



# **SUPREME PETROCHEM LTD**

**ANNUAL REPORT**

**2016 - 2017**


**PERFORMANCE HIGHLIGHTS**

₹ in Lakhs unless indicated otherwise

	2016-2017 (12 Months)	2015-2016 (9 Months)	2014-2015 (12 Months)	2013-2014 (12 Months)	2012-2013 (12 Months)	2011-2012 (12 Months)	2010-2011 (12 Months)
Net Sales	291861.74	206805.25	265253.76	326429.78	296715.90	227267.22	194369.87
Other Income	749.19	346.83	319.16	585.55	538.52	648.76	866.92
Total Income	292610.93	207152.08	265572.92	327015.33	297254.42	227915.98	195236.79
Operating Profit (EBIDTA)	30476.81	10720.91	9653.51	9557.14	16157.72	10269.33	16903.64
Financial Cost	470.14	530.64	1660.02	2284.39	2388.17	3199.28	2021.64
Depreciation/Amortisation	2221.83	1705.23	2364.19	2873.74	2770.61	2292.34	2037.02
Profit Before Tax & Exceptional items	27784.84	8485.04	5629.30	4399.01	10998.94	4777.71	12844.98
Net Profit	17941.23	5704.65	3570.12	3058.99	7282.33	3137.47	8769.07
Paid up Equity Capital	9650.20	9650.20	9650.20	9650.20	9683.86	9683.86	9683.86
Reserves and Surplus	48559.83	31822.59	27986.23	26777.04	25596.30	21146.38	19584.55
Shareholders' Funds (Net Worth)	58210.03	41472.79	37636.43	36427.24	35280.16	30830.24	29268.41
Deferred Tax Liability (Net)	4786.94	4796.36	4848.40	4924.15	4872.04	4385.59	4096.64
Loans	–	–	–	3203.62	7468.85	14230.64	16608.48
Capital Employed	62996.97	46269.15	42484.83	44555.01	47621.05	49446.47	49973.53
Avg Capital Employed	54633.06	44376.99	43519.92	46088.03	48533.76	49710.00	46742.09
Earning Per Equity Share (₹)	18.59	5.91	3.70	3.16	7.52	3.24	9.06
Cash Earning Per Equity Share (₹)	20.89	7.68	6.15	6.13	10.38	5.61	11.16
Book Value (₹)	60.32	42.98	39.00	37.75	36.43	31.84	30.22
Dividend (%)	*10.00	*15.00	15.00	15.00	25.00	14.00	28.00
ROACE (%) (PBIT / Average Capital Employed)	51.72	20.32	16.75	14.50	27.58	16.05	31.81
ROANW (%) (PAT / Average Net Worth)	36.00	14.42	9.64	8.53	22.03	10.44	33.14
Debt : Equity (Total Debt / Total Net Worth)	–	–	–	0.09	0.21	0.46	0.57
Total Outside Liabilities / Total Net Worth	0.86	1.15	1.21	1.56	1.78	2.25	2.24

\* Interim Dividend



House made using EPS 3D Panel Technology.





**View of the Living Room in the house – EPS 3D Panel Technology.**


**BOARD OF DIRECTORS:**

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

**REGISTERED OFFICE:**

Solitaire Corporate Park, Building No. 11, 5th Floor,  
 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road,  
 Chakala, Andheri (East), Mumbai - 400 093  
 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, Taluka Roha,  
 Dist. Raigad, Maharashtra - 402 106 and  
 Ammulavoyil Village, Andarkuppam Post, Manali New Town,  
 Chennai - 600 103, Tamil Nadu

**BANKERS:**

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

**AUDITORS:**

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

**REGISTRARS & TRANSFER AGENTS:**

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

<b>C O N T E N T S</b>	
Notice	01
Directors' Report	05
Management Discussion and Analysis	23
Corporate Governance	26
Auditors' Report	40
Balance Sheet	46
Statement of Profit & Loss	47
Statement of change in Equity	48
Cash Flow Statement	49
Notes to Financial Statements	55



**Route Map to the AGM Venue of:**

Supreme Petrochem Ltd  
28th Annual General Meeting  
Wednesday, July 12, 2017  
at 4.00 p.m.



**Venue:**

Walchand Hirachand Conference Hall,  
Indian Merchants' Chambers,  
IMC Marg, Churchgate,  
Mumbai 400 020

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## NOTICE

NOTICE is hereby given that the twenty eighth Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai 400 020 on Wednesday, July 12, 2017 at 4.00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend of ₹ 1.00 per share paid on Equity Shares and to declare final dividend on the Equity Shares of the Company for the financial year ended March 31, 2017.
3. To appoint a Director in place of Shri Rajan B. Raheja (DIN: 00037480) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B. L. Taparia (DIN: 00112438) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Registration No. 104767W) as Statutory Auditors and if thought fit to pass, the following resolution as an Ordinary Resolution:

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

### SPECIAL BUSINESS:

6. To approve the remuneration of the Cost Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under and subject to all other approvals, if any, the consent of the Company be and is hereby accorded to the payment of remuneration of ₹ 3.75 lakhs to M/s. Kishore Bhatia & Associates, (Firm Registration No.00294) Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018".

For and on behalf of the Board

**M. P. Taparia**  
Chairperson

**CIN : L23200MH1989PLC054633**

### Registered Office:

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

Date : April 26, 2017.



## NOTES

- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and a proxy need not be a Member.**  
A person can act as proxy on behalf of Members up to and not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the Company. Further, a member holding more than 10% (ten) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
- An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business at Item No. 6 of the notice is annexed hereto.
- Register of Members and share transfer books of the Company will remain closed from Monday, July 10, 2017 to Wednesday, July 12, 2017 (both days inclusive).
- Members who hold shares in de-materialised form are requested to write their Client ID and DP ID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- Members holding shares in physical form are advised to furnish particulars of their Bank Account, if changed, to Karvy Computershare Private Limited, Hyderabad to incorporate the same in future dividend payments.
- To receive faster communication of all shareholders communications, including Annual Reports, the Members are requested to kindly register/update their e-mail address with their respective depository participant where shares are held in electronic form. If, however, shares are held in physical form, Members are advised to register their e-mail address with Karvy Computershare Private Limited, Hyderabad.
- Members are requested to bring their copies of the Annual Report to the Meeting.
- Voting through electronic means/ballot form:

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

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and 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 Requirement) Regulations, 2015 ("Listing Regulation") the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means. The Members may cast their votes

using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

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

The facility for voting through ballot or by electronic means shall also be made available at the meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting. However, in case members cast their vote both by electronic or physical ballot at AGM and remote e-voting then remote e-voting shall prevail and voting done through physical ballot/electronic means at the meeting shall be treated as invalid.

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

The Company has appointed Shri P. N. Parikh (FCS 327) or failing him Shri Mitesh Dhabliwala (FCS 8331) of Parikh & Associates, Company Secretaries as Scrutiniser to scrutinise the remote e-voting process and voting at the meeting in a fair and transparent manner.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/beneficial owner (in case of electronic shareholding) as on Wednesday, July 05, 2017 the cut-off date.

A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Wednesday, July 05, 2017 only shall be entitled to avail the facility of remote e-voting and voting at the meeting.

Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Wednesday, July 05, 2017, may obtain the User ID and password as mentioned below:

If the Member is already registered with Karvy for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If he/she forgets the password, it can be reset by using 'Forgot User Details/Password' option available on <https://evoting.karvy.com>.

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

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

Commencement of remote e-voting : From 9.00 a.m. (IST) on Saturday, July 08, 2017.

End of remote e-voting : At 5.00 p.m. (IST) on Tuesday, July 11, 2017.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be



disabled by Karvy upon expiry of aforesaid period. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make not later than three days of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against if any, to the Chairperson or a person authorised by him in writing who shall countersign the same. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company [www.supremepetrochem.com](http://www.supremepetrochem.com) and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges. The results shall also be placed on the Notice Board at the Registered Office of the Company.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 12, 2017.

**PROCEDURE FOR REMOTE E-VOTING:**

- 1 A) In case a Member receives an e-mail from Karvy [for Members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
  - (a) Launch internet browser by typing the URL:<https://evoting.karvy.com>
  - (b) Enter the login credentials (i.e. User ID and password) which will be sent separately. The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID.  
  
However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
  - (c) After entering these details appropriately, click on "LOGIN".
  - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a- z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case

you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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



- (b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote.
- 2) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- 3) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

The Notice of the AGM alongwith the Annual Report 2016-2017 is being sent by electronic mode to those members whose email addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copy are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-2017 will also be available on the Company's website [www.supremepetrochem.com](http://www.supremepetrochem.com).

## ANNEXURE TO THE NOTICE

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

### ITEM NO. 6:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on April 26, 2017, have approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records for the financial year ending March 31, 2018 on a remuneration of ₹ 3.75 lakhs.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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

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

For and on behalf of the Board

**M. P. Talaria**  
Chairperson

**CIN : L23200MH1989PLC054633**

### Registered Office:

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

Date : April 26, 2017.

## DIRECTORS' REPORT

Your Directors are pleased to present the twenty eighth Annual Report and the Company's audited financial statements for the year ended on March 31, 2017.

### 1. FINANCIAL RESULTS

(₹ in lakhs)

	2016-2017 (12 months)	2015-2016 (9 months)
Revenue	322378.93	235671.61
Profit before tax	27784.84	8485.04
Tax expenses	9843.61	2780.39
Profit after tax	17941.23	5704.65
Interim/Final Dividend on equity shares (including corporate dividend tax) paid during the year	1161.52	3484.42
Transfer to general reserve	10000.00	4000.00
Balance carried forward	9845.71	3066.00

### 2. DIVIDEND

During the year under review your Directors declared an interim dividend of ₹ 1.00 per equity share. Your Directors now recommend a final dividend of ₹ 3.50 per equity share entailing an out go ₹ 4084.32 lakhs including corporate dividend tax. The total dividend for the year would thus be ₹ 5245.84 lakhs including corporate dividend tax.

### 3. REVIEW OF OPERATIONS

The price of Styrene Monomer (SM) the main raw material for your Company's products was generally stable in the first half of the year under review resulting in volume growth in all your Company's products. However, the tight availability of SM during the latter half of the year due to declaration of force majeure in two large plants in USA and bunching of turnarounds of plants in Europe and Asia lead to volatility in SM price and had an adverse impact on all styrenics products. This was further compounded by demonetisation with consequent cash crunch in the unorganised sector dampening business sentiment. These events culminated in a modest sales volume growth for your Company during the year under review.

The domestic Polystyrene (PS) industry witnessed a fall in demand during the year under review due to the reasons mentioned earlier even though the industry had shown a healthy growth upto October 2016. Export volumes were flat for the year under review due to geo political issues in some export markets and low net back.

The domestic Expandable Polystyrene (EPS) market grew by 10.70% during the year under review compared to the previous year. This growth was largely due to demand from fish box market, grapes packaging for exports and insulation for cold storages.

The Speciality Polymer and Compounds (SPC) business is showing steady growth with introduction of new grades like black and coloured masterbatches which are receiving encouraging feedback from customers. SPC business grew at 44% during the year under review.

Extruded Polystyrene Insulation Board (XPS) grew by 35% during the year under review, with your Company supplying XPS to several prestigious educational, hospitality, medical and SEZ projects.

#### Styrene Methyl Methacrylate (SMMA)

The modified PS line with the ability to swing between PS and SMMA was ready for commercial production after necessary trial runs on February 3, 2017. Seed marketing has commenced and positive feedback has been received from the market. Your Company is the first one to manufacture this in India. It is an economical alternate to certain applications of PMMA, Polycarbonate and clear ABS.

#### Status of Insurance Claim – Chennai Plant

The settlement of the loss/damage to the assets at the EPS plant in Tamil Nadu due to floods in December, 2015 is in progress. Your Company had filed an initial claim of ₹ 1092 lakhs. Your Company has till date received interim claim of ₹ 718 lakhs. Your Company has adequate insurance cover on reinstatement basis for fixed assets and on cost basis for raw materials and stores and on market price basis for finished goods, the management of your Company does not expect any financial loss on account of the same. Your Company is also insured for "Loss of Profit" during the period the plant operations were shut.

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

Management Discussion and Analysis for the year under review is presented separately in the Annual Report. The Report on Corporate Governance forms an integral part of this Report. The compliance of 'Corporate Governance' conditions has also been certified by the Auditors and the same is annexed to the report on Corporate Governance.

### 5. HEALTH, SAFETY & ENVIRONMENT

Both the Environmental Management System and Occupational Health and Safety Management System continued to be maintained by your Company as per the ISO 14001:2015 Standard and OHSAS 18001:2007 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 6012 accident free days as on March 31, 2017.



## 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Rajan B. Raheja (DIN 00037480) and Shri B. L. Taparia (DIN 00112438), Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

A brief resume of the Directors eligible for re-appointment is given in the report on Corporate Governance.

During the year under review the members re-appointed Shri M. P. Taparia (DIN 00112461) and Shri S. J. Taparia (DIN 00112513) as Non-Executive Non-Independent Directors liable to retire by rotation.

During the year under review the members appointed Shri N. Gopal as the Manager of the Company for the period from April 20, 2016 to March 31, 2018.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

Your Company has in place criteria for evaluation of performance of the Board, Independent Directors and Non-Independent Directors approved by the Nomination and Remuneration Committee.

The Independent Directors, in their meeting evaluated the performance of the Board, the Chairperson and the Non-Independent Directors while the Nomination and Remuneration Committee evaluated the performance of all the Directors. The Board evaluated the performance of the Independent Directors.

The criteria/policies of the Company for selection of Directors and Remuneration Policy for Directors, Key Managerial Personnel and other Employees are attached herewith marked as **Annexure-1**

The details of the Familiarisation Programme for Independent Directors are placed on the website of the Company and can be accessed at <http://supremepetrochem.com/pdf/Familiarisation-Programme-For-Independent-Directors.pdf>

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;

- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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;
- 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.

## 8. TRANSFERS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company transferred an aggregate amount of ₹ 25.95 lakhs during the year under review to the Investor Education and Protection Fund. The aggregate amount transferred to the fund since January 2002 is ₹ 297.28 lakhs.

The unclaimed dividends on equity shares paid in October 2010 will be due for transfer to the Fund in November 2017. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the R & T Agents.

The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 as amended by Ministry of Corporate Affairs w.e.f. February 28, 2017 (the Rules) inter-alia provide for transfer of 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) Suspense Account.

Adhering to the various requirements set out in the Rules the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to IEPF Suspense Account under the said Rules.

The Company has uploaded full details of such shareholders and shares due for transfer to IEPF Suspense 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, by May 31, 2017. Please refer to the section Shareholders' Assistance in the Corporate Governance Report for further details.

## 9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information as per Section 134(3)(m) read with COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF THE (BOARD OF DIRECTORS) RULE 8 OF



THE COMPANIES (ACCOUNTS) RULES, 2014 forms part of the DIRECTORS' REPORT for the year under review.

**A. CONSERVATION OF ENERGY**

Energy conservation programmes at both plant locations resulted in savings of energy to the extent of 722556 KWH (423283 KWH in the Amdoshi Plant and 299273 KWH in the plant in Manali, Chennai).

The energy conservation programmes consisted mainly of the following :

**At the plant in Amdoshi, Maharashtra**

- 1) Process optimisation to achieve energy efficiency by elimination of dryer blower in the EPS plant and optimising use of chilled water unit in the XPS plant.
- 2) Installation of modern energy efficient devices like motors, air conditioners in place of old high energy consuming devices.
- 3) Replacing fluorescent lamps, tube lights, mercury vapour and sodium vapour light fittings with energy efficient LED fittings.

**At the plant in Manali, Chennai**

1. Improvement in process operations resulting in savings in electrical energy consumed in the production of EPS.
2. Replacing in a phased manner all the old high energy consuming devices like compressors, blowers with modern energy efficient ones.
3. Replacing conventional drives with Variable Frequency Drives (VFDs) wherever possible.
4. Replacing in a phased manner the existing light fittings with energy efficient LED fittings.

**B. TECHNOLOGY ABSORPTION**

During the period under review your Company entered into a technology supply agreement with Polysty Inc. USA for the modification of one PS line into a swing line capable of producing either PS or SMMA. This technology has been absorbed successfully by commissioning the modified swing line

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in lakhs)

Foreign exchange earnings and outgo	2016-2017
a. Foreign exchange inflow	60325.92
b. CIF value of imports including capital goods	234334.84
c. Expenditure in foreign currency	712.67

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

In terms of the provisions of 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, a 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. 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 provided in the Annual Report. 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 is being sent to the members of the Company.

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

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**  
Not Applicable
- b. **The percentage increase in remuneration of Manager, CFO and Company Secretary**

Designation	% increase in remuneration in the financial year
Manager (20/04/2016 to 31/03/2017)	10.58
Chief Financial Officer	9.45
Company Secretary	6.99

- c. **The percentage increase in the median remuneration of employees in the financial year : 8.4%**
- d. **The number of permanent employees on the rolls of Company : 353**
- e. **The explanation on the relationship between average increase in remuneration and Company performance:**



On an average, employees received an annual increase of 7.2%. The operating profits before interest, depreciation and tax was ₹ 30476.81 lakhs compared to ₹ 10720.91 lakhs in the previous year (9 months period). The increase in remuneration is in line with the market trends. The increments are also linked to Company's performance, apart from an individual's performance.

**f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) during the year under review (₹ in lakhs)	419.78
Revenue (₹ in lakhs)	322378.93
Remuneration of KMP (as % of revenue)	0.13
Profit before Tax (PBT) (₹ in lakhs)	27784.84
Remuneration of KMP (as % of PBT)	1.51

**g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year i.e. from July 1, 2015 to March 31, 2016:**

Particulars	March 31, 2017	March 31, 2016	% Change
Market capitalisation (₹ in lakhs)	292352.68	105428.39	177.30
Price earnings ratio	16.30	18.49	(11.84)

**h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2017	February 21, 1994 (IPO)	% Change
Market Price (BSE)	302.45	10	2924.50
Market Price (NSE)	302.95	10	2929.50

**i. Comparison of remuneration of each key managerial personnel against the performance of the Company:**

Particulars	Manager*	Chief Financial Officer	Company Secretary
Remuneration during the year under review (₹ in lakhs)	184.37 *	192.29	43.12
Revenue (₹ in lakhs)	322378.93		
Remuneration as a % of revenue	0.06	0.06	0.01

Particulars	Manager*	Chief Financial Officer	Company Secretary
Profit before tax (PBT) (₹ in lakhs)	27784.84		
Remuneration (as % of PBT)	0.66	0.69	0.16

\* 20/04/2016 to 31/03/2017

**j. The key parameters for any variable component of remuneration availed by the directors:**

Not Applicable

**k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

None.

**l. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**11. AUDITORS AND AUDITORS' REPORT**

**Statutory Auditors**

The members in the Annual General Meeting have appointed M/s. G M Kapadia & Co., Chartered Accountants, Firm Registration No. 104767W, as Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held in the calendar year 2018. In accordance with the first proviso of Section 139(1) of the Companies Act, 2013 the appointment of the Auditors is to be ratified by members at every Annual General Meeting. The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment. There are no qualifications or adverse remarks in the auditors' report.

**Cost Auditors**

Cost Auditors' report for the year 2015-2016 was filed with the authorities on July 28, 2016, well within the due date. M/s. Kishore Bhatia & Associates, Cost Accountants have been appointed as Cost Auditors to audit the cost accounts of the Company for the financial year April 01, 2016 to March 31, 2017.

**Secretarial Auditors**

The Company had appointed M/s. Parikh & Associates, Company Secretaries to conduct secretarial audit for the year under review. The secretarial audit report for the financial year ended March 31, 2017 is annexed hereto marked as **Annexure-2**. The Secretarial Auditors' Report does not contain any qualifications or adverse remark.

**12. RELATED PARTY TRANSACTIONS**

Transactions with related parties during the year under review were in the ordinary course of business and on an arm’s length basis. During the year the Company had not entered into any contract or arrangement with a related party which would be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company’s website at the link: <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.pdf>. Information on related party transactions are given in **Annexure-5** in Form AOC-2 forming part of this report.

**13. CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the 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 has identified the following areas for its CSR activities:

- (i) promoting preventive health care and sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills, livelihood enhancement projects, granting of scholarships and building/improving infrastructure at educational institutions.
- (iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries.
- (iv) contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Caste, the Scheduled Tribes, other backward classes, minorities and women.
- (v) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (vi) ensuing environmental stability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.
- (vii) rural development projects.
- (viii) Slum rehabilitation.
- (ix) Sports, nationally recognised sports, Paralympics Sports and Olympic Sports,

These activities will be carried out in the villages in proximity to your Company’s plants in Maharashtra and Tamil Nadu.

The report on CSR activities during the year under review is given in **Annexure-4** to this report.

**14. RISK MANAGEMENT**

Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business opportunities. As a process, the risks associated with the business are prioritised based on Severity, Likelihood and Effectiveness of current detection.

Risk Management approach is composed of three components:

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

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

**15. INTERNAL FINANCIAL CONTROLS**

Your Company has in place 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 excise, service tax, VAT and financial controls and systems.

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

Your Company has established a vigil / whistle blower mechanism which provides a channel to any employer / director to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or policy. The mechanism provides for adequate safe guards against victimisation of the whistle blower and also provides for direct access to the Chairperson/Manager/Chairperson of the Audit Committee in exceptional cases.

**17. MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the year under review. For further details please refer to the report on corporate governance in this annual report.

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

There are no loans, guarantees or investments under Section 186 of the Companies Act, 2013 as on March 31, 2017.



**19. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-3** to this annual report.

**20. GENERAL**

No disclosure or reporting is required of the following items as there were no transactions on these items 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) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company does not have any Associate/Joint Venture Subsidiary Companies.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013) during the year under review.

**ACKNOWLEDGEMENT**

The Directors are thankful to its Bankers, Customers, Suppliers and other Business Associates/Stakeholders for their continued co-operation and support extended to your Company and to the employees for their dedicated and sincere services to the Company.

For and on behalf of the Board

**M. P. Taparua**  
Chairperson

Place: Mumbai

Date: April 26, 2017.



## 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 identifying and recommending persons for appointment as Directors on the Board of the Company:

- (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 stipulated under Companies Act, 2013 and Listing Agreement with the Stock Exchanges in case of appointment as Independent Director.

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

#### DIRECTORS, KEY MANAGERIAL PERSONNEL

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

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

The Nomination and Remuneration Committee will review and recommend to the Board any revision in sitting fees from time to time.

- (2) At present the Company does not have any 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 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 thereunder, approval of shareholders and the requirements of the Listing Agreement with the Stock Exchanges.

- (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 Responsibilities
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 them in line with changed market conditions.



**ANNEXURE-2**

**FORM No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

(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 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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, 2017 according to the 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, 2009 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely:
  - (a) The Petroleum Act, 1934
  - (b) Explosives Act, 1884
  - (c) 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 BSE Limited and National Stock Exchange of India 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 ₹ 16.64 lakhs against the amount of ₹ 122.59 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. 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 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.

We further report that during the audit period the Company has entered into a Foreign Technology Supply Agreement with Polysty Inc. U.S.A. for manufacturing Styrene Methyl Methacrylate.

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

**P. N. Parikh**  
*Partner*

Place: Mumbai  
Date: April 26, 2017.

FCS No: 327 CP No: 1228

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.

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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*

**P. N. Parikh**  
*Partner*

Place: Mumbai  
Date: April 26, 2017.

FCS No: 327 CP No: 1228



**ANNEXURE-3**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2017**

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

<b>I</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
	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 Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Ganchibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel : +91 40 33211500/33215570
<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10 % or more of the total turnover of the Company shall be stated	As per Attachment A
<b>III</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	
		Not Applicable
<b>IV</b>	<b>SHARE HOLDING PATTERN</b>	
	<b>(Equity Share Capital Breakup as percentage of Total Equity)</b>	
	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
<b>V</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment F
<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	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
<b>VII</b>	<b>PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES</b>	
		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	97.06

**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 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	58712000	-	58712000	60.84	58712000	-	58712000	60.84	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>0.00</b>
<b>(2) Foreign</b>									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(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>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>58712000</b>	<b>-</b>	<b>58712000</b>	<b>60.84</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	552	55000	55552	0.06	421607	43100	464707	0.48	-0.42
(b) Banks / FI	66457	22250	88707	0.09	13973	34150	48123	0.05	0.04
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	120462	12800	133262	0.14	332838	12800	345638	0.36	-0.22
(h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>187471</b>	<b>90050</b>	<b>277521</b>	<b>0.29</b>	<b>768418</b>	<b>90050</b>	<b>858468</b>	<b>0.89</b>	<b>-0.60</b>



	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% 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 Corp.									
	i) Indian	4224217	123736	4347953	4.51	3903292	119736	4023028	4.17	0.34
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10214520	3411101	13625621	14.12	10904800	3295968	14200768	14.72	-0.60
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	18023830	156000	18179830	18.84	17127769	143500	17271269	17.90	0.94
	c) Others (specify)									
	Clearing Members	29742	–	29742	0.03	57878	–	57878	0.06	-0.06
	Foreign Bodies	16867	–	16867	0.02	16867	–	16867	0.02	0.00
	Non Resident Indians	677931	613000	1290931	1.34	618970	594800	1213770	1.26	0.08
	Trusts	21493	–	21493	0.02	147910	–	147910	0.15	-0.13
	<b>Sub-total (B) (2)</b>	<b>33208600</b>	<b>4303837</b>	<b>37512437</b>	<b>38.87</b>	<b>32777486</b>	<b>4154004</b>	<b>36931490</b>	<b>38.27</b>	<b>0.60</b>
	<b>Total shareholding (B) = (B)(1)+(B) (2)</b>	<b>33396071</b>	<b>4393887</b>	<b>37789958</b>	<b>39.16</b>	<b>33545904</b>	<b>4244054</b>	<b>37789958</b>	<b>39.16</b>	<b>0.00</b>
	<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
	<b>Grand Total (A+B+C)</b>	<b>92108071</b>	<b>4393887</b>	<b>96501958</b>	<b>100.00</b>	<b>92257904</b>	<b>4244054</b>	<b>96501958</b>	<b>100</b>	<b>–</b>

**ATTACHMENT- C**

**(ii) Shareholding of Promoters**

Sl.No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% of change in share holding 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	–	–
2	R Raheja Investments Pvt. Ltd.	28936400	29.99	–	28936400	29.99	–	–
3	Boon Investment And Trading Company Pvt. Ltd.	279734	0.29	–	279734	0.29	–	–
4	Jovial Investment And Trading Company Pvt. Ltd.	279733	0.29	–	279733	0.29	–	–
5	Venktesh Investment And Trading Company Pvt. Ltd.	279733	0.29	–	279733	0.29	–	–



**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 (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning 01/04/2016 end of the year 31/03/2017	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	Urmila D Shah	900030	0.93	01.04.2016	-	Nil movement during the year	900030	0.93
		900030	0.93	31.03.2017	-			
2	Preeti N Shah	900000	0.93	01.04.2016	-	Nil movement during the year	900000	0.93
		900000	0.93	31.03.2017	-			
3	Sonal D Shah	900000	0.93	01.04.2016	-	Nil movement during the year	900000	0.93
		900000	0.93	31.03.2017	-			
4	Hathway Investments Pvt. Ltd.	784400	0.81	01.04.2016	-	Nil movement during the year	784400	0.81
		784400	0.81	31.03.2017	-			
5	Ramesh P Mehta	680281	0.70	01.04.2016	-	Nil movement during the year	680281	0.70
		680281	0.70	31.03.2017	-			
6	Shivani Tejas Trivedi	402000	0.42	01.04.2016				
				29.04.2016	200000	brought	602000	0.62
				20.05.2016	50000	brought	652000	0.68
		652000	0.68	31.03.2017	-	-	652000	0.68
7	Coronet Investments Pvt. Ltd.	635300	0.66	01.04.2016	-	Nil movement during the year	635300	0.66
		635300	0.66	31.03.2017	-			
8	Dhanesh S Shah	600000	0.62	01.04.2016	-	Nil movement during the year	600000	0.62
		600000	0.62	31.03.2017	-			
9	Durgesh S Shah	600000	0.62	01.04.2016	-	Nil movement during the year	600000	0.62
		600000	0.62	31.03.2017	-			
10	Nimesh Sumatilal	600000	0.62	01.04.2016	-	Nil movement during the year	600000	0.62
		600000	0.62	31.03.2017	-			



**ATTACHMENT- E**

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

Sl.No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning 01/04/2016/ end of the year 31/03/2017	% of total shares of the Company				No. of shares	% of total shares of the Company
1	M P Taparia Non Executive Promoter/Chairperson	37733	0.04	01/04/2016	-	Nil movement during the year	37733	0.04
		37733	0.04	31/03/2017				
2	Rajan B Raheja Non Executive Promoter	400	-	01/04/2016	-	Nil movement during the year	400	-
		400	-	31/03/2017				
3	Bajranglal Taparia Non Executive Promoter	4834	-	01/04/2016	-	Nil movement during the year	4834	-
		4834	-	31/03/2017				
4	S J Taparia Non Executive Promoter	37733	0.04	01/04/2016	-	Nil movement during the year	37733	0.04
		37733	0.04	31/03/2017				
5	Ameeta Parpia Independent Director	21900	0.02	01/04/2016	-	Nil movement during the year	21900	0.02
		21900	0.02	31/03/2017				
6	R Kannan Independent Director	-	-	01/04/2016	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2017				
7	Nihalchand Chauhan Independent Director	-	-	01/04/2016	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2017				
8	M S Ramachandran Independent Director	-	-	01/04/2016	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2017				
9	S Sivaram Independent Director	-	-	01/04/2016	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2017				
10	N Gopal Manager	15943	0.02	01/04/2016	-	Nil movement during the year	15943	0.02
		15943	0.02	31/03/2017				
11	Rakesh Nayyar CFO	500	-	01/04/2016	-	Nil movement during the year	500	-
		500	-	31/03/2017				
12	Ravi V Kuddyady Company Secretary	452	-	01/04/2016	-	Nil movement during the year	452	-
		452	-	31/03/2017				





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 (01/04/2016)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year (31/03/2017)</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i + ii + iii)</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 (20/04/2016 to 31/03/2017)	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	183.97	183.97
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	0.40	0.40
	(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>184.37</b>	<b>184.37</b>
	Ceiling as per the Act		<b>1388.29</b>



**ATTACHMENT- H**

**B. REMUNERATION TO OTHER DIRECTORS**

Sl No.	Particulars of Remuneration	Name of the Directors					Total Amount (₹ in lakhs)
		M. S. Ramachandran	Nihalchand Chauhan	R Kannan	Ameeta Parpia	S. Sivaram	
<b>1.</b>	<b>Independent Director</b>						
	- Fee for attending Board / Committee Meetings	2.50	3.70	4.00	4.00	2.00	16.20
	- Commission	-	-	-	-	-	-
	- Others	5.00	-	-	-	-	5.00
	<b>TOTAL (1)</b>	<b>7.50</b>	<b>3.70</b>	<b>4.00</b>	<b>4.00</b>	<b>2.00</b>	<b>21.20</b>
		Name of the Directors					
		M. P. Taparia	Rajan B. Raheja	B. L. Taparia	S. J. Taparia		
<b>2.</b>	<b>Other Non-Executive Director</b>						
	- Fee for attending Board / Committee Meetings	2.00	2.00	2.00	3.20		9.20
	- Commission	-	-	-	-		-
	- Others	-	-	-	-		-
	<b>TOTAL (2)</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>3.20</b>		<b>9.20</b>
	<b>TOTAL (B) = (1+2)</b>						<b>30.40</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	186.44	41.86	228.30
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	5.85	1.26	7.11
	(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>192.29</b>	<b>43.12</b>	<b>235.41</b>

**ANNEXURE-4**

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2016-17**

- (a) Amount to be spent for the financial year : ₹122.59 lakhs
- (b) Amount unspent : ₹105.95 lakhs
- (c) Manner in which amount spent during the financial year:

(₹ In lakhs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	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 Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure upto the reporting period FY 2016-2017	Amount Spent Direct or through Implementing Agency
1	Promoting Education	Clause (ii)	Villages in proximity to Company's plant in District Raigad, Maharashtra	50.50	11.12	11.12	Direct
2.	Cultural Activities	Clause (iii)	Villages in proximity to Company's plant in District Raigad, Maharashtra	3.00	0.60	0.60	Direct
3.	Ensuring Ecological Balance – Conservation of Natural Resources	Clause (vi)	Villages in proximity to Company's plant in District Raigad, Maharashtra	5.00	4.92	4.92	Direct

The budget outlay included: Construction of public toilet blocks, class rooms for the village high school, construction of science laboratory and provision of laboratory equipment for the village high school and provision of facility for collection and treatment of domestic solid waste in villages surrounding the Plant. However, since the land allocation by the concerned local authorities for construction of the public toilet blocks, class rooms, laboratory and for treatment of solid domestic waste was not completed, the expenditure could not be incurred during the year under review.

The Company expects a substantial jump in spending in CSR in the current year. Apart from several new activities identified for implementation in villages surrounding the Company's Plant, the issue of land allocation by the concerned local authorities for construction of public toilet blocks, class rooms, laboratory and treatment of solid domestic waste is expected to be resolved soon. The respective local authorities are actively pursuing the matter and have assured their cooperation.

**ANNEXURE-5**

**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 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**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	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)
Not Applicable							

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

<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in lakhs)</b>	<b>Date(s) of approval by the Board</b>	<b>Amount paid as advance, if any</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
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: 2502.06 Purchase: 814.28	Not applicable as at arm's length basis not material transactions. However placed before Audit Committee every quarter	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY REVIEW

The Central Statistics Office and RBI have estimated GDP growth of 7.1% for the Indian economy for 2016-17. The growth of the economy could have been better but for short term impact of demonetisation. Demonetisation will however, be able to generate long-term benefits in terms of greater digitalisation of the economy, increased flows of financial savings and greater formalisation of economy all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues. The growth in 2016-17 was aided by the Government's efforts to push reforms, RBI's inflation focus, soft global commodity prices and a good monsoon.

National initiatives such as 'Make in India', 'Skill India', 'Startup India', 'Smart Cities', 'Housing for All', 'Affordable Low Cost Housing'; broadening financial inclusion, streamlining of taxation structure with the passage of the GST, strengthening of infrastructure, etc. would lead to improvement in the economic growth of the country in the coming future.

The fiscal deficit of India for 2016-17 was in line with the target of 3.5% of GDP. Soft global commodity prices helped the country to contain the current account deficit at 0.7% of GDP in the first nine months of 2016-17. Consumer price inflation rate is within the range targeted by RBI and this has helped to cut interest rates by 50 basis point in 2016-17. Since 2015 this cut in interest rate aggregates to 150 basis points. Country's economic fundamentals continue to improve and this augurs well for the domestic consumption growth.

### REVIEW OF OPERATIONS

Your Company is mainly in the business of Styrenics and Styrene Monomer (SM) is the main raw material for its operations. Prices for SM were generally stable in the first half of the year under review. During the later part of the year SM prices rose steadily due to tight availability on account of declaration of force majeure in two large plants in USA and also bunching of turnarounds of plants in Europe and Asia. SM prices which were at USD 1050 PMT till October 2016 increased to around USD 1220 PMT by December 2016 and further jumped to USD 1550 PMT in early February 2017. SM prices dropped from this level to USD 1150 PMT by end March 2017. This volatility in prices of SM had an adverse impact on all styrenics products particularly affecting business sentiment in case of Polystyrene in the second half of the year. Demonetisation with the consequent cash-crunch in the un-organised sector too contributed to the muted demand in the later part of the financial year.

These events had an adverse effect on the volume growth of your Company's manufactured products in the domestic market resulting in a modest volume growth during the year under review.

The stability in the raw material prices with almost stable rupee dollar parity in the earlier half of the year under review, increased contributions from the new verticals viz. SPC, XPS and some inventory gain in the last quarter of the year coupled with rupee appreciation have helped your Company earn PBIDT of ₹ 304.77 crores as compared to ₹ 142.95 crores in the previous year (annualised from ₹ 106.00 crores for nine months). Net profit stood at ₹ 179.41 crores for the reporting

year as compared to a net profit of ₹ 76.07 crores (annualised from ₹ 57.05 crores) in the previous year.

#### Polystyrene (PS):

The domestic market for PS industry witnessed a fall of 3.2% in the demand during the year under review for the reasons mentioned earlier. Till October 2016 the industry grew at 9.5% and your Company's sales in the domestic market witnessed a growth of 11% during this period. Post October 2016, market started shrinking due to a volatility in the price of Styrene Monomer (raw material) and also due to impact of demonetisation. Consequently, during the period November 2016 to March 2017 domestic market of PS witnessed degrowth of 17.6% compared to the same period in the previous year. When the SM prices are turbulent the processors tend to destock in the hope of stable prices at lower levels. Shrinking of demand in the later part of the year resulted in a lower growth in domestic sales volume of PS for your Company by 5.75% for the year 2016-17 as compared to the previous year.

Export volumes were flat for the year under review due to low realisation and geo political issues in some of the export markets. Your company's products, however, have been well received in USA for many end use applications. This helped in doubling volumes to USA in the financial year under review as compared with the previous year.

#### Expandable Polystyrene (EPS):

The domestic EPS market grew by about 10.70% during the reporting year compared to the previous year. The growth in the domestic market was contributed by the fish box market, grapes packaging for exports and demand from cold storages for insulation. White goods packaging suffered due to the effect of demonetisation in later part of the year. Your Company is happy to report that some States have realised the advantages of using EPS in the construction of Anganwadis and affordable low cost housing and a beginning is made for use of 3D panels made from EPS. Your Company registered a growth of 25.70% in domestic EPS sales during the year under review. The Company's higher growth rate may be attributed to growth in the number of institutional customers, improvement in market share in the very competitive northern region and customer engagement through business development activities.

#### Speciality Polymers and Compounds business (SPC):

This vertical is showing steady growth with the strengthening of distribution network, with addition of new distributors with domain experience and a pan India sales team. During the year various new grades like black and colour masterbatches were introduced which have received encouraging feedback from the customers. During the year the masterbatch and compounds business had an impressive growth of 44% in sales volume.

#### Extruded Polystyrene Insulation Board (XPS):

Sales volume grew by 35% during the Year under review. Your Company supplied XPS boards to several prestigious Educational Institutions, Hospitals, SEZ Projects, Hotels and Cold Storages in the year under review.

Your Company is focusing on increasing footprint in the retail market by appointing suitable distributors and training applicators. During the year XPS has been included by CPWD in the Daily Schedule of Rates (DSR 2016) which is required for inclusion of XPS in Government projects. With this inclusion XPS usage will get a boost in Government projects.





### Styrene Methyl Methacrylate (SMMA):

The modified PS line with the ability to swing between PS and SMMA was ready for commercial production after necessary trial runs on February 3, 2017. Seed marketing has commenced. Testing of product is being done by various processors and initial response has been encouraging. Some commercial orders have also been received. This is a new product in the Indian market and is an economical alternative to certain applications of PMMA, Polycarbonate and clear ABS.

### FINANCE

Your Company continues to remain debt free. Cash flow from operations is being judiciously utilised which has not only helped in reducing financial cost substantially but also improved interest and dividend income of the Company.

### CAPITAL EXPENDITURE

Your Company incurred a total capital expenditure of ₹ 28.40 crores in the year under review on various schemes and replacement of old equipment.

The integration of standard EPS and food grade EPS line at the Maharashtra plant to achieve better efficiencies and product flexibilities is underway and is expected to be completed in the first quarter of the Financial Year 2017-18.

During the year 2017-18 your Company intends to incur capital expenditure on new extrusion lines for colour masterbatches, colour lab, polymer compounding line and warehouse for SPC plant as well as a warehouse for the XPS plant. Company shall also be upgrading some sections of PS plant to improve efficiency in operations.

The total capital expenditure for the year 2017-2018 for the above schemes including the expenditure to be incurred on replacement/renewal of certain old and general plant improvement projects is estimated at ₹ 30 crores. This expenditure shall be met from the Company's internal accruals.

### OUTLOOK

Globally, availability of Styrene Monomer, our major raw material, continues to remain tight with no new major capacities under implementation except for a few boutique-sized plants in China to meet their internal requirements. The prolonged outage of more than six months by two large SM plants in the USA coupled with planned maintenance shutdown by major Asian SM producers, is expected to keep the availability tight in the first quarter of the current financial year,

Your Company has taken all measures to ensure un-interrupted supply of Styrene Monomer from its current and other global suppliers.

GST in all likelihood will be implemented from July 1, 2017. There is no doubt that GST has its advantages in terms of better tax compliance, bringing unorganised sector into the main stream of business and greater formalisation of economy. It is, however, likely that during transition to GST, some business disruption may take place due to processors not being familiar with GST regulations and its compliance procedure. Processors may destock from June 2017 and restocking may commence towards end July 2017 once the processors get familiarised with GST requirements and their compliance. During this period sale of all products may get impacted.

Your Company expects an overall growth of 8%-9% in its domestic volumes during 2017-18.

### Polystyrene (PS):

Growth in appliance sector viz. refrigerators, air conditioners, washing machines etc. is expected to grow due to stable power supply not only in Tier II and Tier III cities but also in semi urban and rural areas as several State Governments are focused on ensuring uninterrupted power supply to its citizens. Improvement in income of farmers due to various reliefs, subsidies and development programmes initiated by Government of India and respective State Governments will help grow sale of appliances, household goods, artificial jewellery in these areas. Business development continues to work in the direction of developing new applications for PS and demonstrating same to existing and new processors of PS. Your Company expects the domestic PS market to grow in the current year by 5% - 6%.

### Expandable Polystyrene (EPS):

The domestic EPS market is expected to grow at around 10% in 2017-18. Your Company is targeting a growth rate better than the market based on the continuous efforts to increase entrepreneur development for processing of EPS and inclusion of specifications in building codes particularly for anganwadis and low cost housing. EPS 3D panels are more suitable for projects like anganwadi, RO water plants and low cost housing due to its lower cost of construction, built-in thermal insulation, faster construction and safety against earthquake, termites etc. A large industrial group has planned over 4000 Anganwadis across 11 states using EPS 3D panels. Several State Governments too are planning Anganwadis using this material. The EPS 3D panel technology is one of the technologies selected under the Pradhan Mantri Awas Yojna.

The State Governments of Andhra Pradesh and Jharkhand are in the process of awarding contracts for construction of upto one lakh low cost houses each under the Pradhan Mantri Awas Yojna using EPS 3D Panels. There are already four manufacturers with seven plants located across the country to produce EPS 3D panels. Many new processors are considering starting manufacturing of EPS 3D panels. The domestic demand for EPS is therefore expected to increase for this application.

Similarly, to counter acute safe drinking water shortages, various State Governments are putting up RO Units in villages with capacity of 500/1000/2000 liters per hour. EPS prefab cabins are preferred to house these units due to speedy completion, safety and stability of the building and lower costs of the unit. Several State Governments are expected to take up this project in 2017-18.

Your Company displayed fully built and furnished house made from EPS 3D Panels at the World Buildtech-2017 exhibition held in Mumbai. The house apart from creating awareness about the possibilities of use of EPS 3D Panels in the construction business generated interest amongst EPS processors, architects and contractors.

### Speciality Polymers & Compounds (SPC):

Development of distributor network is continuing in a focused manner which will give an impetus for this business vertical. A dedicated export team is being created for exports of SPC

products to different countries, with emphasis on developed countries. Your Company expects to grow this business in the current year by 50%.

**Extruded Polystyrene Insulation Board (XPS):**

The Company expects to grow sales volume by 35% - 40% in 2017-18 over the volume of 2016-17. In addition to consolidating its hold in the project market, increased thrust will be given to growing the retail market by creating more distribution channels. With the inclusion of XPS in DSR 2016 we anticipate greater demand from Government construction projects which need to conform to Griha 3 star rating. Your Company's XPS has been specified in construction of various airports, metro stations, modernisation of district hospitals, upcoming IITs and IIMs etc. making us optimistic of the growth potential of this initiative.

**Styrene Methyl Methacrylate (SMMA):**

SMMA is widely used for optical sheets, homeware, office accessories, toys and medical devices. Your Company is the first producer of SMMA in the country. Your Company is promoting SMMA by taking trial at various potential customers in a systematic manner. The results are encouraging. The Company has also received some export enquiries for SMMA. The Company has tied up with distributors who have experience in dealing with PC/PMMA to promote SMMA business. Appliance manufacturers have also shown interest in this material.

**RISK MANAGEMENT**

International pricing and demand/supply risk are inherent in the import of Styrene Monomer, the main raw material (SM). Your Company enters into procurement contracts for imports of Styrene Monomer on annual basis. The contracts specifies 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. Your Company has linked part of its sales to raw material prices so that any increase/decrease in raw material cost has an adequate cushion to protect the margin. Company's new vertical like SPC, XPS and SMMA provide additional cushion from SM price movement risks.

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 risk 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 one of its products. The management periodically reviews the adequacy of the insurance cover.

**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 controls system 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 supplements 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.

**AWARDS & RECOGNITION**

Your Company has received the following recognitions and awards during the period under review:

- NSCI Safety Awards – 2016 - Shreshtha Suraksha Purshkar, In recognition for developing and implementing highly effective Management System & Procedures and achieving outstanding performance in OHS.
- Greentech Environment Award 2017 (Silver Award) – From Greentech Foundation, New Delhi for outstanding achievement in Environment Management.
- Greentech safety Award 2016 (Gold Award) – From Greentech Foundation, New Delhi, for outstanding achievement in Safety Management.
- National Safety Awards, Ministry of Labour Government of India for Lowest Average frequency rate for performance year 2014 – Winner
- National Safety Awards, Ministry of Labour Government of India, in achieving Accident Free Year for performance year 2014 - Runner Up
- National Safety Council – Maharashtra Chapter – Longest Accident Free Period in the contest year, 2015
- National Safety Council – Maharashtra Chapter – Lowest Average Frequency rate in the contest year, 2015

**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 and other statutes and other incidental factors.



## CORPORATE GOVERNANCE

### PHILOSOPHY OF THE COMPANY 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 interests of other stakeholders. Good governance ensures adoption of best business practices and accountability of the person in-charge of the Company's operations. Your Company is fully committed to the principles of integrity, transparency and compliance with regulations in 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 the Listing Agreement.

### 1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors comprised of 9 members as on March 31, 2017. The Directors bring to the Board a wide range of experience and skills.

Name of the Director	Category	No. of outside Directorship		No. of Chairpersonship / Membership in other Board / Committees		No of Shares Held	Relationships with other Directors
		Public	Private	Chairperson	Member		
M. P. Taparia DIN No. 00112461	Non-Executive - Promoter/ Chairperson	4	2	2	3	37733	Brother of Shri B. L. Taparia and uncle of Shri S. J. Taparia
Rajan B. Raheja DIN No. 00037480	Non-Executive - Promoter	6	12	-	4	400	-
B. L. Taparia DIN No. 00112438	Non-Executive - Promoter	2	1	1	-	4834	Brother of Shri M. P. Taparia and uncle of Shri S. J. Taparia
S. J. Taparia DIN No. 00112513	Non-Executive - Promoter	4	2	-	1	37733	Nephew of Shri M. P. Taparia and Shri B. L. Taparia
R. Kannan DIN No. 00380328	Non-Executive - Independent	2	-	-	1	-	-
M. S. Ramachandran DIN No. 00943629	Non-Executive - Independent	6	1	8	9	-	-
Nihalchand Chauhan DIN No. 00021782	Non-Executive - Independent	1	-	-	1	-	-
Ameeta Parpia DIN No. 02654277	Non-Executive - Independent	3	1	5	10	21900	-
Dr. S. Sivaram DIN No. 00009900	Non-Executive - Independent	4	-	1	4	-	-

During the year under review the Board met on 4 occasions i.e. April 20, 2016, July 25, 2016, October 24, 2016 and January 24, 2017.

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

Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter/Chairperson	4	4	Yes
Rajan B. Raheja	Non-Executive – Promoter	4	4	Yes
B. L. Taparia	Non-Executive – Promoter	4	4	Yes
S. J. Taparia	Non-Executive – Promoter	4	4	Yes
R. Kannan	Non-Executive – Independent	4	4	Yes

Name of the Director	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. S. Ramachandran	Non-Executive – Independent	4	4	Yes
Nihalchand Chauhan	Non-Executive – Independent	4	4	Yes
Ameeta Parpia	Non-Executive – Independent	4	4	Yes
Dr. S. Sivaram	Non-Executive – Independent	4	3	No

## 2. AUDIT COMMITTEE:

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

Name of the Director	Category
R. Kannan	Chairperson – Non-Executive Independent
S. J. Taparia	Non-Executive – Promoter
Nihalchand Chauhan	Non-Executive – Independent
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 Clause 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation 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;
- (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.

**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. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 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, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee functions under the overall supervision of the Board of Directors of the Company.

During the year under review the Audit Committee met on 4 occasions i.e. April 19, 2016, July 25, 2016, October 24, 2016 and January 24, 2017.

Members	Category	Meetings held	Meetings Attended
R. Kannan	Non-Executive – Independent/Chairperson	4	4
S. J. Taparia	Non-Executive – Promoter	4	3
Nihalchand Chauhan	Non-Executive – Independent	4	4
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
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 & 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 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 in accordance with the criteria laid down and recommend to the Board their appointment and 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.

During the Year under review the Nomination and Remuneration Committee met on 1 occasion i. e. April 19, 2016.

Member	Category	Meeting Held	Meeting attended
R. Kannan	Non-Executive – Independent/Chairperson	1	1
S. J. Taparia	Non-Executive – Promoter	1	1
Ameeta Parpia	Non-Executive – Independent	1	1

#### 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 others ideas and view points and encourages contributions from other Directors.
12. Works effectively with fellow Directors to build consensus, 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	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter/Chairperson	2,00,000
Rajan B. Raheja	Non-Executive – Promoter	2,00,000
B. L. Taparia	Non-Executive – Promoter	2,00,000
S. J. Taparia	Non-Executive – Promoter	3,20,000
R. Kannan	Non-Executive – Independent	4,00,000
M. S. Ramachandran*	Non-Executive – Independent	2,50,000
Nihalchand Chauhan	Non-Executive – Independent	3,70,000
Ameeta Parpia	Non-Executive – Independent	4,00,000
Dr. S. Sivaram	Non-Executive – Independent	2,00,000
<b>TOTAL</b>		<b>25,40,000</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.

The Company has no Stock Option Scheme. The Company does not make any payments to Non-Executive Directors other than sitting fees 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
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 and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividend and shall approve transfers of the Company's securities.

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

Members	Category	Meetings Held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairperson	24	24
Rajan B. Raheja	Non-Executive – Promoter	24	19
S. J. Taparia	Non-Executive – Promoter	24	21
Ameeta Parpia	Non-Executive – Independent	24	23

**Compliance Officer:** Shri Ravi V Kuddyady, Company Secretary.

During the year under review, your Company received 223 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and majority of these complaints were resolved within 30 days. There were NIL pending complaints as on March 31, 2017.

**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:

- i. Borrow moneys from banks or any other source including temporary loans;



- ii. Authorisation for creation of security on the Company's assets to secure the borrowings;
- iii. Authorisation to invest temporary surplus funds in money market investments and delegate financial powers for approved projects capital expenditure and
- iv. Opening/Closing of bank accounts and authorise officials of the Company for operating of bank accounts.

During the year under review the Finance Committee met on 4 occasions i.e. June 28, 2016, September 30, 2016, November 17, 2016 and February 27, 2017.

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

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Your Company has constituted Corporate Social Responsibility Committee as mandated by Schedule VII of the Companies Act, 2013 on July 18, 2014, 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 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 1 occasion i.e. April 20, 2016.

Member	Category	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairperson	1	1
Rajan B. Raheja	Non-Executive – Promoter	1	1
Ameeta Parpia *	Non-Executive – Independent	1	1

\*Appointed as Member of the Committee w.e.f. April 20, 2016.

**8. INDEPENDENT DIRECTORS:**

Shri R Kannan, Shri M S Ramachandran, Shri Nihalchand Chauhan, Miss Ameeta Parpia and Dr. S Sivaram were the Independent Directors on the Board of Directors of your Company as on March 31, 2017. The Independent Directors continue to serve on the Board and hold Office for a consecutive term up to September 21, 2019 pursuant to the provisions of the Companies Act, 2013.

During the Year under review the Independent Directors met on 1 occasion i.e. January 24, 2017.

Member	Category	Meetings held	Meetings Attended
M. S. Ramachandran	Non-Executive – Independent/Chairperson	1	1
R. Kannan	Non-Executive – Independent	1	1
Nihalchand Chauhan	Non-Executive – Independent	1	1
Ameeta Parpia	Non-Executive – Independent	1	1
Dr. S. Sivaram	Non-Executive – Independent	1	1

**9. CODE OF CONDUCT:**

The Company has framed and adopted a Code of Conduct which is approved by the Board of Directors. The code is applicable to all Directors and Senior Management 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 Directors and Senior Management personnel have affirmed adherence to the provisions of the code of conduct for Board Members and Senior Management.

**N. Gopal**  
Manager

**10. COMPLIANCE CERTIFICATE BY MANAGER/CHIEF FINANCIAL OFFICER**

- A. We have reviewed the financial statements and the cash flow statement for the year under review and believe to the best of our knowledge and belief that:
- (1) these statements do not contain any material 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 listed entity 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:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
  - (3) 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**  
Manager

**RAKESH NAYYAR**  
Chief Financial Officer

The above certificate was placed before the Board at its meeting held on April 26, 2017.

**11. GENERAL BODY MEETINGS:**

Location and time of the last three AGMs held:

Year		Location	Date	Time	Special Resolutions Passed
2013-2014	25th	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	22.09.2014	4.00 p.m.	Yes
2014-2015	26th	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	23.09.2015	4.00 p.m.	Yes
2015-2016	27th	I. M. C., Walchand Hirachand Conference Hall, Mumbai - 400 020	24.08.2016	4.00 p.m.	Yes

Details of Special Resolutions passed at the last three Annual General Meetings:

- a) At the 25th Annual General Meeting held on September 22, 2014:
  - i) Under Section 188 of the Companies Act, 2013, for related party transactions and
  - ii) Under Section 180 (1)(a) of the Companies Act, 2013, for creation of security to secure Working Capital and Long Term Borrowings.
- b) At the 26th Annual General Meeting held on September 23, 2015:
  - i) Under Section 14 of the Companies Act, 2013 for adoption of a new set of Articles of Association of the Company.



- c) At the 27th Annual General Meeting held on August 24, 2016:
  - i) 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 April 20, 2016 to March 31, 2018.

There is no immediate proposal for passing any resolution through postal ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

**12. SUBSIDIARY COMPANY:**

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

**13. DISCLOSURES:**

**a. Basis of related party transactions -**

Your Company places all the details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Ind As 24 issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Annual Report (Please refer to note no. 38). However, these transactions are not likely to have any conflict with the interest of the Company at large. The policy on dealing with Related Party Transactions is available on the Company’s website on the link <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.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. Risk Management -**

Your Company has a comprehensive risk management policy. The risk management policy inter-alia provides for review of the risk assessment and minimisation procedure, laying down procedure to inform the Board in the matter and for periodical review of the procedure to ensure that executive management controls the risks through properly defined framework.

**d. Proceeds from public issues, right issues, preferential issues etc.**

During the year under review your Company has not raised any proceeds from public issue, right issue or preferential issue.

**e. Disclosure of non-compliance of the Company -**

There were no instances of non-compliance or penalty, strictures imposed on your Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

**f. Whistle Blower Policy/Vigil Mechanism -**

A Whistle Blower Policy/Vigil Mechanism has been adopted by the Board of Directors on July 18, 2014. No personnel have been declined access to the Audit Committee.

g. The Company has adopted Clause D and E of Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, by having separate persons to the post of Chairperson and Manager and by direct reporting by internal auditor to the Audit Committee.

h. Compliance with Corporate Governance requirements specified in regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015,

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	N.A.
22	Vigil Mechanism	Complied
23	Related Party Transaction	Complied
24	Corporate Governance requirements with respect to Subsidiary of listed entity	N.A.





Clause		Head	Status	
25		Obligations with respect to Independent Directors	Complied	
26		Obligations with respect to Directors and Senior Management	Complied	
27		Other Corporate Governance requirements	Complied	
46	2	b	Terms and conditions of appointment of Independent Director	
		c	Composition of various Committees of Board of Directors	
		d	Code of Conduct of Board of Directors and Senior Management personnel	
		e	Details of establishment of Vigil Mechanism And Whistle Blower Policy	
		f	Criteria for making payments to non-executive Directors	
		g	Policy with dealing with related party transaction	
		h	Policy for determining 'material' subsidiaries	
		i	Details of familiarisation programmes imparted to Independent Directors	
		(i)	No. of programmes attended by Independent Director (during the year and on a cumulative basis till date)	During the year Cumulative
				3 6
		(ii)	No. of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	During the year Cumulative
				2.30 4.45

(iii) Other relevant details

The following familiarisation programs were held for the Independent Directors during the year under review:

- Briefing on capital expenditure projects taken up by the Company. The rationale behind these projects, expected benefits, the expenditure and financing of these projects and periodic updates on the status of these projects.
- Presentation on the Company's Expandable Polystyrene (EPS) vertical, the outlook for next three years, the way forward, use of EPS in construction, the Company's strategy to exploit this market and the likely prospects in the coming years.
- What is Styrene Methyl Methacrylate (SMMA), its properties vis-à-vis other clear polymers, advantages and limitations of SMMA, potential market for SMMA, the Company's strategy for marketing SMMA.

The Company is in compliance of all the mandatory requirements of Corporate Governance.

#### 14. 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 framework. Your Company follows strict guidelines in respect of insiders' stock trading and related disclosures. The Company Secretary is designated as the Compliance Officer to oversee its implementation. Periodic disclosures have been obtained from all the Directors and Designated Employees. Under the aforesaid code all the Directors and Designated Employees are required to conduct all their dealings in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

#### 15. 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 statement, the shareholding pattern and the complete Annual Report of the Company. The quarterly results during the year under review were published in Business Standard, DNA, Free Press Journal, Sakal and Navshakti. 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 as informed to the Stock Exchanges from time to time.

#### 16. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management discussion and analysis is a part of the Annual Report and Annexed separately.



**17. PARTICULARS OF DIRECTORS:**

Particulars of Directors seeking re-appointment are given below:

Name of the Director	Rajan B Raheja	B L Taparia
Age (Years)	63	82
Date of Appointment	18/12/1989	22/11/1993
Qualification	B. Com.	B. A.
Experience of specific functional area	He is the Promoter of R. Raheja Group. He started himself on a business career over 42 years ago. His business range includes batteries, cable television, media, hotels, software, ceramic tiles, cement, construction and petrochemicals. He is also on the Board of many other well known Companies. Over years Shri Raheja has also been dedicating himself to various educational and charitable trusts.	He is Chairperson of The Supreme Industries Limited. Started his business career over 59 years ago, long experience in Business Management. Also associated with philanthropic activities.
Chairperson/Director of other Companies	Exide Industries Ltd., Exide Life Insurance Co. Ltd., Hathway Cable & Datacom Ltd., Juhu Beach Resorts Ltd. and Prism Cement Ltd.	The Supreme Industries Ltd. and Supreme Capital Management Ltd.
Shareholding in the Company	400	4834
Relationship with other Directors	–	Brother of Shri M P Taparia and Uncle of Shri S J Taparia
No of Meetings attended	4	4

**18. GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting	Wednesday, July 12, 2017, at 4.00 p.m., at I.M.C., Walchand Hirachand Conference Hall, Churchgate, Mumbai - 400 020
Period under review	April 1, 2016 to March 31, 2017
Date of Book Closure	Monday July 10, 2017 to Wednesday, July 12, 2017 (both days inclusive)
Dividend Payment Date	July 19, 2017 – Dividend warrants will be posted on or after July 19, 2017.
Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai - 400 001 The National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code	BSE Ltd - 500405 The National Stock Exchange of India Ltd. - SUPPETRO
Payment of Listing Fees	Annual listing fees for the year 2017-2018 has been paid to BSE Limited and The National Stock Exchange of India Ltd.
Payment of Depository Fees	Annual Custody/Issuer Fees for the year 2017-2018 has been paid to CDSL and Annual Custody/Issuer Fees for the year 2017-2018 will be paid to NSDL on receipt of invoice.

Market Price Data:

(In ₹)

Month/Year	BSE Ltd.		The National Stock Exchange of India Limited	
	High	Low	High	Low
April 2016	160.70	108.60	160.40	107.60
May 2016	187.50	151.30	187.40	151.50
June 2016	198.80	168.20	198.85	168.50
July 2016	204.00	177.50	204.50	177.10
August 2016	212.50	175.55	213.20	175.10
September 2016	226.00	200.70	226.40	200.00



Month/Year	BSE Ltd.		The National Stock Exchange of India Limited	
	High	Low	High	Low
October 2016	254.80	217.10	255.00	216.10
November 2016	237.50	180.10	238.00	181.35
December 2016	212.00	181.40	213.00	182.00
January 2017	273.30	198.30	273.00	197.25
February 2017	300.40	260.70	301.00	260.70
March 2017	314.45	262.50	314.40	265.00

**COMPARISON WITH INDICES:**

	April 2016 Opening	March 2017 Closing	% Rise (Fall)
BSE Sensex	25301.70	29620.50	17.07
NSE Nifty	7718.05	9173.75	18.86
SPL Shares	109.25	302.95	177.30

**REGISTRARS AND TRANSFER AGENT:**

**Karvy Computershare Pvt. Ltd.,**

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

**SHARE TRANSFER SYSTEM:**

The Company has outsourced its share transfer function to Karvy Computershare Private Limited, which is registered with SEBI as Category 1 Registrar. Karvy has been appointed as the common agency for all work related to share registry in terms of both physical and electronic modes.

**DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2017)**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
0001 - 5000	44506	90.58	65593590	6.80
5001 - 10000	2327	4.74	19526060	2.02
10001 - 20000	1014	2.06	15740270	1.63
20001 - 30000	387	0.79	10059600	1.04
30001 - 40000	157	0.32	5716770	0.59
40001 - 50000	166	0.34	7897550	0.82
50001 - 100000	250	0.51	18183310	1.88
100001 & above	328	0.67	822302430	85.21
<b>TOTAL</b>	<b>49135</b>	<b>100.00</b>	<b>96501958</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS (AS ON MARCH 31, 2017)**

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	58712000	60.84
2.	Mutual Funds	464707	0.48
3.	Banks/FI	48123	0.05
4.	FIIIs	345638	0.36
5.	Private Corporate Bodies	4023028	4.17
6.	Indian Public	31472037	32.62
7.	NRIs	1213770	1.26
8.	Clearing Members	57878	0.06
9.	Foreign Bodies	16867	0.02
10.	Trust	147910	0.15
	<b>GRAND TOTAL</b>	<b>96501958</b>	<b>100.00</b>



### DEMATERIALISATION 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, 95.60% Shares have been dematerialised up to March 31, 2017.

### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES:

Your Company's main raw material like Styrene Monomer, Polybutadiene Rubber and major additives are imported and therefore your Company has a substantial exposure in foreign exchange currencies. To overcome the risk to Company's operations due to foreign exchange volatility your Company's Board has approved a policy to hedge by way of forward cover foreign exchange exposures. Your Company also has some hedge by way of export receivables.

### PLANT LOCATION:

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

### 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

### SHAREHOLDERS' ASSISTANCE:

The Secretarial Department operates from the Company's Registered Office at Andheri in Mumbai. Besides, the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited has investor services Offices 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 please write to:

**(1) Shri Ravi V Kuddyady/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 K. S. Reddy**

**Karvy Computershare Private Limited,**  
Unit: Supreme Petrochem Ltd,  
Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032  
Telephone No. : 040-33211500/ 33215570  
Toll Free No. : 1800-3454-001  
Fax No. : 040-23440674  
E-mail : reddy.ks@karvy.com, einward.ris@karvy.com  
Web Site : www.karvy.com

OR

**(3) Shri Praveen Amlani**

**Karvy Computershare Private Limited,**  
Unit: Supreme Petrochem Ltd,  
7, Andheri Industrial Estate, Off Veera Desai Road,  
Andheri (W), Mumbai - 400 053  
Telephone No. : 022-26730799/26730843  
Fax No. : 022-26730305  
E-mail : pbamlani@karvy.com

**EQUITY SHARES IN SUSPENSE ACCOUNT**

Details pursuant to Clause 5A (II) of the Listing Agreement.

	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	1022	89081
No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year	2	583
No. of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	2	583
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	<b>1020</b>	<b>88498</b>

The voting rights on these shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the Shares.

**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) Suspense Account.

Adhering to the various requirements set out in the Rules, the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to IEPF Suspense Account under the said Rules.

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

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

In case the shares are held in dematerialised mode, by virtue of requirement of the Rules, the Company would transfer these shares directly to the demat account of IEPF Authority with the help of the depositories/depository participant.

In the absence of receipt of a valid request form alongwith necessary documents from the shareholders on or before May 31, 2017, the Company shall, with a view to complying with the requirements set out in the Rules, transfer the shares to IEPF Suspense Account as per procedure stipulated in the Rules without further notice and that no claim shall lie against the Company in respect of unclaimed dividend amounts and shares transferred to IEPF pursuant to the Rules. Both the unclaimed dividend and the shares transferred to IEPF Authority / Suspense Account including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the procedure prescribed by the Rules for which details are available at [www.iepf.gov.in](http://www.iepf.gov.in)

For further clarifications concerned, shareholders may contact Karvy Computershare Pvt. Ltd., Unit: Supreme Petrochem Ltd, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500032, Toll Free No: 1800-4258-998, Phone No:040-67162222, Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) quoting the reference folio no./demat account no.

For and on behalf of the Board

Place: Mumbai  
Date: April 26, 2017

**M. P. Taparia**  
Chairperson

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





## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders 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, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, 2015 for the year ended March 31, 2017.

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

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

Place: Mumbai  
Date: April 26, 2017

**Rajen Ashar**  
*Partner*  
Membership No.: 048243



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying standalone Ind AS financial statements of **Supreme Petrochem Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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 Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### 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 I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
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 accounts 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, the Cash Flow Statement and 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 II.
- (g) 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, 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 financial position in its financial statements - Refer Note 34 to the financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the 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.

The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management– Refer Note 43;

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

Place : Mumbai  
Dated: April 26, 2017

**Rajen Ashar**  
*Partner*  
Membership No: 048243



**ANNEXURE TO AUDITORS' REPORT**

**Annexure I referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets 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 fixed assets are held in the name of the Company.
- (ii) The inventory have been physically verified at reasonable intervals by the management during the period. 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, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and any other statutory dues, wherever applicable.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2017 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 lacs)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise duty demand	April-2001 – Nov 2012	426.2	CESTAT
			Oct-2009 - July-2010	1.04	CESTAT
			Jul-13	7.56	CESTAT
			Dec-13	1.79	CESTAT
2	Service Tax (Finance Act 1994)	Service Tax and penalty.	April-2004 - Jul-2007	44.21	CESTAT
			April-2005 - Sep-2009	14.92	CESTAT
			Jan-2011 - Oct-2011	5.88	CESTAT
			Sep-2004 - Aug-2013	452.45	CESTAT

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
			April-2003 - Mar-2005	188.42	CESTAT
			April-2011 - Mar-2013	222.57	CESTAT
			Sep-2013 - May-2015	117.57	CESTAT
			Jun-2015 - May-2016	75.20	Commissioner's Office
3	Central Excise Act, 1944 (Tamil Nadu)	Excise duty demand	Mar-2008	23.16	CESTAT
			Feb 2008 - June 2008	16.52	Jt. Commissioner of Central Excise
			April 2009 - Dec 2009	3.35	Asst / Deputy Commissioner of Central Excise
			Jan 2010 - Oct 2010	0.61	Superintendent of Central Excise
			Nov 2010 – Oct 2011	0.16	Superintendent of Central Excise
4	Service Tax (Finance Act 1994)	Service Tax and penalty	Sep 2010 – Sept 2013	18.70	CESTAT
			Dec 2012 – Sep 2013	2.26	Commissioner (Appeals)
			Jan 2009 - Aug 2014	11.16	Superintendent / Asst./ Deputy Commissioner of Central Excise
5	Tamil Nadu VAT Act, 2006	VAT and penalty	2005 - 2006	0.88	Deputy Commissioner (Commercial tax)
			2012-2013	1.2	Deputy Commissioner (Commercial tax)
			2010-2011	7.43	Deputy Commissioner (Commercial tax)
			2003-2004	2.61	Asst. Commissioner (Commercial tax)
6	Income Tax Act, 1961	Income Tax, interest and penalty	Assessment Year  2006 – 2007	  23.03	  High Court

(viii) We have been informed that the Company has not defaulted in repayment of loans or borrowings to financial institutions banks and Government. The Company has not raised any funds through debentures.

(ix) The Company has not raised money raised by way of initial public offer or further public offer (including debt instruments). According to the information and

explanations given to us and on the basis of the records examined by us, we state that the Company has prima facie applied the term loan for the purpose for which it was obtained.

(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 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's Registration No: 104767W

Place : Mumbai  
Dated: April 26, 2017

**Rajen Ashar**  
*Partner*  
Membership No: 048243

**Annexure II to our report of even date**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Supreme Petrochem Limited** (“the Company”) as of March 31, 2017 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 control over financial reporting 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 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.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

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

*Chartered Accountants*

Firm's Registration No: 104767W

**Rajen Ashar**

*Partner*

Membership No: 048243

Place : Mumbai

Dated: April 26, 2017



**BALANCE SHEET AS AT MARCH 31, 2017**

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property plant and equipment	2	33,537.99	33,132.42	34,346.64
(b) Capital work-in-progress		1,267.58	1,028.38	427.33
(c) Intangible assets	3	140.33	146.36	166.74
(d) Financial assets				
(i) Loans	4	93.06	153.65	109.67
(ii) Other non-current financial assets	5	345.81	327.66	335.99
(e) Other non-current assets	6	439.65	483.83	803.42
<b>Total non-current assets</b>		<b>35,824.42</b>	<b>35,272.30</b>	<b>36,189.79</b>
<b>2. Current Assets</b>				
(a) Inventories	7	30,585.72	18,144.42	18,799.69
(b) Financial assets				
(i) Trade receivables	8	30,738.89	28,116.17	23,867.01
(ii) Cash and cash equivalents	9	9,326.13	6,612.74	2,776.60
(iii) Bank balances other than (ii) above	10	452.57	479.04	462.49
(iv) Loans	11	50.42	269.00	30.29
(v) Other current financial assets	12	604.22	705.37	828.58
(c) Current tax assets (net)		1,142.31	1,594.41	1,067.19
(d) Other current assets	13	4,246.18	2,603.35	4,074.58
<b>Total current assets</b>		<b>77,146.44</b>	<b>58,524.50</b>	<b>51,906.43</b>
<b>TOTAL ASSETS</b>		<b>112,970.86</b>	<b>93,796.80</b>	<b>88,096.22</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	14	9,650.20	9,650.20	9,650.20
(b) Other equity		48,559.83	31,822.59	29,683.19
<b>Total equity</b>		<b>58,210.03</b>	<b>41,472.79</b>	<b>39,333.39</b>
<b>LIABILITIES</b>				
<b>1. Non-Current Liabilities</b>				
(a) Provisions	15	266.90	198.67	149.47
(b) Other non-current financial liability	16	263.25	189.67	146.87
(c) Deferred tax liabilities (net)	17	4,786.94	4,796.36	4,848.39
<b>Total non-current liabilities</b>		<b>5,317.09</b>	<b>5,184.70</b>	<b>5,144.73</b>
<b>2. Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables	18	43,182.18	41,274.20	38,407.22
(ii) Other current financial liabilities	19	1,741.69	2,717.61	1,525.08
(b) Other current liabilities	20	3,143.15	2,270.41	2,441.49
(c) Provisions	21	174.44	154.21	94.02
(d) Current tax liabilities (net)		1,202.28	722.88	1,150.29
<b>Total current liabilities</b>		<b>49,443.74</b>	<b>47,139.31</b>	<b>43,618.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>112,970.86</b>	<b>93,796.80</b>	<b>88,096.22</b>
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

Mumbai  
Date: April 26, 2017

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

**Ravi V Kuddyady**  
Company Secretary

For and on behalf of the Board

**M P Taparia** *Chairperson*  
**Rajan B Raheja**  
**B L Taparia**  
**S J Taparia**  
**M S Ramachandran**  
**R Kannan**  
**Nihalchand Chauhan**  
**Ameeta Parpia**  
**Dr. S Sivaram** *Directors*

Mumbai  
Date: April 26, 2017



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No	(₹ in Lakhs)	
		2016-2017 (12 Months)	2015-2016 (9 Months)
<b>REVENUE</b>			
<b>Revenue from Operations</b>			
Gross Sale		319,630.24	233,175.89
Other Operating Income		1,999.50	2,148.89
	22	321,629.74	235,324.78
<b>Other Income</b>	23	749.19	346.83
<b>TOTAL REVENUE</b>		<b>322,378.93</b>	<b>235,671.61</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	182,961.42	128,676.49
Purchase of stock-in-trade	25	67,256.34	49,144.13
Excise duty on sale of goods		29,768.00	28,519.53
Changes in inventories of finished goods and work-in-process	26	(8,868.34)	2,823.56
Employee benefits expenses	27	3,530.68	2,624.52
Finance costs	28	470.14	530.64
Depreciation and amortisation expenses	29	2,221.83	1,705.23
Other expenses	30	17,254.02	13,162.47
<b>TOTAL EXPENSES</b>		<b>294,594.09</b>	<b>227,186.57</b>
<b>Profit Before Tax</b>		<b>27,784.84</b>	<b>8,485.04</b>
<b>Tax Expenses</b>			
Current tax		9,830.55	2,798.04
Deferred tax		13.06	(17.65)
<b>Profit After Tax</b>		<b>17,941.23</b>	<b>5,704.65</b>
<b>Other Comprehensive (Income)/Loss</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		64.95	99.38
Income tax relating to items that will not be reclassified to profit or loss		(22.48)	(34.39)
<b>Total Comprehensive income for the period</b>		<b>17,898.76</b>	<b>5,639.66</b>
<b>Earning per share (₹)</b>			
Basic		18.59	5.91
Diluted		18.59	5.91
<b>Nominal Value of Share</b>		<b>10.00</b>	<b>10.00</b>
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

Mumbai  
Date: April 26, 2017

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

**Ravi V Kuddyady**  
Company Secretary

For and on behalf of the Board

**M P Taparia** *Chairperson*  
**Rajan B Raheja**  
**B L Taparia**  
**S J Taparia**  
**M S Ramachandran**  
**R Kannan**  
**Nihalchand Chauhan**  
**Ameeta Parpia**  
**Dr. S Sivaram** *Directors*

Mumbai  
Date: April 26, 2017



**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in Lakhs)

**Particulars**

**A: EQUITY SHARE CAPITAL**

For the year ended 31-03-2016

Balance as at 01-07-2015	Changes in equity share capital during the year	Balance as at 31-03-2016
<b>9650.20</b>	<b>–</b>	<b>9650.20</b>

For the year ended 31-03-2017

01-04-2016	Changes in equity share capital during the year	Balance as at 31-03-2017
<b>9650.20</b>	<b>–</b>	<b>9650.20</b>

**B: OTHER EQUITY**

**Particulars**

	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>Opening balance as on 01-07-2015</b>	1,563.46	23,258.12	4,861.61	–	29,683.19
Changes in Accounting Policy /Prior Period errors			(15.84)		(15.84)
Profit for the year			5,704.65	(64.99)	5,639.66
Dividends including tax on dividends	–		(3,484.42)		(3,484.42)
Transfer to General Reserve	–	4,000.00	(4,000.00)		–
<b>Balance at 31-03-2016</b>	<b>1,563.46</b>	<b>27,258.12</b>	<b>3,066.00</b>	<b>(64.99)</b>	<b>31,822.59</b>

	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
<b>Opening balance as on 01-04-2016</b>	1,563.46	27,258.12	3,066.00	(64.99)	31,822.59
Total Comprehensive Income for the year			17,941.23	(42.47)	17,898.76
Dividends including tax on dividends			(1,161.52)		(1,161.52)
Transfer to General Reserve		10,000.00	(10,000.00)		–
<b>Balance at 31-03-2017</b>	<b>1,563.46</b>	<b>37,258.12</b>	<b>9,845.71</b>	<b>(107.46)</b>	<b>48,559.83</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 **G M Kapadia & Co**  
Chartered Accountants  
Firm's Reg. No.104767W

**Rajen Ashar**  
Partner  
Membership No.048243

Mumbai  
Date: April 26, 2017

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

**Ravi V Kuddyady**  
Company Secretary

For and on behalf of the Board

**M P Taparia** *Chairperson*  
**Rajan B Raheja**  
**B L Taparia**  
**S J Taparia**  
**M S Ramachandran**  
**R Kannan**  
**Nihalchand Chauhan**  
**Ameeta Parpia**  
**Dr. S Sivaram** *Directors*

Mumbai  
Date: April 26, 2017





CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lakhs)

	Year ended March 31, 2017 (12 Months)	Year ended March 31, 2016 (9 Months)
<b>A. Cash Flow from Operating Activities</b>		
Profit before income tax	27,784.84	8,485.04
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortisation expense	2,221.83	1,705.23
Loss/(Gain) on disposal of property, plant and equipment	19.02	(3.17)
Remeasurement of the defined benefit plan	(64.95)	(99.38)
Ind AS Adjustment for Prior Period Expenses	-	(15.84)
Gain on MTM Option	-	(4.71)
Ind AS adjustment for loan to employees	20.70	2.74
Allowance for expected credit loss	109.68	(15.28)
Provision for doubtful debts	118.67	-
Dividend and interest income classified as investing cash flows	(289.71)	(220.17)
Unwinding Interest	(67.64)	(8.51)
Finance costs	470.14	530.64
Net exchange differences	(450.79)	(364.74)
	<b>2,086.95</b>	<b>1,506.81</b>
<b>Change in Operating Assets and Liabilities :</b>		
Decrease/(increase) in trade receivables	(2,920.52)	(4,243.03)
Decrease/(increase) in inventories	(12,441.31)	655.28
Increase/(decrease) in trade payables	2,428.21	3,240.87
Decrease/(Increase) in other financial assets	409.11	(140.67)
Decrease/(increase) in other non-current assets	(0.54)	(21.26)
Decrease/(increase) in other current assets	(1,642.84)	1,471.23
Increase/(decrease) in provisions	88.47	109.38
Increase/(decrease) in Other Non-current financial liability	73.58	42.80
Increase/(decrease) in other financial liabilities	(975.92)	1,192.53
Increase/(decrease) in other current liabilities	872.74	(171.08)
<b>Cash generated from Operations</b>	<b>(12,022.07)</b>	<b>3,642.86</b>
Direct taxes paid (net of refunds)	(8,899.05)	(3,752.67)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>6,863.72</b>	<b>8,375.23</b>
<b>B. Cash Flow from Investing Activities</b>		
Payments for acquisition of property, plant and equipment	(2,782.91)	(709.62)
Payments for software development costs	(57.17)	(23.71)
Proceeds from sale of property, plant and equipment	5.21	5.67
Interest received	9.46	17.94
Dividends received	280.26	202.23
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(2,545.15)</b>	<b>(507.49)</b>
<b>C. Cash Flows from Financing Activities</b>		
Interest paid	(470.14)	(530.64)
Dividends paid to equity shareholders	(1,161.51)	(3,484.42)
<b>Net Cash Flow from/(used in) in Financing Activities (C)</b>	<b>(1,631.65)</b>	<b>(4,015.06)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,686.92</b>	<b>3,852.68</b>
Effect of exchange differences on cash & cash equivalent held in foreign currency		
Cash and cash equivalents at the beginning of the year	7,091.78	3,239.10
<b>Cash and cash equivalents at the end of the year</b>	<b>9,778.70</b>	<b>7,091.78</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement :</b>		
Cash and cash equivalents	9,778.70	7,091.78
<b>Balance as per the cash flow statement :</b>	<b>-</b>	<b>-</b>

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

Mumbai  
Date: April 26, 2017

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

**Ravi V Kuddyady**  
Company Secretary

For and on behalf of the Board

**M P Taparia** *Chairperson*  
**Rajan B Raheja**  
**B L Taparia**  
**S J Taparia**  
**M S Ramachandran**  
**R Kannan**  
**Nihalchand Chauhan**  
**Ameeta Parpia**  
**Dr. S Sivaram** *Directors*

Mumbai  
Date: April 26, 2017



**DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (REFER NOTE 1.21 UNDER SIGNIFICANT ACCOUNTING POLICIES)**

**Reconciliation of equity as at July 01, 2015**

(₹ in Lakhs)

Particulars	Reference	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property plant and equipment		34,346.64	–	34,346.64
(b) Capital work-in-progress		427.33	–	427.33
(c) Intangible assets		166.74	–	166.74
(d) Financial assets				
(i) Loans	6	132.81	(23.14)	109.67
(ii) Others financial assets	9	336.07	(0.08)	335.99
(e) Other non-current assets	9	803.06	0.36	803.42
<b>Total non-current assets</b>		<b>36,212.65</b>	<b>(22.86)</b>	<b>36,189.79</b>
<b>2. Current Assets</b>				
(a) Inventories		18,799.69	–	18,799.69
(b) Financial assets				
(i) Trade receivables	2	23,896.35	(29.34)	23,867.01
(ii) Cash and cash equivalents		2,776.60	–	2,776.60
(iii) Bank balances other than (ii) above		462.49	–	462.49
(iv) Loans		30.29	–	30.29
(v) Others	4	821.64	6.94	828.58
(c) Current tax assets (net)		1,067.19	–	1,067.19
(d) Other current assets		4,074.58	–	4,074.58
<b>Total current assets</b>		<b>51,928.82</b>	<b>(22.40)</b>	<b>51,906.43</b>
<b>TOTAL ASSETS</b>		<b>88,141.47</b>	<b>(45.26)</b>	<b>88,096.22</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital		9,650.20	–	9,650.20
(b) Other equity		27,986.24	1,696.95	29,683.19
<b>Total equity</b>		<b>37,636.44</b>	<b>1,696.95</b>	<b>39,333.39</b>
<b>LIABILITIES</b>				
<b>1. Non-Current Liabilities</b>				
(a) Provisions		149.47	–	149.47
(b) Other Non-current financial liability		146.87	–	146.87
(c) Deferred tax liabilities (net)		4,848.39	–	4,848.39
<b>Total non-current liabilities</b>		<b>5,144.73</b>	<b>–</b>	<b>5,144.73</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables		38,407.22	–	38,407.22
(ii) Other financial liabilities		1,525.08	–	1,525.08
(b) Other current liabilities		2,441.49	–	2,441.49
(c) Provisions	10	1,836.23	(1,742.21)	94.02
(d) Current tax liabilities (net)		1,150.28	–	1,150.29
<b>Total current liabilities</b>		<b>45,360.30</b>	<b>(1,742.21)</b>	<b>43,618.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>88,141.47</b>	<b>(45.26)</b>	<b>88,096.22</b>

Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirement for the purpose of this note.



**DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (REFER NOTE 1.21 UNDER SIGNIFICANT ACCOUNTING POLICIES)**

**Reconciliation of equity as at March 31, 2016**

(₹ in Lakhs)

Particulars	Reference	Indian GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Property plant and equipment	1	33,012.30	120.12	33,132.42
(b) Capital work-in-progress		1,028.38	–	1,028.38
(c) Intangible assets		146.36	–	146.36
(d) Financial assets				
(i) Loans	6	171.02	(17.37)	153.65
(ii) Others financial assets	7	328.25	(0.59)	327.66
(e) Other non-current assets	7	483.25	0.58	483.83
<b>Total non-current assets</b>		<b>35,169.56</b>	<b>102.74</b>	<b>35,272.30</b>
<b>2. Current Assets</b>				
(a) Inventories	1	18,271.97	(127.55)	18,144.42
(b) Financial assets				
(i) Trade receivables	2	28,130.23	(14.06)	28,116.17
(ii) Cash and cash equivalents		6,612.74	–	6,612.74
(iii) Bank balances other than (ii) above		479.04	–	479.04
(iv) Loans		269.00	–	269.00
(v) Others	4	697.57	7.80	705.37
(c) Current tax assets (net)		1,594.41	–	1,594.41
(d) Other current assets		2,603.35	–	2,603.35
<b>Total current assets</b>		<b>58,658.31</b>	<b>(133.81)</b>	<b>58,524.50</b>
<b>TOTAL ASSETS</b>		<b>93,827.87</b>	<b>(31.07)</b>	<b>93,796.80</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital		9,650.20	–	9,650.20
(b) Other equity		31,848.87	(26.28)	31,822.59
<b>Total equity</b>		<b>41,499.07</b>	<b>(26.28)</b>	<b>41,472.79</b>
<b>LIABILITIES</b>				
<b>1. Non-Current Liabilities</b>				
(a) Provisions		198.67	–	198.67
(b) Other Non-current financial liability		189.67	–	189.67
(c) Deferred tax liabilities (net)	12	4,801.15	(4.79)	4,796.36
<b>Total non-current liabilities</b>		<b>5,189.49</b>	<b>(4.79)</b>	<b>5,184.70</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade payables		41,274.20	–	41,274.20
(ii) Other financial liabilities		2,717.61	–	2,717.61
(b) Other current liabilities		2,270.41	–	2,270.41
(c) Provisions		154.21	–	154.21
(d) Current tax liabilities (net)		722.88	–	722.88
<b>Total current liabilities</b>		<b>47,139.31</b>	<b>–</b>	<b>47,139.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,827.87</b>	<b>(31.07)</b>	<b>93,796.80</b>

Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirement for the purpose of this note.



**DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (REFER NOTE 1.21 UNDER SIGNIFICANT ACCOUNTING POLICIES)**

**Reconciliation of equity as at 31st March, 2016**

(₹ in Lakhs)

Particulars	Reference	Indian GAAP	Adjustments	Ind AS
		2015-2016 (9 Months)	2015-2016 (9 Months)	2015-2016 (9 Months)
<b>REVENUE</b>				
<b>Revenue from Operations</b>				
Gross Sale	5	233,175.89	–	233,175.89
Other Operating Income		2,148.89	–	2,148.89
		235,324.78	–	235,324.78
<b>Other Income</b>	6	338.32	8.51	346.83
<b>TOTAL REVENUE</b>		235,663.10	8.51	235,671.61
<b>EXPENSES</b>				
Cost of materials consumed		128,676.49	–	128,676.49
Purchase of stock-in-trade		49,144.13	–	49,144.13
Excise Duty on sale of goods	5	28,519.53	–	28,519.53
Changes in inventories of finished goods and work-in-process		2,823.56	–	2,823.56
Employee benefits expenses	3	2,721.16	(96.64)	2,624.52
Finance costs		530.64	–	530.64
Depreciation and amortisation expenses	1	1,697.79	7.44	1,705.23
Other expenses	2,4,9	13,178.31	(15.84)	13,162.47
<b>TOTAL EXPENSES</b>		227,291.61	(105.04)	227,186.57
<b>Profit Before Tax</b>		8,371.49	113.55	8,485.04
<b>Tax Expenses</b>				
Current tax		2,798.04	–	2,798.04
Deferred tax	11,12	(47.25)	29.60	(17.65)
<b>Profit After Tax</b>		5,620.70	83.95	5,704.65
Prior period adjustments(Net)	8	15.84	(15.84)	
<b>Other Comprehensive (Income)/Loss</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plan	3	–	99.38	99.38
Income tax relating to items that will not be reclassified to profit or loss	11	–	(34.39)	(34.39)
<b>Profit for the year</b>		5,604.86	34.80	5,639.66

**DISCLOSURE AS REQUIRED BY IND AS 101 - FIRST TIME ADOPTION.****Footnotes to reconciliation of equity****1. Property Plant and Equipment:**

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1 July 2015).

Spares which meet the definition criteria of property plant and equipment, amounting to ₹127.55 Lakhs (Gross value) were capitalised from inventory. After providing depreciation of ₹7.43 Lakhs, the property plant and equipment increased by ₹120.12 Lakhs as of March 31, 2016.

**2. Expected Credit Loss:**

Under Indian GAAP no provision for doubtful debt was made. Under Ind AS, impairment allowance has been determined based on expected credit loss (ECL) model. Due to this model, the Company impaired its trade receivables by ₹29.34 Lakhs as on the transition date which has been recognised in retained earnings. The impairment of ₹14.06 Lakhs for the period ended March 31, 2016 has been recognised in the Trade Receivable and ₹15.28 Lakhs net of tax in the Statement of Profit and Loss.

**3. Defined Benefit Obligations:**

The actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in the net interest on the net defined benefit liability are recognised in balance sheet through other comprehensive income. Thus employee benefit expenses are reduced by ₹99.38 Lakhs and recognised in other comprehensive income gross of tax for the year ended March 31, 2016.

**4. Forward Contracts**

Under IGAAP, the difference between and spot rate and forward rate is amortised over the tenure of the forward contract and premium paid on options were expensed out. Under Ind AS, forward/option contract is required to be accounted at fair value. Accordingly, the company has provided for gain of ₹6.94 Lakhs in the retained earnings on the transition date July 1, 2015 and a gain of ₹0.86 Lakhs for the period ended March 31, 2016.

**5. Sale of goods**

Under IGAAP, excise duty was reduced from Gross Sales. Under Ind AS, excise duty is not reduced from Gross but shown as an expense in the notes. Sale of goods has increased by ₹28519.53 Lakhs with a corresponding increase in expense for the period ended March 31, 2016.

**6. Loan to Employees**

The Company has given interest free loans to its employees. Under IGAAP this loan was accounted at principal value.

As per Ind AS employee loans should be measured at fair value on initial recognition with a subsequent decrease in the amount of employee loan. The fair value is determined using the present value method using discount rate which is the market borrowing rate. The Company is required to accrue interest income at the effective interest rate (discount rate) over the term of the loan. The difference between the loan amount and its fair value is charged to the Statement of Profit and Loss as "Employee Cost". This results in the decrease in the carrying amount of the loan by ₹23.14 Lakhs on the transition date July 1, 2015 and adjusted in total equity.

**7. Dealer/Distributor Deposits**

The Company has received security deposits from its Dealers and Distributors under the Dealership Agreement at rates below the prevailing market rates. Under the Indian GAAP these Security Deposits were shown under long term liability. Under the Ind AS, these deposits have been revalued at fair value using the present value method using a discount rate which is market borrowing rate. An amount of ₹0.28 lakhs was reduced from Deposit amount and charged to the Statement of Profit and Loss during the year ended March 31, 2017.

**8. Prior Period Adjustment**

An amount of ₹15.84 Lakhs shown under prior period adjustment under Indian GAAP is added to Profit after Tax as on March 31, 2016, under Ind AS it was charged to retained earnings as on July 1, 2015.





## 9. Security Deposit Paid

Under IGAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the security deposit increased by ₹ 0.28 Lakhs as at July 01, 2015 and reversed by same amount as on March 31, 2016.

## 10. Dividend

As per Ind AS dividend is recognised only when it is approved by the shareholders and hence dividend provision of ₹ 1,447.53 Lakhs together with tax on dividend of ₹ 294.68 Lakhs (Total of ₹ 1,742.21 Lakhs) proposed for the year ended June 30, 2015 was reduced from provisions and from total equity in the opening balance sheet as on July 1, 2015.

## 11. Other Comprehensive Income

Under previous GAAP, the Company has not presented Other Comprehensive Income(OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with statement of profit and loss and other comprehensive income as per Ind AS.

Actuarial loss of ₹ 99.38 Lakhs on defined benefit plans for the employees and ₹34.39 Lakhs deferred tax credit on the same as per Ind AS has been reclassified to Other Comprehensive Income from Statement of Profit and loss.

## 12. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. This has resulted in deferred tax asset by ₹ 4.79 Lakhs.

The above changes decreased/(increased) the deferred tax asset / (liability) as follows:

	(₹ in Lakhs)
Property plant and equipments	3.23
Trade receivables	4.87
Derivatives	2.70
Other assets	(6.01)
	<b>4.79</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 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) with manufacturing facilities at Nagothane, Dist Raigad, Maharashtra and Manali New Township, Chennai, Tamil Nadu.

#### Authorisation of financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on April 26, 2017.

#### Change in the financial year

Until June 30, 2015, the financial year followed by the Company was a period of twelve months from 1st July to 30th June each year. Thereafter the Company has changed its financial year to twelve months period from 1st April to 31st March. Accordingly, the Company has prepared its previous financial statements for a nine month period from July 1, 2015 to March 31, 2016. The current financial statements are for twelve months from April 1, 2016 to March 31, 2017.

### 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 and comply with the requirement under Para 3 of Ind AS 101.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is July 1, 2015. (Refer Note 1.21 for information on how the Company has adopted Ind AS).

#### 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:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- 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 :

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- 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 realisation 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 recognised 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: The Company makes provisions for leave encashment and gratuity, 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 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.

### 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 derecognises the replaced part, and recognises the new part with its own associated useful life and depreciated accordingly. Likewise when a major inspection is performed, its cost is recognised 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 recognised in the Statement of Profit and Loss as incurred.

Cost of Software directly identified with hardware is recognised 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 capitalised as Property, Plant and Equipment.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised 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 derecognised.

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 recognised 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 amortisation/ 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 recognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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 recognised 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 recognised 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 realisable 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 realisable value.

Finished goods (including in transit) are valued at cost (on a weighted average basis) or net realisable 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 changes in value.

For the purpose of statement of cashflows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts 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 recognised initially at fair value plus, in the case of financial assets not recognised 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 recognised 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 recognised in profit and loss.

(vi) Derecognition of financial assets

A financial asset is primarily derecognised 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 recognised 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 recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through EIR amortisation process. The EIR amortisation is included as finance cost in the Statement of Profit and Loss.

(v) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or canceled 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 recognised in the Statement of Profit and Loss.

(vi) 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 recognised 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 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. 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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

The Company recognizes revenue when the amount of revenue can be reliably measured and it is fairly certain that it will be realised.

**Sale of Goods**

Sales are accounted on passing of risks, rewards and control of ownership attached to the goods to external customers. Gross sales measured at the fair value of the consideration received or receivable include excise duty and are net of returns and discounts.

**Dividend Income**

Dividend income is recognised 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 recognised 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 recognised 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 recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised 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 recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised 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 Styrenics and does not have separately identifiable discrete 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. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

### 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.

### 1.21 First-time adoption - mandatory exceptions, optional exemptions

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st July 2015, by

- (a) recognising all assets and liabilities whose recognition is required by Ind AS;
- (b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- (c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- (d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

- a) Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 1st July, 2015 (date of transition).

- b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

- c) 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 THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**NOTE: 2**

**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31-03-2016	Additions	Disposal	As At 31-03-2017	Upto 31-03-2016	Provided / Adjustments	Disposal	Upto 31-03-2017	As At 31-03-2017	As At 31-03-2016
<b>Own Assets</b>										
Land (Freehold)	3,539.43	–	–	<b>3,539.43</b>	–	–	–	–	<b>3,539.43</b>	3,539.43
Buildings	10,722.43	604.33	–	<b>11,326.76</b>	366.91	480.72	–	<b>847.63</b>	<b>10,479.13</b>	10,355.52
Plant and Machinery	20,144.65	1,837.31	24.38	<b>21,957.58</b>	1,219.40	1,583.33	4.29	<b>2,798.44</b>	<b>19,159.14</b>	18,925.25
Office equipments	34.95	7.29	0.82	<b>41.42</b>	12.54	10.09	0.39	<b>22.24</b>	<b>19.18</b>	22.41
Computers	173.39	33.38	0.45	<b>206.32</b>	30.66	44.18	–	<b>74.84</b>	<b>131.48</b>	142.73
Air-conditioners	23.87	1.94	0.05	<b>25.76</b>	5.62	5.80	–	<b>11.42</b>	<b>14.34</b>	18.25
Vehicles	88.45	103.05	8.26	<b>183.24</b>	15.31	24.21	5.06	<b>34.46</b>	<b>148.78</b>	73.15
Furniture and Fixtures	65.16	1.13	–	<b>66.29</b>	9.48	10.30	–	<b>19.78</b>	<b>46.51</b>	55.68
<b>TOTAL</b>	<b>34,792.33</b>	<b>2,588.43</b>	<b>33.96</b>	<b>37,346.80</b>	<b>1,659.92</b>	<b>2,158.63</b>	<b>9.74</b>	<b>3,808.81</b>	<b>33,537.99</b>	<b>33,132.42</b>

**Note :**

- Buildings include ₹ 283.58 lakhs (previous year ₹ 283.58 lakhs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 0.04 Lakhs (Previous year ₹ 0.04 Lakhs).
- The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP
- On the transition date July 1, 2015 the gross block of tangible assets was ₹ 67,020.67 lakhs, accumulated depreciation was ₹ 32,674.03 lakhs and net block was ₹ 34,346.64 lakhs.

**Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Deemed Cost As At 01-07-2015	Additions	Disposal	As At 31-03-2016	Upto 01-07-2015	Provided / Adjustments	Disposal	Upto 31-03-2016	As At 31-03-2016	As At 01-07-2015
<b>Own Assets</b>										
Land (Freehold)	3,539.43	–	–	<b>3,539.43</b>	–	–	–	–	<b>3,539.43</b>	3,539.43
Buildings	10,722.43	–	–	<b>10,722.43</b>	–	366.91	–	<b>366.91</b>	<b>10,355.52</b>	10,722.43
Plant and Machinery	19,771.39	376.84	3.58	<b>20,144.65</b>	–	1,220.62	1.22	<b>1,219.40</b>	<b>18,925.25</b>	19,771.39
Office equipments	28.72	6.23	–	<b>34.95</b>	–	12.54	–	<b>12.54</b>	<b>22.41</b>	28.72
Computers	110.11	63.28	–	<b>173.39</b>	–	30.66	–	<b>30.66</b>	<b>142.73</b>	110.11
Air-conditioners	21.71	2.16	–	<b>23.87</b>	–	5.62	–	<b>5.62</b>	<b>18.25</b>	21.71
Vehicles	88.59	–	0.14	<b>88.45</b>	–	15.31	–	<b>15.31</b>	<b>73.15</b>	88.59
Furniture and Fixtures	64.26	0.90	–	<b>65.16</b>	–	9.48	–	<b>9.48</b>	<b>55.68</b>	64.26
<b>TOTAL</b>	<b>34,346.64</b>	<b>449.41</b>	<b>3.72</b>	<b>34,792.33</b>	–	<b>1,661.14</b>	<b>1.22</b>	<b>1,659.92</b>	<b>33,132.42</b>	<b>34,346.64</b>

**Note :**

- Buildings include ₹ 283.58 lakhs (previous year ₹ 283.58 lakhs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 0.04 Lakhs (Previous year ₹ 0.04 Lakhs).
- The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP
- On the transition date July 1, 2015 the gross block of tangible assets was ₹ 67,020.67 lakhs, accumulated depreciation was ₹ 32,674.03 lakhs and net block was ₹ 34,346.64 lakhs.





**NOTE: 3**

**Other Intangible Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As At 31-03-2016	Additions	Disposal	As At 31-03-2017	Upto 31-03-2016	Provided / Adjustments	Disposal	Upto 31-03-2017	As At 31-03-2017	As At 31-03-2016
Computer software	190.45	57.17	–	247.62	44.09	63.20	–	107.29	140.33	146.36
<b>TOTAL</b>	190.45	57.17	–	247.62	44.09	63.20	–	107.29	140.33	146.36

**Other Intangible Assets**

(₹ in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As At 01-07-2015	Additions	Disposal	As At 31-03-2016	Upto 01-07-2015	Provided / Adjustments	Disposal	Upto 31-03-2016	As At 31-03-2016	As At 01-07-2015
Computer software	166.74	23.71	–	190.45	–	44.09	–	44.09	146.36	166.74
<b>TOTAL</b>	166.74	23.71	–	190.45	–	44.09	–	44.09	146.36	166.74

Range of remaining period of amortisation of intangible assets as on March 31, 2017 is as below :

	0 to 2 years	3 to 5 years	6 to 10 years	Total WDV
Computer software	29.70	56.12	54.51	140.33

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>NOTE: 4</b>			
<b>Loans - Non current</b>			
<b>Unsecured, Considered Good</b>			
Loans to staff	93.06	153.65	109.67
	<b>93.06</b>	<b>153.65</b>	<b>109.67</b>
The above includes			
Loans to other officers of the Company	31.45	46.00	11.13
	<b>31.45</b>	<b>46.00</b>	<b>11.13</b>
<b>NOTE: 5</b>			
<b>Other Non-Current Financial Assets</b>			
Security deposit Other than Utility	345.81	327.66	335.99
	<b>345.81</b>	<b>327.66</b>	<b>335.99</b>
<b>NOTE: 6</b>			
<b>Other Non Current Assets</b>			
<b>Capital advance</b>			
Capital advance	201.73	246.46	587.30
<b>Other than Capital advance</b>			
Deposits with statutory authorities	78.42	78.42	57.17
Balance due from MIDC	129.39	129.39	129.39
Security deposit Utility	29.89	29.34	29.34
Advance Rent	0.22	0.22	0.22
	<b>439.65</b>	<b>483.83</b>	<b>803.42</b>



(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>NOTE: 7</b>			
<b>Inventories</b>			
Raw materials and packing materials	13,260.56	9,938.95	7,746.74
Stock-in-process	125.28	109.55	165.46
Finished goods	14,389.50	5,877.96	9,141.74
Finished goods in transit	1,090.53	749.45	253.32
Stores and spares	1,604.42	1,426.02	1,459.79
Fuel	115.43	42.49	32.64
	<u>30,585.72</u>	<u>18,144.42</u>	<u>18,799.69</u>

**Note :**

- 7.1. The cost of inventories recognised as an expense includes ₹ 190.20 Lakhs (during 2015 - 16: ₹ Nil) in respect of write-downs of inventory to net realisable value
- 7.2. The Company does not have any stock which is expected to be sold in more than twelve months.

**NOTE: 8**

**Trade Receivables**

(Unsecured-Considered good)

Trade receivables	30,981.30	28,130.22	23,896.35
Less : Provision for doubtful debts	118.67	-	-
Less : Allowance for expected credit loss	123.74	14.05	29.34
	<u>30,738.89</u>	<u>28,116.17</u>	<u>23,867.01</u>

**Note :**

- 8.1. 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 Expected Credit Loss (ECL) at each reporting date, right from its initial recognition. The provision matrix at the end of the reporting period is as follows:

<b>Particulars</b>			
Total Receivable	30,981.30	28,130.22	23,896.35
Trade Receivables not considered for ECL	20,438.30	15,091.22	14,146.05
Others considered for ECL	10,543.00	13,039.00	9,750.30
<b>Ageing</b>			
Not Due	8,976.00	11,341.00	8,478.00
0-90 days overdue	1,033.00	1,503.00	1,154.00
91-180 over due	433.00	9.00	45.00
181-270 over due	2.00	107.00	6.00
271-365 over due	5.00	27.00	7.00
366- 451 over due	3.00	11.00	6.00
451- 540 over due	4.00	4.00	27.00
541- 630 over due	50.00	4.00	1.30
> 631 days	37*	33.00	26.00

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016
<b>Movement in the expected credit loss allowance</b>		
Balance at beginning of the year	14.05	29.34
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	109.69	(15.29)
Balance at end of the year	123.74	14.05

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

\* includes

- (i) a sum of ₹ 26.25 lakhs, where Company has won the legal case and the party has gone in for appeal to the high court and
- (ii) amounts for which provision for doubtful debts have been made.

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>NOTE: 9</b>			
<b>Cash and Cash Equivalents</b>			
Balances with banks	8,804.43	6,434.41	2,309.78
Cheques on hand	513.47	153.44	454.67
Cash on hand	8.23	24.89	12.15
	9,326.13	6,612.74	2,776.60
<b>NOTE: 10</b>			
<b>Other Balances with Banks</b>			
Margin money deposits with banks	103.65	92.30	166.82
Earmarked balances with banks	348.92	386.74	295.67
	452.57	479.04	462.49
10.1. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2017.			
<b>NOTE: 11</b>			
<b>Loans - Current</b>			
(Unsecured-Considered Good)			
Loans and advances to employees	50.42	39.00	30.29
Advances to SPL PF Trust	—	230.00	—
	50.42	269.00	30.29
<b>The above includes</b>			
Loans from other officers of the Company	14.55	25.13	3.69
	14.55	25.13	3.69
<b>NOTE: 12</b>			
<b>Other Current Financial Assets</b>			
Security deposits	—	28.36	371.10
Insurance claim receivable	151.76	363.55	84.00
Derivatives asset	23.60	21.71	6.95
Interest receivable	44.16	89.00	53.85
Other benefits receivable	384.70	202.75	312.68
	604.22	705.37	828.58



(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>NOTE: 13</b>			
<b>Other Current Assets</b>			
Advance license & DEPB benefits	1,139.73	24.36	1,038.29
Prepaid expenses	449.97	425.07	353.93
Advance recoverable in cash or in kind	2.83	452.07	10.78
Deposits with statutory authorities	82.20	79.44	75.19
Balances with statutory authorities	2,568.25	1,622.27	2,596.25
Advance rent	3.20	0.14	0.14
	<b>4,246.18</b>	<b>2,603.35</b>	<b>4,074.58</b>
<b>NOTE: 14</b>			
<b>Share Capital</b>			
<b>Authorised</b>			
125,000,000 (Previous Year 125,000,000) Equity Shares of ₹ 10 each	12,500	12,500	12,500
25,000,000 (Previous Year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2,500	2,500	2,500
	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<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	9,650.20
	<b>9,650.20</b>	<b>9,650.20</b>	<b>9,650.20</b>

14.1. In the financial year 2008-2009, the Company bought back and extinguished 1537907 equity shares which has reduced the paid-up share capital of the company from ₹ 9837.65 lakhs to ₹ 9683.86 lakhs.

14.2. In the financial year 2013-2014, the Company bought back and extinguished 336655 equity shares which has reduced the paid-up share capital of the company from ₹ 9683.86 lakhs to ₹ 9650.20 lakhs.

14.3 The details of Shareholders holding more than 5% Shares:

Name of the Shareholder	As At 31-03-2017		As At 31-03-2016		As At 01-07-2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
The Supreme Industries Limited	28936400	29.99	28936400	29.99	28936400	29.99
R. Raheja Investments Private Limited	28936400	29.99	28936400	29.99	28936400	29.99

14.4. The reconciliation of the number of shares outstanding is set out below :

Particulars	As At 31-03-2017 No. of Shares	As At 31-03-2016 No. of Shares	As At 01-07-2015 No. of Shares
Equity Shares at the beginning of the year	96501958	96501958	96501958
Equity Shares at the end of the year	96501958	96501958	96501958

14.5. 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.

#### 14.6. 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.

The amount of per share dividend recognised as distributions to equity shareholders during the year ended March 31, 2016 was ₹ 3.00/- per equity share, consisting of ₹ 1.50/- per equity share final dividend declared for the year ended June 30, 2015 and ₹ 1.50/- per equity share interim dividend considered as final dividend for the period ended March 31, 2016.

The board of directors in their meeting on October 24, 2016 declared an interim dividend of ₹1/- per equity share, which resulted in cash outflow of ₹ 1161.52 Lakhs, inclusive of corporate dividend tax.

The Board of Directors, in their meeting on April 26, 2017, have proposed a final dividend of ₹ 3.50/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on July 12, 2017 and if approved would result in a cash outflow of approximately ₹ 4084.32 Lakhs (excluding dividend paid on treasury shares), including corporate dividend tax.

(₹ in Lakhs)

	As at 31-03-2017	As at 31-03-2016	As at 01-07-2015
<b>NOTE: 15</b>			
<b>Provisions - Non Current</b>			
Provision for leave encashment	193.85	178.43	149.47
Provision for gratuity	73.05	20.24	—
	<u>266.90</u>	<u>198.67</u>	<u>149.47</u>
<b>NOTE: 16</b>			
<b>Other Non-current Financial Liability</b>			
Security deposits from distributors	263.25	189.67	146.87
	<u>263.25</u>	<u>189.67</u>	<u>146.87</u>

#### NOTE : 17

##### A. Movement In Deferred Tax Balances

(₹ in Lakhs)

Particulars				March 31, 2017		
	Net balance April 1, 2016	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(4,996.30)	(83.33)		(5,079.63)		(5,079.63)
Inventories		42.22		42.22	42.22	
Employee benefits	192.38	(47.04)	22.48	167.82	167.82	
Trade receivables	4.86	79.03		83.89	83.89	
Other items	2.70	(3.94)		(1.24)		(1.24)
<b>Deferred tax assets/(Liabilities)</b>	<b>(4,796.36)</b>	<b>(13.06)</b>	<b>22.48</b>	<b>(4,786.94)</b>	<b>293.93</b>	<b>(5,080.87)</b>
				March 31, 2016		
	Net balance Jul 1, 2015	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment and Intangible assets	(4,936.29)	(60.01)		(4,996.30)		(4,996.30)
Employee benefits	87.90	70.09	34.39	192.38	192.38	
Trade receivables		4.86		4.86	4.86	
Other items		2.70		2.70	2.70	
<b>Deferred tax assets/(Liabilities)</b>	<b>(4,848.39)</b>	<b>17.65</b>	<b>34.39</b>	<b>(4,796.36)</b>	<b>199.94</b>	<b>(4,996.30)</b>



(₹ in Lakhs)

	<b>2016-2017 (12 Months)</b>		<b>2015-2016 (9 Months)</b>
<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	<b>9,830.55</b>		2,798.04
Relating to amount payable towards time difference for advance tax payment/temporary differences	<b>(213.94)</b>		–
	<b>9,616.61</b>		2,798.04
<b>C. Reconciliation of effective tax rate</b>			
Profit before tax	<b>27,784.84</b>		8,485.04
Applicable tax rate %	<b>34.608%</b>		34.608%
Income tax expenses	<b>9,615.78</b>		2,936.50
Effect of income that is exempt from taxation	<b>(99.20)</b>		(69.99)
Effect of expenses as that is non-deductible in determining taxable profit	<b>70.77</b>		22.74
Temporary changes in recognised deductible differences	<b>29.26</b>		(91.21)
	<b>9,616.61</b>		2,798.04
	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-07-2015</b>
<b>NOTE: 18</b>			
<b>Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises	–	–	–
Total outstanding dues of trade payable and acceptance other than micro enterprises and small enterprises	<b>43,182.18</b>	41,274.20	38,407.22
	<b>43,182.18</b>	41,274.20	38,407.22
<b>NOTE: 19</b>			
<b>Other Current Financial Liabilities</b>			
Interest accrued but not due on deposits/others	–	2.00	14.76
Unclaimed fixed deposits including interest	–	7.32	9.69
Salary and other benefit payable	<b>24.29</b>	15.72	311.30
Derivatives Liability	<b>13.90</b>	400.54	–
Unclaimed dividend	<b>348.92</b>	386.74	295.67
Others	<b>1,354.58</b>	1,905.29	893.66
	<b>1,741.69</b>	2,717.61	1,525.08
<b>NOTE: 20</b>			
<b>Other Current Liabilities</b>			
Statutory dues	<b>2,499.48</b>	1,701.09	1,857.27
Employee and contractor deduction	<b>35.08</b>	36.34	3.49
Advances from customers	<b>608.59</b>	532.98	580.73
	<b>3,143.15</b>	2,270.41	2,441.49
<b>NOTE: 21</b>			
<b>Current Provisions</b>			
Employee Benefit			
Provision for leave encashment	<b>79.51</b>	66.80	67.63
Provision for gratuity	<b>94.93</b>	87.41	26.39
	<b>174.44</b>	154.21	94.02



(₹ in Lakhs)

	2016-2017 (12 Months)	2015-2016 (9 Months)
<b>NOTE: 22</b>		
<b>Revenue From Operations</b>		
<b>Gross Sale</b>	319,630.24	233,175.89
<b>Other Operating Income</b>		
Export benefit	1,671.31	1,889.82
Scrap sales	328.19	259.07
	<u>1,999.50</u>	<u>2,148.89</u>
<b>Revenue from operations (Gross)</b>	<u>321,629.74</u>	<u>235,324.78</u>
<b>NOTE: 23</b>		
<b>Other Income</b>		
<b>Interest Income</b>		
Interest received on trade receivables	135.57	43.11
Interest received on bank fixed deposits	9.46	17.94
Interest received others	167.19	0.15
Unwinding Interest	67.64	8.51
	<u>379.86</u>	<u>69.71</u>
<b>Other Non-operating income</b>		
Dividend (gross)	280.26	202.23
Miscellaneous income	89.07	67.01
	<u>369.33</u>	<u>269.24</u>
<b>Other Gains</b>		
Gain on sale of fixed assets (net)	–	3.17
Gain on MTM option	–	4.71
	<u>–</u>	<u>7.88</u>
	<u>749.19</u>	<u>346.83</u>
<b>NOTE: 24</b>		
<b>Cost of Materials Consumed</b>		
Consumption Raw materials (including packing materials)	182,961.42	128,676.49
<b>NOTE: 25</b>		
<b>Purchases of Stock-In-Trade</b>		
Petrochemicals	67,254.09	49,140.52
Others	2.25	3.61
	<u>67,256.34</u>	<u>49,144.13</u>
<b>NOTE: 26</b>		
<b>Changes in Inventories of Finished Goods and Stock-in-Process</b>		
<b>Inventories (at close)</b>		
Finished goods	15,480.03	6,627.42
Stock-in-process	125.28	109.55
	<u>15,605.31</u>	<u>6,736.97</u>



(₹ in Lakhs)

	<b>2016-2017 (12 Months)</b>	<b>2015-2016 (9 Months)</b>
<b>Inventories (at commencement)</b>		
Finished goods	6,627.42	9,395.07
Stock-in-process	109.55	165.46
	<u>6,736.97</u>	<u>9,560.53</u>
	<u>(8,868.34)</u>	<u>2,823.56</u>
 <b>NOTE: 27</b>		
<b>Employee Benefit Expenses</b>		
Salaries and wages	3,032.33	2,214.27
Contribution to provident and other funds	219.53	170.48
Contribution to gratuity and leave encashment	107.39	129.54
Staff welfare expenses	171.43	110.23
	<u>3,530.68</u>	<u>2,624.52</u>
 <b>NOTE: 28</b>		
<b>Finance Cost</b>		
<b>Interest</b>		
Interest on short term loans	13.67	10.84
Interest others	349.68	348.31
<b>Others</b>		
Processing fees paid to banks	106.79	171.49
	<u>470.14</u>	<u>530.64</u>
 <b>NOTE: 29</b>		
<b>Depreciation and Amortisation Expenses</b>		
Depreciation	2,158.63	1,661.14
Amortisation	63.20	44.09
	<u>2,221.83</u>	<u>1,705.23</u>
 <b>NOTE: 30</b>		
<b>Other Expenses</b>		
Consumption of stores and spares	1,006.16	727.95
Power	2,811.79	2,792.13
Fuel	847.75	573.28
Repairs to building	69.60	72.56
Repairs to machinery	348.75	198.11
Repairs to others	401.82	252.92
Commission on sales	811.75	670.03
Carriage outward	5,463.10	3,921.16
Bad debts written-off	-	12.02
Provision for doubtful debts	118.67	-
Allowance for expected credit loss	109.68	(15.28)
Rent, rates and taxes	353.99	290.58
Rent, rates and taxes Ind As Impact	52.65	0.29
Directors' fees	25.48	27.11
Insurance	417.64	291.85

(₹ in Lakhs)

	2016-2017 (12 Months)	2015-2016 (9 Months)
Loss on sale/scraping of fixed assets (net)	19.02	—
Auditors remuneration	37.92	28.60
Legal & Professional fees	285.42	232.82
Travelling & Conveyance	353.03	255.41
Advertisement, Publicity & Business Promotion	14.42	12.10
Corporate social responsibility expenses	16.64	1.02
Royalty	221.88	27.21
Packing & Forwarding expenses	145.76	100.15
Miscellaneous expenditure	1,414.36	1,003.19
Increase/(Decrease) in Excise Duty on closing stock	1,454.04	(309.58)
Net loss on foreign currency transaction and translation (Other than considered as financial cost)	452.70	1,996.84
	<b>17,254.02</b>	<b>13,162.47</b>
<b>Payment to Auditors</b>		
For audit fees	16.50	15.00
For taxation matters	11.52	6.98
For other services	4.61	4.12
For limited review	5.29	2.50
	<b>37.92</b>	<b>28.60</b>
<b>NOTE: 31</b>		
As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below		
<b>A. Gratuity</b>		
<b>I. Assumptions</b>		
Discount Rate (Current)	7.39%	8.04%
Rate of return on Plan Assets Current Year	7.39%	8.04%
<b>II. Changes in the defined benefit obligation :</b>		
Liability at the beginning of the year	668.52	528.03
Interest cost	53.75	32.87
Current Service cost	29.95	20.05
Benefits paid	(17.75)	(12.57)
Actuarial (gains)/ losses on obligations Due to Change in Demographic Assumption	—	(1.62)
Actuarial (gains)/ losses on obligations Due to Change in Financial Assumption	24.31	69.60
Actuarial (gains)/ losses on obligations Due to Experience	51.48	32.15
Liability at the end of the year (a)	810.26	668.51
<b>III. Changes in the fair value of plan assets :</b>		
Fair value of plan assets at the beginning of the year	560.87	501.64
Expected return on plan assets	45.09	31.23
Employer’s contributions	43.23	39.58
Actuarial (gains)/ losses on plan assets	—	—
Benefits paid	(17.75)	(12.33)
Return on plan assets, excluding Interest Income	10.84	0.75
Fair value of plan assets at the end of the year (b)	642.28	560.87



(₹ in Lakhs)

	<b>2016-2017 (12 Months)</b>	2015-2016 (9 Months)
<b>IV. Balance Liability (a-b)</b>	<b>167.98</b>	107.64
<b>V. Actual Return on plan Assets :</b>		
Expected return on plan assets	<b>45.09</b>	31.23
Remesurement gains / (losses) on plan assets	<b>10.84</b>	0.75
Actual return on plan assets	<b>55.93</b>	31.98
<b>VI. Expenses Recognised in Statement of Profit and Loss :</b>		
Current Service Cost	<b>29.95</b>	20.05
Interest Cost	<b>8.66</b>	1.64
Expenses recognized in Profit & Loss	<b>38.61</b>	21.69
<b>VII. Expenses Recognised in the Other Comprehensive Income (OCI) :</b>		
Actuarial gains / (losses) on Obligation for the period	<b>75.79</b>	100.13
Return on plan assets, Excluding Interest Income	<b>(10.84)</b>	(0.75)
Expenses recognized in Other Comprehensive Income (OCI)	<b>64.95</b>	99.38
<b>VIII. The Categories of plan assets as a percentage of total plan are as follows :</b>		
	<b>Year (12 Months)</b>	Year (9 Months)
Insurer managed funds	<b>100%</b>	100%

**Amounts for the current and previous four periods are as follows :**

(₹ in Lakhs)

<b>Particulars</b>	<b>2017</b>	2016	2015	2014	2013
Defined benefit obligation	<b>810.26</b>	668.51	528.03	371.48	363.99
Plan assets	<b>642.28</b>	560.87	501.64	450.17	441.75
(Surplus) / deficit	<b>167.98</b>	107.64	26.39	(78.69)	(77.76)
Experience adjustments on plan liabilities	<b>51.48</b>	32.15	97.50	39.75	7.61
Remesurement gain/(loss) on plan assets	<b>10.84</b>	0.75	(8.51)	(2.12)	8.87

**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 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 assumptions used in determining the present value of obligation of interest rate guarantee under deterministic approach are :

Average holding period of assets	4.84 Years
Guaranteed rate	8.80%

**NOTE:32**

**Financial Instruments : Accounting classifications, fair value measurements**

March 31, 2017

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
Trade receivables	30,738.89			30,738.89				
Loans and Advances								
Security deposits	345.81			345.81			345.81	
Loans to employees	143.48			143.48			143.48	
Derivative assets	23.60	23.60			23.60			
Cash and cash equivalents	8.23			8.23				
Bank Balances & cheques on hand	9,317.90			9,317.90				
Other bank balances	452.57			452.57				
Other financial assets	580.62			580.62				
	<b>41,611.10</b>	<b>23.60</b>	<b>-</b>	<b>41,587.50</b>	<b>23.60</b>	<b>-</b>	<b>489.29</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		43,182.18		43,182.18				
Financial liabilities								
Security deposits		263.25		263.25				263.25
Derivative liability		13.90	13.90			13.90		
Other financial liability		1,727.79		1,727.79				
		<b>45,187.12</b>	<b>13.90</b>	<b>45,173.22</b>	<b>13.90</b>	<b>-</b>	<b>263.25</b>	

March 31, 2016

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value			
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3	
<b>Financial assets</b>								
Trade receivables	28,116.17			28,116.17				
Loans and Advances								
Security deposits	327.66			327.66			327.66	
Loans to employees	192.65			192.65			192.65	
Advance to PF Trust	230.00			230.00			230.00	
Derivative assets	21.71	21.71			21.71			
Cash and cash equivalents	24.89			24.89				
Bank Balances & cheques on hand	6,587.85			6,587.85				
Other bank balances	479.04			479.04				
Other financial assets	683.66			683.66				
	<b>36,663.63</b>	<b>21.71</b>	<b>-</b>	<b>36,641.92</b>	<b>21.71</b>	<b>-</b>	<b>750.31</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		41,274.20		41,274.20				
Other financial liabilities								
Security deposits		189.67		189.67				189.67
Derivative liability		400.54	400.54			400.54		
Other financial liability		2,317.07		2,317.07				
		<b>44,181.48</b>	<b>400.54</b>	<b>43,780.94</b>	<b>400.54</b>	<b>-</b>	<b>189.67</b>	



June 30, 2015

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Trade receivables	23,867.01			23,867.01			
Loans and Advances							
Security deposits	335.99			335.99			335.99
Loans to employees	139.96			139.96			139.96
Derivative assets	6.95	6.95			6.95		
Cash and cash equivalents	12.15			12.15			
Bank Balances & cheques on hand	2,764.45			2,764.45			
Other bank balances	462.49			462.49			
Other financial assets	821.63			821.63			
	28,410.63	6.95		28,403.68	6.95		475.95
<b>Financial Liabilities</b>							
Trade payables	38,407.22			38,407.22			
Other financial liabilities							
Security deposits	146.87			146.87			146.87
Derivative liability	-		-				
Liability for expenses	1,525.08			1,525.08			
	40,079.17			40,079.17			146.87

### Sensitivity Analysis

#### 1. Change in Foreign Exchange

(₹ in Lakhs)

Effect in INR	Impact on profit or (loss) due to % increase / Decrease in currency			
	Increase	Decrease	Increase	Decrease
	31 March 2017		31 March 2016	
1% Increase / decrease in USD	(198.71)	198.71	(118.36)	118.36
1% Increase / decrease in EURO	0.25	(0.25)	0.52	(0.52)
1% Increase / decrease in GBP	0.01	(0.01)	1.59	(1.59)
1% Increase / decrease in SGD	#	#	-	-
1% Increase / decrease in JPY	-	-	0.14	(0.14)

# represents amounts less than Rs.5000

The above table show sensitivity of open forex exposure to USD/INR movement. We have considered 1% (+/-) change in the currency movement, increase indicates appreciation whereas decrease indicates depreciation in the currency rates. The movement does not reflect management forecast on currency movement.

#### 2. Change in Interest rate

The Company being a debt free Company is not exposed to Interest rate risks.

### NOTE: 33

#### 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:

Particulars	(₹ in Lakhs)	
	March 31, 2017	March 31, 2016
Cash, Cash equivalents & bank balances (note: 9)	9,326.13	6,612.74
Undrawn fund based Credit Facilities from banks	23,500.00	19,500.00
Liquidity Buffer	32,826.13	26112.74
Bank & other Borrowings	-	-

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.

Particulars	(₹ in Lakhs)	
	March 31, 2017	March 31, 2016
Net Financial Debt	-	-
Total Equity	58,210.03	41,472.79
Total Capital Employed	62,996.97	46,269.15
Gearing Ratio	-	-

The Company's total owned funds of ₹ 58,210.03 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, 2017		March 31, 2016	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
<b>Financial Assets</b>				
Receivables in				
US Dollars	6,874,540	4,550.65	42,02,572	2,819.85
Euro	79,683	56.49	1,11,509	84.39
GBP	1,183	0.97	1,64,683	158.80
JPY	-	-	23,80,000	14.10



Particulars	March 31, 2017		March 31, 2016	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
<b>Financial Liabilities</b>				
Payables in				
US Dollars	62,222,199	40,956.56	56,628,671	38,336.24
Euro	44,999	35.37	43,339	32.58
GBP	–	–	–	–
SGD	228	0.12	–	–
JPY	–	–	–	–
<b>Derivative Contracts</b>				
Forward Contracts for payables in USD	25,819,619	–	35,674,455	–
Forward Contracts for receivables in USD	490,012	–	888,300.50	–

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: 34**

Particulars	(₹ in Lakhs)	
	March 31, 2017	March 31, 2016
<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.	1,831.97	1,802.21
Disputed Sales Tax demand.	12.13	12.13
Disputed Income Tax liability (matters under appeal)	23.03	581.08
(B) Counter guarantees given to banks against guarantees issued by the banks.		
Other bank guarantees.	403.32	349.64
(C) Other money for which the Company is contingently liable		
Letter of Credit opened by Bankers' and outstanding at the year end.	11,104.88	19,307.50
Bills discounted but not matured.	318.54	3,708.36
<b>(2) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	580.03	727.04

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 crystallising against the Company in due course. The difference between the amount demanded and provision made is disclosed as contingent liabilities.

**NOTE: 35**

Revenues on Product group wise basis (Ind AS 108 Para 32)

Description	(₹ in Lakhs)	
	2016-17 (12 months)	2015-16 (9 months)
Styrenics	308,073.58	225,280.39
Masterbatches, Compounds of other Polymers	4,674.54	2,608.80
Others	6,882.12	5,286.70
<b>Total</b>	<b>319,630.24</b>	<b>233,175.89</b>

Revenue as per geographic areas (Ind AS Para 33(a))

Description	(₹ in Lakhs)	
	2016-17 (12 months)	2015-16 (9 months)
Within India	257,954.28	185,293.81
Outside India	61,675.96	47,882.08
<b>Total</b>	<b>319,630.24</b>	<b>233,175.89</b>

- Note: (i) Entire non-current assets are located in India.  
(ii) None of the Customers individually account for 10% or more sales.

**NOTE: 36**

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 7 for inventories, Note 8 for trade receivables and Note 2 for immovable properties.

**NOTE: 37**

The settlement of the loss/ damage to the assets at the EPS plant in Tamil Nadu due to floods in December 2015 is in progress. The Company had filed an initial claim of ₹ 1092 lakhs. The Company has till date received interim claim of ₹ 718 lakhs. Since the Company has adequate insurance cover on reinstatement basis for fixed assets and on cost basis for raw materials and stores and on market price basis for finished goods, the management does not expect any financial loss on account of the same. The Company is also insured for "Loss of Profit" during the period the plant operations were shut.

**NOTE: 38**

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	Promoters	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 Hasmukh Shah (Ceased to be a Director w.e.f. April 7, 2016)
B.	Others	
	Manager	Shri N. Gopal (w.e.f. 20.04.2016)
	Chief Finance Officer	Shri Rakesh Nayyar
	Company Secretary	Shri Ravi V Kuddyady



**Related parties transactions**

(₹ in Lakhs)

Sr. No.	Nature of transactions	2016-17 (12 months)	2015-16 (9 months)
	<b>Promoters</b>		
1.	<b>The Supreme Industries Ltd.</b>		
A.	Sale of Goods (Net)	<b>2,502.06</b>	1,421.45
B.	Purchase of goods	<b>814.28</b>	393.15
C.	Reimbursement of expenses paid	<b>0.14</b>	0.20
D.	Balance receivable (Sales of goods)	<b>145.25</b>	191.05
E.	Balance payable (Purchase of goods)	<b>1.14</b>	25.02
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>2.00</b>	2.50
B.	Shri Rajan B. Raheja (Non-Executive-Promoter)	<b>2.00</b>	2.50
C.	Shri B. L. Taparia (Non-Executive-Promoter)	<b>2.00</b>	2.00
D.	Shri S.J. Taparia (Non-Executive-Promoter)	<b>3.20</b>	2.90
E.	Shri R. Kannan (Non-Executive-Independent)	<b>4.00</b>	3.40
F.	Shri M. S. Ramachandran (Non-Executive-Independent)*	<b>2.50</b>	2.00
G.	Shri Nihalchand Chauhan (Non-Executive-Independent)	<b>3.70</b>	3.90
H.	Miss Ameeta Parpia (Non-Executive-Independent)	<b>4.00</b>	3.40
I.	Dr. S. Sivaram (Non-Executive-Independent)	<b>2.00</b>	2.50
J.	Shri Hasmukh Shah (Non-Executive-Independent)	–	2.00
	* Shri M. S. Ramachandran was paid ₹ 5 lakhs during the year under review for rendering services of a professional nature.		

**Remuneration paid – Key Managerial personnel.**

1	<b>Shri N. Gopal</b>		
	Short term employment benefit	<b>184.37*</b>	126.09**
	Post employment benefit	<b>1.00</b>	–
2	<b>Shri Rakesh Nayyar</b>		
	Short term employment benefit	<b>192.29</b>	154.69
	Post employment benefit	<b>1.00</b>	–
3	<b>Shri Ravi V Kuddyady</b>		
	Short term employment benefit	<b>43.12</b>	31.94
	Post employment benefit	<b>1.00</b>	–

\* w.e.f. 20.04.2016. \*\* upto 29.02.2016

**Dividend**

1	Dividend paid on Equity Shares		
	The Supreme Industries Ltd.	Promoters	<b>289.36</b>
	R. Raheja Investments Pvt. Ltd.	Promoters	<b>289.36</b>
	<b>Key Management Personnel</b>		
	Shri M. P. Taparia	Director	<b>0.38</b>
	Shri B.L. Taparia	Director	<b>0.05</b>
	Shri S.J. Taparia	Director	<b>0.38</b>
	Shri Rajan B. Raheja	Director	<b>0.00</b>
	Miss Ameeta Parpia	Director	<b>0.22</b>
	Shri N Gopal.	Manager	<b>0.16</b>
	Shri Rakesh Nayyar	Chief Finance Officer	<b>0.01</b>
	Shri Ravi V Kuddyady	Company Secretary	<b>0.01</b>

**NOTE: 39**

**Leasing - Operating Lease**

		(₹ in Lakhs)	
Sr. No.	Particulars	2016-17 (12 months)	2015-16 (9 months)
1.	Obligations on non cancellable leases		
	A) Not later than one year.	248.09	222.00
	B) Later than one year and not later than five years.	308.01	513.83
2.	Lease rental expenses in respect of operating lease.	290.77	277.33

**NOTE: 40**

Particulars	2016-17 (12 months)	2015-16 (9 months)
<b>Earnings per share (EPS)</b>		
Profit after tax	17,941.23	5,704.65
Number of equity shares at the beginning of the year.	965,01,958	965,01,958
Number of equity shares at the end of the year.	965,01,958	965,01,958
Weighted average number of shares outstanding for basic EPS during the year.	965,01,958	965,01,958
Basic earning per share (Rupees) (Face value – ₹10/- per share)	18.59	5.91
Profit after tax for computing Diluted EPS	17,941.23	5,704.65
Weighted average number of shares for computing Diluted EPS during the year.	965,01,958	965,01,958
Diluted earning per share (Rupees) (Face value – ₹10/- per share)	18.59	5.91

**NOTE: 41**

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, 2017 as follows:

Particulars	2016-17 (12 months)	2015-16 (9 months)
Principal amount due		
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 off delay		
Amount of interest accrued and remaining unpaid as at year end		
Amount of further remaining due and payable in the succeeding year	-	-

**NOTE: 42**

The provisions of Section 135 of the Companies Act, 2013 are applicable to the entities incorporated in India. Details are as indicated below:

- 1) Gross amount required to be spent by the Company during the year : ₹ 122.59 lakhs (Previous Year ₹ 105.00 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	-	-	-
	(-)	(-)	(-)
(B) On purposes other than (A) above	16.64	(-)	16.64
	(1.02)	(-)	(1.02)
<b>Total</b>	<b>16.64</b>	<b>(-)</b>	<b>16.64</b>
	<b>(1.02)</b>	<b>(-)</b>	<b>(1.02)</b>

**NOTE: 43****Disclosure on Specified Bank Notes (SBNs):**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination	Total
Closing Cash in Hand as on November 8, 2016	50.73	5.59	56.32
(+) Permitted Receipts	-	38.82	38.82
(-) Permitted Payments	-	18.82	18.82
(-) Amounts deposited in Banks	50.73	15.41	66.14
<b>Closing Cash on Hand as on December 30, 2016</b>	<b>-</b>	<b>10.18</b>	<b>10.18</b>

**NOTE: 44**

Current year's figures are for the 12 months period from April 1, 2016 to March 31, 2017 and that of previous period are for the 9 month's period from July 1, 2015 to March 31, 2016. Therefore, the figures for the current year are not comparable with those of the previous period. Previous period figures have been regrouped and rearranged wherever necessary to conform to this year classification.

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

Mumbai  
Date: April 26, 2017

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

**Ravi V Kuddyady**  
Company Secretary

For and on behalf of the Board

**M P Taparia** *Chairperson*  
**Rajan B Raheja**  
**B L Taparia**  
**S J Taparia**  
**M S Ramachandran**  
**R Kannan**  
**Nihalchand Chauhan**  
**Ameeta Parpia**  
**Dr. S Sivaram** *Directors*

Mumbai  
Date: April 26, 2017





# SUPREME PETROCHEM LTD

CIN : L23200MH1989PLC054633

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

Phone: +91 22 67091900; Fax: +91 22 40055681; E-mail: investorhelpline@spl.co.in; Website: www.supremepetrochem.com

Name :

Registered Address of the  
sole/first named Shareholder :

Name(s) of the  
Joint Shareholder(s) if any :

## ATTENDANCE SLIP

### 28th ANNUAL GENERAL MEETING

Please complete this attendance slip and hand it over at the venue of the Meeting

Name of the Member/s or Proxy (in BLOCK LETTERS)	Regd. Folio / Client ID No.	No. of Shares held
I/We hereby record my/our presence at the 28th Annual General Meeting of the Company held at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai - 400 020 on Wednesday, July 12, 2017 at 4.00 p.m.		
		SIGNATURE OF THE MEMBER OR PROXY



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Phone: +91 22 67091900; Fax: +91 22 40055681; E-mail: investorhelpline@spl.co.in; Website: www.supremepetrochem.com

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### Form No. MGT-11

Name of the Member (s)		e-mail Id	
Registered Address		Folio No. DP ID and Client ID	

I/We, being the member(s) of \_\_\_\_\_ shares of Supreme Petrochem Ltd, hereby appoint:

1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her

2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her

3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, July 12, 2017 at 4.00 p.m. at Indian Merchants'

## E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

Event (e-voting) No.	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to - <https://evoting.karvy.com>

Chambers, Walchand Hirachand Conference Hall, IMC Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	Adoption of Audited Financial Statements for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors' Report thereon.		
2	Confirmation of interim dividend paid and declaration of final dividend for year ended March 31, 2017.		
3	Re-appointment of Shri Rajan B. Raheja (DIN 00037480) as Director who retires by rotation.		
4	Re-appointment of Shri B. L. Taparia (DIN 00112438) as Director who retires by rotation		
5	Ratification of appointment of M/s. G M Kapadia & Co. as Statutory Auditors until the conclusion of the Annual General Meeting to be held in the year 2018.		
6	Consent of the Members of the Company for payment of remuneration to Cost Auditors pursuant to provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder, for the financial year ending March 31, 2018.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

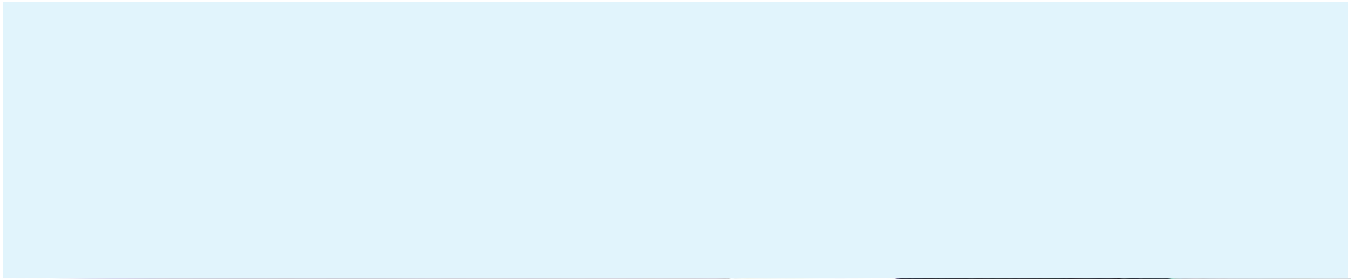
\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

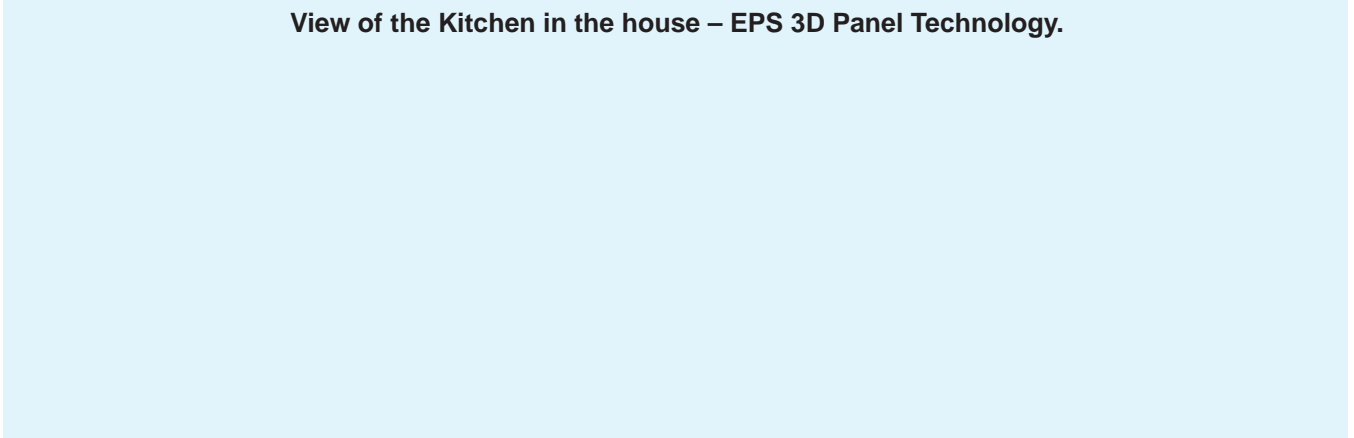
\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

- Note:**
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
  2. A proxy need not be a member of the Company.
  3. A person can act as a proxy on behalf of member not exceeding fifty and holding the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



**View of the Kitchen in the house – EPS 3D Panel Technology.**



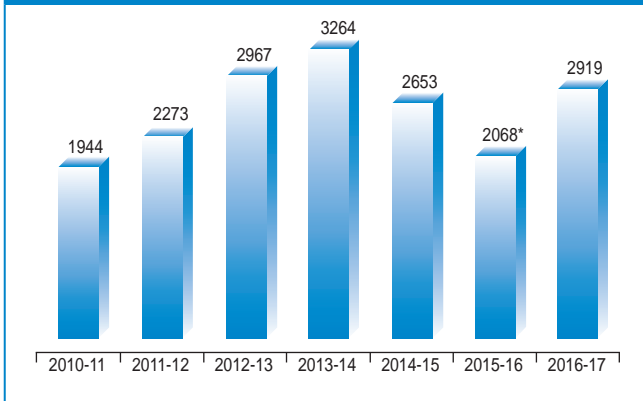


**The making of the house – putting in electrical & plumbing lines.**

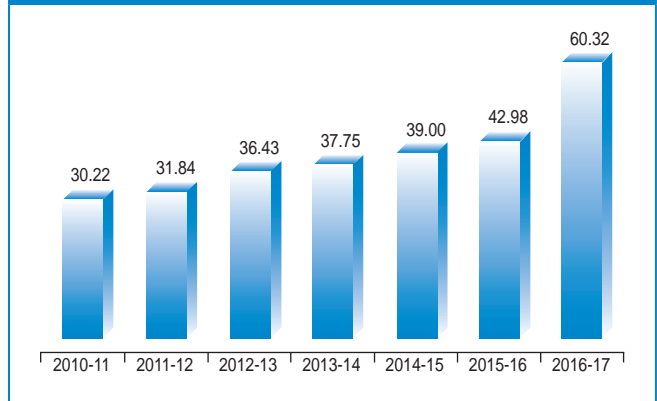


## FINANCIAL HIGHLIGHTS

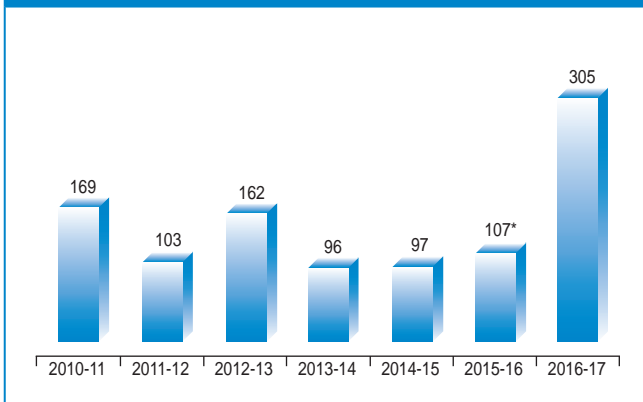
Sales Revenue (₹ Cr.)



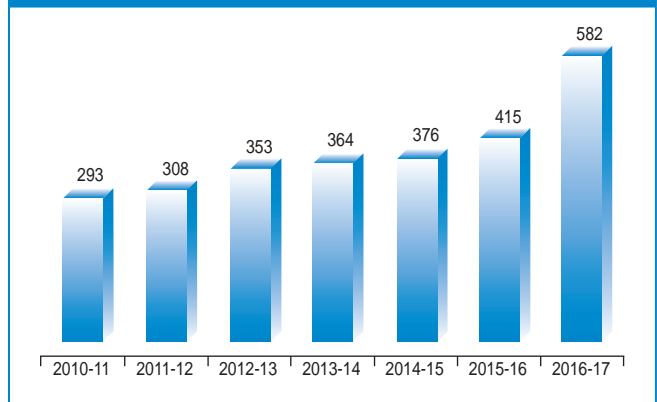
Book Value Per Share (₹)



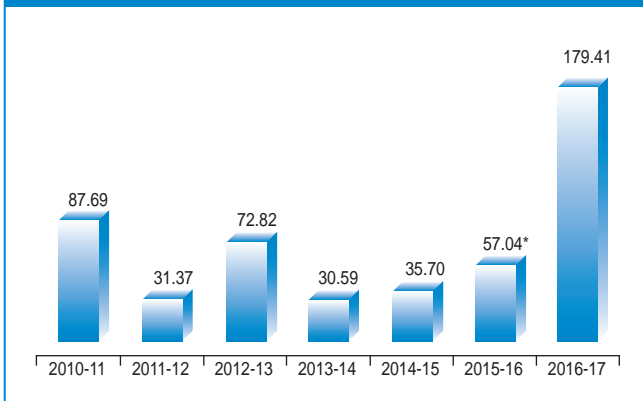
EBIDTA (₹ Cr.)



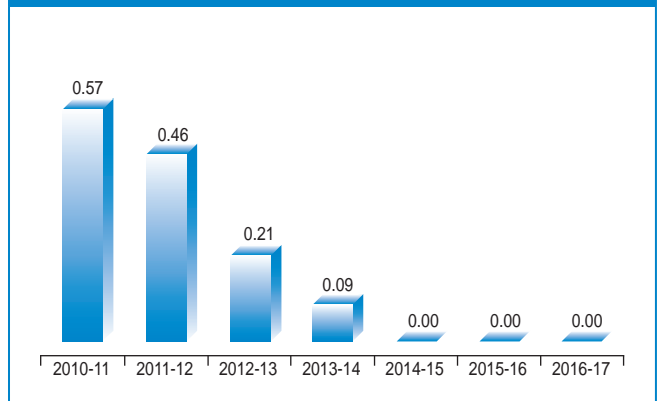
Net Worth (₹ Cr.)



Net Profit (₹ Cr.)



Debt : Equity



\*Period 2015-16 comprises of 9 Months





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**Website: [www.supremepetrochem.com](http://www.supremepetrochem.com)**