and Companies Act, 2013, as applicable. The Buy Back commenced on 19-03-2020 as per public advertisement made on 16-03-2020, for a total Buy Back size of ₹ 62.67 Crores at a price not exceeding ₹ 185/- per share through open market mechanism from stock exchanges which will remain open till 18-09-2020 subject to SEBI (Buy Back of Securities) Regulations, 2018. Maximum shares permitted for purchase under the ongoing Buy Back Scheme of Company are 41,00,000 equity shares.

The Company has bought back total 1829542 equity shares till 18-05-2020, out of which 413205 shares have been extinguished by NSDL till 18-05-2020 and the rest are in process of extinguishment.

**4. REVIEW OF OPERATIONS**

Your Company's revenue stood at ₹ 2736.17 Crores (net of GST) for the year under review as compared to ₹ 3203.83 Crores (net of GST) in the previous year. The revenues fell during the year due to drop in prices of Styrene Monomer, Company's main raw material, from an average of US\$1245 pmt in 2018-19 to US\$ 935 pmt in 2019-20 with a low of US\$ 550 pmt towards end of the financial year under review. This drop in prices of Styrene Monomer resulted in lower selling prices of Company's end products thus causing a fall in the Company's revenues during the financial year 2019-20. The revenues were also adversely affected in 2nd half of March 2020 due to COVID-19 Corona-virus, declared as "PANDEMIC" by WHO.

Company during the year under review witnessed certain headwinds such as volatility in the raw material prices in the third quarter of the year and COVID-19 corona-virus which adversely impacted your Company's operations in the 2nd half of March 2020. Lockdown caused by COVID-19 has led to fall in crude prices, commodity prices, depreciation of local currencies against US Dollar and these all factors adversely impacted all sections of economy including your Company.

Company during the year under review earned a Net Profit of ₹ 102.65 Crores against ₹ 49.21 Crores in the previous year.

Company decided to shut during the year its Captive Gas Power Plant at its Nagothane complex since it was economically unviable as compared to the cost of electrical power available through Maharashtra State Electricity Distribution Company Ltd. and Open Access. The shut down of Captive Gas Power Plant does not have any significant impact on the operations of the Company as adequate alternative sources of energy are available at competitive prices.

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

Management Discussion and Analysis Report & Report on Corporate Governance of the Company for the year under review are annexed to the Annual Report separately forming its integral part. The compliance of 'Corporate Governance' conditions has also been certified by the Secretarial Auditors of the Company M/s Parikh & Associates, as applicable to the Company, and is annexed to the Report on Corporate Governance.

## 6. BUSINESS RESPONSIBILITY REPORT (BRR)

Business Responsibility Report for the year under review as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015 is annexed to the Annual Report separately forming its integral part.

## 7. HEALTH, SAFETY & ENVIRONMENT (HSE)

Considering the significance of Health, Safety & Environment (HSE) to any petrochemical operations, your Company has established a robust HSE system at both of its plants situated at Amdoshi, Maharashtra and Manali, Chennai.

The Environmental Management System and Occupational Health and Safety Management System continue to be maintained by your Company as per ISO 14001:2015 Standard and OHSAS 18001:2007 Standard respectively, as certified by M/s Bureau Veritas, a global leader in conformity assessment and certification services.

HSE Performance Index for the period under review stood to be in "Excellent" Range. The Company has also received various prestigious awards and recognitions towards its highest grade of safety standards consistently maintained at both of its plants, the details whereof are placed on the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com) and in MDA section of the annual report.

Your Company has continued implementation of HSE Management Systems under the guiding principles of declared Integrated Management System Policy ('Occupational Health and Safety Policy' and 'Environmental Policy').

## 8. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPS)

### (a) Retirement by Rotation:

Shri M. P. Taparia (DIN 00112461) and Shri S. J. Taparia (DIN 00112513), Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment as Non-Executive and Non-Independent Promoter Directors of the Company.

The Board recommends for their re-appointment.

Shri Rajeev M. Pandia joined the Company as Independent Director w.e.f. 26-04-2019 and the term of appointment of Shri Nihalchand Chauhan, an Independent Director, expired on 21-09-2019 and thus he ceased to be the Director of the Company since then.

Except above, there is no other change in the composition of the Board of Directors and Key Managerial Persons (KMPs) of the Company during the year under review.

### (b) Annual evaluation of the Board and Board Committees:

Your Company has a well defined criteria for evaluation of performance of the Board and its Committees, Independent Directors, Non-Independent Directors and Chairman of the Company; as approved by the Nomination and Remuneration Committee of the Company.

Pursuant to the provisions of Section 178(3) of Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board has carried out the annual evaluation of Independent Directors of the Company viz. Shri M. S. Ramachandran, Dr. S. Sivaram, Shri R. Kannan, Shri Rajeev M. Pandia and Ms. Ameeta Parpia individually and working of all the Board Committees and found their performance to be highly satisfactory. They also noted that all the Independent Directors of the Company are fulfilling the criteria of their independence as per the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and they also do not bear any debarment/disqualification with respect to their continuance in the Directorship of the Company.

Further pursuant to the aforesaid provisions of Companies Act, 2013 and Regulation 25(3) & (4) of SEBI (LODR) Regulations, 2015, the Independent Directors carried out the annual evaluation of Non-Independent Directors viz. Shri M. P. Taparia, Shri S. J. Taparia, Shri B. L. Taparia and Shri Rajan B. Raheja, the Board as a whole and the Chairperson of the Company and were highly satisfied with their management of the overall affairs of the Company. They also appreciated the excellent leadership role of the Board Chairman Shri M. P. Taparia in maintaining the values, ethos and standards of Corporate Governance.

The Board expressed its satisfaction with the evaluation results reflecting the high degree of engagement of the Board and its committees in the overall affairs of the Company and its Management.

The Criteria related to evaluation of Independent Directors have been mentioned in the Corporate Governance Report annexed to the Annual Report separately forming its integral part.

The criteria/policies of the Company for selection of Directors and Remuneration Policy for Directors, Key Managerial Personnel (KMPs)/Sr. Management Personnel is annexed to this Annual Report vide **Annexure 1**.



**(c) Familiarization Programme of the Independent Directors:**

Pursuant to the provisions of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the detail of the Familiarization Programme conducted for Independent Directors during the year under review is placed on the website of the Company and can be assessed at <http://supremepetrochem.com/pdf/familiarisation%20Programme%20for%20Independent%20directors.pdf>

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**10. TRANSFER OF UNCLAIMED SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, all unpaid or unclaimed dividends for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Your Company transferred an aggregate amount of ₹ 36.57 lakhs during the year under review to the Investor Education and Protection Fund Account. The aggregate amount transferred to the fund since January 2002 is ₹ 430.08 lakhs.

Further Section 124(6) of the Companies Act, 2013 requires that all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF, shall also be transferred to IEPF. The Rules notified by Ministry of Corporate Affairs, inter alia other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, in the name of IEPF.

In view of above provisions, your Company transferred 133870 equity shares belonging to 862 shareholders between 20-12-2019 to 31-12-2019 to the Investor Education and Protection Fund A/c including 8943 equity shares from the unclaimed Suspense Account.

The unclaimed dividends on equity shares paid in October, 2013 will be due for transfer to the Fund in October, 2020. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the RTA of the Company.

The Company will upload full details of such shareholders and shares due for transfer to IEPF Account on its website at [www.supremepetrochem.com/investorrelations](http://www.supremepetrochem.com/investorrelations). Members are requested to complete formalities for claiming unpaid dividend if any to avoid transfer of the shares to IEPF. Please refer to the section Shareholders' Assistance in the Corporate Governance Report for further details.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, CAPITAL INVESTMENT, FOREIGN EXCHANGE EARNING AND OUTGO**

Information(s) required pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with rule 8 of the Companies (Accounts) Rules, 2014, are stated as hereunder

**A. CONSERVATION OF ENERGY –**

Energy conservation programme at both the plant locations of the Company resulted in savings of energy to the extent of 353130 KWH (comprised of 256289 KWH in Nagothane, the Amdoshi Plant, Maharashtra and 96841KWH in the Manali Plant, Chennai). Company did not make any significant capital investment on energy conservation equipments during the year under review. The energy conservation programmes were mainly comprised of following:

**Amdoshi Plant, Maharashtra**

- Replacement of 250 watt HPMV fitting of XPS, SPS Plants and warehouse with 80 Watt LED fittings
- Replacement of 70 Watt Area light fittings with 36 watt LED fittings.
- Replacement of existing induction motors with energy efficient induction motors

**Manali Plant, Chennai**

- Optimization of equipment utilization in Polymerization
- Atomization in compressor operation
- Various energy saving activities carried out in ETP, Utilities and phased replacement of high energy consuming conventional lights with energy efficient LED lights

**B TECHNOLOGY ABSORPTION**

There are neither any existing technology supply agreements nor Company has entered into any new technology agreement during the year under review. All previously supplied technologies have been successfully absorbed and implemented.

**C FOREIGN EXCHANGE EARNINGS AND OUTGO (on Actual Basis)**

(₹ in lakhs)

Foreign exchange earnings and outgo (Actuals)	2019-2020
a. Foreign exchange inflow	38089.36
b. CIF value of imports including capital goods	220318.61
c. Expenditure in foreign currency	392.51

**12. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

With respect to disclosures pertaining to remuneration of employees and other details as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report; however having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 and as advised, the Annual Report excluding the aforesaid information(s) is being sent to the members of the Company.

The said information is however, available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

The Annual Report is being sent electronically to all those members who have registered their email addresses and is also available on the Company's website.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are stated as hereunder:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:  
Not Applicable (as there is no whole time Director on the Board of Company)
- The percentage increase in remuneration of Manager, CFO and Company Secretary

Designation	% increase in the remuneration in financial year 2019-20
Manager	5.46
Chief Financial Officer (CFO)	4.95
Company Secretary	9.58

- The percentage increase in the median remuneration of employees in the financial year: 7.38%
- The number of permanent employees on the rolls of Company : 351
- The average percentage increase in the salaries of employees other than the Manager was 6.93% as compared to an increase of 5.46% in the Manager's remuneration.

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**13. AUDITORS AND THEIR AUDIT REPORTS**

**Statutory Auditors**

M/s. G M Kapadia & Co. is the Statutory Auditors of the Company and their Audit Report forms integral part of the Annual Report. The members in the Annual General Meeting held on 18-07-2018 have appointed M/s. G M Kapadia & Co., Chartered Accountants (FRN104767W) as Statutory Auditors of the Company to hold office from conclusion of 29th Annual General Meeting of the Company to the conclusion of its 34th Annual General Meeting to be held in calendar year 2023. The requirement of ratification of appointment of Statutory Auditors every year by the members of Company have been withdrawn w.e.f. 7-05-2018 vide Companies (Amendment) Act, 2017.

During the year under review, the Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under Section 143(12) of the Companies Act, 2013.

**Cost Auditors**

M/s. Kishore Bhatia & Associates has been appointed by the Board as Cost Auditors of the Company to conduct audit of its cost accounting records for the financial year 2020-21.

The remuneration payable to the Cost Auditors is required to be placed before the members in General Meeting



for their ratification. Accordingly, a resolution for the remuneration of said cost auditor is included in the AGM notice of the Company vide item no. 7 annexed to this Annual Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules thereto, M/s. Parikh & Associates, Practicing Company Secretaries, has been appointed by the Board as Secretarial Auditors of the Company to conduct its secretarial audit for the Financial Year 2020-21.

The secretarial audit report for the financial year ended March 31, 2020 in form No. MR-3 is annexed to this Annual Report vide Annexure-2 forming integral part thereof. The Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

GST Auditors

Pursuant to the provisions of Section 35(5) Central Goods and Services Tax Act, 2017 and Rule 80(3) of the GSCT Rules, 2017, following GST Auditors have been appointed for financial year 2020-21.

Table with 3 columns: SL. No., Name of GST Auditor(s), State. Rows include Mr G. Thangraj (Tamilnadu), Mr R. J. Mehta (Gujarat), and Mr Punit Gupta (Maharashtra & Others).

14. RELATED PARTY TRANSACTIONS

Transactions with related parties during the year under review were in compliance with the provisions of Regulation 23(1) of SEBI (LODR) Regulations, 2015 and Section 188 of Companies Act, 2013. These transactions were in the ordinary course of business and on an arm's length basis. During the year under review, your Company did not enter into any contract or arrangement which could be considered material as per the policy of Company on materiality of related party transactions.

The said Policy on materiality of related party transactions, as approved by the Board, is available on the Company's website at the link: http://supremepetrochem.com/pdf/Policy%20On%20dealing%20with%20related%20party%20transactions.pdf. Information with respect to related party transactions for financial year 2019-20 is annexed to this Annual Report in form AOC-2 vide Annexure 3.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) in accordance with the provisions of Section 135 of Companies Act, 2013 and Schedule VII thereto indicating the CSR activities to be undertaken by the Company. This Policy has been

approved by the Board. The CSR Policy is available on the Company's website at the link: http://supremepetrochem.com/pdf/Corporate-Social-Responsibility.pdf

The Company, during the financial year 2019-20, could spend only an amount of ₹ 266.40 Lakhs out of the total allocated amount for CSR Activities ₹ 355.20 Lakhs due to various problems faced in the CSR projects/activities undertaken by the Company including unavailability of requisite land, local authority approvals and villagers consent etc., hence an amount of ₹ 88.80 Lakhs remained unspent which is being carried for CSR spends in the current fiscal.

The prescribed amount to be spent by Company for CSR activities during Financial Year 2020-21, as per Section 135 of Companies Act, 2013, amounts to around ₹ 248.08 Lakhs.

The details of CSR activities undertaken by the Company during the year under review is annexed to the Annual Report vide Annexure 4.

16. RISK MANAGEMENT

Business Risk Evaluation and Management is an ongoing process within the Company. In consideration of the provisions of Regulation 17(9) of SEBI (LODR) Regulations, 2015, your Company has a robust risk management framework to identify, monitor and minimize its risk. As a process, the risks associated with the business are prioritised based on Severity, Likelihood and Effectiveness of current detection.

Risk Management approach is comprised of three components:

- 1) Risk Governance
2) Risk Identification
3) Risk Assessment and Control

Each risk factor is monitored periodically by the Management and any event arising from these which are likely to impact operations are reported to the Board.

In consonance with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee on 18-07-2018 to look into and deal with the risk-matters of the Company.

17. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial control system commensurate with its size, scale and the nature of business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against significant misuse or loss. Your Company also has adequate internal financial controls with reference to financial statements. The Company's internal auditors carry out regular checks on the adequacy of the internal financial controls. Company

has specific internal auditors for functions such as GST, financial controls and systems. The Internal Audit system is reviewed from time to time to ensure its adequacy and compliances in conformity with the laid down policies of the Company and its operating system.

The Internal Audit Reports are submitted periodically to the Audit Committee. The Audit Committee reviews these reports with the executive management and requisite corrective actions are taken by the process owners in their respective areas and thereby strengthen the controls.

**18. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has formulated a Whistle Blower Policy and has also established an effective vigil/whistle blower mechanism for its Stakeholders including its Employees & Directors and provides them a channel to report to the Management their concerns about unethical behavior, actual or suspected fraud, mismanagement or violation of code of conduct or policy of the Company, if any. The mechanism provides for adequate safeguards against victimization of the whistle blower and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

**19. POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

Your Company has a documented policy for prevention, prohibition and redressal of sexual harassment of women at workplace, under the guiding principle that ‘No woman shall be subjected to sexual harassment at work place(s) in the Company’s locations’.

Your Company has constituted an Internal Complaints’ Committee (ICC) comprised of internal and external members, to hear and inquire in the matter of complaints of sexual harassment and to recommend punitive/corrective action to the Management. Easy access has been provided to the ICC for women employees.

Disclosures pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and SEBI - Listing Regulations are as under:

(1)	No of complaints filed during the financial year	NIL
(2)	No of complaints disposed off during the financial year	NIL
(3)	No of complaints pending as on the end of financial year	NIL

The Company, during the year under review, conducted one workshop/awareness programme for the employees of the Company through Professional speaker to make them aware of the requirements of aforesaid Act.

**20. MEETINGS OF THE BOARD OF DIRECTORS**

Six meetings of the Board of Directors were held during the year under review. The details are provided in the Corporate Governance Report annexed to this Annual Report.

**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

During financial year 2019-20, the Company has not entered into any transaction with respect to loan, guarantee or investments under Section 186 of the Companies Act, 2013.

**22. ANNUAL RETURN**

The extract of the Annual Return in Form No. MGT-9 is annexed to the Annual Report vide Annexure 5 forming its integral part. Pursuant to the amended provisions of Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company in Form No. MGT-7 is available on the Company’s website [www.supremepetrochem.com](http://www.supremepetrochem.com)

**23. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

Your Company has in place a Code of Conduct for prohibition of Insider Trading, which specifies the process of trading in the securities of the Company by the persons having direct or indirect access to the Unpublished Price Sensitive Information (UPSIs) of the Company including the designated employees/connected persons. The said code is aimed to regulate, monitor and report their trading in the securities of the Company whether done on his/her behalf or on behalf of any other person, on basis of UPSIs of the Company.

The said Code of Conduct is available at the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com)

**24. CREDIT RATING**

During the year under review, the Company has not issued any debt instrument or fixed deposit receipts etc. in India or abroad.

India Ratings & Research (Ind-Ra) has affirmed long term rating at IND A+ with Stable Outlook and with rating of IND A+ /Stable/IND A1+ for Working Capital related Banking Facilities, including fund based and non fund based facilities, of your Company for the year 2020. There was no revision in its credit rating during the financial year 2019-20.

**25. GENERAL DISCLOSURES**

(A) No disclosure or reporting is required of the following items as there were no transactions with respect to following activities/matters during the year under review.



- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. Details relating to deposits covered under Chapter V of the Companies Act, 2013
- iv. No significant or material orders were passed by the Regulators or Courts or Tribunals against the Company or its Directors which may impact the going concern status of the Company or its operations in future or the Directors of the Company in any manner.
- v. There is no change in the nature of business of the Company

**(B) Other Disclosures:**

- i. No material/significant changes or commitments have occurred in the Company after 31-03-2020 unto the date of this Board's Report except for adverse effect cast on the business operations of the Company due to the nation lockdown and risk caused by COVID-19 virus declared as "PANDEMIC" by WHO.

- ii. Company has maintained all the cost records applicable to it during Financial Year 2019-20.
- iii. The Details of Directorship and committee membership of the Directors of the Company are stated in the Corporate Governance Report annexed to the Annual Report separately forming its integral part.

**ACKNOWLEDGEMENT**

Your Directors record their deep appreciation for the unstinted support and co-operation provided by the stakeholders of the Company including its Shareholders, Bankers, Customers, Suppliers, Business Associates etc. and last but not the least by the employees of the Company for their relentless, dedicated and sincere services to the Company in its overall affairs.

For and on behalf of the Board

**M. P. Taparia**  
Chairperson

Place: Mumbai  
Date: May 20, 2020

## ANNEXURE - 1

### CRITERIA FOR SELECTION OF DIRECTORS

The Board of Directors has delegated responsibility to the Nomination and Remuneration Committee to formulate criteria for identification and selection of candidates in various positions in Senior Management and who are qualified to be Directors on the Board of Directors of the Company. The Committee has adopted certain criteria for selection of candidates.

The Nomination and Remuneration Committee shall consider the following for indentifying and recommending persons for appointment as Directors on the Board of the Company and/or Senior Managerial Personnel, as may be applicable :

- (1) The candidate's qualifications, knowledge, skills, and experience in his/her respective field.
- (2) His/her reputation of honesty, integrity, ethical behavior and leadership.
- (3) Achievements in industry, business, profession and/or social work.
- (4) Possesses appropriate skills, experience and knowledge in one or more fields such as finance, law, management, sales, marketing, administration, research, corporate governance and such other areas that are relevant to the Company's business.
- (5) Whether the candidate is free from any disqualification provided under Section 164 of the Companies Act, 2013.
- (6) Whether the candidate meets the conditions of being independent as per Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 or any other rules/regulations as may be applicable to the Company.

### REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

#### DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL

- (1) Remuneration to Directors by way of sitting fees for attending meetings is presently as follows:-

Board Meeting	: ₹ 50,000/- per meeting
Independent Directors Meeting	: ₹ 50,000/- per meeting
Nomination & Remuneration Committee Meeting	: ₹ 30,000/- per meeting
Audit Committee Meeting	: ₹ 30,000/- per meeting
Risk Management Committee Meeting	: ₹ 30,000/- per meeting

The Nomination and Remuneration Committee will review and recommend to the Board any revision in sitting fees from time to time, within the limits provided under the Companies Act, 2013.

- (2) At present the Company does not have any Whole Time Executive Director on its Board to whom remuneration is paid. Hence a policy in this regard will be considered at an appropriate time.
- (3) Considering profitability and uneven earnings it is recommended not to distribute any share of profits to the Directors till further review.
- (4) The remuneration to Senior Management Personnel & Key Managerial Personnel viz. the Manager/CFO and the Company Secretary is as per the remuneration policy for employees of the Company. The Managerial Remuneration would be in compliance with the requirements of the Companies Act, 2013 including its schedules, the rules framed there under, approval of shareholders and the provisions of the SEBI (LODR) Regulations, 2015, whenever required and as may be applicable.
- (5) Any fees paid to the Directors for rendering any legal or consultancy services to the Company on a professional basis shall not be included in the definition of Remuneration to Directors.

### OTHER EMPLOYEES

#### Objective:

To define and streamline Company's Remuneration Structure & to define the criteria for the same.

#### Categories of Employees:

- i. Unionised
- ii. Non Unionised

#### Remuneration Structure:

##### i. Unionised:

The Remuneration Structure of Unionised category of Employees is governed by the Agreement between the Union Workers and the Company.

##### ii. Non Unionised:

###### a. Entry Level Recruitments (Trainees)

As per prevailing structure.

###### b. Lateral Recruitments

Lateral Recruitments are done on the basis of Organisation's manpower requirement and placed in one of the existing functional level group/grade. For lateral recruitment salary and personal pay is fixed as may be agreed with the candidate (while fixing this criticality of position, prevailing salary structure in similar companies, prevailing salary structure within the Company for similar position and the experience of the candidate are considered). Other allowances and benefits are as fixed for various grades.

#### Performance Assessment / Appraisal:

Performance appraisal is conducted once in a year for all employees.



The Employees are appraised on the following factors:-

1. Key Responsibility Areas (KRAs)
2. Functional Competencies
3. Behavioral Competencies

Employees are assessed on the 4 rating Scale i.e. 4 – Excellent, 3 – Good, 2 – Average & 1 - Needs Improvement.

Considering the competition, similar sized companies in other industries and Company's performance, the range of percentage hike is fixed.

**Grade Revision**

The Grades are reviewed and revised, if necessary, once in three years to bring the employees in line with the changed market conditions.

For and on behalf of the Board

**M. P. Taparia**  
Chairperson

Place: Mumbai

Date: May 20, 2020

## ANNEXURE - 2

### FORM No. MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

#### **Supreme Petrochem Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Supreme Petrochem Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
  - D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) Other laws applicable specifically to the Company namely:-
- A. The Factories Act, 1948
  - B. The Standards of Weights & Measures Act, 1976
  - C. Manufacture, storage and import of hazardous Chemical Rules, 1989
  - D. Public Liability Insurance Act/Rules, 1991
  - E. Water (Prevention and Control) of Pollution Act, 1974 and Rules, 2011
  - F. The Petroleum Act, 1934
  - G. The Environment Protection Act, 1986

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Company has spent an amount of Rs.266.40 Lakhs as against the amount of Rs. 355.20 Lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(a) Buy Back of Shares:

The Board of Directors of the Company, at its meeting held on March 12, 2020, approved the Buy-back of fully paid up Equity Shares of face value of Rs.10 each for a maximum amount not exceeding Rs.6267 lakhs (Rupees Sixty Two Crores Sixty Seven Lakhs only) (viz. Buy Back Size) being 9.999% of the total paid up capital and free reserves of the Company for a price not exceeding Rs.185 /- (One Hundred Eighty Five Rupees Only) per Equity Share to the extent of total 41,00,000 equity shares from the shareholders of the Company via the "open market" route through the stock exchanges under the SEBI (Buy-Back of Securities) Regulations 2018 and respective provisions of the Companies Act 2013. The Public Announcement, for the said Buy-back offer, was published by the Company on March 16, 2020.

The Buy back of shares commenced on 19th March, 2020 and may remain open upto 18th September, 2020, the Company purchased 65911 Equity Shares upto 31st March, 2020. These shares were extinguished in terms of Regulation 21 r/w Regulation 11 of the SEBI (Buy-Back of Securities) Regulations 2018.

(b) Temporary suspension/closure of business operations of the company due to COVID-19 Pandemic

Directives issued by the Ministry of Home Affairs of India, implementing nationwide lockdown w.e.f. 25th March, 2020 till further directions, with a view to contain the wide spreading of fatal corona virus, a 'FORCE MAJEURE', posed unprecedented challenges to the businesses and business operations of the company.

During lockdown period, the private establishments engaged in the manufacturing or other activities related to non essential activities had to close/suspend their operations temporarily coupled with restriction on movement of goods/materials and travel etc. which had significant adverse impact on the overall affairs of company during first quarter of current fiscal as the company is dealing with production of non-essential items. Consequently the Company had to shut down its manufacturing lines at both of its Nagothane plant, Maharashtra and at Manali Newtownship, Chennai except for one line of polystyrene at Nagothane to consume Styrene Monomer which requires special handling. All its administrative Offices and depots also remained shut. The Company's sales and despatches to its own depots too, barring supply of small quantities of its products sold under approvals received by its Customers, remain largely shut.

**For Parikh & Associates**  
*Practising Company Secretaries*

**Shalini Bhat**  
*Partner*

FCS: 6484 CP: 6994  
UDIN: F006484B000262520

Place : Mumbai  
Date : May 20, 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**‘Annexure A’**

To,  
The Members

**Supreme Petrochem Limited**

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
*Company Secretaries*

**Shalini Bhat**  
*Partner*  
FCS: 6484 CP: 6994  
UDIN: F006484B000262520

Place : Mumbai  
Date : May 20, 2020



**ANNEXURE - 3**

**RELATED PARTY TRANSACTIONS**

**FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related party(ies) referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto.

**1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2019-20)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification of entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date of which the special resolution was passed in general meeting as including under the first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL							

**2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2019-20)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in lakhs)	Date(s) of approval by the Board	Amount paid as advance, if any
(a)	(b)	(c)	(d)	(e)	(f)
The Supreme Industries Ltd - Co-promoter	Sales, purchase or supply of any goods or materials and availing of any services in connection with the purchase or sale of goods or material including storage thereof	As per individual purchase order	Sales: 4582.72 Purchase: 264.05	Not applicable as the transactions are at an arm's length basis and do not fall under the category of material related party transactions. However, these are placed before Audit Committee every quarter. Omnibus approval to this effect has also been obtained.	NIL

For and on behalf of the Board

Place : Mumbai  
Date : May 20, 2020

**M. P. Taparia**  
Chairperson

## ANNEXURE - 4

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013)

1. **A brief outline of the Company's CSR Policy including overview of projects or programs undertaken and a reference to the web-link to the CSR Policy and project or programme.**
  - (i) CSR Policy of the Company was adopted by the Board of Directors of the Company on September 22, 2014 and subsequently amended on April 26, 2019.
  - (ii) The Company is committed to inclusive and sustainable development of its stakeholders and conduct its business in an economically, socially and environmentally sustainable manner.
  - (iii) CSR Policy of the Company is available at [www.supremepetrochem.com](http://www.supremepetrochem.com)
2. **Composition of CSR Committee:**  
 Shri M. P. Taparia - Chairperson  
 Shri Rajan B. Raheja - Member  
 Ms. Ameeta Parpia - Member
3. **Average Net Profit of the Company for last 3 years:**  
 ₹ 17752.94 Lakhs
4. **Prescribed CSR expenditure (two percent of the aforesaid Average Net Profit):**  
 ₹ 355.06 Lakhs (CSR committee allocated ₹ 355.20 Lakhs for CSR activities)
5. **Details of CSR activities undertaken by the Company during the year and expenses incurred thereon:**

(₹ In lakhs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) - Project or Program Wise	Amount spent on the Projects or Programs	Cumulative Expenditure during the reporting period viz. F.Y. 2019-20	Amount Spent Direct or through Implementing Agency
1.	Health & Hygiene	Health and Sanitation	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra	123.00	88.81	88.81	Direct/ through Implementing Agency
2.	Promoting Education	Education	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra & others	208.20	174.53	174.53	Direct/ through Implementing Agency
3.	Sports Activities	Sports	Mainly in villages in the proximity to Company's plant in District Raigad, Amdoshi & Wangani, Maharashtra	14.00	1.00	1.00	Direct/ through Implementing Agency
4.	Cultural Activities	Cultural Affairs	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra	10.00	2.06	2.06	Direct/ through Implementing Agency
			<b>Grand Total</b>	<b>355.20</b>	<b>266.40</b>	<b>266.40</b>	

The Company has constructed one full fledged Public Toilet Building consisting of 4 toilets + 1 bathroom for Gents and 4 toilets + 1 bathroom for Ladies at village Nagothane and 10 nos of Public Toilet Units each consisting of Two toilets for Ladies and Two Toilets for Gents at nearby Villages. Fifteen classroom from 13 schools in nearby area have been provided with all the hardware and software required for conversion of the classrooms into Digital Classrooms. Four new Anganwadi buildings have been constructed at nearby villages. Fifth Anganwadi is under construction. Hardware and software required for E-Learning at 10 Anganwadies in nearby villages has been provided. The Company has distributed Notebooks & Schools



Bags to the students from nearby Schools in Amdoshi, Wangani & Warvatne Villages. The Company has given contribution for Sports Events in Raigad District. Company has also contributed for promotion of traditional art and Culture in Raigad District.

The Company also contributed fund to NGOs, Heroes of Tomorrow Soccer Academy for sports activities and Konkan Divisions Revenue Sports Competition.

**6. Detail of CSR amount not spent and reason thereof:**

The Company, during the financial year 2019-20, could spend only an amount of ₹ 266.40 Lakhs out of the total allocated amount for CSR Activities viz. ₹ 355.20 Lakhs due to various problems faced in the projects undertaken by the Company including unavailability of requisite land, approach road issue, local authority approvals, villagers non-consensus, COVID 19 virus pandemic etc., hence an amount of ₹ 88.80 Lakhs remained unspent which is being carried forward to Financial Year 2020-21 for CSR spends suitably.

**7. Responsibility Statement:**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the monitoring of CSR Policy is in compliance with CSR objectives and CSR Policy of the Company.

**For and on behalf of the CSR Committee**

**M. P. Taparia**  
*Chairperson*

Place : Mumbai  
Date : May 20, 2020

## ANNEXURE - 5

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I	REGISTRATION AND OTHER DETAILS	
	i) CIN ii) Registration Date iii) Name of the Company iv) Category/Sub-Category of the Company v) Address of the Registered office and contact details  vi) Whether listed Company vii) Name, Address and Contact details of Registrar and Transfer Agent	L23200MH1989PLC054633 14-12-1989 Supreme Petrochem Ltd Public Company/Limited by shares Solitaire Corporate Park, Building No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681  Yes KFin Technologies Pvt. Ltd. Selenium Tower B, Plot No. 31 & 32, Ganchibowli, Financial District, Nanakramguda, Hyderabad - 500 032, TELANGANA Tel : : 040-67161526
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the Company shall be stated	As per Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	
		Not Applicable
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
	i) Category-wise shareholding ii) Shareholding of Promoters iii) Change in Promoters' Shareholding iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) v) Shareholding of Directors and Key Managerial Personnel	As per Attachment B As per Attachment C Not Applicable As per Attachment D  As per Attachment E
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment F
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
	A. Remuneration to Managing Director, Whole-time Director and/or Manager B. Remuneration to other Directors C. Remuneration of Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment G  As per Attachment H As per Attachment I
VII	PENALTIES/PUNSHMENT/COMPOUNDING OF OFFENCES	
		Not Applicable



**ATTACHMENT-A**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are given below :

Sl. No.	NIC Code of main products/service	Name and Description of main products/service	% to total turnover of the Company
1	201	Manufacture and Trading of Petrochemicals	99.39

**ATTACHMENT-B**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual / HUF	1000	100	1100	0.00	1100	-	1100	0.00	0.00
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	60132500	-	60132500	62.31	60132500	-	60132500	62.31	0.00
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>60133500</b>	<b>100</b>	<b>60133600</b>	<b>62.31</b>	<b>60133600</b>	<b>-</b>	<b>60133600</b>	<b>62.31</b>	<b>0.00</b>
(2)	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>60133500</b>	<b>100</b>	<b>60133600</b>	<b>62.31</b>	<b>60133600</b>	<b>-</b>	<b>60133600</b>	<b>62.31</b>	<b>0.00</b>
<b>B.</b>	<b>Public Shareholding</b>									
(1)	<b>Institutions</b>									
(a)	Mutual Funds	1937850	10000	1947850	2.02	1895211	10000	1905211	1.97	-0.05
(b)	Banks / FI	127867	22250	150117	0.16	27814	21650	49464	0.05	-0.11
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Portfolio Investors	730042	7900	737942	0.76	700500	7900	708400	0.73	-0.03
(h)	Foreign Venture Capital	-	-	-	-	-	-	-	-	-
(i)	Others (specify)									
	Foreign National	200	-	200	0.00	200	-	200	0.00	-
	<b>Sub-total (B) (1)</b>	<b>2795959</b>	<b>40150</b>	<b>2836109</b>	<b>2.94</b>	<b>2623725</b>	<b>39550</b>	<b>2663275</b>	<b>2.76</b>	<b>-0.18</b>

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2019				No. of Shares held at the end of the year 31/03/2020				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2)</b>	<b>Non-Institutions</b>									
	a) Bodies Corporate									
	i) Indian	3454941	31568	3486509	3.61	2010344	28751	2039095	2.11	-1.50
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	10036584	1955889	11992473	12.43	9927947	1679176	11607123	12.03	-0.40
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	15532067	120000	15652067	16.22	17455673	110000	17565673	18.20	1.98
	c) NBFCs Registered with RBI	2000	-	2000	0.00	-	-	-	-	-0.00
	d) Others (specify)									
	Clearing Members	34326	-	34326	0.04	24712	-	24712	0.03	-0.01
	Alternate Investment Fund	12793	-	12793	0.01	21343	-	21343	0.02	0.01
	Non Resident Indians	658370	283800	942170	0.97	460092	241800	701892	0.73	-0.24
	Trusts	21200	-	21200	0.02	21690	-	21690	0.02	0.01
	I E P F	1388711	-	1388711	1.44	1520381	-	1520381	1.58	0.14
	Non Resident Indians Repatriable	-	-	-	-	203174	-	2039095	0.21	0.21
	<b>Sub-total (B) (2)</b>	<b>31140992</b>	<b>2391257</b>	<b>33532249</b>	<b>34.75</b>	<b>31645356</b>	<b>205972</b>	<b>33705083</b>	<b>34.93</b>	<b>0.18</b>
	<b>Total shareholding (B) = (B) (1)+(B)(2)</b>	<b>33936951</b>	<b>2431407</b>	<b>36368358</b>	<b>37.69</b>	<b>34269081</b>	<b>2099277</b>	<b>36368358</b>	<b>37.69</b>	<b>0.00</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>94070551</b>	<b>2431407</b>	<b>96501958</b>	<b>100</b>	<b>94402681</b>	<b>2099277</b>	<b>96501958</b>	<b>100</b>	<b>00.00</b>

**ATTACHMENT- C**

**(ii) Shareholding of Promoters**

Sl.No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	The Supreme Industries Ltd.	28936400	29.99	-	28936400	29.99	-	0.00
2	R Raheja Investments Pvt. Ltd.	28936400	29.99	-	28936400	29.99	-	0.00
3	Boon Investment And Trading Company Pvt. Ltd.	279734	0.29	-	279734	0.29	-	0.00
4	Jovial Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	0.00
5	Venktesh Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	0.00
6	Hathway Investments Pvt Ltd	784400	0.81	-	784400	0.81	-	0.00





Sl.No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
7	Coronet Investments Pvt Ltd	635300	0.66	–	635300	0.66	–	0.00
8	Manali Investments & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
9	Bloomingdale Investments & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
10	Matsyagandha Investment & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
11	Varahagiri Investment & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
12	Rajan Raheja	400	0.00	–	400	0.00	–	0.00
13	Suman Raheja	300	0.00	–	300	0.00	–	0.00
14	Akshay Raheja	200	0.00	–	200	0.00	–	0.00
15	Viren Raheja	200	0.00	–	200	0.00	–	0.00

**ATTACHMENT- D**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning 01/04/2019 and end of the year 31/03/2020	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	L & T Mutual Fund Trustee Limited – L & T Emerging Business Fund	1893628	1.96	01-04-2019				
				05-04-2019	8772	Bought	1902400	1.97
				12-04-2019	7000	Bought	1909400	1.98
				12-07-2019	40000	Sold	1869400	1.94
				15-11-2019	334	Bought	1869734	1.94
				22-11-2019	13492	Bought	1883226	1.95
				06-12-2019	2117	Bought	1885343	1.95
				13-12-2019	14417	Bought	1899760	1.97
				20-12-2019	1251	Bought	1901011	1.97
				06-03-2020	50000	Sold	1851011	1.92
				1851011	1.92	31-03-2020	–	–
2	Investor Education and Protection Fund	1388711	1.44	01-04-2019				
				20-12-2019	2658	Transfer	1391369	1.44
				27-12-2019	4401	Transfer	1395770	1.45
				31-12-2019	126811	Transfer	1522581	1.58



Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning 01/04/2019 and end of the year 31/03/2020	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
				10-01-2020	100	Transfer	1522481	1.58
				24-01-2020	400	Transfer	1522081	1.58
				31-01-2020	400	Transfer	1521681	1.58
				14-02-2020	600	Transfer	1521081	1.58
				28-02-2020	200	Transfer	1520881	1.58
				13-03-2020	500	Transfer	1520381	1.58
		1520381	1.58	31-03-2020	-	-	1520381	1.58
3	Ramesh P. Mehta	680281	0.70	01-04-2019				
				27-12-2019	250000	Bought	930281	
		930281	0.96	31-03-2020			930281	0.96
4	Urmila D. Shah	900030	0.93	01-04-2019	-	Nil movement during the year	900030	0.93
		900030	0.93	31-03-2020	-			
5	Preeti N. Shah	900000	0.93	01-04-2019	-	Nil movement during the year	900000	0.93
		900000	0.93	31-03-2020	-			
6	Sonal D. Shah	900000	0.93	01-04-2019	-	Nil movement during the year	900000	0.93
		900000	0.93	31-03-2020	-			
7	Mayank Mehta	120000	0.12	01-04-2019				
				27-12-2019	300000	Bought	420000	
				06-03-2020	301521	Bought	721521	
				20-03-2020	73479	Bought	795000	
		795000	0.82	31-03-2020			795000	0.82
8	Hathway Investments Pvt. Ltd.	784400	0.81	01-04-2019	-	Nil movement during the year	784400	0.81
		784400	0.81	31-03-2020	-			
9	Shivani Tejas Trivedi	639888	0.66	01-04-2019				
				16-08-2019	639888	Sold		0.66
				31-03-2020	0	Nil movement during the year		0.66
				30-03-2019	0			
				16-08-2019	639888	Bought	639888	0.66
		639888	0.66	31-03-2020			639888	0.66
10	Coronet Investments Pvt. Ltd.	635300	0.66	01-04-2019	-	Nil movement during the year		
		635300	0.66	31-03-2020	-			635300



**ATTACHMENT- E**

**(v) Shareholding of Directors and Key Managerial Personnel**

Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning 01/04/2019 and end of the year 31/03/2020	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	M. P. Taparia Non Executive Promoter/Chairperson	37733	0.04	01-04-2019	-	Nil movement during the year	37733	0.04
		37733	0.04	31-03-2020				
2	Rajan B. Raheja Non Executive Promoter	400	-	01-04-2019	-	Nil movement during the year	400	0.00
		400	-	31-03-2020				
3	Bajranglal Taparia Non Executive Promoter	4834	-	01-04-2019	-	Nil movement during the year	4834	0.00
		4834	-	31-03-2020				
4	S. J. Taparia Non Executive Promoter	37733	0.04	01-04-2019	-	Nil movement during the year	37733	0.04
		37733	0.04	31-03-2020				
5	Ameeta Parpia Independent Director	21900	0.02	01-04-2019	-	Nil movement during the year	21900	0.02
		21900	0.02	31-03-2020				
6	R. Kannan Independent Director	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				
7	Rajeev Pandia Independent Director (w.e.f. 26-04-2019)	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				
8	Nihalchand Chauhan Independent Director (Upto 21-09-2019)	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				
9	M. S. Ramachandran Independent Director	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				
10	S. Sivaram Independent Director	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				
11	N. Gopal Manager	15943	0.02	01-04-2019	-	Nil movement during the year	15943	0.02
		15943	0.02	31-03-2020				
12	Rakesh Nayyar CFO	500	-	01-04-2019	-	Nil movement during the year	500	0.00
		500	-	31-03-2020				
13	D. N. Mishra Company Secretary	-	-	01-04-2019	-	Nil holding/ movement during the year	-	-
		-	-	31-03-2020				

**ATTACHMENT- F**

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(₹ in lakhs)

	Secured loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01/04/2019)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year (31/03/2020)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ATTACHMENT- G**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and /or Manager**

(₹ in lakhs)

SL. No.	Particulars of Remuneration	Manager	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	230.24	230.24
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	0.47	0.47
	(c) Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- Others	-	-
5.	Others	-	-
	<b>TOTAL (A)</b>	<b>230.71</b>	<b>230.71</b>
	<b>Ceiling as per the Act</b>		<b>587.83</b>

\* appointed as Manager w.e.f. 01.05.2018



**ATTACHMENT- H**

**B. REMUNERATION TO OTHER DIRECTORS**

(₹ in lakhs)

SL No.	Particulars of Remuneration	Name of the Directors							Total Amount
		M. S. Ramachandran	Nihalchand Chauhan (upto 21.09.2019)	R. Kannan	Rajeev Pandia (w.e.f. 26.04.2019)	Ameeta Parpia	Dr. S. Sivaram		
1.	<b>Independent Director</b>								
	– Fee for attending Board / Committee Meetings	3.80	2.10	5.10	3.30	4.80	2.00	21.10	
	– Commission	–	–	–	–	–	–	–	
	– Others	5.00	–	–	–	–	–	5.00	
	<b>TOTAL (1)</b>	<b>8.80</b>	<b>2.10</b>	<b>5.10</b>	<b>3.30</b>	<b>4.80</b>	<b>2.00</b>	<b>26.10</b>	
	Particulars of Remuneration	Name of the Directors					Total		
		M. P. Taparia	Rajan B. Raheja	B. L. Taparia	S J Taparia				
2.	<b>Other Non-Executive Director</b>								
	– Fee for attending Board / Committee Meetings	2.80	3.00	2.50	4.80			13.10	
	– Commission	–	–	–	–			–	
	– Others	–	–	–	–			–	
	<b>TOTAL (2)</b>	<b>2.80</b>	<b>3.00</b>	<b>2.50</b>	<b>4.80</b>			<b>13.10</b>	
	<b>TOTAL (B) = (1+2)</b>							<b>39.20</b>	
	Overall Ceiling as per the Act	Not Applicable							

**ATTACHMENT- I**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in lakhs)

SL No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	222.32	43.38	265.70
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	2.25	–	2.25
	(c) Profit in lieu of salary u/s. 17(3) of the Income-Tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– as % of profit	–	–	–
	– Others	–	–	–
5.	Others	–	–	–
	<b>TOTAL</b>	<b>224.57</b>	<b>43.38</b>	<b>267.95</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OPERATION & OUTLOOK

The global economy witnessed moderate growth in the calendar year 2019, following a slowdown across most advanced and developing nations. Trade wars, geopolitical tensions and lower demand have dented global growth during 2019. As per IMF estimates global GDP grew by 2.9% in 2019.

COVID-19 declared as 'PANDEMIC' by World Health Organization (WHO) plunged the world into a crisis never seen before. The COVID-19 outbreak which started from China has infected people in 185 countries and its spread has impacted the economies severally. In the absence of a cure for COVID-19, countries locked down to slow the spread and this has significantly impacted the economies of all the nations across the globe, overburdened the health system, increased manifold unemployment and brought down drastically the demand both in rural and urban areas. IMF estimates that global GDP will shrink by 3% in the year 2020 and describes the decline as the worst since the Great Depression of 1930's. With the virus causing a domino effect on the supply chain of factories, with trade routes getting suspended and business activities across economic hubs around the world slowing down, recession is now a serious worry.

IMF expects global growth to rise to 5.8% in 2021 helped by policy support if the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound.

The growth rate of Indian economy was slow in 2019 – 20 due to deceleration in investments and private consumption following lower income growth, rural stress, NBFC liquidity issues and stress in the financial sector despite the structural reforms including liberalization of FDI and a sizable reduction in corporate tax to improve capital inflows. The situation was further aggravated by the outbreak of pandemic in the last quarter of financial year under review.

The economic shock from the Corona virus outbreak has exacerbated the challenges already being faced by the Indian economy and weigh significantly on growth of the economy until at least the second half of financial year 2020-21. The growth rate of Indian economy for fiscal 2020-21 estimated by many international agencies ranges from 0% to (-) 2%.

The stimulus package announced under Atmanirbhar Bharat Abhiyan will help spur growth in the MSME sector. These MSME create the largest employment opportunities. Further, actions taken by Reserve Bank of India by reducing the interest rates and providing liquidity may facilitate to reduce systemic stress. These steps will help the Indian economy override the economic issues faced on account of the pandemic.

### REVIEW OF OPERATIONS & OUTLOOK

During the year under review your Company earned a net profit of ₹102.65 crores as against ₹49.21 crores in the previous year. The operations could have been better but for the corona virus which firstly affected our export market and then the domestic market leading to national lockdown.

### Styrene Monomer (SM)

Styrene Monomer prices remained largely stable without the usual wide swings. Towards Q4 due to COVID-19 and startup of two large Styrene Monomer complex in China, CFR China SM prices spiraled down from a high of US\$ 1075/MT in the beginning of the year to US\$ 550/MT by the end of the financial year.

During the current lockdown period, to ensure safety and integrity of the plant and raw material storage, your Company could get necessary government permission to keep the plant running. PS plant is running at very low capacity to achieve above objective. Company had to issue Force Majeure notice to its suppliers to reduce shipments in the first quarter. We deeply appreciate the help of our suppliers who also are long term partners.

### Outlook

Crude Oil prices rapidly fell in the midst of melt down in Global consumption. Quick action by OPEC++ countries to cut down production stabilised the Crude Prices and with it SM prices.

Two large stand-alone SM plants with total capacity of 1.92 million MTA were commissioned in China early this year. The effect of such massive capacity build-up has not been felt in the midst of global lockdown. However, it is expected that such a development would strengthen your Company's position with the SM suppliers in the region, to whom India now represents even a more important market than before. Your Company expects a stable price regime in the foreseeable future.

### Polystyrene (PS)

Domestic Polystyrene Market saw a de-growth of 3.2% in the year under review, mainly due to ban on one-time use disposable items by several states for most part of the year as well as the complete lockdown in the second half of March, which is one of the most important months for PS business for production of downstream goods.

Your Company, however, had a growth of 4.0% in the domestic PS market due to good demand from appliance sector in which your Company remains an undisputed leader.

Price pressure in the trade sector continued un-abated due to lower priced imports primarily from Iran directly as well as via UAE. Your Company followed a twin prong strategy. On one hand, increased focus on speciality and premium segment and on the other hand offer of utility grades to service price sensitive market.

Export volumes were lower by 4.8% over the last year, mainly due to depressed market conditions in Europe. However, by developing markets in USA, Canada for special grades and by concentrating on neighbouring countries, your Company was able to increase realisations substantially over the previous year.

### Outlook

Polystyrene Producers' Association took up with the Ministry of Commerce and Industry, Government of India, for levy of anti-dumping duty on imports of Polystyrene from Iran, UAE,



USA, Malaysia, Taiwan and Singapore. The investigation is in the process and final findings are awaited.

New projects /expansion by existing/ new appliance manufacturers for refrigerators and air conditioners would contribute handsomely to the growth of Polystyrene in years to come. Switchover from ABS to special grades of HIPS for use in appliances by some OEMs would also add to the growth of PS.

Due to lockdown domestic demand of Polystyrene at present is minimal. With all the stimulus packages announced by government, we are expecting that the second half of the financial year may see some growth.

Increased export volumes seem to be feasible as various countries are coming out of lockdown. Exports will be vigorously pursued to ensure overall volumes are maintained.

### **Expandable Polystyrene (EPS)**

The Indian market saw a marginal decrease of 1.3% during the year as compared to last year. The demand was curtailed due to loss of crucial March business on account of country wide lockdown.

Under this circumstance, your Company managed to grow volumes by 2.1%. Your Company continued to maintain its dominant position in certain industrial applications and speciality packaging, where not only the cushioning effect of EPS is required but also the insulation effect is simultaneously required.

We expect business condition to return to normalcy within couple of quarters. Thereafter effect of various stimulus packages will have significant positive impact on demand growth.

### **Speciality Polymers & Compound Business (SPC)**

This business grew by 11.8% over the previous year. Black MBs are a success in all segments including pressure pipes, drip laterals, DWP pipes, mulch foam etc. Several new grades were developed for hygiene film industry and approved by customers who were using imported grades.

Your Company developed conductive compounds for many critical applications as import substitution. Company's products were a success with non-woven sector. Certain high volume colour MB business was firmly established during the year. Total number of distributors increased to 35 from 31 in the previous year.

### **Outlook**

Your Company expects good growth in this business due to development of many products relevant to the healthcare industry like hygiene films, compounds of ABS and SMMA catering to several medical applications etc. New grades developed in glass reinforced compounds with many polymers for critical applications in Air Conditioner Fan Blades once approved shall give volume sales in the current year.

SPC being a knowledge based business, continuous boost is being given by your Company for development of new grades for critical applications.

### **Extruded Polystyrene Board (XPS)**

The year under review saw a de-growth of 23.4% due to severe financial stress faced during the year by projects resulting in delays in implementation of the ongoing projects and also slow down in take-off new projects. Stoppage of work in NCR region for more than 40 days due to pollution was a setback for the North volumes. Southern states saw unseasonal rainfall and flooding resulting in delay in timely execution of many projects while Western India witnessed extended monsoon which slowed the construction activity of the projects.

To strengthen the retail distribution network your Company appointed 11 new distributors. With these appointments total number of distributors increased to 60 for XPS. Apart from this your Company appointed 11 system partners during the year.

Continued efforts in improving the operating efficiency of the Plant resulted in better margins, despite the lower off-take, ensuring an overall profitability better than the previous year.

Your Company was able to participate during the year in many major educational, healthcare, industrial, infrastructure and residential projects among others in the country for supply of XPS.

Development of EIFS and INSUtile applications is expected to give a boost to this business in retail sector in the coming years. Continuous efforts to develop more than 10 distributors covering several Tier 2 cities also augurs well for bringing this business to higher platform.

One of the major application for XPS and EPS is in EIFS (External Insulation Finishing Systems) for insulating both commercial and residential buildings. However, there are not enough trained masons who can use EIFS technique in India. Keeping this in view, your Company started a programme for training masons for EIFS application at our Nagothane works. Till date more than 100 personnel have attended this programme including masons sent by Company's distributors.

First project using XPS for EIFS technique was completed successfully for a model Vipasana Center in Gujarat. Based on the excellent thermal performance, we expect to complete several buildings in the center in due course of time.

### **Styrene Methyl Methacrylate (SMMA)**

All the neat grades and compounded grades of SMMA were well received by customers in several segments like household articles, stationery items, kitchenware, small appliances etc. Therefore, your Company was able to double the volumes in the year under review.

New approvals were received from some customers for RO water tanks and Refrigerator components in the current year. Testing is in progress with other customers for RO tank and for washing machine lids. Acceptance of SMMA compounds in sanitary ware like water tap handles, soap stands, development of new grades for stationery items to replace PC etc are expected to give further boost in consumption in the current year.

Your Company also is working closely with customers in the field of LED lamps, diffuser grades for LED lighting, LED Display screens to ramp up sales in the current financial year. Efforts are also being made to develop suitable grades to meet new requirements expected in medical sector in the wake of COVID-19 testing and treatment.

## FINANCE

Your Company continues to remain debt free. Available surplus funds are judiciously deployed for optimum returns and minimum risk to the principal investments of the Company. Capital expenditure incurred during the year was met from internal accruals only.

### Changes in Key Financial Ratios:

Pursuant to provisions of Regulation 34(3) of SEBI (LODR) Regulation 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios is given hereunder:

Sr. No.	Ratio		Year Ended		Deviation %
			31/03/2020	31/03/2019	
1	Debtors Turnover Ratio	Times	<b>**10.23</b>	11.01	-7.08
2	Inventory Turnover	Times	<b>**9.31</b>	10.11	-7.91
3	Interest Coverage Ratio	Times	<b>118.79</b>	36.99	223.63
4	Current Ratio	Times	<b>1.66</b>	1.64	1.22
5	Debt Equity Ratio *	Times	-	-	-
6	Operating Profit Margin	%	<b>5.86</b>	3.23	80.86
7	Net Profit Margin	%	<b>3.77</b>	1.54	144.81
8	Change in Return on Net Worth	%	<b>15.60</b>	7.64	48.94

\* The Company is Debt free

\*\* Due to Covid-19 pandemic in the later part of the March 2020 leading to the countrywide lockdown, production and sales were adversely affected impacting these ratios significantly.

## CAPITAL EXPENDITURE

Your Company incurred a total expenditure of ₹ 16.30 crores during the year under review on various items comprised of HIPS product quality improvement, ABS/SMMA compound line and replacement of requisite hardwares at Nagothane and Chennai Plants of the Company.

The capital expenditure proposed to be incurred in the current year towards various process / product improvement projects, SMMA/ GPPS debottlenecking, EPS Chennai debottlenecking, additional line for masterbatch, infrastructure augmentation like warehouse, electrical, silos etc. at Nagothane plant, replacement of old hardware etc. is estimated at ₹ 61 crores.

## MASS ABS PROJECT

Necessary statutory clearances have now been received for new vertical of Mass ABS with initial capacity of 60,000 TPA for which technical feasibility studies have been carried out. The Company shall execute the project after resumption of normalcy post COVID-19.

## RISK MANAGEMENT

International pricing and demand / supply risk are inherent in the import of Styrene Monomer, the main raw material. Your Company enters into procurement contracts for imports of Styrene Monomer on annual basis. The contracts specify the quantity and attributes for arriving at monthly pricing. However, a part of the requirement is sourced on spot basis to take care of the seasonal demands. Additionally, supply to large OEMS are on annual contracts basis tied into monthly SM pricing which allows for equitable sharing of the volatility in SM pricing. Company has also diversified the product portfolio into compounds, masterbatches, SMMA and foam products etc. as a hedge against Styrene Monomer volatility. This strategy will work as these businesses mature.

The global and Indian economic events impacting dollar-rupee parity has a direct effect on cost of imports and also pricing of your Company's products. To overcome these risks of cost and pricing due to foreign exchange volatility, your Company hedges part of open foreign exchange exposure relating to imports so as to lessen the impact of foreign exchange rate fluctuations in respect of import of raw material. Your Company also has a natural hedge to the extent of its exports and pricing its products locally on import parity basis. Foreign currency exchange rates being dynamic, your Company constantly monitors them to decide on proper response measure.

Your Company has adequately insured its plant and machinery on a reinstatement basis. The Policies also cover stocks of finished goods, raw materials (at plant and while in transit) projects under erection and third party liabilities. Adequate loss of profit insurance policy to cover loss of gross profit, if any, due to interruption has also been purchased by your Company. Your Company also has Credit Risk Insurance in respect of its receivables for its product. Your Company has also insured itself against crimes against the Company and has purchased Directors & Officers (D&O) Liability insurance policy also to shield itself from the associated risks. The management periodically reviews the adequacy of the insurance cover.

Protection of data and system is essential part of managing the business. To secure its data, your Company has instituted the best practices adopted across the industry. Your Company has all its servers co-located at Tier III+ Data Centres, with DR / backup DC at different Seismic zones, Antivirus setup, maintenance and monitoring for filtering incoming data, end-point security controls, Firewall setup for control/ restrictions on Networking Access, Access control to Business Application and File System and E-mailing and Internet Policies to control outgoing data / information. Your Company gets IT infrastructure audits by the 3rd party service providers on periodical basis. These audits include Application Security





Assessment, Internal / External penetration testing by using ethical hacking tools, Server / Network devices configuration Audit, Network architecture review and firewall rule based review. Issues found in the audit are reviewed and mitigated as per the recommendation followed by re-audit for effective mitigation.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Human Resources are one of the most important ingredients for growth. Your Company therefore strives to align human resource policy and initiatives to meet business plans. Training of employees to maintain high level of motivation is an ongoing process. Industrial relations at all the units remained cordial during the year.

### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The internal control systems for safeguarding and protecting assets against loss from unauthorised use or disposition are in place.

Regular internal audits, review by management and documented policies, guidelines and procedures supplement the internal controls which are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

### **HSE MANAGEMENT, AWARDS & RECOGNITION**

Both the Environmental Management System and Occupational Health and Safety Management System are continued to be maintained by your Company as per the ISO 14001:2015 Standard and ISO 45001:2018 Standard respectively.

Your Company has continued implementation of HSE Management Systems under the Guiding Principles of declared Integrated Management System Policy. (Occupational Health and Safety Policy' and 'Environmental Policy')

HSE Performance Index for the period under review stood to be in "Excellent" Range.

The Company has completed 7105 accident free days as on March 31, 2020 which amounts to 18.30 million man-hours of accident free operations.

### **Awards and Recognitions**

- NSCI Safety Awards – 2019 - Sarvashreshtha Suraksha Puraskar (Gold Award), in recognition for developing and implementing most effective Management System & Procedures and achieving the most outstanding performance in OSH for the Assessment Period of three years -2016 to 2018.
- National Safety Council – Maharashtra Chapter- Longest Accident Free Period in the contest year, 2018.
- National Safety Council – Maharashtra Chapter – Lowest Average Frequency rate in the contest year, 2018.
- Greentech Safety Award 2019 (Platinum Award) – From Greentech Foundation, New Delhi." For outstanding achievements in Safety Management.
- Greentech Environment Award 2019 (Gold Award) – From Greentech Foundation, New Delhi." For outstanding achievement in Environment Management.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing your Company's objectives, estimates, expectations or projections may constitute "forward looking statements", within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied in the statements.

Important factors that could make a difference to Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws / other statutes and other incidental factors.

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that good Corporate Governance is the foundation for a truly sustainable Company. Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all Employees of the Company for enhancement of shareholder value while keeping in view the interest of other stakeholders as well. Set procedures, guidelines and practices have been evolved to ensure timely disclosures of information regarding the financials, performance, significant events and governance etc. of the Company. The Company has adopted a code of conduct for its Board, Key Managerial Personnel (KMPs) and Senior Management Employees which has been communicated to them and they have affirmed the compliances of the same through their annual disclosures to the Company.

The Company lays emphasis on transparency across the entire spectrum of its business as well as in discharging its Corporate Social Responsibility activities in a meaningful manner, as a conscientious corporate citizen and is fully committed to the principles of integrity, transparency and compliance with regulations in its all dealings with the Government, Customers, Suppliers, Employees and other Stakeholders. Your Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of Listing Regulations of SEBI.

### 1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors comprised of 9 members as on March 31, 2020. The Directors bring to the Board a wide range of experience and skills required for its successful business operations.

Name of the Director	Category of Directorship	**No. of outside Directorship (excluding SPL)		*No. of Chairpersonship / Membership in other Board / Committees (including SPL)		No. of Shares Held	Relationship with other Directors
		Public	Private	Chairperson	Member		
M. P. Taparia DIN No. 00112461	Non-Executive -Non-Independent Director/ Chairperson	4	1	1	1	37733	Brother of Shri B. L. Taparia and uncle of Shri S. J. Taparia
Rajan B. Raheja DIN No. 00037480	Non-Executive – Non-Independent Director	4	12	–	1	400	–
B. L. Taparia DIN No. 00112438	Non-Executive - Non-Independent Director	2	1	–	–	4834	Brother of Shri M. P. Taparia and uncle of Shri S. J. Taparia
S. J. Taparia DIN No. 00112513	Non-Executive – Non-Independent Director	2	1	–	2	37733	Nephew of Shri M. P. Taparia and Shri B. L. Taparia
R. Kannan DIN No. 00380328	Non-Executive – Independent	1	–	1	–	–	–
M. S. Ramachandran DIN No. 00943629	Non-Executive – Independent	2	–	–	1	–	–
Ameeta Parpia DIN No. 02654277	Non-Executive – Independent	4	1	3	3	21900	–
Dr. S. Sivaram DIN No. 00009900	Non-Executive – Independent	6	–	2	–	–	–
Rajeev Pandia (appointed w.e.f. 26.04.2019) DIN No. 00021730	Non-Executive – Independent	6	–	2	4	–	–

#### Notes :

- \* Includes only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (whether listed or not) and excludes Private Limited Companies, foreign companies and Section 8 Companies.
- \*\* Does not include Directorship in Foreign Companies



Shri Nihalchand Chauhan, ceased to be an Independent Director of the Company on expiry of his term of appointment on 21-09-2019.

Except payment of sitting fee for attending the meeting(s) which is well within the threshold limit set by the Board, there is no pecuniary relationship or transaction between the Non Executive Directors and the Company during the financial year 2019-20.

**Details of Directorship held by the Directors of the Company in Listed Companies**

Name of Director	Name of Listed Company in which Directorship held	Category of Directorship
M. P. Taparia DIN No. 00112461	The Supreme Industries Limited Supreme Petrochem Ltd West Coast Paper Mills Limited Kabra Extrusionstechnik Limited	Promoter & Managing Director Non-Executive & Non-Independent / Chairperson Non-Executive & Independent Director Non-Executive & Independent Director
Rajan B. Raheja DIN No. 00037480	Exide Industries Limited Prism Johnson Limited Supreme Petrochem Ltd	Non-Executive & Non-Independent Director Non-Executive & Non-Independent Director Non-Executive & Non-Independent Director
B. L. Taparia DIN No. 00112438	The Supreme Industries Limited Supreme Petrochem Ltd	Promoter & Non-Executive Director, Chairperson Non-Executive & Non-Independent Director
S. J. Taparia DIN No. 00112513	The Supreme Industries Limited Supreme Petrochem Ltd	Promoter & Executive Director Non-Executive & Non-Independent Director
R. Kannan DIN No. 00380328	The Supreme Industries Limited Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director
M. S. Ramachandran DIN No. 00943629	Ester Industries Ltd. ICICI Prudential Life Insurance Co. Ltd. Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Rajeev Pandia DIN No.00021730	GRP Ltd Excel Industries Ltd Thirumalai Chemicals Ltd Ultramarine & Pigments Ltd The Supreme Industries Ltd Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Ameeta Parpia DIN No. 02654277	Prism Johnson Limited Hathway Cable And Datacom Ltd. The Supreme Industries Ltd Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Dr. S. Sivaram DIN No. 00009900	Apcotex Industries Ltd. Asian Paints Limited GMM Pfaudler Limited Deepak Nitrite Limited Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Chairperson Non-Executive & Independent Director Non-Executive & Independent Director

**Skills / Expertise / Competencies of Board of Directors**

The Core skills / expertise / competencies as identified by the Board of Directors, with a view to ensure effective functioning of the Company and as possessed by its Directors with respect to the Company's operational affairs, are stated as hereunder:

Name of Directors	Details of skills/competencies
Dr. S. Sivaram, Shri M. S. Ramachandran, Shri R. Kannan	Petrochemicals
Shri M. P. Taparia, Shri Rajan B. Raheja, Shri B. L. Taparia, Shri S. J. Taparia, Shri M. S. Ramachandran, Shri Rajeev Pandia	Business Management
Shri M. P. Taparia, Shri S. J. Taparia	Marketing
Shri Rajan B. Raheja, Shri. R. Kannan	Finance & Banking
Dr. S. Sivaram, Shri Rajeev Pandia	Industry Developments/Technological Advancement
Ms. Ameeta Parpia	Legal

**Board Meetings**

During the year under review the Board met on 6 occasions i.e. April 26, 2019; July 12, 2019; July 26, 2019; October 22, 2019; January 22, 2020 and March 12, 2020.

The attendance of each Director at the Board Meetings during the year under review and at the last Annual General Meeting is listed below:

**Attendance of Directors in Board Meetings:**

Name of the Director	Category of Directorship	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter / Chairperson	6	5	YES
Rajan B. Raheja	Non-Executive – Promoter	6	6	YES
B. L. Taparia	Non-Executive – Promoter	6	5	YES
S. J. Taparia	Non-Executive – Promoter	6	6	YES
R. Kannan	Non-Executive – Independent	6	5	YES
M. S. Ramachandran	Non-Executive – Independent	6	6	YES
Nihalchand Chauhan (upto 21-09-2019)	Non-Executive – Independent	3	3	YES
Rajeev Pandia (w.e.f 26-04-2019)	Non-Executive – Independent	5	5	YES
Ameeta Parpia	Non-Executive – Independent	6	5	NO
Dr. S. Sivaram	Non-Executive – Independent	6	4	NO

**Declaration of Independence of Board:**

Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, the Board opines that all the Non-Executive Independent Directors are independent in terms of the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management.

**2. AUDIT COMMITTEE:**

Your Company had constituted an Audit Committee. The composition of Audit Committee is as under:

Name of the Director	Category of Membership
R. Kannan	Chairperson – Non-Executive Independent
S. J. Taparia	Non-Executive – Promoter
Nihalchand Chauhan	Non-Executive – Independent (upto 21-09-2019)
Rajeev Pandia	Non-Executive – Independent (w.e.f 22-10-2019)
Ameeta Parpia	Non-Executive – Independent

The Audit Committee’s composition and terms of reference meets the requirements of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Audit Committee has the following powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice and
- to secure attendance of outsiders with relevant expertise, if it considers necessary

**Role of the Audit Committee includes the following:**

- (1) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;



- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; whenever felt required by the Committee.
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) Review compliances of Company with respect to the SEBI (Prohibition and Insider Trading) Regulations, 2015 on annual basis.

**The Audit Committee mandatorily reviews the following:**

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (3) Letters, if any, issued by the statutory auditors regarding internal control weaknesses;
- (4) Internal audit reports relating to internal control weaknesses;

- (5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and
- (6) Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency submitted to stock exchange(s) in terms of Regulation 32 (1), if applicable
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32 (7), if applicable

The Audit Committee functions under the overall supervision of the Board of Directors of the Company and the Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review the Audit Committee met on 4 occasions i.e. April 26, 2019; July 26, 2019; October 22, 2019 and January 22, 2020.

**Attendance of Committee Members:**

Members	Category of Membership	Meetings held	Meetings Attended
R. Kannan	Non-Executive – Independent / Chairperson	4	4
S. J. Taparia	Non-Executive – Promoter	4	4
Nihalchand Chauhan	Non-Executive – Independent (upto 21-09-2019)	4	2
Rajeev Pandia	Non-Executive – Independent ( w.e.f. 22-10-2019)	4	1
Ameeta Parpia	Non-Executive – Independent	4	4

**3. NOMINATION AND REMUNERATION COMMITTEE:**

The composition of Nomination and Remuneration Committee is as under:

Name of the Director	Category of Membership
R. Kannan	Non-Executive – Independent / Chairperson
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

The Nomination and Remuneration Committee’s composition and terms of reference meet the requirements of provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Role of Nomination and Remuneration Committee inter-alia includes:**

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMPs) and other Employees.
- (2) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- (3) Devising a policy on diversity of Board of Directors;
- (4) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management (viz. comprised of the members of core management team of the Company one level below Chief Executive Officer / Managing Director / Whole Time Director / Manager in accordance with the criteria laid down and recommend to the Board for their appointment / removal; and
- (5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

The Nomination and Remuneration Committee functions under the overall supervision of the Board of Directors of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.

During the Year under review the Nomination and Remuneration Committee met on 2 occasions i. e. April 26, 2019 and October 22, 2019.

**Attendance of Committee Members**

Members	Category of Membership	Meetings Held	Meetings attended
R. Kannan	Non-Executive – Independent / Chairperson	2	2
S. J. Taparia	Non-Executive – Promoter	2	2
Ameeta Parpia	Non-Executive – Independent	2	2

**Performance Evaluation Criteria for Independent Directors:**

The Criteria for performance evaluation for Independent Directors includes:

- (1) Attends meetings regularly.
- (2) Understands business regulatory competitive and social environment in which the Company operates.
- (3) Understands strategic issues and challenges confronting the Company.
- (4) Demonstrates a solid understanding of his / her responsibility as a Director including his / her statutory and fiduciary roles and acts appropriately in his / her governance role.
- (5) Attends meetings well prepared to evaluate and / or add value to Agenda items presented to the Board.
- (6) Brings useful outside information and perspective to Board deliberations.
- (7) Contributes meaningfully to Board discussions, makes useful suggestions, provides strategic insight and directions.
- (8) Demonstrates an ability to identify the cost benefits and implications of Board decisions.
- (9) Demonstrates a strong understanding of financial statements, ratios and / or indices of performance and can see the issues behind the numbers.
- (10) Appropriately questions data and information presented to the Board for its deliberations.
- (11) Listens effectively to the ideas of others and view-points and encourages participation/contribution from other Directors.
- (12) Works effectively with fellow Directors to build consensus and manages conflict constructively.
- (13) Awareness about the developments regarding corporate governance.

**4. REMUNERATION OF DIRECTORS:**

During the year under review, the sitting fees paid to the Non-Executive Directors for attending meetings of the Board & Committees thereof are as follows:

Name of the Director	Category of Membership	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter / Chairperson	2,80,000/-
Rajan B. Raheja	Non-Executive – Promoter	3,00,000/-
B. L. Taparia	Non-Executive – Promoter	2,50,000/-
S. J. Taparia	Non-Executive – Promoter	4,80,000/-
R. Kannan	Non-Executive – Independent	5,10,000/-
M. S. Ramachandran*	Non-Executive – Independent	3,80,000/-
Nihalchand Chauhan	Non-Executive – Independent (upto 21-09-2019)	2,10,000/-
Rajeev Pandia	Non-Executive – Independent (w.e.f. 26-04-2019)	3,30,000/-
Ameeta Parpia	Non-Executive – Independent	4,80,000/-
Dr. S. Sivaram	Non-Executive – Independent	2,00,000/-
<b>TOTAL</b>		<b>34,20,000/-</b>

\*Shri M. S. Ramachandran was paid an amount of ₹ 5,00,000/- during the year under review for rendering services of a professional nature to the Company.

The criteria for making payment to Non-Executive Directors are displayed on Company website [www.supremepetrochem.com](http://www.supremepetrochem.com)

The Company has no Stock Option Scheme. The Company does not make any payment to Non-Executive Directors other than sitting fees, duly approved by the Board, for attending meetings of the Board/ Committees..

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of Stakeholders Relationship Committee is as under:

Name of the Director	Category of Membership
M. P. Taparia	Non-Executive – Promoter / Chairperson
Rajan B. Raheja	Non-Executive – Promoter
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

**The terms of reference of the Stakeholders Relationship Committee are as follows:**

The Committee shall consider, deal with and resolve the grievances of the security holders of the Company including complaints related to the transfer/ transmission of shares, non-receipt of Annual Report(s) and declared dividend(s), issue of new / duplicate share certificates, general meetings, ensure effective exercise of voting rights, adherence to the service standard of R & T Agent, take steps to reduce the quantum of unclaimed dividends and shall approve the transfer(s) of the Company's securities.

**The details of Stakeholders Relationship Committee Meetings held during the year under review is listed below:**

10.04.2019, 26.04.2019, 07.05.2019, 24.05.2019, 06.06.2019, 20.06.2019, 12.07.2019, 24.07.2019, 26.08.2019, 11.09.2019, 15.10.2019, 22.10.2019, 18.11.2019, 02.12.2019, 26.12.2019, 01.02.2020 and 22.02.2020

Members	Category of Membership	Meetings Held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	17	17
Rajan B. Raheja	Non-Executive – Promoter	17	16
S. J. Taparia	Non-Executive – Promoter	17	15
Ameeta Parpia	Non-Executive – Independent	17	16

During the year under review, your Company received 402 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and were resolved appropriately within due period. There were NIL pending complaints as on March 31, 2020.

## 6. FINANCE COMMITTEE:

Your Company has constituted an independent Finance Committee of Directors on July 26, 2005. The terms of reference of the Finance Committee includes:

- Borrow moneys (including fund based and non fund based) from banks or any other source including temporary loans;
- Authorisation for creation of security on the Company's assets to secure the borrowings;
- Authorisation to invest temporary surplus funds in money market investments and delegate financial powers for approved projects' capital expenditure and
- Opening/ Closing of bank accounts and authorise officials of the Company for operating of bank accounts.

The composition of Finance Committee is as under:

Name of the Director	Category of Membership
M. P. Taparia	Non-Executive – Promoter / Chairperson
Rajan B. Raheja	Non-Executive – Promoter
B. L. Taparia	Non-Executive – Promoter
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

During the year under review the Finance Committee met on 5 occasions i.e. May 07, 2019; August 26, 2019; September 24, 2019; December 02, 2019 and January 22, 2020.





**Attendance of Committee Members:**

Members	Category of Membership	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	5	5
Rajan B. Raheja	Non-Executive – Promoter	5	5
B. L. Taparia	Non-Executive – Promoter	5	3
S. J. Taparia	Non-Executive – Promoter	5	3
Ameeta Parpia	Non-Executive – Independent	5	4

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Your Company has constituted a Corporate Social Responsibility Committee on July 18, 2014 pursuant to the provisions of section 135 of Companies Act, 2013 (read with Schedule VII thereto), to perform the following functions:

- a) To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Committee functions under the overall supervision of the Board of Directors of the Company. During the year under review the Corporate Social Responsibility Committee comprising of the following Directors met on 2 occasions i.e. April 26, 2019 and January 22, 2020.

**Attendance of Committee Members:**

Members	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	2	2
Rajan B. Raheja	Non-Executive – Promoter	2	2
Ameeta Parpia	Non-Executive – Independent	2	2

**8. RISK MANAGEMENT COMMITTEE:**

Your Company has constituted a Risk Management Committee on July 18, 2018 pursuant to the provisions of Regulation 21 of the SEBI (LODR) Regulations, 2015 to perform the following functions, under the overall supervision of the Board of Directors of the Company.

To devise, review, monitor and recommend changes, if any, to the Company’s Risk Management Policy covering the risk applicable to the Company’s business including cyber security.

Your Company has formulated comprehensive Risk Management Policy which inter-alia provides for review and assessment of the risk elements, mitigation / minimization procedure and also lays down procedures to inform the Board in the specific and significant matters of risk and periodical review of the procedures to ensure that executive management controls the risks properly through properly defined framework.

The composition of Risk Management Committee is as under:

Name of the Director / Member	Category of Membership
M. P. Taparia	Non-Executive – Promoter / Chairperson
M. S. Ramachandran	Non-Executive – Independent
R. Kannan	Non-Executive – Independent
N. Gopal	Executive Director & Manager
Rakesh Nayyar	Executive Director & CFO

The Risk Management Committee will meet as many times as may be required but at least once in a year in accordance with the Regulation 21(3A) of SEBI (LODR) Regulations, 2015.

During the year under review the Risk Management Committee comprised of the following Directors and Senior Executives met on 1 occasion i.e. April 26, 2019.

**Attendance of Committee Members:**

Members	Category of Membership	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	1	1
M. S. Ramachandran	Non-Executive – Independent	1	1
R. Kannan	Non-Executive – Independent	1	1
N. Gopal	Executive Director & Manager	1	1
Rakesh Nayyar	Executive Director & CFO	1	1

**9. (A) INDEPENDENT DIRECTORS:**

Shri R. Kannan, Shri M. S. Ramachandran, Shri Rajeev Pandia, Ms. Ameeta Parpia and Dr. S. Sivaram were the Independent Directors on the Board of Directors of your Company as on March 31, 2020. The Independent Directors Shri R. Kannan, Shri M. S. Ramachandran, Miss Ameeta Parpia and Dr. S. Sivaram continue to serve on the Board and will hold office for a consecutive term up to September 21, 2024; however Shri Rajeev Pandia will hold office for a consecutive term up to April 25, 2024, pursuant to the provisions of Section 149(10) of the Companies Act, 2013.

Shri. Nihalchand Chauhan ceased to be an Independent Director of the Company on expiry of his term of appointment on 21-09-2019.

**(B) EVALUATION OF DIRECTORS:**

The Board conducted evaluation of Independent Directors pursuant to the provisions of Regulation 17(10) of SEBI (LODR) Regulations, 2015 and found them duly functioning with respect to their roles, scopes and functions and suitable to continue as Independent Directors of the Company. The Independent Directors were also found to be fulfilling their independence criteria as stipulated under the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

During the year under review, the Independent Directors held their separate meeting on January 22, 2020 pursuant to the provisions of Section 149(8) of Companies Act, 2013 (read with Schedule IV thereto) and Regulation 25(3) and (4) of SEBI (LODR) Regulations, 2015 and evaluated the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company and found them suitable to continue in the Company in their existing roles and capacity.

**Attendance of Independent Directors’ Meeting:**

Members	Category of Membership	Meetings held	Meetings Attended
M. S. Ramachandran	Non-Executive – Independent /Chairperson	1	1
R. Kannan	Non-Executive – Independent	1	1
Rajeev Pandia	Non-Executive – Independent	1	1
Ameeta Parpia	Non-Executive – Independent	1	1
Dr. S. Sivaram	Non-Executive – Independent	1	1

**10. CODE OF CONDUCT:**

The Company has framed and adopted a Code of Conduct pursuant to the provisions of Regulation 17(5)(a) of SEBI (LODR) Regulations, 2015 which has been approved by the Board of Directors. The code is applicable to all Directors and Senior Management Employees of the Company. This code has been posted on the Company’s website [www.supremepetrochem.com](http://www.supremepetrochem.com).

**Declaration by the Manager:**

During the year under review, all the Directors, and Senior Management Employees of the Company have affirmed their adherence to the provisions of the code of conduct of Company for Board Members and Senior Management Employees.

**N. Gopal**  
Manager

**11. COMPLIANCE CERTIFICATE BY MANAGER & CHIEF FINANCIAL OFFICER****(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015)**

- A. We have reviewed the financial statements and the cash flow statement for the financial year 2019-20 and believe to the best of our knowledge and belief that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
  - (2) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (3) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**N. GOPAL**  
Executive Director & Manager

**RAKESH NAYYAR**  
Executive Director & CFO

The above certificate was placed before the Board at its meeting held on 20th May, 2020.

**12. GENERAL BODY MEETINGS:**

Location and time of the last three AGMs held:

Year		Location	Date	Time	Special Resolutions Passed
2016-2017	28th	I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	12.07.2017	4.00 p.m.	No
2017-2018	29th	I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	18.07.2018	4.00 p.m.	Yes
2018-2019	30th	I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	12.07.2019	4.00 p.m.	Yes

**(A)** Details of Special Resolutions, if any, passed at the last three Annual General Meetings:

- (i) No Special Resolution passed in the Annual General Meeting held on July 12, 2017.
- (ii) At the 29th Annual General Meeting held on July 18, 2018- A special resolution was passed under Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 for appointment of Shri N Gopal, as Manager of the Company for the period May 01, 2018 to March 31, 2021.
- (iii) At the 30th Annual General Meeting held on July 12, 2019- Four special resolutions were passed with respect to the re-appointment of Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia as Independent Directors of the Company for a further period of 5 years from 22-09-2019 to 21-09-2024 pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and 17(1A) of SEBI (LODR) Regulations, 2015, as applicable.

No special resolution was passed through postal ballot during financial year 2019-20. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of any resolution through postal ballot.

**13. SUBSIDIARY COMPANY:**

Your Company does not have any Subsidiary, hence it has not laid down any policy for determining material Subsidiaries.

**14. DISCLOSURES:**

**(a) Basis of Related Party Transactions -**

Your Company places all the details of Related Party Transactions before the Audit Committee periodically, however there was no significant material related party transactions during the financial year 2019-20. List of related party transactions as required by Ind AS 24 issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Financial Statement of Annual Report (**Please refer to Notes to Account No 48**). However these transactions are not likely to have any potential conflict with the interest of the Company at large due to being on an arms length basis. The policy on dealing with Related Party Transactions is available on the Company’s website on the link <http://supremepetrochem.com/pdf/Policy%20transaction%20and%20on%20dealing%20with%20related%20party%20transaction.pdf>

**(b) Disclosure of Accounting Treatment -**

Your Company has followed all relevant Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015.

**(c) Proceeds from Public Issues, Right Issues or Preferential Issues etc. -**

During the year under review your Company has not raised any proceeds from Public Issue, Right Issue or Preferential Issue.

**(d) Disclosure related to Non-Compliances etc. of the Company -**

There were no instances of non-compliance or imposing penalty, no strictures were issued against the Company by Stock Exchanges or SEBI or any other statutory/regulatory authority for any matter related to capital markets, during the last three years.

**(e) Whistle Blower Policy/Vigil Mechanism -**

A Whistle Blower Policy/ Vigil Mechanism has been adopted by the Board of Directors. During the year under review, there was no complaint with respect to any unethical conduct etc. by any stakeholder or employee/personnel of the Company. No stakeholder or employee/personnel has been declined access to the Audit Committee or its Chairperson in any case.

**(f) Disclosures as required under Schedule V(C) (10)(l) of the Listing Regulations in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in the Board’s Report.**

**(g) The total fees paid to the Statutory Auditors of the Company during Financial Year 2019-20 amounts to Rs. 31.74 Lakhs for all the services rendered by them to the Company.**

**(h) The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliances thereof including the non-mandatory requirements are as under:**

For Discretionary Requirements [Regulation 27(1)] of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 and Schedule II (E) thereto, the Company has complied with by having separate post of Chairperson and CEO viz. Manager and by allowing the Internal Auditors to report directly to the Audit Committee, whenever required.

Clause	Head	Status
17	Board of Directors	Complied
18	Audit Committee	Complied
19	Nomination and Remuneration Committee	Complied
20	Stakeholders Relationship Committee	Complied
21	Risk Management Committee	Complied
22	Vigil Mechanism	Complied
23	Related Party Transaction	Complied
24	Corporate Governance requirements with respect to Subsidiary of listed entity	N.A.
25	Obligations with respect to Independent Directors	Complied
26	Obligations with respect to Directors and Senior Management	Complied
27	Other Corporate Governance requirements	Complied



Clause			Head	Status	
46	2	b	Terms and conditions of appointment of Independent Director	Complied	
		c	Composition of various Committees of Board of Directors	Complied	
		d	Code of Conduct of Board of Directors and Senior Management personnel	Complied	
		e	Establishment of Vigil Mechanism and Whistle Blower Policy	Complied	
		f	Criteria for making payments to non-executive Directors	Complied	
		g	Policy on dealing with related party transaction	Complied	
		h	Policy for determining 'material' subsidiaries	N.A.	
		i	Details of familiarization programmes imparted to Independent Directors	Complied	
		(i)	No. of programmes attended by Independent Director (during the year and on a cumulative basis till date)	During the year	4
				Cumulative	19
		(ii)	No. of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	During the year	2.7
				Cumulative	12.15

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The following familiarisation programme(s) were held for the Independent Directors during the year under review:

- An overview of demand and supply of all the Company’s verticals, their competition, market share and Company’s plans for increasing capacity utilization and quality upgradation.
- Circular Economy for EPS & Foamed PS and developments taking place related to recyclable, re-usable and environment friendly plastics.
- Potentials of EPS/XPS business in construction industry and steps taken for respective growth.
- Developments taken place related to XPS in insulation segment and competitive challenges from other products & impact of Energy Conservation Building Code (ECBC) finalized by Bureau of Energy Efficiency (BEE) on the demand for XPS products.
- Mass ABS Expansion Project Roadmap, government approvals and product mix change and market potentials etc.
- Presentation on the Polystyrene and Expandable Polystyrene markets including plans to increase sales and bottlenecks being faced by the Company in given circumstances.
- An overview on the status and future plans of the Specialty Polymers and Compounds division including master batches, alloys and compounds of ABS, SMMA etc.

The Company is in compliance with the mandatory requirements of Corporate Governance provisions as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013 to the extent of its applicability to the Company. The details of familiarization programme conducted for the independent directors are displayed on Company’s website [www.supremepetrochem.com](http://www.supremepetrochem.com)

**15 IMPLEMENTATION OF CODE OF INTERNAL PROCEDURE & CONDUCT FOR REGULATING, MONITORING & REPORTING OF TRADING BY INSIDERS:**

Your Company has adopted Code of Conduct for prevention of insider trading which is based on the SEBI - Prohibition of Insider Trading Regulations, 2015. Your Company follows strict guidelines in respect of insiders’ stock trading and related disclosures. The Company Secretary is designated as Compliance Officer to oversee the implementation thereof. Disclosures are obtained from the Directors and Designated Employees. Under the aforesaid code all the Directors, KMPs and Designated Employees are required to conduct all their dealings in securities of the Company only during valid trading window period after obtaining pre clearance from the Company, if applicable, as per the procedure described in the Company’s Code for dealing in the securities of the Company.

**16. MEANS OF COMMUNICATION:**

Shareholders are intimated through the press and the Company’s website: <http://www.supremepetrochem.com> of the quarterly performance and financial results of the Company. The website also displays Chairperson’s latest statement, the shareholding pattern and the Complete Annual Report of the Company. The quarterly results of Company are normally published in Business Standard, Free Press Journal, Sakal and Navshakti, as the case may be. Announcement to Stock Exchanges are also displayed on the Company’s website. No presentations were made to institutional investors or to the analysts during the year under review. However, overview of the industry relating to the Company’s business and business environment were given to investors who met the Company’s Management.

## 17. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report is annexed separately to the Annual Report forming its integral part.

## 18. CERTIFICATE RELATED TO CORPORATE GOVERNANCE COMPLIANCE DURING FINANCIAL YEAR 2019-20 AND DIRECTOR'S DISQUALIFICATION / DEBARMENT:

Certificate issued by the Practicing Company Secretary, M/s Parikh & Associates, the Secretarial Auditors of the Company, for compliances of corporate governance provisions as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V to the SEBI (LODR) Regulations, 2015 is annexed herewith vide **Annexure A**.

Certificate issued by the Practicing Company Secretary, M/s Parikh & Associates under Regulation 34(3) of the SEBI (LODR) Regulation, 2015 (read with Schedule 5(c)(10)(i) thereto) related to Director's disqualification / debarment is also annexed herewith vide **Annexure B**.

## 19. GENERAL INFORMATION FOR SHAREHOLDERS:

<b>Annual General Meeting</b>	Friday, 18th September 2020 at 4.00 p.m., (through VC / OAVM)
<b>Period under review</b>	April 1, 2019 to March 31, 2020
<b>Date of Book Closure</b>	Wednesday, September 16, 2020 to Friday, September 18, 2020 (both days inclusive)
<b>Dividend Payment Start Date</b>	25th day of September, 2020, if dividend is approved by the members.
<b>Listing on Stock Exchanges</b>	(i) BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai - 400 001 (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
<b>Stock Code</b>	(i) BSE Limited – 500405 (ii) The National Stock Exchange of India Ltd. – SUPPETRO
<b>Payment of Listing Fees</b>	Annual listing fees for the financial year 2020-21 has been paid to BSE Limited and The National Stock Exchange of India Ltd.
<b>Payment of Depository Fees</b>	Annual Custody / Issuer Fees for the year 2020-21 has been paid to CDSL and NSDL .

### Market Price Data:

(In ₹)

Month/Year	BSE Limited		The National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2019	233.95	208.60	234.00	207.00
May 2019	229.75	200.00	229.20	197.00
June 2019	229.00	200.00	225.85	200.00
July 2019	210.95	179.05	210.45	177.00
August 2019	195.10	164.70	199.00	165.00
September 2019	184.90	169.15	185.00	169.20
October 2019	186.20	165.60	187.00	164.10
November 2019	183.60	160.20	180.15	159.95
December 2019	168.00	143.80	166.65	144.50
January 2020	200.00	153.50	200.70	152.00
February 2020	185.50	150.00	186.45	149.80
March 2020	165.45	113.10	165.00	113.35



**COMPARISON WITH INDICES:**

	April 2019 Opening	March 2020 Closing	% Rise (Fall)
BSE Sensex	38858.88	29468.49	(24.17)
NSE Nifty	11665.20	8597.75	(26.30)
SPL Shares BSE	221.85	129.70	(41.54)
SPL Shares NSE	221.20	130.10	(41.18)

**REGISTRAR AND TRANSFER AGENT:**

**KFin Technologies Private Limited**

Selenium Tower B, 6th Floor, Plot No. 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, HYDERABAD - 500 032, TELANGANA

**SHARE TRANSFER SYSTEM:**

The Company has outsourced its share transfer functions to KFin Technologies Private Limited, which is registered with SEBI as Category 1 Registrar and they have been also appointed as the common agency of the Company for dealing with all works related to its share registry in terms of both physical and electronic modes.

**DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2020)**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 5000	32981	89.36	4802687	4.98
5001 – 10000	1972	5.34	1629992	1.69
10001 – 20000	859	2.33	1302097	1.35
20001 – 30000	311	0.84	801599	0.83
30001 – 40000	150	0.41	539485	0.56
40001 – 50000	145	0.39	680952	0.71
50001 – 100000	205	0.56	1506535	1.56
100001 & above	285	0.77	85238611	88.33
<b>TOTAL</b>	<b>36908</b>	<b>100</b>	<b>*96501958</b>	<b>100</b>

**CATEGORIES OF SHAREHOLDERS (AS ON MARCH 31, 2020)**

Sr. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1	Promoters	15	60133600	62.31
2	Mutual Funds	4	1905211	1.97
3	Foreign Portfolio Investors	15	708400	0.73
4	Foreign Institutional Investors/Banks	7	49464	0.05
5	Foreign Nationals	1	200	0.00
6	Indian Public	34888	29172796	30.23
7	Trust	4	21690	0.02
8	Alternate Investment Fund	1	21343	0.02
9	NRIs	1343	701892	0.73
10	Clearing Members	27	24712	0.03
11	Non Resident Indians Non Repatriable	280	203174	0.21
12	Private Corporate Bodies	322	2039095	2.11
13	IEPF	1	1520381	1.58
	<b>GRAND TOTAL</b>	<b>36908</b>	<b>*96501958</b>	<b>100</b>

\*The Company bought back 81880 equity shares till 31-03-2020 under its ongoing Buy Back Scheme as per Public Announcement made on 16-03-2020. Since these shares are pending extinguishment, no effect thereof have been taken in the total paid up equity share capital mentioned hereinabove.

**DEMATERIALIZATION OF SHARES & LIQUIDITY:**

Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited. Around 97.83% Equity Shares out of the total 9,65,01,958 equity shares issued by the Company so far have been dematerialized up to March 31, 2020.

OUTSTANDING ADRs/GDRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY	NOT APPLICABLE
--	----------------

**COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES**

International pricing and demand/ supply risk are inherent in the import of Styrene Monomer, the main raw material for the products of the Company. The Company enters into procurement contracts for import of Styrene Monomer on annual basis. The contracts specify the quantity and attributes for arriving at monthly pricing. However, a part of the requirement is sourced on spot basis so as to float with fluctuations in the market and to guard against price volatility. The Company has also linked part of its sales to raw material prices so that the Company has adequate cushion to protect its margin in the event of any increase/decrease in raw material costs.

Your Company’s main raw material and major additives are imported and therefore your Company has a substantial exposure in foreign exchange currencies and thus associated risk thereof. To overcome the risk of foreign exchange volatility in market, your Company’s Board has approved a policy to hedge the risk by way of foreign exchange exposures by using appropriate hedging products. Your Company, to some extent, has also hedged against the said risk by way of export receivables. There is no direct hedging available for the main raw material of Company viz. Styrene Monomer.

**PLANT LOCATION:**

- i) Amdoshi, Wakan Roha Road, Post Patansai, Nagothane, Taluka Roha, District Raigad, MAHARASHTRA - 402 106.
- ii) Ammulavoyil Village, Andrakuppam Post, Manali New Town, Chennai, TAMIL NADU - 600 103.

**ADDRESS FOR CORRESPONDENCE:**

**Registered Office:**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
 Chakala, Andheri (East), MUMBAI - 400 093  
 Email id :- investorhelpline@spl.co.in  
 Tel No.022-67091900

**CREDIT RATINGS:**

During the year under review, the Company has not issued any debt instrument or fixed deposit receipts etc. in India or abroad.

India Ratings & Research (Ind-Ra) has affirmed long term rating at IND A+ with Stable Outlook and with rating of IND A+ /Stable/ IND A1+ for working Capital related Banking Facilities, including Fund based and non fund based facilities of your Company for the year 2020. There was no revision in its credit rating during the Financial Year 2019-20 as compared to last fiscal.

**SHAREHOLDERS’ ASSISTANCE:**

The Secretarial Department of the Company operates from its Registered Office situated at Andheri (East) in Mumbai. Additionally, the Company’s Registrars and Transfer Agents, KFin Technologies Private Limited extend their assistance to the shareholders of the company through their investor service offices situated at Ahmedabad, Bangalore, Chennai, Cochin, Jaipur, Kolkata, Lucknow, Mumbai (Fort & Andheri), New Delhi, Pune, Vadodara and Vijaywada.

For any assistance related to the Company’s shares or for redressal of any grievance related thereto, the shareholder(s) can write to:

**(1) Shri D. N. Mishra/Shri Finian Lopez/Ms. Jean Bhandary**

Secretarial Department,  
 Supreme Petrochem Ltd,  
 Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
 Chakala, Andheri (East), MUMBAI - 400 093  
 Telephone No. : 022-67091900 and 66935927  
 Fax No. : 022-40055681  
 E-mail : investorhelpline@spl.co.in





OR

**(2) Shri Ganesh Patro****KFin Technologies Private Limited**

Unit: Supreme Petrochem Ltd,  
Selenium Tower B, 6th Floor, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,  
Serilingampally, HYDERABAD - 500 032, TELANGANA  
Telephone No. : 040-67161526  
Toll Free No. : 1800-3454-001  
Fax No. : 040-23001153  
E-mail : einward.ris@kfintech.com  
Web Site : www.kfintech.com

**EQUITY SHARES IN SUSPENSE ACCOUNT**

	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	93	10327
No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year	2	50
No. of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	2	50
No. of shareholders and the outstanding shares which were transferred to IEPF during the year	83	8943
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	8	1334

The voting rights on the shares lying in the Unclaimed Suspense Account shall remain frozen until the rightful owner of such shares claims back their shares legitimately.

**TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended by the Ministry of Corporate Affairs with effect from 28th February, 2017 ("the Rules") inter-alia provides for transfer of all shares, in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more, in the name of Investor Education and Protection Fund (IEPF) Account.

The Company uploads full details of such shareholders and shares due for transfer to IEPF Account on its website at [www.supremepetrochem.com/investorrelations](http://www.supremepetrochem.com/investorrelations).

The details of the shares already transferred to IEPF are uploaded on the Company's website.

The concerned shareholders, holding shares in physical form and whose shares are liable to be transferred to IEPF Account may note that the Company would be issuing duplicate share certificate(s) in lieu of the original share certificate(s) held by them for the purpose of transfer of shares to IEPF Account as per respective Rules and upon such issue, the original share certificate(s) which stand registered in their name will stand cancelled automatically and will be deemed as non-negotiable. The shareholders may further note that the details uploaded by the Company on its website should be deemed as adequate notice in respect of issue of the duplicate share certificate(s) by the Company for the purpose of transfer of shares to IEPF Account pursuant to the respective Rules.

In case the shares are held in dematerialized mode, the Company will transfer these shares directly to the demat account of the IEPF Authority, in consonance with the respective IEPF rules/regulations, with the help of the depositories / depository participant.

In the absence of receipt of a valid request form alongwith necessary documents from the respective shareholders, the Company shall, with a view to comply with the requirements set out in the IEPF Rules, transfer the shares to IEPF Account as per procedure stipulated in the respective Rules without further notice and that no claim shall lie against the Company in respect of such unclaimed dividend amounts and shares transferred to IEPF A/c pursuant to the Rules. Both the unclaimed dividend and the shares transferred to IEPF Authority Account including all benefits accruing on such shares, if any, can be claimed back by



the respective shareholder(s) from IEPF Authority directly after following their prescribed procedures and the details / requisite process thereof are available at [www.iepf.gov.in](http://www.iepf.gov.in).

For further clarification(s), if any, the concerned shareholders may contact KFin Technologies Private Limited, Unit: Supreme Petrochem Ltd, Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032, TELANGANA, Toll Free No: 1800-4258-998, Phone No: 040-67161526, or may Email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) quoting reference of their folio no. / demat account no.

For and on behalf of the Board

Place: Mumbai  
Date: May 20, 2020

**M. P. Taparia**  
Chairperson

**Website** : Please visit us at <http://www.supremepetrochem.com> for financial and other information about the Company.



**ANNEXURE A**

**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Supreme Petrochem Limited**

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the extent of information provided by the Company and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**  
*Practising Company Secretaries*

**Shalini Bhat**  
*Partner*  
FCS: 6484 CP: 6994  
UDIN: F006484B000262443

Place: Mumbai  
Date: 20th May, 2020



## ANNEXURE B

### CERTIFICATE

To,

The Members of

**Supreme Petrochem Limited**

Solitaire Corporate Park, Bldg. No.11,  
5th Floor, 167, Guru Hargovindji Marg,  
Chakala, Andheri (East),  
Mumbai 400093 Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Supreme Petrochem Limited having CIN L23200MH1989PLC054633 and having registered office at Solitaire Corporate Park, Bldg. No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai : 400093 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Sivaram Swaminathan	00009900	23/09/2014
2.	Rajeev Mahendra Pandia	00021730	26/04/2019
3.	Rajan Beharilal Raheja	00037480	14/12/1989
4.	Bajranglal Surajmal Taparia	00112438	22/11/1993
5.	Mahavirprasad Surajmal Taparia	00112461	14/12/1989
6.	Shivratan Jeetmal Taparia	00112513	22/11/1993
7.	Ramanathan Kannan	00380328	21/04/2009
8.	Madras Seshamani Ramachandran	00943629	26/07/2005
9.	Ameeta Aziz Parpia	02654277	24/04/2013

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**  
*Practising Company Secretaries*

**Shalini Bhat**  
*Partner*

FCS: 6484 CP: 6994  
UDIN: F006484B000262443

Place: Mumbai  
Date: 20th May, 2020



**BUSINESS RESPONSIBILITY REPORT**

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	:	L23200MH1989PLC054633
2	Name of the Company	:	Supreme Petrochem Ltd
3	Registered address	:	Solitaire Corporate Park, Building No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681
4	Website	:	www.supremepetrochem.com
5	Email id	:	Investorhelpline@spl.co.in
6	Financial Year reported	:	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code wise)	:	Manufacture and Trading of Petrochemicals Industrial Group – 201
8	List three key products / services that the Company manufactures / provides (as in Balance Sheet)	:	Polystyrene Expandable Polystyrene Master Batch and Polymer Compounds
9	Total number of locations where business activity is undertaken by the Company	:	
	(a) Number of International Locations (Provide details of major 5)	:	NIL
	(b) Number of National Locations	:	02 manufacturing locations and 18 offices including Registered Office
10	Markets served by the Company - Local / State / National / International	:	National and International

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1	Paid up Capital (INR)	:	9650.20 Lakhs
2	Total Turnover (INR)- Net of GST	:	273617.50 Lakhs
3	Total profit after taxes (INR)	:	10265.28 Lakhs
4	Total Spending on Corporate Social responsibility (CSR) as percentage of profit after tax (%)	:	Total spending done on CSR activities during Financial Year 2019-20 is 1.50% of average profit after tax of the past 3 years. Detailed CSR Statement is annexed to the Board’s Report vide Annexure-4.
5	List of activities in which expenditure in 4 above has been incurred	:	List of CSR activities undertaken by the Company during Financial Year 2019-20 are stated in the CSR Statement annexed to the Board’s Report vide Annexure-4.

**SECTION C: OTHER DETAILS**

- Does the Company have any Subsidiary Company/Companies?**  
No
- Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**  
Not Applicable
- Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30%, 60%, More than 60%]**  
The Company does not mandate its suppliers / distributors to participate in the Company’s BR initiatives. They are however encouraged to adopt practices aligned with the nine principles enumerated in the National Voluntary Guidelines on Social Environment and Economic Responsibilities of Business (NVG – SEE) notified by Ministry of Corporate Affairs, Government of India.

**SECTION D: BR INFORMATION**

**1. Details of Director / Directors responsible for BR**

**(a) Details of the Director / Directors responsible for implementation of the BR policy / policies**

In the absence of a Whole Time Director there is no individual Director responsible for BR. However, Shri N. Gopal, Manager appointed under the Companies Act is mandated by the Board to implement the BR policies approved by the Board.

**(b) Details of BR Head**

No.	Particulars	Details
1	DIN Number (if applicable)	–
2	Name	N. GOPAL
3	Designation	Executive Director & Manager
4	Telephone Number	+91 22-67091900
5	E-mail ID	n_gopal@spl.co.in

**2. Principle-wise as per National Voluntary Guidelines (NVGs) BR Policy/ policies (Reply in Y/ N)**

Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the wellbeing of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

**(a) Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policies are based on NVG-Socio-Economic & Environmental (SEE) Principles and conform to the applicable regulatory requirements and National Standards								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD / owner / CEO / appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	*	<input type="checkbox"/>	*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*	<input type="checkbox"/>	<input type="checkbox"/>



No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Uploaded on Company's Intranet and Company's Website wherever applicable.								
8.	Does the Company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	NO								

\* **Internal Company Policy available on Company Intranet**

[www.supremepetrochem.com/Investor Relations/BRR Policies](http://www.supremepetrochem.com/Investor%20Relations/BRR%20Policies)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why :

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

The BR Responsibility Report forms part of the Annual Report of the Company. The Annual Report will also be uploaded on the website of the Company at [www.supremepetrochem.com](http://www.supremepetrochem.com).

The Executive Director & Manager of the Company, Shri N Gopal through the functional heads / units is vested with the responsibility of implementation of the various BR Policies.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company as the largest Indian manufacturer of Polystyrene, Expandable Polystyrene and Extruded Polystyrene Insulation Board, values its reputation and believes in upholding ethical values and practices. We have documented values governing the business of the Company and also code on ethical conduct for employees. These alongwith the Whistle Blower Policy, Code of Conduct for prevention of Insider Trading and the Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information forms the framework for Ethical, Transparent and Responsible conduct. The Code and Policies communicate our zero tolerance approach to ethical and legal violations.

The code of ethics and conduct provides guidelines to employees to act in accordance with the highest standard of personal and professional integrity, honest and ethical conduct either at the workplace or any other place while representing the Company.

Besides honest and ethical conduct, the code covers conflict of interest, confidentiality of information, respect and protection of human rights, accurate and timely disclosures of information to SEBI and public and compliance with Laws, Rules and Regulations.

The Company has in place a mechanism for receiving and resolving complaints from different stakeholders, shareholders, customers, vendors, employees etc. The Company responds to such complaints in a time bound manner.

## **Principle 2**

### **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The Company has a documented Policy for providing goods and services that are safe and contribute to sustainability through their life cycle.

The Company works to embed the principles of sustainability, as far as practicable, into the various stages of product or service life cycle including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers to improve the quality of life and people.

The Company strives to ensure that all the products meet hygiene, durability as per the application requirement and functional requirement of end application. The Company has a testing lab to carry out tests on products at various stages of the production process to ensure requisite standards and efficiencies.

The Company holds regular road shows and seminars at various locations to educate prospective customers and intermediates on the end applications on the products and their positive impact on the environment. The Company promotes the use of its products in heat / cold insulation.

Production processes are monitored regularly.

State of the art equipment results in low wastage and automation is used extensively.

Continuous efforts are taken to improve Energy Management by monitoring energy related parameters on a regular basis. To reduce energy consumption following steps are taken by the Company:

- 1) Continuously monitoring the energy parameters and efficient utilization of energy tariff.
- 2) Continuously replacing the inefficient equipments with latest energy efficient technology equipments and up gradation of equipments.
- 3) Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4) Fire safety audit is done of all the units by an outside consultant periodically to ensure adequate fire safety monitoring to remain in place.

The Company has set up a distribution network in order to serve its customers in the least possible time. This has resulted in better warehouse and inventory management.

## **Principle 3**

### **Businesses should promote the wellbeing of all employees**

The Company focuses on ensuring the well-being of all its employees, safety and good health which is extremely important to the Company. The Company believes that employee well being is imperative to achieve profitable growth. Employee well being is sought to be promoted by the following:-

- 1) Well defined pay structure as per Indian norms.
- 2) Job placement as per competency and job requirement
- 3) Carefully designed performance appraisal system for advancement, rewards and incentives
- 4) Timely identification of training needs and imparting requisite training.
- 5) Dependent family members covered under health insurance scheme
- 6) Strict prohibition of employment of child labour
- 7) Documented policy on Prevention / Prohibition & Redressal of Sexual Harassment of Women at the Workplace.
- 8) Periodic health check-up of employees.
- 9) Emergency Medical assistance at plant site.
- 10) Financial assistance by way of loans for medical / housing / children's education / marriage.

The Company had total 351 permanent employees as on 31-03-2020 including 20 women staff. The Company also hired contractual work-force for various ancillary and other activities whenever required and about 251 persons including about 13 women were engaged in such services.





The Company has a recognised trade union at its manufacturing locations in Maharashtra and most of the eligible employees are members of the recognised employee union.

The Company policy prohibits engaging of any child or involuntary labour. Therefore no complaints relating to child labour were received during the year. No complaints relating to sexual harassment at workplace were received during the year.

Safety and skill upgrading training to permanent and contractual employees are provided at regular intervals.

**Principle 4**

**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

The Company has mapped its internal and external stakeholders and continues its engagement with them through various mechanisms.

The Company identifies the disadvantaged, vulnerable and marginalised stakeholders on continuous basis. Local work force is engaged to the extent feasible at the Company's plant locations.

The Company extends its social responsibility by provision of educational and sanitation facilities including provision of clean drinking water in the villages surrounding the Company's plant locations.

The details of initiatives taken by the Company are provided in the Corporate Social Responsibility section of the Annual Report. Safeguarding the interests of the contractual work force is of importance to the Company. Suitable control mechanisms are in place at plant locations. Compliance of statutory obligations are verified on a regular basis.

Internal mechanisms are in place to engage stakeholders.

**Principle 5**

**Businesses should respect and promote human rights**

The Company respects and promotes human rights for all individuals. Human rights include hiring practices, prohibition of gender based violence etc. The Company encourages its business partners and third parties with whom it conducts business to abide by the policy on human rights. The Company promotes awareness and realization of human rights across the value chain.

Complaints from various stakeholders are addressed satisfactorily. There were no complaints of a substantial nature received during the year.

**Principle 6**

**Business should respect, protect and make efforts to restore the environment**

All operations of the Company are guided by a documented "Policy on Integrated Management System" which addresses our concern for Environment Protection and Restoration. The Integrated Management System of the Company has been certified by M/s. Bureau Veritas Certification for compliance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards.

Under the guiding principals of the Policy on Integrated Management System, Company focuses on reduction of use of natural resources through various in-process improvements and reduction of energy consumption by adopting best practices and implementation of various environment management plans.

As per the guiding principles of the Policy on Integrated Management System, Company is committed to compliance of all Statutory, Occupational Health and Safety and Environment Legislations and Regulations. With compliance of all legislations and regulations there are no pending show cause or legal notices from any of the statutory authorities with respect to HSE or environment protection at the end of the Financial Year.

In recognition of the excellence in the field of Health, Safety and Environment, the Company has received awards from National Safety Council (NSCI) set up by the Ministry of labour and employment and NGO Greentech etc. During the year the Company has been awarded NSCI Safety Award-2019, Greentech Safety Award 2019 (Platinum Award) and Greentech Environment Award 2019 (Gold Award).

**Principle 7**

**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company believes that a lot can be achieved when the Company works together with the Government, Legislators, Trade Bodies and Regulators to create positive social and environmental outcomes. The Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

The Company works with industry organizations that are engaged in policy advocacy in a responsible manner and ensures policy advocacy is conducted ethically.

The Company articulates the larger interests of industry and the community at industrial forums. As on March 31, 2020 the Company was the member of following trade associations:-

- 1) Confederation of Indian Industry
- 2) Chemical & Petrochemical Manufacturers Association (CPMA)
- 3) Plastindia Foundation
- 4) Polystyrene Producers' Association (India)
- 5) Organisation of Plastic Processors of India (OPPI)
- 6) The Plastic Export Promotion Council (Plexconcil)
- 7) The Bombay Chamber of Commerce and Industry (BCCI)

#### **Principle 8**

##### **Businesses should support inclusive growth and equitable development**

The Company strives to ensure inclusive and equitable growth for the people in tandem with the growth of the Company. In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII to the Companies Act, 2013, the Company has adopted a Corporate Social Responsibility (CSR) policy, in accordance to which it undertakes the CSR projects/activities.

The Company focuses on various areas of engagement like sanitation, education, Health & Hygiene, Cultural & Sports activities and conservation of natural resources etc.

The Company fulfills its social responsibility through in-house efforts/external sources, as the case may be. The CSR approach focuses on development of the communities in the vicinity of the Company's plant.

An amount of ₹ 266.40 Lakhs was spent on various CSR projects during the financial year 2019-20 primarily benefitting the people in the villages surrounding the Company's plant as well as some other sections of the society.

The details of CSR activity undertaken by the Company are set out in the CSR Statement annexed to the Board's Report vide **Annexure-4**

#### **Principle 9**

##### **Businesses should engage with and provide value to their customers and consumers in a responsible manner**

The Company is a consumer centric Company focused on providing customer delight. The foundation of the Company is based on the trust, satisfaction and loyalty of our consumers across the world. The Company is dedicated to delivering products that excite customers and meet their need gaps.

There are no consumer related legal cases pending at the end of the financial year.

The Company displays product information on the product label mandated by law. Product information is also available in product information sheet / brochures available with the distributors of the Company and also displayed on the Company's website.

The Company is considered a dependable and valuable supplier as evidenced by various awards and recognitions from its customers for supporting timely delivery, quality and product development. The employees are constantly trained to focus on customer satisfaction.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertisement and/or anti-competitive behavior during the last five years.

Feedback from customers to ensure utmost focus on customer satisfaction is a continuous process in the Company. Such feedback is used for continual improvement in product and service quality. Every complaint is attended to immediately and brought to the final point of closure with a defined level of service



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Supreme Petrochem Limited  
Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **Supreme Petrochem Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act ("Ind AS"), of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
<b>1) Evaluation of Provision and Contingent Liabilities</b>	
As at the Balance Sheet date, the Company has open legal cases and other contingent liabilities as disclosed in note no.39. The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment require the management to make judgement	We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
and estimates in relation to the issues of each matter. The management with the help of its expert, as needed, have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.	We have analysed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters. In addition, we have reviewed: <ul style="list-style-type: none"> <li>the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>legal advises / opinions obtained by the management, as needed, from experts in the field of law on the legal cases;</li> <li>minutes of board meetings, including the sub-committees; and</li> <li>status of each of the material matters as on the date of the balance sheet.</li> </ul> We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.
<b>2) Valuation of inventory:</b>	
Inventory forms a significant part i.e. 21% of the Company's total assets. Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. Inventories are valued at lower of cost and net realisable value. Styrene Monomer is the main raw material for the Company. Styrene Monomer, which is imported, is subject to high price fluctuation risk as well as foreign currency risk. The volatility in the prices of Styrene Monomer may significantly impact the valuation of not only Raw material but also other items of inventory.	We have reviewed the stock records and held discussion with the management. We verified arithmetical accuracy of valuation records / reports. Almost entire inventory, except inventory at third party locations were physically verified by the management during the lockdown period pursuant to Covid 19 pandemic. A very small non material portion of inventory couldn't be verified by the management. We have carried out alternate audit procedures to satisfy ourselves with respect to existence and condition of the inventory at the year-end. This verification was in addition to actual verification of inventory test checked by us during the course of our audit in pre-lockdown period

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
<p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Styrene Monomer.</p>	<p>For a sample of inventory items we have verified that the weighted average cost calculation by the system and satisfied ourselves</p> <p>We have reviewed the price movement of Styrene Monomer prices with respect to cost to the Company. Compared such prices with the recent selling prices.</p> <p>Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>

### Information other than the Standalone Financial Statement and Our Report thereon

The Company's Board of Directors is responsible for the other information. The Other Information comprises of the Directors' Report, Management Discussion & Analysis (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this report. Our opinion on the standalone financial statements does not cover the Other Information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this auditor's report, we conclude that if there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity, cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of

Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements. Refer Note 39 to the financial statements; and
  - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts to the standalone financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For G. M. Kapadia & Co.**  
*Chartered Accountants*  
Firm Registration No.104767 W

**Rajen Ashar**  
*Partner*  
Membership No. 048243  
UDIN No :20048243AAAACH5057

Place: Mumbai  
Date: May 20, 2020

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2020**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) As informed to us, the property plant and equipment have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties classified as property plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of verification is reasonable; The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise
- (iv) The Company has not granted any loans or under section 185, made any investment, provide any guarantee or security. Hence, the question of reporting under clause 3(iv) of the Order does not arise.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2020 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ In lakhs)	Forum where disputes pending
1	Service Tax (Finance Act 1994)	Service Tax and penalty	Sep-2013 – May-2015	117.57	CESTAT
2	Tamil Nadu VAT Act, 2006	VAT and penalty.	2010-2011	7.43	Deputy Commissioner (Commercial tax)
			2009-2010	0.61	Deputy Commissioner (Appeals)
			2010-2011	0.65	Deputy Commissioner (Appeals)
			2011-2012	1.99	Deputy Commissioner (Appeals)
			2012-2013	1.98	Deputy Commissioner (Appeals)
			2013-2014	10.48	Deputy Commissioner (Appeals)
			2014-2015	2.27	Deputy Commissioner (Appeals)
			2015-2016	3.72	Deputy Commissioner (Appeals)
			2014-2015	1.49	Deputy Commissioner (Appeals)
3	GST Act	Refund claim of CVD & SAD	2012-2013	1.19	Additional Commissioner
			2016-2017	68.96	High Court



- (viii) The Company does not have any outstanding loans or borrowings nor has taken any loan during the financial year hence there is no question of the Company defaulting in repayment of loans or borrowings to financial institutions banks and Government.
- (ix) The Company has not raised money raised by way of initial public offer or further public offer (including debt instruments) nor any term loan during the period under audit. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period by the Company.
- (xi) The managerial remuneration has been paid / provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a chit fund or a Nidhi Company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.
- (xiii) The Company has complied with the provisions of sections 177 and 188 of the Act in respect of transactions with the

related parties and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For G. M. Kapadia & Co.**  
*Chartered Accountants*  
Firm Registration No.104767 W

**Rajen Ashar**  
*Partner*  
Membership No. 048243  
UDIN No :20048243AAAACH5057

Place: Mumbai  
Date: May 20, 2020

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of Supreme Petrochem Limited (the Company) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal financial controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### Meaning of Internal Financial with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements and such internal controls were operating effectively as at March 31, 2020 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

**For G. M. Kapadia & Co.**  
Chartered Accountants

Firm Registration No.104767 W

Place: Mumbai  
Date: May 20, 2020

**Rajen Ashar**  
Partner

Membership No. 048243  
UDIN No :20048243AAAACH5057





## BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2020	As at 31-03-2019
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, plant and equipment	2	34,162.57	33,007.70
(b) Capital work-in-progress		840.25	2,375.87
(c) Right-to- use Assets	3	2,847.38	–
(d) Other Intangible assets	4	80.23	104.83
(e) Financial assets			
(i) Loans	5	125.06	86.95
(ii) Other non-current financial assets	6	411.98	442.17
(f) Other non-current assets	7	308.55	773.98
<b>Total non-current assets</b>		<b>38,776.02</b>	<b>36,791.50</b>
<b>2. Current Assets</b>			
(a) Inventories	8	25,842.99	24,505.03
(b) Financial assets			
(i) Investment in debt schemes of mutual funds	9	13,481.26	25,079.61
(ii) Trade receivables	10	24,808.32	28,468.89
(iii) Cash and cash equivalents	11	17,090.44	3,300.99
(iv) Bank balances other than (iii) above	12	494.81	529.00
(v) Loans	13	89.75	80.31
(vi) Other current financial assets	14	719.88	171.86
(c) Current tax assets (net)		1,027.57	229.55
(d) Other current assets	15	3,174.46	2,929.86
<b>Total current assets</b>		<b>86,729.48</b>	<b>85,295.10</b>
<b>TOTAL ASSETS</b>		<b>125,505.50</b>	<b>122,086.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	16	9,643.61	9,650.20
(b) Other equity	17	57,684.10	54,592.69
<b>Total equity</b>		<b>67,327.71</b>	<b>64,242.89</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing		–	–
(ii) Lease Liability	18	1,707.17	–
(iii) Other financial liabilities	19	346.49	361.40
(b) Provisions	20	291.06	225.95
(c) Deferred tax liabilities (net)	21	3,742.64	5,233.05
<b>Total non-current liabilities</b>		<b>6,087.36</b>	<b>5,820.40</b>



**BALANCE SHEET AS AT MARCH 31, 2020 (Contd...)**

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2020	As at 31-03-2019
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liability	22	1,221.16	–
(ii) Trade payables	23		
– Total outstanding dues of micro and small enterprises		63.91	53.47
– Total outstanding dues of creditors other than micro and small enterprises		47,552.57	47,358.14
(iii) Other financial liabilities	24	1,968.19	2,411.30
(b) Current tax liabilities (net)		26.41	182.21
(c) Provisions	25	213.64	160.00
(d) Other current liabilities	26	1,044.55	1,858.19
<b>Total current liabilities</b>		<b>52,090.43</b>	<b>52,023.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>125,505.50</b>	<b>122,086.60</b>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For and on behalf of the Board

For **G. M. Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**N. Gopal**  
Executive Director (Styrenics) & Manager

**M. P. Taparia**  
Chairperson

**Rajen Ashar**  
Partner  
Membership No. 048243

**Rakesh Nayyar**  
Executive Director  
(Finance & Corporate Affairs) &  
Chief Financial Officer

**S. J. Taparia**  
Director

**D. N. Mishra**  
Company Secretary

Place : Mumbai  
Date : May 20, 2020

Place : Mumbai  
Date : May 20, 2020



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

		(₹ in Lakhs)	
Particulars	Note No	2019-2020	2018-2019
<b>REVENUE</b>			
<b>Revenue from Operations</b>			
Gross Sale		271,382.77	317,680.94
Other Operating Income		1,041.76	1,699.69
	27	272,424.53	319,380.63
<b>Other Income</b>	28	1,192.97	1,002.89
<b>TOTAL REVENUE</b>		<b>273,617.50</b>	<b>320,383.52</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	164,003.42	196,097.12
Purchase of stock-in-trade	30	70,384.92	86,022.65
Changes in inventories of finished goods and work-in-process	31	1,313.44	5,683.40
Employee benefits expenses	32	4,168.87	3,965.52
Finance costs	33	649.46	394.25
Depreciation and amortisation expenses	34	3,603.09	2,327.20
Other expenses	35	17,704.51	18,277.09
<b>TOTAL EXPENSES</b>		<b>261,827.71</b>	<b>312,767.23</b>
<b>Profit Before Tax</b>		<b>11,789.79</b>	<b>7,616.30</b>
<b>Tax Expenses</b>			
Current tax		2,995.48	2,335.81
Deferred tax		(1,470.97)	359.80
<b>Profit After Tax</b>		<b>10,265.28</b>	<b>4,920.69</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plans		(75.87)	(2.14)
Income tax relating to items that will not be reclassified to profit or loss		19.44	0.75
<b>Total Comprehensive Income for the period</b>		<b>10,208.85</b>	<b>4,919.30</b>
<b>Earning per share (₹)</b>			
Basic		10.64	5.10
Diluted		10.64	5.10
<b>Nominal Value of Share</b>			
		10.00	10.00
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

For **G. M. Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**Rajen Ashar**  
Partner  
Membership No. 048243

Place : Mumbai  
Date : May 20, 2020

**N. Gopal**  
Executive Director (Styrenics) & Manager

**Rakesh Nayyar**  
Executive Director  
(Finance & Corporate Affairs) &  
Chief Financial Officer

**D. N. Mishra**  
Company Secretary

For and on behalf of the Board

**M. P. Taparia**  
Chairperson

**S. J. Taparia**  
Director

Place : Mumbai  
Date : May 20, 2020

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars

**A: EQUITY SHARE CAPITAL**

For the year ended 31-03-2019

Balance as at 01-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
9,650.20	-	9,650.20

For the year ended 31-03-2020

Balance as at 01-04-2019	Changes in equity share capital during the year	Balance as at 31-03-2020
9,650.20	(6.59)	9,643.61

**B: OTHER EQUITY**

Particulars

	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
Opening balance as on 01-04-2018	1,563.46	44,258.12	9,231.10	(143.80)	54,908.88
Total Comprehensive Income for the year			4,920.69	(1.39)	4,919.30
Dividends including tax on dividends			(5,235.49)		(5,235.49)
Transfer to General Reserve		2,500.00	(2,500.00)		-
<b>Balance at 31-03-2019</b>	<b>1,563.46</b>	<b>46,758.12</b>	<b>6,416.30</b>	<b>(145.19)</b>	<b>54,592.69</b>

	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
Opening balance as on 01-04-2019	1,563.46	46,758.12	6,416.30	(145.19)	54,592.69
Transfer from General Reserve	6.59	(6.59)			-
Utilised for Equity Shares brought back		(114.30)			(114.30)
Tax on Equity Shares brought back		(22.56)			(22.56)
Total Comprehensive Income for the year			10,265.28	(56.43)	10,208.85
Dividends including tax on dividends			(6,980.58)		(6,980.58)
Transfer to General Reserve		3,000.00	(3,000.00)		-
<b>Balance at 31-03-2020</b>	<b>1,570.05</b>	<b>496,14.67</b>	<b>6,701.00</b>	<b>(201.62)</b>	<b>57,684.10</b>

**Capital Redemption Reserve:** Capital Redemption Reserve was created for redemption of preference shares issued by the Company and for buy back of shares. The Reserves were created by transfer from general reserves and share premium account.

**General Reserves:** General Reserve has been created by transfer out of profit generated by the Company and is available for distribution to shareholders.

As per our report of even date.

For and on behalf of the Board

For **G. M. Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**N. Gopal**  
Executive Director (Styrenics) & Manager

**M. P. Taparia**  
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Executive Director  
(Finance & Corporate Affairs) &  
Chief Financial Officer

**S. J. Taparia**  
Director

**D. N. Mishra**  
Company Secretary

Place : Mumbai  
Date : May 20, 2020

Place : Mumbai  
Date : May 20, 2020



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>11,789.79</b>	7,616.30
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	3,603.09	2,327.20
Loss/(Gain) on disposal of property, plant and equipment	(40.15)	(23.45)
Intangible Asset Written Off	2.73	–
IND AS adjustment for loan to employees	25.86	10.12
IND AS adjustment for Rent	–	1.86
Allowance for expected credit loss	13.04	(88.54)
Dividend and interest income classified as investing cash flows	(860.26)	(562.02)
Unwinding Interest Net	(32.30)	(20.39)
Finance costs	649.46	394.25
Net exchange differences	1,188.44	(791.55)
	<b>4,549.91</b>	1,247.48
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	3,910.93	1,108.76
Decrease/(increase) in inventories	(1,337.96)	6,780.91
Increase/(decrease) in trade payables	(1,246.97)	(8,841.72)
Decrease/(Increase) in other financial assets	(507.84)	33.86
Decrease/(increase) in other non-current assets	11.20	(8.15)
Decrease/(increase) in other current assets	(93.99)	5,659.22
Increase/(decrease) in provisions	42.88	2.01
Increase/(decrease) in Other Non-current financial liability	(15.75)	53.41
Increase/(decrease) in other financial liabilities	(377.41)	935.23
Increase/(decrease) in other current liabilities	(813.65)	1,048.13
	<b>(428.56)</b>	6,771.66
<b>Cash generated from operations</b>	<b>4,121.35</b>	8,019.14
Direct taxes paid (net of refunds)	(3,949.29)	(2,338.21)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>11,961.85</b>	13,297.23

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd...)**

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	(1,616.60)	(3,236.15)
Payments for software development costs	(13.62)	(29.66)
Proceeds from sale of property, plant and equipment	61.91	30.69
Proceeds from sale of software	3.00	–
Interest received	78.41	19.50
Dividends received	730.76	554.67
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(756.14)</b>	<b>(2,660.95)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(293.08)	(390.36)
Dividends paid to equity shareholders	(6,980.58)	(5,235.49)
Proceeds for Buy Back (Including Buy Back Expenses)	(294.08)	–
Repayment of Lease Liability	(1,481.06)	–
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(9,048.80)</b>	<b>(5,625.85)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,156.91</b>	<b>5,010.43</b>
Effect of exchange differences on cash & cash equivalent held in foreign currency		
Cash and cash equivalents at the beginning of the year	28,909.60	23,899.17
<b>Cash and cash equivalents at the end of the year</b>	<b>31,066.51</b>	<b>28,909.60</b>
<b>Cash and cash equivalents comprises of :</b>		
(i) Cash and cash equivalents	17,090.44	3,300.99
(ii) Bank balance other than (i) above	494.81	529.00
(iii) Investment in debt schemes of mutual funds	13,481.26	25,079.61
<b>Balance as per the cash flow statement :</b>	<b>31,066.51</b>	<b>28,909.60</b>
The accompanying notes are an integral part of the financial statements.		

As per our report of even date.

For and on behalf of the Board

For **G. M. Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**N. Gopal**  
Executive Director (Styrenics) & Manager

**M. P. Taparia**  
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**Rakesh Nayyar**  
Executive Director  
(Finance & Corporate Affairs) &  
Chief Financial Officer

**S. J. Taparia**  
Director

**D. N. Mishra**  
Company Secretary

Place : Mumbai  
Date : May 20, 2020

Place : Mumbai  
Date : May 20, 2020

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****NOTE : 1****Corporate Information**

Supreme Petrochem Ltd (“the Company”) a Public Limited Company incorporated under the Companies Act, 1956, is listed on the Bombay Stock Exchange and National Stock Exchange. The Company is mainly engaged in the business of Styrenics and manufactures Polystyrene (PS), Expandable Polystyrene (EPS), Masterbatches and Compounds of Styrenics and other Polymers, Extruded Polystyrene Insulation Board (XPS) Styrene Methyl Methacrylate (SMMA) with manufacturing facilities at Amdoshi Dist Raigad, Maharashtra and Manali New Town, Chennai, Tamil Nadu.

**Authorisation of financial statements**

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on May 20, 2020.

**1. SIGNIFICANT ACCOUNTING POLICIES****1.1. Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 01, 2016.

**1.2. Basis of Preparation**

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with Ind AS except for certain financial assets and liabilities that are measured at fair values. Refer accounting policy No.1.10 on Financial Instruments.

The Company’s functional currency and presentation currency is Indian Rupees (INR). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (₹ Lakhs), except otherwise indicated.

**Classification of Assets and Liabilities into current and Non-Current**

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

**1.3. Use of judgements, estimates and assumptions**

The preparation of the Company’s financial statements required management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

The Company's accounting policies, management has made judgements in respect of evaluation of recoverability of deferred tax assets, which has the most significant effect on the amounts recognized in the financial statements:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within;

- a) Useful life of property, plant and equipment and intangible assets: The Company has estimated useful life of the Property Plant and Equipment as specified in Schedule II to the Companies Act, 2013. However the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternately the equipment may continue to provide useful service well beyond the useful life assumed.
- b) Fair value measurement of financial instruments : When the fair values of financial assets and financial liabilities cannot be measured based on quoted process in active market, the fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgement is required in establishing fair values.
- c) Impairment of financial and non-financial assets: The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the input for the impairment calculations, based on Company's past history, existing market conditions, technology, economic developments as well as forward looking estimates at the end of each reporting period.
- d) Taxes: Taxes have been paid / provided, exemptions availed, allowances considered etc. are based on the extant laws and the Company's interpretation of the same based on the legal advice received wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and courts, amendments to statutes by the government etc.
- e) Defined benefit plans: The cost of defined benefit plans and other post – employment benefits plans and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.
- f) Provisions: A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. However the actual liability could be considerably different.

Provisions for leave encashment and gratuity, are made based on report received from the independent actuary. These valuation reports use complex valuation models using not only the inputs provided by the Company but also various other economic variables. Considerable judgement is involved in the process.

- g) Contingencies: A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

#### 1.4. Property, Plant and Equipment

Freehold land is carried at historical cost. All other Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, initial estimation of any decommissioning obligations and finance cost.

When significant parts of the Property, Plant and Equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Cost of Software directly identified with hardware is recognized along with the cost of hardware.





Stores and spares which meet the definition of Property Plant and Equipment and satisfy recognition criteria of Ind AS 16 are capitalized as Property Plant and Equipment.

An item of Property Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized.

Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

Depreciation on the Property Plant and Equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 using straight line method. Property, Plant and Equipment which are added / disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition / deletion.

In line with the provisions of Schedule II of the Companies Act 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components has been assessed based on the historical experience and internal technical inputs.

### 1.5. Intangible Assets

Intangible Assets are recognized only if they are separately identifiable and the Company expects to receive future economic benefits arising out of them. Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Computer Software is amortised over a period of six years.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortised expense on intangible assets with finite lives and impairment loss is recognized in the Statement of Profit and Loss.

The useful lives of intangible assets are assessed as either finite or indefinite.

Gains or losses arising from derecognition of an intangible asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets with indefinite useful lives, are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. The impairment loss on intangible assets with indefinite life is recognised in the Statement of Profit and Loss.

### 1.6. Impairment of non – financial assets

At each Balance Sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company's CGUs in the state of Tamilnadu and Maharashtra to which the individual assets are allocated.

### 1.7. Inventories

Inventories are valued as under

Raw materials, packing material, stores and spares are valued at lower of cost (on a weighted average basis) and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above manufacturing cost.

Stock in process is valued at lower of cost (on a weighted average basis) and net realizable value.

Finished goods (including in transit) are valued at cost (on a weighted average basis) or net realizable value whichever is lower. Cost for this purpose includes direct materials, direct labour utilities, other variable direct costs and manufacturing overheads, based on the normal operating capacity and depreciation.

### 1.8. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, net of outstanding bank overdrafts (if any) and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's cash management.

#### Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows . The cash flows from operating, investing and financing activities of the Company are segregated.

#### Bank Balances other than above

Dividend escrow account balances, deposits with banks as margin money for guarantees issued by the banks, deposits kept as security deposits for statutory authorities are accounted as bank balances other than Cash and Cash equivalents.

### 1.9. Non-current assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets

Property, Plant and Equipment and Intangible Assets are not depreciated or amortized once classified as held for sale.

### 1.10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### A. Financial Assets:

##### (i) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss on the basis of its business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

##### (ii) Initial recognition and measurement.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recognized at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

##### (iii) Financial assets measured at amortised cost:

Financial assets are subsequently measured at amortised cost using effective interest rate method (EIR), if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. The losses arising from the impairment are recognized in the Statement of Profit and Loss.



(iv) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

(v) Financial Assets measured at fair value through profit and loss

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in profit and loss.

(vi) Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **AA. Impairment of Financial Assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **B: Financial Liabilities**

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement.

All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement:

All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings

Interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

(vi) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(vii) Derivative Financial Instruments

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations / renewals of forward contracts and options are recognized as income or expense during the period.

**C: Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

**1.11. Fair value measurement**

The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**1.12. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**1.13. Provisions, Contingent liabilities, Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligations at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the changes in the provision due to the passage of time are recognized as a finance cost.

Contingent liabilities are disclosed in the case of :

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefit is probable.

**1.14. Employee Benefits**

**A. Short Term Benefits**

Short Term Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related service is rendered.



Payment to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the services entitling them to the contribution.

**B. Post Employment benefits - Defined Benefit Plans: Provident fund and Gratuity**

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident fund in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the provident fund managed by the trust set up by the Company which is charged to the Statement of Profit and Loss as incurred. Since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as defined benefit plan.

The Company has an obligation towards gratuity - a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events. The Company has obtained an insurance policy with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date, which is recognized in each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in the net interest on the net defined liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit plan liability or asset.

The Company recognizes the following changes in the net defined benefit obligations under employee benefit expenses in the Statement of Profit and Loss:

- Service costs comprising of current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net current expenses or income

**C. Defined Contribution Plans - Superannuation**

The eligible employees of the Company are entitled to receive post employment benefits of superannuation under Company's Senior Officers Superannuation Scheme to which the Company makes annual contribution at a specified percentage of the employees' salary subject to the contribution not exceeding ₹ 1,00,000/- p.a.. The contribution is made to the LIC. Superannuation is classified as defined contribution plan as the Company has no further obligations beyond making the contribution. The Company's contribution is charged to the Statement of Profit and Loss as incurred.

**D. Other Long-Term Employee Benefits – Compensated Absences**

The Company provided for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provisions for compensated absences based on an independent actuarial valuation carried out at each reporting date, using Projected Unit Cost Method. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

**1.15. Revenue Recognition**

Revenue is recognized upon transfer of control of promised goods to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

**Dividend Income**

Dividend income is recognized when the right to receive is established and there is a reasonable certainty of its collection.

**Export benefit**

Benefits on account of entitlement to import duty-free raw materials under the Advance Authorization Scheme is measured at fair value and accounted for in the year of export and included under the head “Other Operating Income.”

**Interest Income**

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instruments (for example, prepayment, extension, call and similar options) but does not consider the expected credit loss.

**Insurance Income**

Income in respect of insurance claims recognized on acceptance basis or when there is reasonable certainty that the ultimate collection will be made.

**Others**

Income in respect of other claims and commissions are measured at fair value and recognised when there is reasonable certainty that the ultimate collection will be made.

**1.16. Taxes on income**

Income Tax expenses comprise current tax expenses and the net change in the deferred tax asset or liabilities during the year. Current and Deferred tax are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in Other Comprehensive Income or directly in equity respectively.

**Current Tax**

The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to the Company.

**Deferred Tax**

Deferred tax is recognised using the Balance Sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**1.17. Earnings per share**

Basic earnings per share are calculated by dividing the profit after tax or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of the same is given to arrive at diluted earnings per share.

**1.18. Segment Reporting**

The operating segments have been identified on the basis of nature of products and same are accordingly evaluated by the Manager and Board of Directors. Company’s primary operating segment is Styrenics business which accounts for over 96% of total business. Company also operates in masterbatches and compounds of other Polymers, and miscellaneous others.



This activity shares manufacturing assets and facilities with compounds/ masterbatches/ coloured products of Styrenics, have similar pattern, customer profile and distribution channels as of compounds/ masterbatches/ coloured products of Syrenics and does not have separately identifiable discreet financial information. Masterbatches and Compounds of other Polymers have therefore been aggregated with Styrenics business. Masterbatches and Compounds of other Polymers and miscellaneous others account for less than 4% of total business and are individually below threshold of total sale revenue specified in Ind AS 108, Para 13. Company accordingly reports its financials under one segment 'Styrenics and allied products'.

#### **1.19. Leases :**

Determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. At the date of commencement of lease the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lease except for leases with a term of twelve months or less and low value leases. For these short term and low value leases the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right to use assets are initially recognized at cost which comprises initial amount of the lease liability adjusted for any lease payment made at or prior to the date of the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-to- use assets are depreciated from the commencement date on straight line basis over lesser of the lease period or the useful life of the asset.

Lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable using the incremental borrowing rate for the Company.

The right-to-use assets and the lease liabilities are tested for impairment and re-measured annually to arrive at the current carrying value and if found required, adjustments are made to the right-to-use assets and/or lease liability.

#### **1.20. Foreign exchange transactions**

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the reporting date. All exchange differences arising on translation of monetary items are dealt with in the Statement of Profit and Loss.

Non-monetary items are measured in terms of historical cost in foreign currency and translated using the exchange rate at the end of the dates of initial transaction.

#### **1.21. Deemed cost for Property, Plant and Equipment, Investment Property and Intangible Assets**

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1st July, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2020

### NOTE : 2

#### Property Plant and Equipment

(₹ in Lakhs)

Particulars	GROSS BLOCK*				DEPRECIATION				NET BLOCK	
	As at April 01, 2018	Additions	Disposal	As at March 31, 2019	Upto April 01, 2018	Provided / Adjustments	Disposal	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Own Assets</b>										
Land (Freehold)	3,771.18	–	–	<b>3,771.18</b>	–	–	–	–	<b>3,771.18</b>	3,771.18
Buildings	11,316.10	200.46	–	<b>11,516.56</b>	1,321.42	475.12	–	<b>1,796.54</b>	<b>9,720.02</b>	9,994.68
Plant and Machinery	23,221.41	1,820.78	2.67	<b>25,039.52</b>	4,227.44	1,698.17	–	<b>5,925.61</b>	<b>19,113.91</b>	18,993.97
Office equipments	47.57	1.70	0.02	<b>49.25</b>	27.18	4.60	–	<b>31.78</b>	<b>17.47</b>	20.39
Computers	308.08	20.94	1.34	<b>327.68</b>	129.67	60.89	0.99	<b>189.57</b>	<b>138.11</b>	178.41
Air-conditioners	29.18	2.30	0.33	<b>31.15</b>	16.55	5.13	0.32	<b>21.36</b>	<b>9.79</b>	12.63
Vehicles	206.54	26.58	8.07	<b>225.05</b>	50.66	26.49	3.88	<b>73.27</b>	<b>151.78</b>	155.88
Furniture and Fixtures	131.64	4.08	–	<b>135.72</b>	34.75	15.53	–	<b>50.28</b>	<b>85.44</b>	96.89
<b>TOTAL</b>	<b>39,031.70</b>	<b>2,076.84</b>	<b>12.43</b>	<b>41,096.11</b>	<b>5,807.67</b>	<b>2,285.93</b>	<b>5.19</b>	<b>8,088.41</b>	<b>33,007.70</b>	<b>33,224.03</b>

#### Note :

2.1. Buildings include ₹ 259.62 lakhs (previous year ₹ 259.62 lakhs) being cost of premises in Co-operative Societies including cost of shares of the face value of ₹ 4,250 (Previous year ₹ 4,250).

2.2. The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP

\*On historical cost basis the gross block as on March 31, 2019 is ₹ 73,429.54 lakhs

#### Property Plant and Equipment

(₹ in Lakhs)

Particulars	GROSS BLOCK *				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
<b>Own Assets</b>										
Land (Freehold)	3,771.18	64.33	–	<b>3,835.51</b>	–	–	–	–	<b>3,835.51</b>	3,771.18
Buildings	11,516.56	212.61	7.13	<b>11,722.04</b>	1,796.54	455.85	0.81	<b>2,251.58</b>	<b>9,470.46</b>	9,720.02
Plant and Machinery	25,039.52	3,220.57	–	<b>28,260.09</b>	5,925.61	1,808.33	–	<b>7,733.94</b>	<b>20,526.15</b>	19,113.91
Office equipments	49.25	9.45	9.17	<b>49.53</b>	31.78	4.96	5.28	<b>31.46</b>	<b>18.07</b>	17.47
Computers	327.68	32.26	49.46	<b>310.48</b>	189.57	48.98	43.01	<b>195.54</b>	<b>114.94</b>	138.11
Air-conditioners	31.15	1.11	0.71	<b>31.55</b>	21.36	4.68	0.59	<b>25.45</b>	<b>6.10</b>	9.79
Vehicles	225.05	0.43	15.04	<b>210.44</b>	73.27	26.76	10.54	<b>89.49</b>	<b>120.95</b>	151.78
Furniture and Fixtures	135.72	–	1.87	<b>133.85</b>	50.28	14.57	1.39	<b>63.46</b>	<b>70.39</b>	85.44
<b>TOTAL</b>	<b>41,096.11</b>	<b>3,540.76</b>	<b>83.38</b>	<b>44,553.49</b>	<b>8,088.41</b>	<b>2,364.13</b>	<b>61.62</b>	<b>10,390.92</b>	<b>34,162.57</b>	<b>33,007.70</b>

#### Note :

2.1. Buildings include ₹ 252.49 lakhs (previous year ₹ 259.62 lakhs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 4250 (Previous year ₹ 4,250).

2.2. On July 1,2015 The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP

\* On historical cost basis the gross block as on March 31,2020 is ₹ 76,697.55 lakhs



**NOTE : 3****Right to Use Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	–	1,114.73	–	1,114.73	–	182.51	–	182.51	932.22	–
Machinery	–	2,939.12	–	2,939.12	–	1,023.96	–	1,023.96	1,915.16	–
<b>TOTAL</b>	–	4,053.85	–	4,053.85	–	1,206.47	–	1,206.47	2,847.38	–

Range of remaining period of amortisation of Right to Use assets as on March,31 2020 is as below :

	0 to 1 Years	2 to 5 Years	Above 5 Years	Total WDV
Building	213.78	693.91	24.53	932.22
Machinery	1,034.27	880.89	–	1,915.16

**NOTE 4 :****Other Intangible Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK*				AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions	Disposal	As at March 31, 2019	Upto April 01, 2018	Provided / Adjustments	Disposal	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	285.14	29.65	–	314.79	168.69	41.27	–	209.96	104.83	116.45
<b>TOTAL</b>	285.14	29.65	–	314.79	168.69	41.27	–	209.96	104.83	116.45

\*On historical cost basis the gross block as on March 31, 2019 is ₹ 640.06 lakhs

Range of remaining period of amortisation of intangible assets as on March 31, 2019 is as below:

	0 to 2 Years	3 to 5 Years	6 to 10 Years	Total WDV
Computer Software	13.80	85.06	5.97	104.83

**Other Intangible Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK*				AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	314.79	13.62	48.61	279.80	209.96	32.49	42.88	199.57	80.23	104.83
<b>TOTAL</b>	314.79	13.62	48.61	279.80	209.96	32.49	42.88	199.57	80.23	104.83

\* On historical cost basis the gross block as on March 31,2020 is ₹ 588.54 lakhs

Range of remaining period of amortisation of intangible assets as on March,31 2020 is as below :

	0 to 2 Years	3 to 5 Years	Total WDV
Computer Software	3.04	77.19	80.23

(₹ in Lakhs)

	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 5</b>		
<b>Loans - Non current</b>		
<b>Unsecured, Considered Good</b>		
Loans to staff	125.06	86.95
	<u>125.06</u>	<u>86.95</u>
The above includes		
Loans to other officers of the Company	-	11.43
	<u>-</u>	<u>11.43</u>
<b>NOTE : 6</b>		
<b>Other Non-Current Financial Assets</b>		
Security deposit other than utility services	411.98	442.17
	<u>411.98</u>	<u>442.17</u>
<b>NOTE : 7</b>		
<b>Other Non Current Assets</b>		
<b>Capital advance</b>		
Capital advance	55.44	509.67
<b>Other than Capital advance</b>		
Deposits with statutory authorities	82.18	83.72
Balance due from MIDC	129.39	129.39
Security deposit - utility services	41.54	41.82
Advance rent	-	9.38
	<u>308.55</u>	<u>773.98</u>
<b>NOTE : 8</b>		
<b>Inventories</b>		
Raw materials and packing materials	15,314.47	12,288.15
Stock-in-process	453.03	177.24
Finished goods	8,614.13	8,637.97
Finished goods in transit	269.26	1,834.63
Stores and spares	1,161.21	1,531.46
Fuel	30.89	35.58
	<u>25,842.99</u>	<u>24,505.03</u>

8.1. The cost of inventories is after recognising write down of inventory to net realisable value in respect of finished goods ₹ 95.29 lakhs, raw materials 932.20 lakhs and stores and spares ₹ 234.89 lakhs. (Previous year- NIL)

8.2. The Company does not have any stock which is expected to be sold in more than twelve months.



(₹ in Lakhs)

	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 9</b>		
<b>Investment in Debt Scheme of Mutual Funds Measured at FVTPL</b>		
HDFC Liquid Fund Dividend Reinvestments	–	5,018.06
Aditya Birla Sun Life Cash Plus-Daily Dividend	–	5,015.06
SBI Premier Liquid Fund Inst.Daily Dividend	–	5,015.68
Kotak Mahindra Liquid Scheme-DDR	–	5,008.93
ICICI Institutional Liquid Fund	–	5,021.88
Kotak Banking and PSU Debt Fund	<b>2,155.85</b>	
HDFC Overnight Fund	<b>5,710.26</b>	–
TATA Overnight Fund	<b>2,501.57</b>	–
Kotak Overnight Fund	<b>957.76</b>	–
IDFC Banking & PSU Debt Fund	<b>1,004.52</b>	–
DSP Overnight Fund	<b>1,151.30</b>	–
	<b>13,481.26</b>	25,079.61
<b>9.1 Details of unquoted investments:</b>		
Aggregate amount of unquoted current investments:		
Book Value (accounted based on NAV)	<b>13,481.26</b>	25,079.61
<b>NOTE : 10</b>		
<b>Trade Receivables</b>		
(Unsecured-Considered good)		
Trade receivables	<b>24,836.06</b>	28,483.59
Less : Provision for doubtful debts	–	–
Less : Allowance for expected credit loss	<b>27.74</b>	14.70
	<b>24,808.32</b>	28,468.89

**Note :**

10.1. The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. Receivables supported by Dealer / Distributor agreements, letters of credit or other form of additional comfort are excluded. The expected credit loss allowance is based on the ageing of the days the receivables are due and recognises impairment loss allowance based on lifetime ECL's (Expected Credit Loss) at each reporting date, right from its initial recognition. The provision matrix at the end of the reporting period is as follows :

Particulars	(₹ in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
Total Receivable	24,836.06	28,483.59
Trade Receivables not considered for ECL	15,864.95	20,895.59
Others considered for ECL	8,971.11	7,589.00
<b>Ageing</b>		
Not Due	6,317.78	6,594.00
0-90 days overdue	2,534.40	893.00
91-180 over due	64.53	76.00
181-270 over due	31.96	5.00
271-365 over due	0.52	1.00
366- 451 over due	0.30	10.00
451- 540 over due	0.01	0.00
541- 630 over due	0.00	0.00
> 631 days *	21.60	10.00
<b>Movement in the expected credit loss allowance</b>		
Balance at beginning of the year	14.70	103.24
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	13.04	(88.54)
Balance at end of the year	27.74	14.70

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

	(₹ in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 11</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balances with banks</b>		
- In Current accounts	13,278.60	1,951.56
- Deposits with original maturity less than 3 Months*	3,798.47	—
Cheques on hand	—	1,339.71
Cash on hand	13.37	9.72
	17,090.44	3,300.99
<b>NOTE : 12</b>		
<b>Other Balances with Banks</b>		
Margin money deposits with banks	—	88.47
Earmarked balances with banks(unpaid dividend)	494.81	440.53
	494.81	529.00

\* Includes ₹ 1700 Lakhs earmarked for ongoing Share Buy Back Scheme

12.1. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2020



(₹ in Lakhs)

	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 13</b>		
<b>Loans - Current</b>		
(Unsecured-Considered Good)		
Loans and advances to employees	89.75	80.31
	<u>89.75</u>	<u>80.31</u>
<b>The above includes</b>		
Loans to other officers of the Company	11.43	10.45
	<u>11.43</u>	<u>10.45</u>
<b>NOTE : 14</b>		
<b>Other Current Financial Assets</b>		
Insurance claim receivable	21.48	83.92
Derivative Asset	582.90	23.54
Interest receivable	115.50	64.40
	<u>719.88</u>	<u>171.86</u>
<b>NOTE : 15</b>		
<b>Other Current Assets</b>		
Advance license benefits and others	522.13	578.42
Prepaid expenses	503.12	481.14
Advance recoverable in cash or in kind	345.03	281.39
Deposits with statutory authorities	7.24	79.09
Balances with statutory authorities	1,099.72	360.93
Receivable from statutory authorities	546.60	1146.25
Advance rent	-	2.64
Advance for Buy Back of Shares	150.62	-
	<u>3,174.46</u>	<u>2,929.86</u>
<b>NOTE : 16</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
1,25,000,000 (Previous Year 125,000,000) Equity Shares of ₹ 10 each	12,500.00	12,500.00
25,000,000 (Previous Year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2,500.00	2,500.00
	<u>15,000.00</u>	<u>15,000.00</u>
<b>Issued, Subscribed And Paid Up</b>		
96,501,958 (Previous Year 96,501,958) Equity Shares of ₹ 10 each	9,650.20	9,650.20
Less : 65,911 Shares Purchased under Buy Back Scheme & pending for extinguishment	6.59	-
	<u>9,643.61</u>	<u>9,650.20</u>

**Note :**

16.1. In the financial year 2008-2009, the Company bought back and extinguished 15,37,907 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,837.65 lakhs to ₹ 9,683.86 lakhs.

- 16.2. In the financial year 2013-2014, the Company bought back and extinguished 3,36,655 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,683.86 lakhs to ₹ 9,650.20 lakhs.
- 16.3. The Company commenced buy back of shares on 19th March 2020. Upto 31st March 2020 the Company purchased 81880 equity shares out of which 65,911 shares were credited to company's buy back demat account as of 31st March 2020. These 65,911 shares are pending for extinguishment in term of Regulation 21 r/w Regulation 11 of the SEBI (Buy-Back of Securities) Regulation 2018.
- 16.4. The details of Shareholders holding more than 5% Shares :

Name of the Shareholder	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	% held	No. of Shares	% held
The Supreme Industries Limited	2,89,36,400	29.99	2,89,36,400	29.99
R. Raheja Investments Private Limited	2,89,36,400	29.99	2,89,36,400	29.99

- 16.5. The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	9,65,01,958		9,65,01,958	
Less : Shares Purchased under Buy Back Scheme & pending for extinguishment	65,911		—	
Equity Shares at the end of the year	9,64,36,047		9,65,01,958	

- 16.6. The Company has only one class of shares referred to as equity shares having a par value ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 16.7. Dividend

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the Board meeting held on October 22, 2019 the board declared an amount of ₹ 4 per equity shares as a interim dividend (including a special dividend of ₹ 3 per equity share ) which was distributed to equity shares holder. The amount of interim dividend distributed to equity shares holder was ₹ 4,653.71 lakhs including corporate dividend tax.

The Board of Directors, in their meeting held on May 20, 2020, have proposed a final dividend of ₹ 1.50 per equity share (Previous year ₹ 2/- per equity share) for the financial year ended March 31, 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 18,2020 and if approved would result in a cash outflow of approximately ₹ 1,446.55 lakhs (previous year ₹ 2,326.87 lakhs) (we don't have any treasury shares), including corporate dividend tax.

	(₹ in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
<b>NOTE 17</b>		
<b>Reserves &amp; Surplus</b>		
Capital reserves	1,570.05	1,563.46
General reserves	49,614.67	46,758.12
Retained earnings	6,701.00	6,416.30
Other comprehensive income - remeasurement of defined benefit plans	(201.62)	(145.19)
	<b>57,684.10</b>	<b>54,592.69</b>



(₹ in Lakhs)

	As at 31-03-2020	As at 31-03-2019
<b>NOTE 18</b>		
<b>Non Current Financial Liability</b>		
Lease Liability	1,707.17	—
	<u>1,707.17</u>	<u>—</u>
<b>NOTE : 19</b>		
<b>Other Non-current Financial Liabilities</b>		
Security deposits from distributors	346.49	361.40
	<u>346.49</u>	<u>361.40</u>
<b>NOTE 20</b>		
<b>Provisions - Non Current</b>		
Provision for leave encashment	222.43	225.95
Provision for gratuity	68.63	—
	<u>291.06</u>	<u>225.95</u>

**NOTE : 21**

**A. Movement In Deferred Tax Balances**

(₹ in Lakhs)

Particulars	Net balance April 1, 2019	Recognised in profit or (loss)	Recognised in OCI	March 31, 2020		
				Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(5,371.57)	1,450.39		(3,921.18)		(3,921.18)
Inventories	—	—				
Employee benefits	146.05	(27.95)	19.44	137.54	137.54	
Trade receivables	5.13	1.97		7.10	7.10	
Other items	(12.66)	46.56		33.90	60.19	(26.29)
<b>Deferred tax assets/(liabilities)</b>	<b>(5,233.05)</b>	<b>1,470.97</b>	<b>19.44</b>	<b>(3,742.64)</b>	<b>204.83</b>	<b>(3,947.47)</b>
				March 31, 2019		
Particulars	Net balance April 1, 2018	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(5,301.89)	(69.68)		(5,371.57)		(5,371.57)
Employee benefits	158.19	(12.89)	0.75	146.05	146.05	
Trade receivables	270.08	(264.95)		5.13	5.13	
Other items	(0.38)	(12.28)		(12.66)	—	(12.66)
<b>Deferred tax assets/(Liabilities)</b>	<b>(4,874.00)</b>	<b>(359.80)</b>	<b>0.75</b>	<b>(5,233.05)</b>	<b>151.18</b>	<b>(5,384.23)</b>

	(₹ in Lakhs)	
Particulars	2019-2020	2018-2019
<b>B. Income tax related to items charged or credited directly to profit or loss during the year</b>		
<b>Statement of profit or loss</b>		
Current Income tax	3,115.00	2,339.45
Relating to Earlier Year Assessment ( Excess ) / Short Provision ( Net )	(119.52)	(3.64)
	<u>2,995.48</u>	<u>2,335.81</u>
<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the Year ended March 31, 2019</b>
<b>C. Reconciliation of effective tax rate</b>		
Profit before tax	11,789.79	7,616.30
Applicable tax rate %	25.626%	34.944%
Income tax expenses	3,021.25	2,661.44
Effect of income that is exempt from taxation	(195.33)	(241.48)
Effect of expenses as that is non-deductible in determining taxable profit	263.50	157.10
Temporary changes in recognised deductible differences /Other Adjustment	25.58	(237.61)
	<u>3,115.00</u>	<u>2,339.45</u>

	(₹ in Lakhs)	
	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 22</b>		
<b>Current Financial Liability</b>		
Lease Liability	1,221.16	—
	<u>1,221.16</u>	<u>—</u>
<b>NOTE : 23</b>		
<b>Trade Payables</b>		
Total outstanding dues of micro and small enterprises	63.91	53.47
Total outstanding dues of trade payable and acceptance other than micro and small enterprises	47,552.57	47,358.14
	<u>47,616.48</u>	<u>47,411.61</u>
<b>NOTE : 24</b>		
<b>Other Current Financial Liabilities</b>		
Creditors for Capital Goods	343.31	277.61
Salary and other benefit payable	39.87	32.28
Derivative liability	1.57	662.21
Unclaimed dividend	494.81	440.53
Others	1,088.63	998.67
	<u>1,968.19</u>	<u>2411.30</u>





(₹ in Lakhs)

	As at 31-03-2020	As at 31-03-2019
<b>NOTE : 25</b>		
<b>Current Provisions</b>		
<b>Employee Benefit</b>		
Provision for leave encashment	93.92	53.35
Provision for gratuity	119.72	106.65
	<b>213.64</b>	<b>160.00</b>
<b>NOTE : 26</b>		
<b>Other Current Liabilities</b>		
Statutory dues	186.58	1313.78
Employee and contractor deductions	51.78	49.31
Advances from customers	806.19	495.10
	<b>1,044.55</b>	<b>1,858.19</b>

(₹ in Lakhs)

	2019-2020	2018-2019
<b>NOTE : 27</b>		
<b>Revenue From Operations</b>		
<b>Gross Sale (refer note. 41, 42)</b>	<b>2,71,382.77</b>	<b>3,17,680.94</b>
<b>Other Operating Income</b>		
Export benefit	834.62	1,083.38
Scrap sales	207.14	616.31
	<b>1,041.76</b>	<b>1,699.69</b>
<b>Revenue from operations (Gross)</b>	<b>2,72,424.53</b>	<b>3,19,380.63</b>
<b>NOTE 28</b>		
<b>Other Income</b>		
<b>Interest Income</b>		
Interest received on trade receivables	80.50	117.07
Interest received on bank fixed deposits	129.50	7.35
Interest received others	2.18	35.29
Unwinding interest	32.30	20.39
	<b>244.48</b>	<b>180.10</b>
<b>Other Non-operating income</b>		
Dividend (gross)	730.76	554.67
Miscellaneous income	121.27	156.13
	<b>852.03</b>	<b>710.80</b>
<b>Others Gains</b>		
Gain on sale of fixed assets (net)	37.42	23.45
Allowance for expected credit loss	-	88.54
Net Gain / ( Loss ) on sale or fair valuation of investment	59.04	-
	<b>96.46</b>	<b>111.99</b>
	<b>1,192.97</b>	<b>1,002.89</b>

	(₹ in Lakhs)	
	2019-2020	2018-2019
<b>NOTE : 29</b>		
<b>Cost of Materials Consumed</b>		
Consumption raw materials (including packing materials)	<u>1,64,003.42</u>	<u>1,96,097.12</u>
<b>NOTE : 30</b>		
<b>Purchases Of Stock-In-Trade</b>		
Petrochemicals	67,769.68	85,893.01
Others	<u>2615.24</u>	<u>129.64</u>
	<u>70,384.92</u>	<u>86,022.65</u>
<b>NOTE : 31</b>		
<b>Changes In Inventories Of Finished Goods And Stock-In-Process</b>		
<b>Inventories (at commencement)</b>		
Finished goods	10,472.60	16,101.70
Stock-in-process	<u>177.25</u>	<u>231.55</u>
	<u>10,649.85</u>	<u>16,333.25</u>
<b>Inventories (at close)</b>		
Finished goods	8,883.38	10,472.60
Stock-in-process	<u>453.03</u>	<u>177.25</u>
	<u>9,336.41</u>	<u>10,649.85</u>
	<u>1,313.44</u>	<u>5,683.40</u>
<b>NOTE : 32</b>		
<b>Employee Benefit Expenses</b>		
Salaries and wages	3,591.50	3,369.01
Contribution to provident and other funds	244.77	260.61
Contribution to gratuity and leave encashment	140.76	127.14
Staff welfare expenses	<u>191.84</u>	<u>208.76</u>
	<u>4,168.87</u>	<u>3,965.52</u>
<b>NOTE : 33</b>		
<b>Finance Cost</b>		
<b>Interest</b>		
Interest others	135.05	279.50
<b>Others</b>		
Interest on Right to Use Assets	355.55	-
Unwinding Interest	0.83	3.89
Processing fees paid to banks	<u>158.03</u>	<u>110.86</u>
	<u>649.46</u>	<u>394.25</u>



(₹ in Lakhs)

	2019-2020	2018-2019
<b>NOTE : 34</b>		
<b>Depreciation And Amortisation Expenses</b>		
Depreciation	2,364.13	2,285.93
Amortisation	32.49	41.27
Right to Use Assets	1,206.47	–
	<b>3,603.09</b>	<b>2,327.20</b>
<b>NOTE : 35</b>		
<b>Other Expenses</b>		
Consumption of stores and spares	1,094.25	11,29.62
Power	3,465.73	3,594.36
Fuel	1,188.97	1,154.37
Repairs to building	210.90	236.76
Repairs to machinery	300.75	411.05
Repairs to others	370.73	382.01
Commission on sales	458.67	668.55
Carriage outward	5,388.74	5,742.06
Sabka Vishwas Scheme (Legacy Dispute Resolution)	320.84	–
Diminution in value of Stores & Spares	234.89	–
Bad debts written-off	77.61	173.19
Allowance for expected credit loss	13.04	–
Rent, rates and taxes	262.34	447.06
Directors' fees	36.27	31.18
Insurance	574.18	516.33
Auditors remuneration	31.74	33.10
Legal & Professional fees	491.39	351.33
Travelling & Conveyance	309.45	348.71
Advertisement, Publicity & Business Promotion	19.23	20.89
Corporate social responsibility expenses	266.40	340.65
Royalty	–	13.80
Packing & Forwarding expenses	210.22	187.67
Miscellaneous expenditure	1,193.25	1,000.59
Net loss on foreign currency transaction and translation	1,184.92	1,493.81
	<b>17,704.51</b>	<b>18,277.09</b>
<b>Payment to Auditors</b>		
For audit fees	18.00	18.00
For taxation matters	9.34	8.77
For other services	0.55	2.58
For limited review	3.85	3.75
	<b>31.74</b>	<b>33.10</b>

**NOTE : 36**

As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below

	(₹ in Lakhs)	
	2019-2020	2018-2019
	(12 Months)	(12 Months)
<b>A. Gratuity</b>		
<b>I. Assumptions</b>		
Discount Rate (Current)	6.84%	7.77%
Rate of return on Plan Assets Current Year	6.84%	7.77%
<b>II. Changes in the defined benefit obligation :</b>		
Liability at the beginning of the year	1,002.35	948.40
Interest cost	77.88	73.31
Current Service cost	46.97	33.91
Benefits paid	(17.52)	(57.48)
Actuarial (gains)/ losses on obligations Due to Change in Demographic Assumption	-	-
Actuarial (gains)/ losses on obligations Due to Change in Financial Assumption	43.53	(1.83)
Actuarial (gains)/ losses on obligations Due to Experience	23.04	6.04
Liability at the end of the year (a)	1,176.25	1,002.35
<b>III. Changes in the fair value of plan assets :</b>		
Fair value of plan assets at the beginning of the year	895.71	835.20
Expected return on plan assets	69.60	64.56
Employer’s contributions	49.42	51.36
Actuarial (gains)/ losses on plan assets		
Benefits paid	(17.52)	(57.48)
Return on plan assets, Excluding Interest Income	(9.30)	2.07
Fair value of plan assets at the end of the year (b)	987.91	895.71
<b>IV. Balance Liability (a-b)</b>	188.34	106.65
<b>V. Actual Return on plan Assets :</b>		
Expected return on plan assets	69.60	64.56
Remeasurement gains / (losses) on plan assets	(9.30)	2.07
Actual return on plan assets	60.30	66.62
<b>VI. Expenses Recognised in Statement of Profit and Loss :</b>		
Current Service Cost	46.97	33.91
Interest Cost	8.28	8.75
Expenses recognized in Profit & Loss	55.25	42.66
<b>VII. Expenses Recognised in the Other Comprehensive Income (OCI) :</b>		
Actuarial gains / (losses) on Obligation for the period	66.56	4.21
Return on plan assets, Excluding Interest Income	9.30	(2.07)
<b>Expenses recognized in Other Comprehensive Income (OCI)</b>	75.86	2.14
<b>VIII. The Categories of plan assets as a percentage of total plan are as follows :</b>		
Insurer managed funds	100%	100%



Amounts for the current and previous four periods are as follows :

(₹ in Lakhs)

Particulars	2020	2019	2018	2017	2016
Defined benefit obligation	1,176.25	1,002.35	948.40	810.26	668.51
Plan assets	987.91	895.71	835.20	642.28	560.87
(Surplus) / deficit	188.34	106.65	113.20	167.98	107.64
Experience adjustments on plan liabilities	23.03	6.04	75.75	51.48	32.15
Remesurement gain/(loss) on plan assets	(9.30)	2.07	5.18	10.84	0.75

**B. Leave Encashment**

The valuation of Leave Encashment has been done on exit as well as availment during the service. This liability forms part of other long term benefits as per the standard and does not require disclosures as mentioned in Para 158 of the Ind AS 19.

**C. Provident Fund**

The provident fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no shortfall as at 31st March, 2020.

The assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are :

Average holding period of assets 5 Years

Guaranteed rate of Interest 8.50%

**NOTE : 37**

**Financial Instruments : Accounting classifications, Fair value measurements**

March 31, 2020

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
Trade receivables	24,808.32	–	–	24,808.32	–	–	–	
Loans and Advances								
Security deposits	411.98	–	–	411.98	–	–	411.98	
Loans to employees	214.81	–	–	214.81	–	–	214.81	
Derivative assets	582.90	582.90	–	–	582.90	–	–	
Investments	13,481.26	13,481.26	–	–	13,481.26	–	–	
Cash on hand	13.37	–	–	13.37	–	–	–	
Bank Balances & cheques on hand	17,077.05	–	–	17,077.05	–	–	–	
Other Bank Balance	494.81	–	–	494.81	–	–	–	
Other Financial assets	136.97	–	–	136.97	–	–	–	
	<b>57,221.47</b>	<b>14,064.16</b>	<b>–</b>	<b>43,157.31</b>	<b>14,064.16</b>	<b>–</b>	<b>626.79</b>	
		<b>Carrying Value</b>		<b>Classification</b>	<b>Fair Value</b>			
				<b>FVTPL</b>	<b>Amortised Cost</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Liabilities</b>								
Trade payables	47,616.48	–	–	47,616.48	–	–	–	
Other financial liabilities								
Security deposits	346.49	–	–	346.49	–	–	346.49	
Derivative liability	1.57	1.57	–	–	1.57	–	–	
Lease liability	2,928.33	–	–	2,928.33	–	–	2,928.33	
Other financial Liability	1,966.62	–	–	1,966.62	–	–	–	
	<b>52,859.49</b>	<b>1.57</b>	<b>–</b>	<b>52,857.92</b>	<b>1.57</b>	<b>–</b>	<b>3,274.82</b>	





**NOTE : 38**

**Financial Risk management**

The Company's activities expose it to variety of financial risks viz. commodity price risk, credit risk, liquidity risk, capital risk and foreign currency risk. These risks are managed by the senior management of the Company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the Company.

**Commodity Risk:**

International pricing and demand/ supply risk are inherent in the import of styrene monomer, the main raw material. The Company enters into procurement contracts for import of styrene monomer on annual basis. The contracts specify the quantity and attributes for arriving at monthly pricing. However, a part of the requirement is sourced on spot basis so as to float with fluctuations in the market and to guard against price volatility. The Company has also linked part of its sales to raw material prices so that the Company has adequate cushion to protect its margin in the event of any increase/decrease in raw material costs.

**Credit Risk:**

Credit risk from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Company works with. The Company has specific policies for managing customer credit risk on an ongoing basis; these policies factor in the customer's financial position, past experience and other customer specific factors.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company makes provision for doubtful debt or write off when a debtor fails to make contractual payments greater than two years past due. When loans or receivables have either been provided for or written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in Statement of Profit and Loss.

**Liquidity Risk:**

The Company needs to ensure that at all times, it meets its payment obligations on time. The table below summarises the Company's liquidity position and its preparedness for likely variations in the liquidity:

	(₹ in Lakhs)	
<b>Particulars</b>	<b>March 31, 2020</b>	March 31, 2019
Cash, Cash equivalents & bank balances (note: 11)	<b>17,090.44</b>	3,300.99
Investments in debt scheme of mutual funds (note:9)	<b>13,481.26</b>	25,079.61
Undrawn fund based credit facilities from banks	<b>14,600.00</b>	14,500.00
Liquidity buffer	<b>45,171.70</b>	42,880.60
Borrowings from Banks and Financial Institutions	-	-

The Company is debt free and has, adequate liquidity as detailed above, to meet any exigencies. In addition to the undrawn fund based credit limits, the Company also has recourse to discount trade receivables backed by letters of credit. These measures are considered by the management adequate to ensure that the Company is not exposed to any liquidity risk.

**Capital Risk Management:**

The Company's Capital Risk management policy objective is to ensure that at all times, it remains a going concern and safeguard interests of its shareholders and other stakeholders.

	(₹ in Lakhs)	
<b>Particulars</b>	<b>March 31, 2020</b>	March 31, 2019
Net Financial Debt	-	-
Total Equity	<b>67,327.71</b>	64,242.89
Total Capital Employed	<b>71,070.35</b>	69,475.94
Gearing Ratio	-	-

The Company's total owned funds of ₹ 71,070.36 lakhs with zero debt is considered adequate by the management to meet its business interest and any capital risk it may face in future.



### Foreign Currency risk:

The Company is debt free and hence faces no foreign currency risk on account of debt outstanding. However the Company depends entirely on imports for its requirement of styrene monomer and other raw materials. It also exports its products in significant quantities. All the transactions are exposed to fluctuation in the external value of rupee largely against US dollar. Exposure to other currencies is minimal.

Particulars	March 31, 2020		March 31, 2019	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
<b>Financial Assets</b>				
Receivables in				
US Dollars	26,85,624	2032.08	52,51,970	3,632.00
Euro	1,44,000	119.19	1,19,022	92.45
<b>Financial Liabilities</b>				
Payables in				
US Dollars	5,71,52,358	43,244.33	6,37,68,878	44,099.37
Euro	42,265	34.98	2,324	1.81
CHF			13,200	9.17
<b>Derivative Contracts</b>				
Forward/ Options Contracts for payables in USD	40,098,371	—	5,15,72,462	—

To overcome these risks of cost and pricing due to foreign exchange volatility, the Company hedges part of open foreign exchange exposure relating to imports so as to lessen the impact of foreign exchange rate fluctuations if any in respect of import of raw materials. The Company also has a natural hedge to the extent of its exports and pricing its products locally on import parity basis. These measures are considered adequate by the management of the Company to safeguard from foreign exchange fluctuation risk. However foreign currency exchange rate being dynamic are monitored constantly to decide on proper response measure.

### NOTE : 39

Particulars	(₹ in Lakhs)	
	March 31, 2020	March 31, 2019
<b>(1) Contingent liabilities</b>		
(A) Claims against the Company not acknowledged as debt; (matters pending in court/ arbitration. No cash outflow is expected in future).		
Disputed Excise/ Service Tax demand.	117.57	1,669.04
Disputed Sales Tax demand	31.82	31.82
Disputed CVD refund	68.96	68.96
(B) Counter guarantees given to banks against guarantees issued by the banks.		
Other bank guarantees.	311.39	394.95
(C) Other money for which the Company is contingently liable		
Letters of Credit opened by Banks and outstanding at the year end.	6,204.04	22,869.19
Bills discounted but not matured.	526.07	811.97
<b>(2) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	680.00	654.00

The management has estimated the provisions for pending litigation, claims and demands (including cases relating to direct and indirect taxes) on its assessment of probability for these demands crystallizing against the Company in due course. The difference between the amount demanded and provision made is disclosed as contingent liabilities.

### Note 40 : COVID-19 PANDEMIC

The Company's business has been impacted due to COVID-19 pandemic and the steps taken by the State and Central Governments to curtail the spread of the same. The Company had to shut down its manufacturing lines at both Nagothane plant and at Manali Newtown, Chennai except for one line of polystyrene at Nagothane to consume Styrene Monomer which requires special handling. All its administrative Offices and depots also remained shut. The Company's sales and despatches to its own depots too, barring supply of small quantities of its products sold under approvals received by its Customers, remain largely shut.





Demand for the Company's products remain negligible on account of COVID-19 pandemic and the steps taken by the Government to control the same. Exports though remained on a very low key initially have recently picked up with orders received from overseas customers. Company's domestic sales continue to remain subdued and will adversely affect the financials for first quarter of 2020-21. However the demand for all the products produced by the Company is expected to revive once the shut down restrictions are lifted and resumption of supply chain. The COVID-19 pandemic, the Company believes has not altered the fundamentals of the business of the Company nor its viability.

Due to the nature of assets and the care taken by the Company all its assets including plant, machinery remain in prime condition and do not call for any alteration in the useful life or the carrying value. The Company has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively.

At the close of accounting year on March 31, 2020, the Company has a strong balance sheet and cash position. Efforts are being made continuously to conserve cash and improve collections and reschedule and re-arrange supplies and payments with the assistance of Suppliers. With this the Company considers that adequate arrangement for short term and long term sustainability has been ensured.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results / statements. The Company will continue to monitor any material changes to future economic conditions.

**NOTE : 41**

Sales on Product group wise basis (Ind AS 108 Para 32)

Description	(₹ in Lakhs)	
	2019-2020	2018-2019
Styrenics	2,50,552.03	2,99,012.00
Masterbatches, Compounds of other Polymers	11,332.41	10,941.89
Others	9,498.33	7,727.05
<b>Total</b>	<b>2,71,382.77</b>	<b>3,17,680.94</b>

Sales as per geographic areas ( IND AS 108 Para 33(a))

Description	(₹ in Lakhs)	
	2019-2020	2018-2019
Within India	2,34,335.50	2,71,865.20
Outside India	37,027.27	45,815.74
<b>Total</b>	<b>2,71,382.77</b>	<b>3,17,680.94</b>

- Note: (i) Entire non-current assets are located in India.  
(ii) None of the Customers individually account for 10% or more sales.

**NOTE : 42****Revenue from Contract with Customers as per disclosure requirements under Ind AS 115.**

The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sales invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued there after are reduced from Gross Sales and the Net Sales is shown in the Statement of Profit and Loss. Debit note when issued towards interest on delayed payment, are included under Other Income and shown separately. Both debit and credit notes are subject to GST. Details of the revenue from contracts with customers as it appears in the invoices raised on Customers and credit notes issued thereafter are as below:

Sr No.	(₹ in Lakhs)		
	2019-2020	2018-2019	
1	Revenue from contracts with customers	2,74,335.83	3,20,011.41
	Less:		
2	Performance & Price Discounts as per Memorandum of Understanding.	1,524.33	1,150.58
3	Other Discounts as per trade practices	1,428.73	1,179.89
4	Gross Sales as per statement of Profit and Loss	2,71,382.77	3,17,680.94

**NOTE : 43**

The Company has adopted New Income Tax rate applicable for the assessment year 2020-21 onwards w.e.f. the second quarter considering the provisions of the 115 BAA of the Indian Income Tax Act 1961 as per the Taxation Laws (Amendment Ordinance 2019) dated September 20, 2019.

**NOTE : 44**

**Investments**

Investments in the Balance Sheet comprises of short term surplus funds invested in debt schemes of Mutual Funds which are measured at fair value through Profit and Loss

**NOTE : 45**

Working capital facilities (including letters of credit) from banks are secured by hypothecation of Company's stock and trade receivables and by second charge by way of mortgage of the Company's immovable properties (including plant and machinery) situated at the Maharashtra & Tamil Nadu plants. Refer Note 1.7 for inventories, Note 1.9 for trade receivables and Note 1.2 for immovable properties.

**NOTE : 46**

The Board of Directors of the Company, at its meeting held on March 12, 2020, approved the Buy-back of fully paid up Equity Shares of face value of ₹ 10 each for a maximum amount (viz. Buy Back Size) not exceeding ₹ 6267 lakhs (Rupees Sixty Two Crores Sixty Seven Lakhs only) being 9.999% of the total paid up capital and free reserves of the Company for a price not exceeding ₹ 185 /- (One Hundred Eighty Five Rupees Only) per Equity Share from the shareholders of the Company via the "open market" route through the stock exchanges under the SEBI (Buy-Back of Securities) Regulations 2018 and respective provisions of the Companies Act 2013. The Public Announcement, for the said Buy-back offer, was published by the Company on March 16, 2020.

The Buy back of shares commenced on 19th March, 2020. Upto 31st March, 2020, the Company purchased 81880 Equity Shares out of which 65911 shares were credited to the Company's Buy Back demat account. These 65911 shares were extinguished in terms of Regulation 21 r/w Regulation 11 of the SEBI (Buy-Back of Securities) Regulations 2018 viz. 60350 Equity Shares on April 03,2020 and 5561 shares on 15th April, 2020. The extinguishment of 65911 equity shares, as aforesaid, has resulted into reduction of 0.068% of the Paid up Equity Share capital of the Company.

The Promoters of the Company are not participating in the ongoing buy back offer.

**NOTE : 47**

SAB KA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME 2019 (SVLDRS) is a one-time measure for liquidation of past disputes of central excise and service tax pending as on June 30, 2019. The Company took advantage of the Scheme to settle all its disputes barring one case relating to dispute in respect of Service Tax where the Company considers its stand valid and justified. An amount of ₹ 320.84 lakhs was paid to settle all the outstanding demands amounting to ₹ 1572.47 lakhs.

**NOTE : 48**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" is given below:

**a) Names of the related parties and description of relationship:**

Sr. No.	Particulars	Name of the Party
1	Entities having significant influence	The Supreme Industries Ltd. R. Raheja Investments Pvt. Ltd.
2	Key Management Personnel A. Non Executive Directors	Shri M. P. Taparia Shri Rajan B. Raheja Shri B. L. Taparia Shri S.J. Taparia Shri R. Kannan Shri M. S. Ramachandran Shri Nihalchand Chauhan @ Miss Ameeta Parpia Dr. S. Sivaram Shri Rajeev Pandia \$



Sr. No.	Particulars	Name of the Party
B.	Others	
	Manager	Shri N. Gopal
	Chief Finance Officer	Shri Rakesh Nayyar
	Company Secretary	Shri D. N. Mishra

@ Shri Nihalchand Chauhan : up to 21 September 2019.

\$ Shri Rajeev Pandia : appointed w.e.f. 26th April, 2019

**Related parties transactions**

		(₹ in Lakhs)	
Sr. No.	Nature of transactions	2019-2020	2018-2019
	Entities having significant influence		
1. *	<b>The Supreme Industries Ltd.</b>		
A.	Sale of goods (Net)	<b>4,582.72</b>	4,868.07
B.	Purchase of goods	<b>264.05</b>	73.64
C.	Balance receivable (Sales of goods)	<b>539.43</b>	173.00
D.	Balance payable (Purchase of goods)	<b>0.09</b>	3.66
2. *	<b>R. Raheja Investments Pvt. Ltd.</b>		
	* All Transactions are on commercial basis at market rates.		
3.	<b>Directors sitting fees</b>		
A.	Shri M. P. Taparia (Non-Executive-Promoter/ Chairperson)	<b>2.80</b>	2.80
B.	Shri Rajan B. Raheja (Non-Executive-Promoter)	<b>3.00</b>	2.50
C.	Shri B. L. Taparia (Non-Executive-Promoter)	<b>2.50</b>	1.50
D.	Shri S.J. Taparia (Non-Executive-Promoter)	<b>4.80</b>	4.30
E.	Shri R. Kannan (Non-Executive-Independent)	<b>5.10</b>	5.10
F.	Shri M. S. Ramachandran (Non-Executive-Independent) #	<b>3.80</b>	3.30
G.	Shri Nihalchand Chauhan (Non-Executive-Independent)@	<b>2.10</b>	2.90
H.	Miss Ameeta Parpia (Non-Executive-Independent)	<b>4.80</b>	4.80
I.	Dr. S. Sivaram (Non-Executive-Independent)	<b>2.00</b>	3.00
J	Shri. Rajeev Pandia (Non-Executive-Independent)\$	<b>3.30</b>	NA
<b>Remuneration paid – Key Managerial personnel.</b>			
1	Short term employment benefit ##	<b>498.66</b>	469.39
2	Post employment benefit.	<b>1.00</b>	3.00

# Shri M. S. Ramachandran was paid ₹ 5 lakhs (₹ 5 lakhs previous year) during the year under review for rendering services of a professional nature.

@ Shri Nihalchand Chauhan : up to 21 September 2019.

\$ Shri Rajeev Pandia : appointed w.e.f. 26th April, 2019

## Mr. N. Gopal from May 1, 2018 onwards

Mr. D. N. Mishra Company Secretary from October 6, 2018

Mr. R. V. Kuddyady retired on September 30, 2018

**Dividend**

			(₹ in Lakhs)	
Sr. No.	Nature of Transactions		2019-2020	2018-2019
1	Dividend paid on Equity Shares			
	The Supreme Industries Ltd.	Entity having significant influence	1,736.18	1,302.00
	R. Raheja Investments Pvt. Ltd.	Entity having significant influence	1,736.18	1,302.00
	<b>Key Management Personnel</b>			
	Shri M. P. Taparia	Director	2.26	1.70
	Shri B.L. Taparia	Director	0.29	0.22
	Shri S.J. Taparia	Director	2.26	1.70
	Shri Rajan B. Raheja	Director	0.02	0.02
	Miss Ameeta Parpia	Director	1.31	0.99
	Shri N. Gopal.	Manager	0.96	0.72
	Shri Rakesh Nayyar	Chief Financial Officer	0.03	0.02
	Shri Ravi V Kuddyady : retired on September 30, 2018	Company Secretary	NA	0.02
	Shri D N Mishra : from October 06, 2018	Company Secretary	NIL	NIL

**NOTE : 49**

**Disclosures under IND AS 116 : Lease Liabilities**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ in Lakhs)			
Particulars	Category of ROU		
	Building	Plant and Machinery (shore tanks)	Total
Balance Sheet as at April 1st, 2019 (includes transaction impact on account of Ind AS 116 "Lease")			
Reclassified on account of adoption of Ind AS 116 (refer to note 2.1)			
Additions	1,114.73	2,939.12	4,053.84
Deletions	0.00	0.00	0.00
Depreciation	182.51	1,023.96	1,206.47
<b>Balance Sheet as at March 31, 2020</b>	<b>932.22</b>	<b>1,915.16</b>	<b>2,847.38</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020.

(₹ in Lakhs)	
Particulars	As At March 31, 2020
Current lease liabilities	1,221.16
Non - Current lease liabilities	1,707.17

The following is the movement in lease liabilities during the year ended March 31, 2020.

(₹ in Lakhs)	
Particulars	As At March 31, 2020
<b>Balance at the beginning</b>	<b>0</b>
Additions (includes transaction on account of Ind AS 116 "Lease")	3,950.57
Finance costs accrued during the period	355.55
Deletions	
Payment of lease liabilities	1,377.79
<b>Balance at the end</b>	<b>2,928.33</b>



The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in Lakhs)	
Particulars	As At March 31, 2020
Less than one year	1,484.51
One to five years	2,002.37
More than five years	37.43
<b>Total</b>	<b>3,524.31</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 for short - term lease.

(₹ in Lakhs)	
Particulars	As At March 31, 2020
Less than one year	87.05
One to five years	47.51
More than five years	-
<b>Total</b>	<b>134.56</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Total Cash outflows with respect to lease payments amounts to ₹ 1,559.32 lakhs for the year ending March 31, 2020.

#### NOTE : 50

(₹ in Lakhs)		
	2019-2020	2018-2019
Earnings per share (EPS)		
Profit after tax	10,265.28	4,920.69
Number of equity shares at the beginning of the year.	9,65,01,958	9,65,01,958
Number of equity shares at the end of the year.	9,64,36,047	9,65,01,958
Weighted average number of shares outstanding for basic		
Earning per share during the year.	9,65,01,958	9,65,01,958
Basic earning per share (Rupees) (Face value – ₹ 10/- per share)	10.64	5.10
Profit after tax for computing diluted EPS	10,265.28	4,920.69
Weighted average number of shares for computing diluted EPS during the year.	9,65,01,958	9,65,01,958
Diluted earning per share (Rupees) (Face value – ₹ 10/- per share)	10.64	5.10

#### NOTE : 51

According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2019 as follows:

(₹ in Lakhs)		
Particulars	2019-2020	2018-2019
Principal Amount due	63.91	53.47
Interest due on above	-	-
Amount of interest paid in terms of section 16 of the MSME Act, 2006	-	-
Amount of interest due and payable for the period of delay	-	-
Amount of interest accrued and remaining unpaid as at year end	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-

**NOTE : 52**

The provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility (CSR) are applicable to the entities incorporated in India. Details are as indicated below:

- 1) Gross amount required to be spent by the Company on CSR during the year : ₹ 355.20 lakhs (Previous Year ₹ 360.22 lakhs.)
- 2) Amount spent during the year on:

	(₹ in Lakhs)		
	In cash	Yet to be paid in Cash@	Total
(A) Construction/acquisition of any asset	100.53 (58.91)	59.71 (63.67)	160.24 (122.58)
(B) On purposes other than (A) above	106.16 (218.06)	0.00 (0.00)	106.16 (218.06)
<b>Total</b>	<b>206.69</b> (276.97)	<b>59.71</b> (63.67)	<b>266.40</b> (340.64)

@ since paid after the year ended.

**NOTE : 53**

Previous year's figures have been regrouped and rearranged wherever necessary to conform to this period's classification.

As per our report of even date.

For and on behalf of the Board

For **G. M. Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**N. Gopal**  
Executive Director (Styrenics ) & Manager

**M. P. Taparia**  
Chairperson

**Rajen Ashar**  
Partner  
Membership No. 048243

**Rakesh Nayyar**  
Executive Director  
(Finance & Corporate Affairs) &  
Chief Financial Officer

**S. J. Taparia**  
Director

**D. N. Mishra**  
Company Secretary

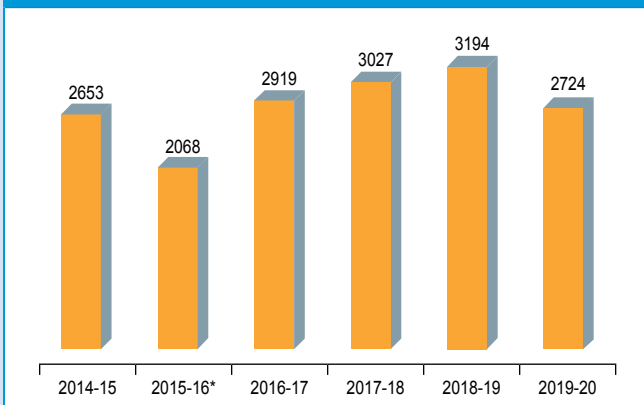
Place : Mumbai  
Date : May 20, 2020

Place : Mumbai  
Date : May 20, 2020

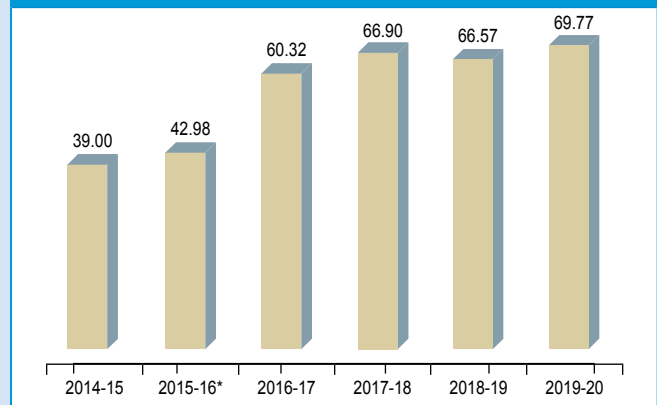


## FINANCIAL HIGHLIGHTS

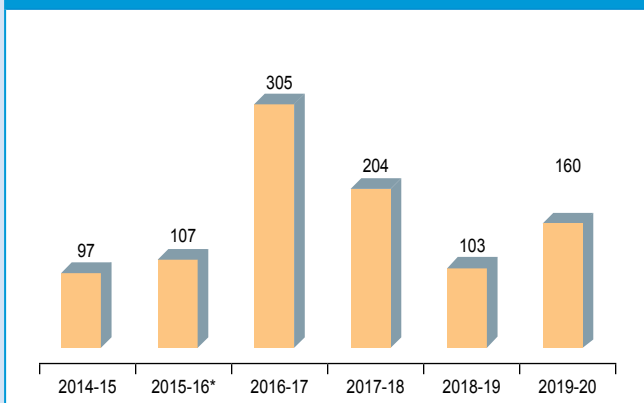
Sales Revenue (₹ Cr.)



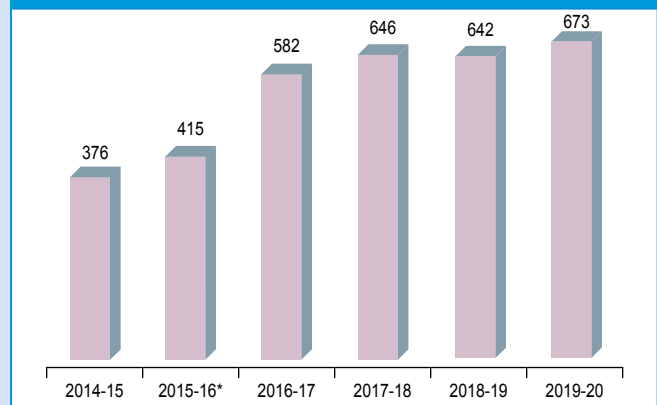
Book Value Per Share (₹ Cr.)



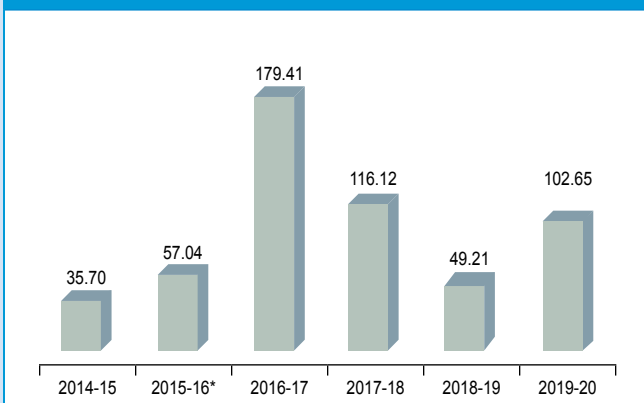
EBIDTA (₹ Cr.)



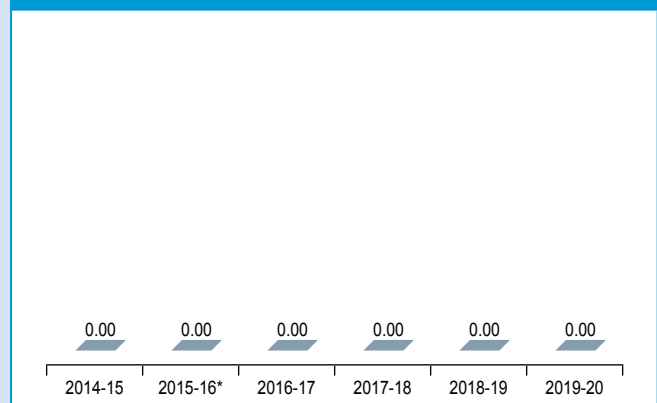
Net Worth (₹ Cr.)



Net Profit (₹ Cr.)



Debt : Equity



\*Year 2015-16 comprises of 9 Months.





## **SUPREME PETROCHEM LTD**

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