



**SUPREME PETROCHEM LTD
ANNUAL REPORT
2018 - 2019**



PERFORMANCE HIGHLIGHTS

₹ in Lakhs unless indicated otherwise

	2018-2019 (12 Months)	2017-2018 (12 Months)	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 Month)
Net Sales	319380.63	302660.51	291861.74	206805.25	265253.76	326429.78	296715.90	227267.22	194369.87
Other Income	999.01	802.01	749.19	346.83	319.16	585.55	538.52	648.76	866.92
Total Income	320379.64	303462.52	292610.93	207152.08	265572.92	327015.33	297254.42	227915.98	195236.79
Operating Profit (EBIDTA)	10333.86	20428.71	30476.81	10720.91	9653.51	9557.14	16157.72	10269.33	16903.64
Financial Cost	390.36	460.39	470.14	530.64	1660.02	2284.39	2388.17	3199.28	2021.64
Depreciation/Amortisation	2327.20	2074.68	2221.83	1705.23	2364.19	2873.74	2770.61	2292.34	2037.02
Profit Before Tax & Exceptional Items	7616.30	17893.64	27784.84	8485.04	5629.30	4399.01	10998.94	4777.71	12844.98
Net Profit	4920.69	11612.06	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	9650.20	9650.20	9683.86	9683.86	9683.86
Reserves and Surplus	54592.69	54908.88	48559.83	31822.59	27986.23	26777.04	25596.30	21146.38	19584.55
Shareholders' Funds (Net Worth)	64242.89	64559.08	58210.03	41472.79	37636.43	36427.24	35280.16	30830.24	29268.41
Deferred Tax Liability (Net)	5233.05	4874.00	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	69475.94	69433.08	62996.97	46269.15	42484.84	44555.01	47621.05	49446.47	49973.53
Avg Capital Employed	69454.51	66215.02	54633.06	44377.00	43519.93	46088.03	48533.76	49710.00	46742.09
Earning per Equity Share (₹)	5.10	12.03	18.59	5.91	3.70	3.16	7.52	3.24	9.06
Cash earning per Equity Share (₹)	7.51	14.18	20.89	7.68	6.15	6.13	10.38	5.61	11.16
Book Value (₹)	66.57	66.90	60.32	42.98	39.00	37.75	36.43	31.84	30.22
Dividend (%)	30.00*	45.00	45.00	15.00	15.00	15.00	25.00	14.00	28.00
ROACE (%) (PBIT/Average capital Employed)	11.53	27.72	51.72	20.32	16.75	14.50	27.58	16.05	31.81
ROANW (%) (PAT/Average Net Worth)	7.64	18.92	36.00	14.42	9.64	8.53	22.03	10.44	33.14
Debt : Equity (Total Debt/ Total Net Worth)	-	-	-	-	-	0.09	0.21	0.46	0.57
Total Outside Liabilities/ Total Net Worth	0.82	0.93	0.86	1.15	1.21	1.56	1.78	2.25	2.24

* Interim Dividend of 10% paid during the year. Final Dividend of 20% recommended for the F.Y. 2018-19.

BOARD OF DIRECTORS:

M. P. Taparia, Chairperson
 Rajan B. Raheja
 B. L. Taparia
 S. J. Taparia
 M. S. Ramachandran
 R. Kannan
 Nihalchand Chauhan
 Ms. Ameeta Parpia
 Dr. S. Sivaram
 Rajeev M. Pandia – w.e.f. April 26, 2019

REGISTERED OFFICE:

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

CIN:

L23200MH1989PLC054633

PLANTS:

Amdoshi, Wakan-Roha Road, Post: Patansai, Nagothane,
 Taluka Roha, Dist. Raigad, Maharashtra - 402 106 and
 Ammulavoyil Village, Andarkuppam Post,
 Manali New Town, Chennai - 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.
 Standard Chartered Bank
 The Hongkong & Shanghai - Banking Corporation Ltd.

AUDITORS:

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

REGISTRAR & TRANSFER AGENT (R&T AGENT):

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

Name of Karvy Computershare Private Limited changed to Karvy Fintech Private Limited w.e.f. November 17, 2018.

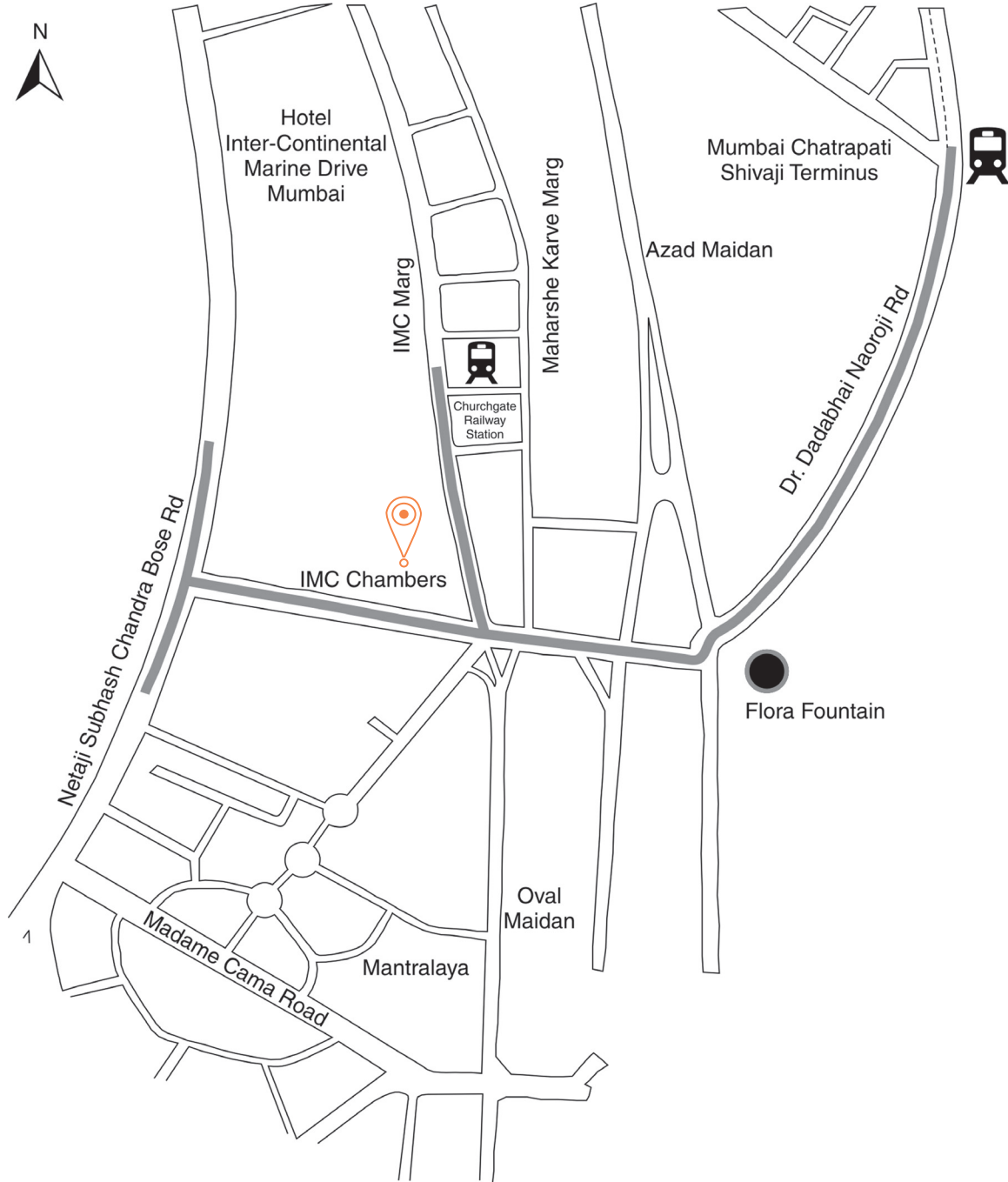
C O N T E N T S

Notice	1
Directors' Report	13
Management Discussion and Analysis	35
Corporate Governance	39
Business Responsibility Report	58
Independent Auditor's Report	64
Balance Sheet	70
Statement of Profit & Loss	71
Statement of change in Equity	72
Cash Flow Statement	73
Notes to Financial Statements	74



Route Map to the AGM Venue of:

Supreme Petrochem Ltd
30th Annual General Meeting
Friday, July 12, 2019
at 4.00 p.m.



Venue:

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

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of SUPREME PETROCHEM LTD will be held at Indian Merchants' Chamber, Walchand Hirachand Hall, IMC Marg, Churchgate, Mumbai 400 020 on Friday, July 12, 2019 at 4.00 p.m. to transact with or without modification(s), as may be permissible, the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, 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 of the Company in November 2018 and to declare final dividend on the Equity Shares of the Company for the financial year ended March 31, 2019.
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. Taparua (DIN: 00112438) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Re-Appointment of Shri R. Kannan as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’) as amended from time to time, Shri R. Kannan (DIN: 00380328), whose term as an Independent Director of the Company expires on September 21, 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his

candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years viz. September 22, 2019 to September 21, 2024 and he will not be liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuation of Shri R. Kannan as Independent Director of the Company despite attaining the age of 75 years or more during currency of his Directorship with the Company.

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

6. **Re-Appointment of Shri M. S. Ramachandran as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time, Shri M. S. Ramachandran (DIN: 00943629), whose term as an Independent Director of the Company expires on September 21, 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160(1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years viz. September 22, 2019 to September 21, 2024 and he will not be liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and



Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuation of Shri M. S. Ramachandran as Independent Director of the Company despite attaining the age of 75 years or more during currency of his Directorship with the Company.

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

7. Re-Appointment of Dr. S. Sivaram as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time, Dr. S. Sivaram (DIN: 00009900), whose term as an Independent Director of the Company expires on September 21, 2019 and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose his candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years viz. September 22, 2019 to September 21, 2024 and he will not be liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuation of Dr. S. Sivaram as Independent Director of the Company despite attaining the age of 75 years or more during currency of his Directorship with the Company.

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

8. Re-Appointment of Ms. Ameeta Parpia as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time, Ms. Ameeta Parpia (DIN: 02654277), whose term as an Independent Director of the Company expires on September 21, 2019 and who has consented to act as an Independent Director of the Company and who has submitted her declarations that she meets the criteria of independence as specified for Independent Director under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice in writing pursuant to Section 160 (1) of the Companies Act, 2013 has been received from a member signifying his intention to propose her candidature for the office of the Director of Company, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 5 years viz. September 22, 2019 to September 21, 2024 and she will not be liable to retire by rotation.

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

9. Appointment of Shri Rajeev M. Pandia as an Independent Director

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

“RESOLVED THAT Shri Rajeev M. Pandia (DIN: 00021730) who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from April 26, 2019 and who holds office upto the date

of this Annual General Meeting under Section 161 of the Companies Act, 2013 (“the Act”) and Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Act including Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’) as amended from time to time, the appointment of Shri Rajeev M. Pandia (DIN: 00021730), a Non-Executive Director of the Company, who has consented to act as an Independent Director of the Company and has submitted a declaration that he meets the criteria for independence under the Act and Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive term of five years from April 26, 2019 to April 25, 2024 and also considering the recommendation made by the Nomination and Remuneration Committee of the Company and approval of the Board of Directors in this regard, be and is hereby approved.

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

10. Ratification of remuneration of the Cost Auditor

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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force), the annual remuneration of ₹ 4,00,000 (Rupees Four Lakhs only) plus out of pocket expenses & GST to M/s. Kishore Bhatia & Associates, (Firm Registration No.00294) - Cost Accountants who has been appointed by the Board of Directors as Cost Auditor of the Company for financial year 2019-20 for conducting audit of its cost accounting records, as prescribed under the Companies (Cost Records & Audit) Rules, 2014, be and is hereby ratified and confirmed.

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

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, INDIA
Phone : +91 22 67091900; Fax : +91 22 40055681
email : investorhelpline@spl.co.in
website: www.supremepetrochem.com

Date: April 26, 2019

NOTES

1. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
2. **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 of the Company.** A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the Company carrying voting rights. 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.
3. Proxies, in order to be effective, must be received at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Firm, Societies, Trust etc. must be supported by appropriate resolution/authority, as applicable.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 (‘Act’) setting out material facts concerning the special business under Item Numbers 5 to 10 of the above Notice is annexed hereto.
5. Register of Members and share transfer books of the Company will remain closed from Wednesday, July 10, 2019 to Friday, July 12, 2019 (both days inclusive).



6. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive the dividend, directly to their Depository Participants.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant Share Certificates to the R&T Agent of the Company.
8. SEBI Regulations have mandated the Companies to credit the dividends electronically to the Members' Bank account. Members who hold shares in electronic/dematerialized form should inform their Depository Participant (DP) as well as to the Company and those members holding shares in physical form should inform to the Company or its R&T Agent, their bank details viz. Bank Account Number, Name of the Bank and Branch details and MICR Code to enable the Company to incorporate the same in future dividend payments. Those Members who have earlier provided their bank details and if there is any change therein, they should also update the same instantly in the manner as aforesaid.
9. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.
10. In terms of circulars/regulations issued by SEBI, it is now mandatory to furnish a copy of PAN Card to the Company or its R&T Agent in the case of transactions related to transfer of shares, deletion of name, transmission of shares and transposition of shares, hence members are requested to furnish copy of their PAN Card while proceeding for aforesaid transactions.
11. 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 R&T Agent of the Company.
12. Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2011-12 or any subsequent financial years, are requested to make their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPF.

Members are requested to note that pursuant to the provisions of section 124 and 125 of Companies Act, 2013, the dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) and the shares in respect of which dividends remain unclaimed for seven

consecutive years are also liable to be transferred to the demat account of the IEPF Authority and no claim with the Company shall lie in respect thereof. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on www.iepf.gov.in. With respect to procedure for making claim from IEPF, please refer to Corporate Governance Report which is a part of this Annual Report.

The Company has uploaded the information in respect of unclaimed dividends on the website of the Company www.supremepetrochem.com.

13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its R&T Agent for assistance in this regard.
14. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after July 19, 2019 as under:
 - i. to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on July 10, 2019;
 - ii. to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as at the close of business hours on July 12, 2019.
15. Members are requested to bring their copies of the Annual Report to the Meeting.
16. Members who hold shares in de-materialized 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.
17. Members may note that Annual Report of the Company for financial year 2018-19 contains the notice of 30th AGM of the Company and other allied documents and will be available on the Company website www.supremepetrochem.com for being downloaded, if required by the members. The physical copy thereof will also be available at the Registered Office of the Company for inspection during normal business hours on all working days till the date of AGM. Even after registering with the Company for

e-communication, members are entitled to receive such communication in physical form, upon making a request for the same which will be sent by the Company by post sans any charge thereto. The Members may send their request to the Company's investor email ID investorhelpline@spl.co.in

18. The route map showing direction to reach the venue of the 30th AGM is annexed.

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 Regulations") the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the 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 Fintech Private Limited ("Karvy") as the Agency to provide e-voting facility.

In order to enable its members, who do not have access to remote e-voting facility to send their assent/dissent in writing in respect of the resolutions as set out in this notice, a proxy form, in compliance with Regulation 44 (4) of Listing Regulations, including assent or dissent for all the resolutions proposed at the AGM is sent herewith.

The facility for voting through Ballot paper shall 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 through ballot paper. However, if members cast their vote by physical ballot at AGM in addition to their remote e-voting done earlier, then remote e-voting shall prevail and voting done through physical ballot at the AGM venue 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, Practicing Company Secretaries as Scrutinizer to scrutinize the remote e-voting process and voting at the meeting through ballot papers in a fair and transparent manner.

The Chairperson shall, at the AGM, at the end of discussion on the resolutions proposed thereat, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing remote e-voting facility.

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 Friday, July 05, 2019 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. Friday, July 05, 2019 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. Friday, July 05, 2019, 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

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

Commencement of remote e-voting : From 9.00 a.m. (IST) on Monday, July 08, 2019.

End of remote e-voting : At 5.00 p.m. (IST) on Thursday, July 11, 2019.

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 the vote again.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting through Ballot paper, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than forty eight hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against the proposed resolutions, if any, to the Chairperson or a person authorized by him in writing who shall countersign the same. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company www.supremepetrochem.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges where the shares of the Company are listed. 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 proposed Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday, July 12, 2019.

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 authorized representative(s), to the Scrutinizer at e-mail ID: 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 along with the Annual Report 2018-19 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, a physical copy is being sent by the permitted mode. Members may note that this Notice and the Annual Report for financial year 2018-19 will also be available on the Company's website www.supremepetrochem.com

ANNEXURE TO THE NOTICE

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

ITEM NO. 5, 6, 7,8

Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia were appointed as Independent Directors of the Company for a consecutive term of 5 years w.e.f. September 22, 2014 and they were not liable to retire by rotation. Their said appointment is due to expire on September 21, 2019.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment for second term on passing of a Special Resolution by the Company. Further a new sub regulation 17(1A) of Listing Regulations mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 Years, unless a Special Resolution is passed by the Company to that effect.

The Company has received a notice in writing from a Member of the Company under section 160(1) of the Companies Act, 2013 proposing the candidature of Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia for the office of Directors of the Company.

In the opinion of the Board, Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia fulfill the conditions of their appointment as Independent Directors of the Company as per the applicable provisions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as Independent Director and are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

In view of above and also considering provisions of 17(1A) of Listing Regulations and the recommendation of Nomination and Remuneration Committee of the Company for re-appointment of Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia as Independent Directors of the Company for a further consecutive term of five years period (viz. from September 22, 2019 to September 21, 2024), on the basis of their skills, performance evaluation, extensive and enriched experience in diverse areas and suitability to the Company as well as fulfilling the criteria of their independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1) (b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said resolutions at item Nos. 5 to 8 are being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of Special Resolution.

Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia, respectively, are concerned or interested in the Resolutions mentioned at Item Nos. 5 to 8 of the Notice relating to their own re-appointment. Other than these Directors, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 5 to 8 of the Notice.

ITEM NO. 9

Shri Rajeev M. Pandia was appointed as an Additional Independent Director of the Company, w.e.f. April 26, 2019, pursuant to provisions of Section 161 of the Companies Act 2013 to hold office upto the date of the ensuing Annual General Meeting and for a consecutive term of five years w.e.f. April 26, 2019 - upto April 25, 2024 subject to the approval of the members as per the applicable provisions of the Companies Act, 2013.

The Company has received a Notice in writing from a Member of the Company under Section 160 (1) of the Companies Act, 2013 proposing the candidature of Shri Rajeev M. Pandia for the office of Director of the Company.

In the opinion of the Board, Shri Rajeev M. Pandia fulfils the conditions specified in the Companies Act, 2013 and SEBI - Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company for appointment of Shri Rajeev M. Pandia as Independent Director of the Company for a consecutive term of five years period w.e.f. April 26, 2019 upto April 25, 2024, on basis of his skills, extensive and enriched experience in diverse areas and suitability to the Company and fulfilling the criteria of his independence under Section 149(6) of Companies Act, 2013 read with Schedule IV thereto and Regulation 16(1)(b) and 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said Resolution No. 9 is being recommended by the Board of Directors to the members of the Company for their consideration and accord approval thereto by way of ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Shri Rajeev M. Pandia, relating to his own appointment, may be deemed to be concerned or interested in the Resolution stated at item no. 9 of the Notice.

ITEM NO. 10:

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on April 26, 2019, have approved the re-appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditor of the Company to conduct audit of its cost accounting records for the financial year ending on March 31, 2020 for an annual remuneration of ₹ 4,00,000/- plus out of pocket expenses and GST thereon.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of remuneration payable to the Cost Auditor as aforesaid and the Board recommends the same.

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

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

Name of the Director	Rajan B. Raheja
DIN	00037480
Age	65 years (DOB 19.06.1953)
Nationality	Indian
Qualification	B. Com.
Experience/Expertise	He is the Promoter of R. Raheja Group. He commenced his business career over 44 years ago. His business range includes batteries, cement, insurance, software, ceramic tiles, construction, media, hotels 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 and has vast expertise in the area of Finance & Business Management.
Date of Appointment as Director of the Company	December 14, 1989
Other Directorships (Listed/Public Companies)	Exide Industries Ltd. Exide Life Insurance Co. Ltd. Juhu Beach Resorts Ltd. Prism Johnson Ltd.
Membership/Chairman in other Committees	Exide Industries Ltd. Nomination and Remuneration Committee – Member Exide Life Insurance Co. Ltd. Nomination and Remuneration Committee – Member Juhu Beach Resorts Ltd. Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Member Prism Johnson Ltd. Nomination and Remuneration Committee – Member
Shareholding in the Company	400
Relationships between the Directors inter-se, if any	NIL

Name of the Director	B. L. Taparia*
DIN	00112438
Age	84 (DOB 25.11.1934)
Nationality	Indian
Qualification	B. A.
Experience/Expertise	He is Chairperson of The Supreme Industries Limited. He entered into his business career over 61 years ago and has garnered long experience in the Business Management. He is also associated with multifaceted philanthropic activities.
Date of Appointment as Director of the Company	November 22, 1993
Other Directorships (Listed/Public Companies)	The Supreme Industries Limited Supreme Capital Management Ltd.

Membership/Chairman in other Committees	The Supreme Industries Limited Corporate Social Responsibility Committee – Member
Shareholding in the Company	4834
Relationships between the Directors inter-se, if any	Shri B. L. Taparia is brother of Shri M. P. Taparia, a Director of the Company. Shri S. J. Taparia, a Director of the Company, is his nephew.

*In case of Shri B. L. Taparia the Company has already obtained the approval of members by way of Special Resolution through postal ballot process on January 2, 2019 for his continuance as the Non-Executive Promoter Director of the Company despite attaining the age of 75 years as long as he continues in the office of the Director of the Company on the existing terms and conditions, subject to respective rules and regulations as may be applicable thereto.

B. INDEPENDENT DIRECTORS:-

Name: R. Kannan

DIN	00380328
Age	71 years (DOB 23/09/1947)
Nationality	Indian
Qualification	M. Tech. Chemical Engineering and Chartered Financial Analyst (C.F.A.)
Experience/Expertise	He was formerly General Manager of ICICI Limited, in charge of the Oil & Gas division and thereafter Director of The Institute of Financial Management and Research, Chennai. He is currently a faculty Member of the Institute and is considered an expert in the Oil, Gas and Petrochemicals Industry. He has expertise in the area of Finance, Petrochemicals Industry and Industry developments.
Date of Appointment as Director of the Company	April 21, 2009
Other Directorships (Listed/Public Companies)	The Supreme Industries Limited
Membership/Chairman in other Committees	The Supreme Industries Limited - Risk Management Committee – Member
Shareholding in the Company	NIL
Relationships between the Directors inter-se, if any	NIL

Name: M. S. Ramachandran

DIN	00943629
Age	74 years (DOB 26/02/1945)
Nationality	Indian
Qualification	B E (Mechanical)
Experience/Expertise	He is a Former Chairman of Indian Oil Corporation. He attended advanced Management Programme from Ashridge Management College in England and IIM in Ahmedabad. He also served as the Executive Director of Oil Co-ordination Committee, one of the foremost authorities on the Oil, Gas and Petrochemicals Sector and is associated with many national and international companies. He was inducted into the Hall of Fame at Chemtech Pharma Bio Award Function in April 2005. He has extensive experience in the sphere of Business Management, Petrochemicals and Industry Development.
Date of Appointment as Director of the Company	July 26, 2005
Other Directorships (Listed/Public Companies)	GOCL Corporation Ltd. Gulf Oil Lubricants India Ltd. Ester Industries Ltd. International Paper APPM Ltd. ICICI Prudential Life Insurance Co. Ltd.



Membership/Chairman in other Committees	<p>GOCL Corporation Ltd. Nomination and Remuneration Committee - Chairman Investment Appraisal & Project Review - Chairman Committee of Directors - Member</p> <p>Gulf Oil Lubricants India Ltd. Nomination and Remuneration Committee - Member Stakeholders Relationship Committee - Chairman Risk Management Committee - Chairman</p> <p>Ester Industries Ltd. Audit Committee - Member Nomination and Remuneration Committee – Chairman Corporate Social Responsibility - Chairman</p> <p>International Paper APPM Ltd. Corporate Social Responsibility Committee - Chairman Nomination and Remuneration Committee - Member</p> <p>ICICI Prudential Life Insurance Co. Ltd. Risk Management Committee - Chairman Nomination and Remuneration Committee - Member</p>
Shareholding in the Company	NIL
Relationships between the Directors inter-se, if any	NIL

Name: Dr. S. Sivaram

DIN	00009900
Age	72 years (01/11/1946)
Nationality	Indian
Qualification	<p>M. Sc. (Chemistry) from IIT, Kanpur, Ph D & DSc (h. c.) from Purdue University, W. Lafayette, Indiana, USA. Research Associate at the Institute of Polymer Science, University of Akron, USA.</p>
Experience/Expertise	<p>Dr. S. Sivaram is an INSA Senior Scientist and Honorary Professor at the Indian Institute of Science Education and Research, Pune, India. Prior to this he was a CSIR Bhatnagar Fellow (2010-15) and J.C. Bose National Fellow of the Department of Science and Technology (2007-15) at CSIR-NCL.</p> <p>He is widely recognized for his contributions to polymer science, technology development, institution building and management of innovation in publicly funded organizations. The President of India honored Dr. S. Sivaram with the coveted civilian award, Padma Shri, in 2006. Dr. S. Sivaram is a recipient of numerous professional honors and recognitions in India. He has to his credit over 225 publications in peer reviewed scientific journals and is cited as an inventor in over 50 issued US patents and 52 Indian patents.</p> <p>He has profound skills in the field of Petrochemicals, Technological Advancement relating to Company's business.</p>
Date of Appointment as Director of the Company	September 23, 2014
Other Directorships (Listed/Public Companies)	<p>Apcotex Industries Limited Asian Paints Limited GMM Pfaudler Limited Deepak Nitrate Limited Gharda Chemicals Limited Vyome Therapeutics Limited AIC Scientific Entrepreneurship Development Foundation (Section 8 Company)</p>

Membership/Chairman in other Committees	<p>Apcotex Industries Limited Nomination and Remuneration Committee - Member</p> <p>Asian Paints Limited Risk Management Committee - Chairman</p> <p>GMM Pfaudler Limited Nomination and Remuneration Committee - Member Audit Committee - Chairman Stakeholders Relationship Committee – Chairman</p> <p>Deepak Nitrate Limited Corporate Social Responsibility Committee – Member Projects Committee – Member Risk Management Committee - Member</p>
Shareholding in the Company	NIL
Relationships between the Directors inter-se, if any	NIL

Name: Ameeta Parpia

DIN	02654277
Age	54 years (DOB 22/02/1965)
Nationality	Indian
Qualification	B. A. LLB
Experience/Expertise	Senior Solicitor and Advocate with long experience in legal affairs.
Date of Appointment as Director of the Company	April 24, 2013
Other Directorships (Listed/Public Companies)	<p>Prism Johnson Ltd</p> <p>Raheja QBE General Insurance Company Ltd.</p> <p>Hathway Cable & Datacom Ltd.</p>
Membership/Chairman in other Committees	<p>Prism Johnson Ltd</p> <p>Stakeholders Relationship Committee – Chairperson Nomination and Remuneration Committee – Chairperson Audit Committee – Chairperson Corporate Social Responsibility Committee – Member Risk Management Committee - Member</p> <p>Raheja QBE General Insurance Company Ltd.</p> <p>Nomination and Remuneration Committee – Chairperson Audit Committee – Chairperson Corporate Social Responsibility Committee – Member</p> <p>Hathway Cable & Datacom Ltd</p> <p>Stakeholders Relationship Committee – Chairperson Audit Committee – Member</p>
Shareholding in the Company	21900 shares
Relationships between the Directors inter-se, if any	NIL

Name: Rajeev M. Pandia

DIN	00021730
Age	69 years (December 17, 1949)
Nationality	Indian
Qualification	Graduate in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and holds the Master's degree in the same field from Stanford University, California.



Experience/Expertise	<p>He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India Limited) from 1992 and was its Vice Chairman and Managing Director until December 2008.</p> <p>He has made presentations on a wide range of subjects at about 80 international conferences in the USA, Europe and Asia and has written extensively for several reputed journals and financial newspapers. The subjects include Petrochemicals, Feedstocks, Speciality Chemicals, Infrastructure, Government Policies and Operational Excellence.</p> <p>He is a Fellow of Indian National Academy of Engineering and of Indian Institute of Chemical Engineers. In 2009, Shri Pandia received the ICC Lifetime Achievement Award from Indian Chemical Council for his contribution to the Indian chemical industry.</p> <p>He has garnered vast experience and skills in Petrochemicals, Business Management, Marketing & Industrial affairs.</p>
Date of Appointment as Director of the Company	April 26, 2019
Other Directorships (Listed/Public Companies)	<p>The Supreme Industries Ltd, GRP Ltd, Thirumalai Chemicals Ltd, Excel Industries Ltd, Ultramarine & Pigments Ltd Deepak Phenolics Ltd</p>
Membership/Chairman in other Committees	<p>GRP Limited Audit Committee - Chairman Corporate Social Responsibility Committee – Chairman Stakeholders Relationship Committee - Chairman Nomination and Remuneration Committee - Chairman</p> <p>Excel Industries Ltd Risk Management Committee – Chairman Audit Committee - Member Corporate Social Responsibility Committee – Member</p> <p>Thirumalai Chemicals Ltd, Business Review Committee - Member</p> <p>The Supreme Industries Ltd Risk Management Committee – Member Audit Committee - Member Stakeholder Relationship Committee – Member</p>
Shareholding in the Company	NIL
Relationships between the Directors inter-se, if any	NIL

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, 2019.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company are pleased to present the Thirtieth Annual Report of the Company along with its Audited Financial Statements for the financial year ended on March 31, 2019.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
Revenue (Net of Excise Duty / GST)	320379.64	303462.52
Profit Before Tax (PBT)	7616.30	17893.64
Tax Expenses	2695.61	6281.58
Profit After Tax (PAT)	4920.69	11612.06
Interim/Final Dividend on equity shares (including corporate dividend tax) paid during the year	5235.49	5226.67
Transfer to General Reserves	2500.00	7000.00
Retained Earnings/Balance carried forward	6416.30	9231.10

2. DIVIDEND

During the year under review your Directors declared an interim dividend @10% on its paid up Share capital, consisted of 9,65,01,958 equity shares of ₹ 10/- each (viz. dividend of Re 1.00 per equity share) on October 26, 2018 involving an outgo of ₹ 1163.46 Lakhs including corporate dividend tax of ₹ 198.44 Lakhs. Your Directors have now further recommended a final dividend of ₹ 2/- per equity share (viz. 20%) entailing an outgo of ₹ 2326.87 Lakhs including corporate dividend tax of ₹ 396.83 Lakhs, subject to approval of members at the ensuing Annual General Meeting of the Company. The total dividend for the financial year 2018-19 would thus be ₹ 3490.33 Lakhs including corporate dividend tax. The payout of dividend is in line with your Company's policy to meet its long term growth objectives and meet the financial requirements through its internal cash accruals.

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

3. REVIEW OF OPERATIONS

Your Company's revenue increased to ₹ 3,20,379.64 lakhs (net of GST) for the year under review as compared to ₹ 3,03,462.52 lakhs (net of excise duty and GST) in the previous year witnessing a growth of about 5.57%.

During the year under review, your Company earned a net profit of ₹ 49.21 crores against ₹ 116.12 crores in the

previous year. The operations were adversely affected due to heavy inventory losses suffered during the third quarter of the year under review consequent to sharp fall in the price of Styrene Monomer between September, 2018 to November, 2018 and subdued demand in the first half of the year on account of uncertainty caused by the order on ban of certain one time use plastic products.

Status of Insurance Claim – Chennai Plant

Insurance claim in respect of the loss/damage to the assets of Company's EPS plant in Tamil Nadu, due to floods, has finally been settled at ₹ 819.28 Lakhs against our claim for ₹ 977 Lakhs.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT

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. BUSINESS RESPONSIBILITY REPORT (BRR)

Business Responsibility Report for the year 2018-19 is included as part of the Annual Report forming its integral part.

6. HEALTH, SAFETY & ENVIRONMENT (HSE)

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

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

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

7. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

(a) Retirement by Rotation:

Shri Rajan B. Raheja (DIN 00037480) and Shri B. L. Taparia (DIN 00112438), Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment as the Directors of the Company.

The Board recommends their re-appointment.

**(b) Re-Appointment of Independent Directors:**

Shri M. S. Ramachandran, Shri R. Kannan, Dr. S. Sivaram and Ms. Ameeta Parpia were appointed as Independent Directors of the Company and will hold office upto September 21, 2019.

Considering their skills, expertise, performance evaluation and experience in the respective fields and the contribution made by these Directors during their tenure as an Independent Director since their appointment, the Nomination and Remuneration Committee and the Board have recommended for re-appointment of these Directors as Independent Directors on the Board of Company to hold office for second term of five consecutive years commencing from September 22, 2019 upto September 21, 2024 and they will not be liable to retire by rotation. The Company has received declaration from all these Directors that they continue to fulfill the criteria of independence as prescribed under 149(6) of Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of SEBI (LODR) Regulations, 2015 (including any amendment or statutory re-enactment thereof for the time being in force).

In terms of the provisions of section 160 (1) of the Companies Act, 2013, the Company has received notice from a member signifying his intention to propose the candidature of Shri M. S. Ramachandran, Shri R. Kannan, Dr. S. Sivaram and Ms. Ameeta Parpia for the office of Independent Director of the Company, not liable to retire by rotation.

Brief particulars/resume of the aforesaid Directors seeking their re-appointment, as per regulation 26(4) and 36(3) of SEBI (LODR) Regulations, 2015 and Regulation 1.2.5 of Secretarial Standard (SS-2) are provided in the AGM notice forming part of this Annual Report.

The Independent Director of Company Shri Nihalchand Chauhan has notified the Company that post expiry of his current term on September 21, 2019, he will not be available to continue in the Company for his personal reasons.

(c) Appointment of Independent Director

The Board is pleased to appoint Shri Rajeev M. Pandia (DIN : 00021730) as an Additional Independent Director of the Company for a period of five years w.e.f. April 26, 2019 subject to the approval of members in the ensuing Annual General Meeting of the Company as per the applicable provisions of the Companies Act, 2013. Shri Rajeev M. Pandia is a chemical engineer from IIT (Bombay) with masters from Stanford University, USA and has over 45 years of multifaceted experience in the chemical sector and he is eligible to be appointed as Independent Director of the company as per respective provisions of Companies Act, 2013 and SEBI - Listing Regulations. Brief particulars/profile of Shri Rajeev M. Pandia are stated in the AGM notice forming part of this Annual Report.

(d) Key Managerial Personnel (KMPs)

Shri Ravi V. Kuddyady, who was Company Secretary Cum Compliance Officer of the Company retired from the services of Company. The Board placed on record its deep appreciation for the valuable services rendered by Shri Ravi V. Kuddyady during his tenure.

Shri D. N. Mishra (FCS-5506) was appointed as Company Secretary of the Company w.e.f. 06.10.2018 and confirmed on 26.10.2018.

Except as stated hereinabove, there is no other change in the composition of the Board of Directors and KMPs during the year under review.

(e) Annual evaluation of the Board and Board Committees

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

Pursuant to the provisions of section 178 (3) of Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, the Board has carried out on January 21, 2019 the annual evaluation of Independent Directors of the Company viz. Shri M. S. Ramachandran, Shri R. Kannan, Dr. S. Sivaram, Shri Nihalchand Chauhan and Ms. Ameeta Parpia individually and working of all the Board Committees and found their performance to be highly satisfactory. They also noted that all the Independent Directors of the Company are fulfilling the criteria of their independence as per the provisions of section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

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

The Board expressed its satisfaction with the evaluation results, which reflects the high degree of engagement of the Board and its committees with the Company and its Management.

The Criteria of evaluation of Independent Directors have been mentioned in the Corporate Governance Report annexed to this Annual Report.

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

(f) Familiarization Programme of the Independent Directors:

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

Your Company transferred an aggregate amount of ₹ 57.82 lakhs during the year under review to the Investor Education and Protection Fund from the unclaimed dividend. The aggregate amount transferred to the fund since January 2002 is ₹ 393.51 lakhs.

Your Company also transferred 101502 equity shares belonging to 726 shareholders between November 30, 2018 to December 14, 2018 to the Investor Education and Protection Fund including 3074 equity shares from the unclaimed Suspense Account. Total equity shares transferred to the fund since November 2017 is 1388711 equity shares.

The unclaimed dividends on equity shares paid in October, 2012 will be due for transfer to the Fund in November, 2019. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or its R & T Agent.

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

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

Information as per Section 134(3)(m) of Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is stated as herein below.

A. CONSERVATION OF ENERGY

Energy conservation programme at both the plant locations of the Company resulted in savings of energy to the extent of 544207 KWH (comprised of 456900 KWH in the Amdoshi Plant, Maharashtra and 87307 KWH in the Manali Plant, Chennai). Company did not make any significant capital investment on energy conservation equipments during the year under review.

The energy conservation programmes consisted mainly of the following :

At the plant in Amdoshi, Maharashtra

- Replacement of high energy consuming lights with LED Fittings
- Replacement of HPMV Fittings
- Replacement of HPSV Fittings
- Provision of VFDs to DOL/Star Delta Motors
- Replacement of Induction Motors with energy efficient Induction Motors
- CT-3 commissioning for utility & CW flow optimization for all reactors
- CT-1 Fan VFD optimization



At the plant in Manali, Chennai

- Improvement in process operations
- High energy consuming devices like reciprocating compressor for air application replaced by energy efficient compressor
- Replacement of high energy consuming lights with LED Fittings

B. TECHNOLOGY ABSORPTION

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

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

(₹ in lakhs)

Foreign exchange earnings and outgo (Actuals)	2018-2019
a. Foreign exchange inflow	45461.39
b. CIF value of imports including capital goods	270696.10
c. Expenditure in foreign currency	419.97

11. 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, as prescribed in the said rules, forms part of 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 stated hereunder. 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 under rule 5(2) & 5(3) is being sent to the members of the Company, however these information are available for inspection at the registered office of the Company during business hours on the working days and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

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, as aforesaid, are given below:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Not Applicable (as there is no whole time Director on the Board of Company)

- The percentage increase in remuneration of Manager, CFO and Company Secretary

Designation	% increase in remuneration in the Financial Year
Manager	0.93
Chief Financial Officer (CFO)	1.59
Company Secretary	N.A (as appointed w.e.f. October 6, 2018)

- The percentage increase in the median remuneration of employees in the financial year: 10.9%
- The number of permanent employees on the rolls of Company : 359
- The average percentage increase in the salaries of employees other than the Manager was 10.2% as compared to an increase of 0.93% in the Manager's remuneration.

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

12. AUDITORS AND AUDITORS' REPORTS

Statutory Auditors

M/s. G. M. Kapadia & Co. is the Statutory Auditors of the Company and their Audit Report forms part of Annual Report. The members in the Annual General Meeting held on July 18, 2018 have appointed M/s. G. M. Kapadia & Co., Chartered Accountants (FRN 104767W) as Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting of the Company until the conclusion of the Annual General Meeting of the Company to be held in calendar year 2023. The requirement of ratification of appointment of Statutory Auditors every year by the members of Company have been withdrawn w.e.f. May 7, 2018 vide Companies (Amendment) Act, 2017, hence this business has not been included in the AGM Notice.

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

Cost Auditors

Cost Audit Report of the Company for the financial year 2017-18 as issued by the Cost Auditor, devoid of any adverse remarks, was filed with the authorities within the due date viz. August 7, 2018.

M/s. Kishore Bhatia & Associates, Cost Accountants, was appointed by the Board as Cost Auditor of the Company to audit its cost accounting records for the financial year 2018-19.

The remuneration payable to the Cost Auditor for F.Y. 2019-20 is required to be placed before the members in General Meeting for ratification. Accordingly, a resolution for the remuneration of said cost auditor is included in the AGM notice of the Company vide item no. 10 annexed to this Annual Report.

Secretarial Auditors

Pursuant to the provisions of section 204 of Companies Act, 2013 and rules thereto, M/s. Parikh & Associates, Practicing Company Secretaries, was appointed by the Board as Secretarial Auditors of the Company to conduct its secretarial audit for the financial year 2018-19.

The secretarial audit report for the financial year ended March 31, 2019 in form No. MR-3 is annexed to this Annual Report vide **Annexure-2** forming its integral part. The Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

GST Auditors

Pursuant to the provisions of section 35(5) of Central Goods and Services Tax Act, 2017 and rules thereto, M/s. Dilip Phadke & Co. was appointed as GST Auditor of the Company for financial year 2017-18 and Shri Punit Gupta, Chartered Accountant, has been appointed by the Board as GST Auditor of the Company for financial year 2018-19 and 2019-20.

13. RELATED PARTY TRANSACTIONS

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

The said Policy on materiality of related party transactions, as approved by the Board, is available on the Company's website at the link <http://supremepetrochem.com/pdf/Policy-On-Dealing-With-Related-Party-Transactions.pdf>. Information with respect to related party transactions for the financial year 2018-19 in Form No. AOC-2 is annexed to this Annual Report vide **Annexure 3**.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) in accordance with the provisions of section 135 of Companies Act, 2013 and Schedule VII thereto indicating the activities which can be undertaken by the Company, as stated hereunder. 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>.

Activities identified by the Company for CSR purpose:

- (i) Promoting Health care including 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 and/or other public welfare organisations.
- (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 equality of soil, air and water.
- (vii) Rural development projects.
- (viii) Slum rehabilitation.
- (ix) Setting up old age homes, day care centres and such other facilities for senior citizens and homes for orphans.
- (x) Eradicating poverty, hunger and malnutrition.
- (xi) Provision of training/facilities for training to local youth in order to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.

The Company, during the financial year 2018-19, could spend only an amount of ₹ 340.65 Lakhs out of the total allocated amount for CSR Activities ₹ 363.20 Lakhs due to lack of availability of requisite land /local authority approvals etc. pertaining to the projects/activities already identified by the Company for CSR purpose.

The prescribed amount to be spent by Company for CSR activities during financial year 2019-20, as per section 135 of Companies Act, 2013, amounts to ₹ 355.20 Lakhs.

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

15. RISK MANAGEMENT

Business Risk Evaluation and Management is an ongoing process within the Company. In consideration of the provisions of Regulation 17(9) of SEBI (LODR) Regulations, 2015, your Company has a robust risk management framework to identify, monitor and minimise its risk. As a process, the risks associated with the



business are prioritised based on Severity, Likelihood and Effectiveness of current detection.

Risk Management approach is 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 the operations are reported to the Board.

In consonance with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee on July 18, 2018.

16. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial control system commensurate with its size, scale and the nature of business, which ensures that transactions are recorded, authorised and reported correctly apart from safeguarding its assets against significant misuse or loss. Your Company has adequate internal financial controls with reference to its financial statements. The Company's internal auditors carry out regular checks on the adequacy of the internal financial controls. The Company has specific internal auditors for functions such as GST, financial controls and systems. The Internal Audit system is reviewed from time to time to ensure its adequacy and compliances to the laid down policies of the Company and operating system.

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

17. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

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

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

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

19. MEETINGS OF THE BOARD OF DIRECTORS

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

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

During financial year 2018-19, the Company has not entered into any transaction with respect to loan, guarantee or investments under Section 186 of the Companies Act, 2013.

21. ANNUAL RETURN

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

22. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

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

The said Code of Conduct is available at the website of the Company www.supremepetrochem.com.

23. CREDIT RATINGS

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

India Ratings & Research has affirmed long term rating at IND A+ with Stable Outlook and with rating of IND A+ /Stable/IND A1+ for working Capital related Banking Facilities, including fund based and non fund based facilities, of your Company for the year 2019. There was no revision in its credit rating during the financial year 2018-19.

24. SECRETARIAL STANDARDS

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

25. GENERAL DISCLOSURES

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

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

(B) Other Disclosures:

- (i) No material / significant changes or commitments have occurred in the Company after 31.03.2019 and till the date of this Board's Report.
- (ii) Company has maintained all the cost records applicable to it during financial year 2018-19.
- (iii) Policies of the Company are available at www.supremepetrochem.com.

ACKNOWLEDGEMENT

Your Directors record their deep appreciation for the unstinted support and co-operation obtained from the stakeholders of the Company including its Shareholders, Bankers, Customers, Suppliers, Business Associates etc. and last but not the least to the employees of the Company for their dedicated and sincere services to the Company all across.

For and on behalf of the Board

M. P. Taparia
Chairperson

Place: Mumbai
Date: April 26, 2019.



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 per section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 or any other rules/regulations as may be applicable to the Company.

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

DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT PERSONNEL

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

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

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

- (2) At present the Company does not have any Whole Time Executive Director on its Board to whom remuneration is paid. Hence a policy in this regard will be considered at an appropriate time.
- (3) Considering profitability and uneven earnings it is recommended not to distribute any share of profits to the Directors till further review.

- (4) The remuneration to Senior Management Personnel & Key Managerial Personnel viz. the Manager /CFO and the Company Secretary is as per the remuneration policy for employees of the Company. The Managerial Remuneration would be in compliance with the requirements of the Companies Act, 2013 including its schedules, the rules framed there under, approval of shareholders and the requirements of the SEBI (LODR) Regulations, 2015, wherever required.
- (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 Unionized 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, 2019

[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, 2019, 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, 2019 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
 - (a) The Factories Act, 1948;
 - (b) The Standards of Weights & Measures Act, 1976;
 - (c) Manufacture, storage and import of Hazardous Chemical Rules 1989;
 - (d) Public liability Insurance Act,/ Rules 1991;
 - (e) Water (Prevention and Control) of Pollution Act, 1974 and Rules 2011;
 - (f) The Petroleum Act, 1934;
 - (g) Indian Explosives Act, 1884;
 - (h) The Environment Protection Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.



- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, The Company has spent an amount of ₹ 340.65 lakhs against the amount of ₹ 360.22 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 Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

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

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

P. N. Parikh
Partner

Place : Mumbai
Date : April 26, 2019

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, 2019

FCS No: 327 CP No: 1228

ANNEXURE - 3

RELATED PARTY TRANSACTIONS

FORM NO. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2018-19)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification of entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date of which the special resolution was passed in general meeting as including under the first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL							

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2018-19)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in lakhs)	Date(s) of approval by the Board	Amount paid as advance, if any
(a)	(b)	(c)	(d)	(e)	(f)
The Supreme Industries Ltd - Co-promoter	Sales, purchase or supply of any goods or materials and availing of any services in connection with the purchase or sale of goods or material including storage thereof	As per individual purchase order	Sales: 4868.07 Purchase: 73.64	Not applicable as the transactions are at an arm's length basis and do not fall under the category of material related party transactions. However, these are placed before Audit Committee every quarter. Omnibus approval to this effect has also been obtained.	NIL

For and on behalf of the Board

Place : Mumbai
Date : April 26, 2019

M. P. Taparia
Chairperson



ANNEXURE - 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. A Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and project or Programms.

- (i) CSR Policy of the Company was adopted by the Board of Directors of the Company on September 22, 2014 and subsequently amended on April 26, 2019.
- (ii) The Company is committed to inclusive and sustainable development of its stakeholders and conduct its business in an economically, socially and environmentally sustainable manner.
- (iii) CSR Policy of the Company is available at www.supremepetrochem.com

2. Composition of CSR Committee:

Shri M. P. Taparia - Chairperson
 Shri Rajan B. Raheja - Member
 Ms. Ameetia Parpia - Member

3. Average Net Profit of the Company for last 3 years:

₹ 18011.01 Lakhs

4. Prescribed CSR expenditure (two percent of the Average Net Profit of the Company for last 3 years as aforesaid):

₹ 360.22 Lakhs

5. Details of CSR activities undertaken by the Company and expenses incurred thereon:

(₹ In lakhs)

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program Wise	Amount spent on the Projects or Programs	Cumulative Expenditure during the reporting period viz. F.Y. 2018-19	Amount Spent Direct or through Implementing Agency
1.	Health & Hygiene	Health and Sanitation	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra	197.20	189.01	189.01	Direct /through Implementing Agency
2.	Promoting Education	Education	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra & others	147.09	132.71	132.71	Direct /through Implementing Agency
3.	Sports Activities	Sports	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra and Roha	17.75	17.74	17.74	Direct /through Implementing Agency
4.	Cultural Activities	Cultural Affairs	Mainly in villages in the proximity to Company's plant in District Raigad, Maharashtra	1.16	1.19	1.19	Direct /through Implementing Agency
			Grand Total	363.20	340.65	340.65	

The Company constructed total 70 toilets in the villages in the proximity of the Company manufacturing facilities in Maharashtra. Total 14 classrooms from 11 schools have been converted into e-classrooms by provision of a set per classroom consisting of a computer, projector, e-learning software as per corresponding class syllabus and other associated hardware. Construction of Total four Anganwadis were commenced out of which two Anganwadies (Revoli and Rajewadi) have been completed whereas the work for the other two Anganwadies (Kalkai and Cherathi) are in progress. Merit Scholarship was also given for BSC, Diploma in Engineering and Degree in Engineering. English Speaking course was arranged for three months at Wangani School.



The Company contributed significantly to the Society for the Rehabilitation of Paraplegics, situated at Navi Mumbai, for construction of Physiotherapy Room, Vocational training Area and Medical Dressing Rooms etc. The Society is engaged in conducting rehabilitation Centre for Paraplegics, Home for Senior Citizens and qualitative care for the elderly people.

The Company also contributed to (i) SOS Children's Villages of India which is engaged in the activity of conducting Girl Child educations, healthcare and nurturing talents in children (ii) Maharashtra State Kabaddi Association for organizing 66th National Kabaddi Competition at Roha.

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

The Company, during the financial year 2018-19, could spend only an amount of ₹ 340.65 Lakhs out of the total allocated amount for CSR Activities ₹ 363.20 Lakhs due to lack of availability of requisite land / local authority approvals etc. pertaining to the projects / activities already identified by the Company for CSR purpose.

7. Responsibility Statement:

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

For and on behalf of the CSR Committee (Supreme Petrochem Ltd)

N. Gopal
Executive Director & Manager

M. P. Taparia
Chairperson

Place : Mumbai
Date : April 26, 2019

**ANNEXURE - 5****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on March 31, 2019**

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

I	REGISTRATION AND OTHER DETAILS	
	i) CIN ii) Registration Date iii) Name of the Company iv) Category/Sub-Category of the Company v) Address of the Registered office and contact details vi) Whether listed Company vii) Name, Address and Contact details of Registrar and Transfer Agent	L23200MH1989PLC054633 14-12-1989 Supreme Petrochem Ltd Public Company/Limited by shares Solitaire Corporate Park, Building No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681 Yes Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Ganchibowli, Financial District, Nanakramguda, Hyderabad - 500 032, TELANGANA Tel : +91 40 33211500/33215570
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
	All the business activities contributing 10% or more of the total turnover of the Company shall be stated	As per Attachment A
III	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES	Not Applicable
IV	SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
	i) Category-wise shareholding ii) Shareholding of Promoters iii) Change in Promoters' Shareholding iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) v) Shareholding of Directors and Key Managerial Personnel	As per Attachment B As per Attachment C Not Applicable As per Attachment D As per Attachment E
V	INDEBTEDNESS	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment F
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
	A. Remuneration to Managing Director, Whole-time Director and/or Manager B. Remuneration to other Directors C. Remuneration of Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment G As per Attachment H As per Attachment I
VII	PENALTIES/PUNSHMENT/COMPOUNDING OF OFFENCES	Not Applicable

ATTACHMENT- A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

ATTACHMENT- B

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

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF	1000	100	1100	0.00	1100	-	1100	0.00	0.00
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	60132500	-	60132500	62.31	60132500	-	60132500	62.31	0.00
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	60133500	100	60133600	62.31	60133600	-	60133600	62.31	0.00
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	60133500	100	60133600	62.31	60133600	-	60133600	62.31	0.00
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	1630333	10000	1640333	1.70	1937850	10000	1947850	2.02	0.32
(b)	Banks/FI	178741	22050	200791	0.21	127867	22250	150117	0.16	-0.05
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Portfolio Investors	592464	7900	600364	0.62	730042	7900	737942	0.76	0.14
(h)	Foreign Venture Capital	-	-	-	-	-	-	-	-	-
(i)	Others (specify)									
	Foreign National	200	-	200	0.00	200	-	200	0.00	0.00
	Sub-total (B) (1)	2401738	39950	2441688	2.53	2795959	40150	2836109	2.94	0.41



	Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2)	Non-Institutions									
	a) Bodies Corp.									
	i) Indian	2152518	33485	2186003	2.27	3454941	31568	3486509	3.61	1.34
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	10284840	2327404	12612244	13.07	10036584	1955889	11992473	12.43	-0.64
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	16750761	143800	16894561	17.51	15532067	120000	15652067	16.22	-1.29
	c) NBFCs Registered with RBI	1917	-	1917	0.00	2000	-	2000	0.00	0.00
	d) Others (specify)									
	Clearing Members	30432	-	30432	0.03	34326	-	34326	0.04	0.01
	Alternate Investment Fund	-	-	-	-	12793	-	12793	0.01	0.00
	Non Resident Indians	561544	331400	892944	0.93	658370	283800	942170	0.97	0.04
	Trusts	21360	-	21360	0.02	21200	-	21200	0.02	0.00
	I E P F	1287209	-	1287209	1.33	1388711	-	1388711	1.44	0.11
	Sub-total (B) (2)	31090581	2836089	33926670	35.16	31140992	2391257	33532249	34.75	-0.41
	Total shareholding (B) = (B) (1)+(B)(2)	33492319	2876039	36368358	37.69	33936951	2431407	36368358	37.69	0.00
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	93625819	2876139	96501958	100	9470551	2431407	96501958	100	00.00

ATTACHMENT- C

(ii) *Shareholding of Promoters

Sl.No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	The Supreme Industries Ltd.	28936400	29.99	-	28936400	29.99	-	0.00
2	R Raheja Investments Pvt. Ltd.	28936400	29.99	-	28936400	29.99	-	0.00
3	Boon Investment And Trading Company Pvt. Ltd.	279734	0.29	-	279734	0.29	-	0.00
4	Jovial Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	0.00
5	Venktesh Investment And Trading Company Pvt. Ltd.	279733	0.29	-	279733	0.29	-	0.00
6	Hathway Investments Pvt Ltd	784400	0.81	-	784400	0.81	-	0.00
7	Coronet Investments Pvt Ltd	635300	0.66	-	635300	0.66	-	0.00
8	Manali Investments & Finance Pvt. Ltd.	200	0.00	-	200	0.00	-	0.00

Sl.No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
9	Bloomingdale Investments & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
10	Matyagandha Investment & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
11	Varahagiri Investment & Finance Pvt. Ltd.	200	0.00	–	200	0.00	–	0.00
12	Rajan Raheja	400	0.00	–	400	0.00	–	0.00
13	Suman Raheja	300	0.00	–	300	0.00	–	0.00
14	Akshay Raheja	200	0.00	–	200	0.00	–	0.00
15	Viren Raheja	200	0.00	–	200	0.00	–	0.00

ATTACHMENT- D

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

Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning 01/04/2018 and end of the year 31/03/2019	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	L & T Mutual Fund Trustee Limited – L & T Emerging Business Fund	1449030	1.50	01.04.2018			1449030	1.50
				06.04.2018	38937	Bought	1487967	1.54
				13.04.2018	104233	Bought	1592200	1.65
				27.04.2018	25000	Bought	1617200	1.68
				11.05.2018	10000	Bought	1627200	1.69
				18.05.2018	14575	Bought	1641775	1.70
				25.05.2018	46825	Bought	1688600	1.75
				08.06.2018	34279	Bought	1755897	1.79
				29.06.2018	705	Bought	1723602	1.79
				06.07.2018	9160	Bought	1732762	1.80
				02.11.2018	41527	Bought	1774289	1.84
				15.02.2019	35111	Bought	1809400	1.87
				22.02.2019	29011	Bought	1838411	1.91
				01.03.2019	21911	Bought	1860322	1.93
				08.03.2019	10273	Bought	1870595	1.94
		15.03.2019	2001	Bought	1872596	1.94		
		22.03.2019	10804	Bought	1883400	1.95		
		29.03.2019	10228	Bought	1893628	1.96		
		1893628	1.96	31.03.2019	–	–	1893628	1.96



Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning 01/04/2018 and end of the year 31/03/2019	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
2	Purvaj Advisors Private Limited	0	0.00	01.04.2018			0	0.00
				27.04.2018	150870	Bought	150870	0.16
				04.05.2018	9685	Bought	160555	0.17
				18.05.2018	40948	Bought	201503	0.21
				25.05.2018	254524	Bought	456027	0.47
				01.06.2018	236	Bought	456263	0.47
				08.06.2018	47357	Bought	503620	0.52
				15.06.2018	19295	Bought	522915	0.54
				22.06.2018	67044	Bought	589959	0.61
				29.06.2018	35041	Bought	625000	0.65
				06.07.2018	13333	Bought	638333	0.66
				13.07.2018	23	Bought	638356	0.66
				20.07.2018	15850	Bought	654206	0.68
				27.07.2018	2329	Bought	656535	0.68
				24.08.2018	6094	Bought	662629	0.69
				31.08.2018	37371	Bought	700000	0.73
				14.09.2018	307	Bought	700307	0.73
				28.09.2018	388830	Bought	1089137	1.13
				05.10.2018	136676	Bought	1225813	1.27
				12.10.2018	36626	Bought	1262439	1.31
		19.10.2018	23616	Bought	1286055	1.33		
		26.10.2018	20749	Bought	1306804	1.35		
		02.11.2018	21883	Bought	1328687	1.38		
		23.11.2018	23711	Bought	1352398	1.40		
		30.11.2018	6584	Bought	1358982	1.41		
		07.12.2018	356	Bought	1359338	1.41		
		14.12.2018	1083	Bought	1360421	1.41		
		28.12.2018	753	Bought	1361174	1.41		
		30.12.2018	28051	Bought	1389225	1.44		
		1389225	1.44	31.03.2019		Bought	1389225	1.44
3	Investor Education and Protection Fund	1287209	1.33	01.04.2018			1287209	1.33
				30.11.2018	3068	Transfer	1290277	1.34
				07.12.2018	97232	Transfer	1387509	1.44
				14.12.2018	1202	Transfer	1388711	1.44
		1388711	1.44	31.03.2019	-	-	1388711	1.44

Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning 01/04/2018 and end of the year 31/03/2019	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
4	Urmila D. Shah	900030	0.93	01.04.2018	-	Nil movement during the year	900030	0.93
		900030	0.93	31.03.2019	-			
5	Preeti N. Shah	900000	0.93	01.04.2018	-	Nil movement during the year	900000	0.93
		900000	0.93	31.03.2019	-			
6	Sonal D. Shah	900000	0.93	01.04.2018	-	Nil movement during the year	900000	0.93
		900000	0.93	31.03.2019	-			
7	Hathway Investments Pvt. Ltd.	784400	0.81	01.04.2018	-	Nil movement during the year	784400	0.81
		784400	0.81	31.03.2019	-			
8	Ramesh P. Mehta	680281	0.70	01.04.2018	-	Nil movement during the year	680281	0.70
		680281	0.70	31.03.2019	-			
9	Shivani Tejas Trivedi	652000	0.68	01.04.2018			652000	0.68
				18.05.2018	-28410	sold	623590	0.65
				01.02.2019	15660	Bought	639250	0.66
				08.02.2019	638	Bought	639888	0.66
		639888	0.66	31.03.2019			639888	0.66
10	Coronet Investments Pvt. Ltd.	635300	0.66	01.04.2018	-	Nil movement during the year	635300	0.66
		635300	0.66	31.03.2019	-			

ATTACHMENT- E

(v) Shareholding of Directors and Key Managerial Personnel

Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning 01/04/2018 and end of the year 31/03/2019	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	M. P. Taparia Non Executive Promoter/Chairperson	37733	0.04	01/04/2018	-	Nil movement during the year	37733	0.04
		37733	0.04	31/03/2019	-			
2	Rajan B. Raheja Non Executive Promoter	400	-	01/04/2018	-	Nil movement during the year	400	0.00
		400	-	31/03/2019	-			
3	Bajranglal Taparia Non Executive Promoter	4834	-	01/04/2018	-	Nil movement during the year	4834	0.00
		4834	-	31/03/2019	-			
4	S. J. Taparia Non Executive Promoter	37733	0.04	01/04/2018	-	Nil movement during the year	37733	0.04
		37733	0.04	31/03/2019	-			
5	Ameeta Parpia Independent Director	21900	0.02	01/04/2018	-	Nil movement during the year	21900	0.02
		21900	0.02	31/03/2019	-			



Sl.No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of shares at the beginning 01/04/2018 and end of the year 31/03/2019	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
6	R. Kannan Independent Director	-	-	01/04/2018	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2019				
7	Nihalchand Chauhan Independent Director	-	-	01/04/2018	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2019				
8	M. S. Ramachandran Independent Director	-	-	01/04/2018	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2019				
9	S. Sivaram Independent Director	-	-	01/04/2018	-	Nil holding/ movement during the year	-	-
		-	-	31/03/2019				
10	N. Gopal Manager	15943	0.02	01/04/2018	-	Nil movement during the year	15943	0.02
		15943	0.02	31/03/2019				
11	Rakesh Nayyar CFO	500	-	01/04/2018	-	Nil movement during the year	500	0.00
		500	-	31/03/2019				
12	D. N. Mishra Company Secretary	-	-	01/04/2018	-	Nil holding/ movement during the year	-	0.00
		-	-	31/03/2019				

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
Indebtedness at the beginning of the financial year (01/04/2018)				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
TOTAL (i + ii + iii)	-	-	-	-
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31/03/2019)				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
TOTAL (i + ii + iii)	-	-	-	-

ATTACHMENT- G

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

SL. No.	Particulars of Remuneration	Manager	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	203.44	203.44
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	0.43	0.43
	(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	-	-
	TOTAL (A)	203.87	203.87
	Ceiling as per the Act		887.99

* appointed as Manager w.e.f. 01.05.2018

ATTACHMENT- H

B. REMUNERATION TO OTHER DIRECTORS

(₹ in lakhs)

SL No.	Particulars of Remuneration	Name of the Directors					Total Amount	
		M. S. Ramachandran	Nihalchand Chauhan	R. Kannan	Ameeta Parpia	Dr. S. Sivaram		
1.	Independent Director							
	- Fee for attending Board / Committee Meetings	3.30	2.90	5.10	4.80	3.00	19.10	
	- Commission	-	-	-	-	-	-	
	- Others	5.00	-	-	-	-	5.00	
	TOTAL (1)	8.30	2.90	5.10	4.80	3.00	24.10	
		Name of the Directors						
	Particulars of Remuneration	M. P. Taparia	Rajan B. Raheja	B. L. Taparia	S. J. Taparia			
2.	Other Non-Executive Director							
	- Fee for attending Board / Committee Meetings	2.80	2.50	1.50	4.30		11.10	
	- Commission	-	-	-	-			
	- Others	-	-	-	-			
	TOTAL (2)	2.80	2.50	1.50	4.30		11.10	
	TOTAL (B) = (1+2)						35.20	
	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			Total Amount
		CFO	Company Secretary		
			*Upto 30.09.2018	**From 06.10.2018	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	214.18	30.39	17.18	261.75
	(b) Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	3.45	0.32	–	3.77
	(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	–	–	–	–
	TOTAL	217.63	30.71	17.18	265.52

* Shri Ravi V. Kuddyady, retired from the post of Company Secretary of the Company w.e.f. 30.09.2018

** Shri D. N. Mishra was appointed as Company Secretary of the Company w.e.f. 06.10.2018 and confirmed on 26.10.2018.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OPERATION & OUTLOOK

India emerged as the fastest growing major economy in the world during 2018-19 with a GDP growth of 7.2% as compared to 6.6% recorded in 2017-18, backed by its strong domestic consumption. This growth in GDP in 2018-19 is commendable as the economy overcame the initial slowdown owing to the implementation of the Goods and Services Tax in the previous year and signs of stress in major economies of the world. The strong macroeconomic fundamentals and policy reforms including Insolvency and Bankruptcy Code, liberalization of FDI norms, and steps taken to improve Ease of Doing Business in India helped improve the investment and business climate and supported the overall pace of economic growth. Low inflation rates with CPI at 2.86% and WPI at 3.18% enabled the interest rates to remain soft thus helping the domestic consumption. Rise in income tax collection, GST collection, increase in India's Foreign Direct Investment (FDI), maintaining current account deficit and fiscal deficit within the set targets speak well for the future of India's economy. India retained its position as the third largest startup base in the world with technology startups according to a report by Nasscom.

Proposals listed in the Interim Budget of 2019-20 including direct Cash Transfer Program for farmers and tax relief measures for the middle class shall put more cash in the hands of individuals thus providing a fiscal stimulus to the economy. Thrust on rural spending, infrastructure creation, and hike in MSP shall result in significant jump in rural income in the coming years thus giving further push to domestic consumption.

India's economic growth is estimated to grow at 7.5% in 2019-20 according to the IMF retaining its tag as the fastest growing large economy. Based on the economic reforms adopted in last few years, India is poised to remain the fastest growing large economy in the world and its GDP is expected to reach US\$ 5 Trillion by 2025.

The global economy, faced with Trade policy tensions, imposition of Import tariffs between U.S.A. and China, weaker performance by Eurozone Countries, Japan and Britain, and rising interest rates resulting in capital outflows from some emerging markets, grew at 3.6% in 2018. Emerging markets and developing economies witnessed a challenging environment in the later part of 2018-19 owing to trade policy tensions, rising interest rates, dollar appreciation and volatile oil prices. Some of these challenges are likely to continue in the current year. The silver lining for global trade is likely trade pact between U.S.A. and China for which both countries are making positive efforts. However, the slowdown in Chinese economy may have chain effect on many major economies with fluctuation in prices of key raw materials and input costs of manufacturing. Further with OPEC deciding to limit production, the oil importing economies shall have to bear the increased cost of crude oil. As per IMF the global economy is likely to grow at 3.3% in 2019 and 3.6% in 2020.

REVIEW OF OPERATIONS & OUTLOOK

During the year under review, your Company earned a net profit of ₹ 49.21 crores against ₹ 116.12 crores in the previous

year. The operations were adversely affected due to heavy inventory losses suffered during the third quarter of the year under review consequent to sharp fall in the price of Styrene Monomer between September, 2018 to November, 2018 and subdued demand in the first half of the year on account of uncertainty caused by the order on ban of certain one time use plastic products.

Styrene Monomer (SM)

SM the main raw material for your Company's products witnessed a sharp fall in its prices from US\$ 1450 to US\$ 950 in a short span of less than three months between September, 2018 and November, 2018. These sharp movements in SM prices resulting in unstable prices of end products made the customers tread with caution in terms of their purchases and stocking of material thus resulting in subdued demand. Customers procured material for immediate consumption only and with this slow offtake the demand pipeline became empty. This not only led to falling margins for the Company but also caused heavy inventory losses in the third quarter of the year under review. Towards the end of the financial year SM prices seemed to have stabilised. However, with global supply and demand of SM in a tight balance any disruption in the major supply sources causes disturbance in trade flows resulting in volatility in the prices of SM in the international market.

The imposition of antidumping duty on SM imported from certain countries into China affected traditional trade flows. It took a while for new trade flows to be established resulting in shipping delays across the globe resulting in too much inventories in one region and creating artificial scarcities in certain other regions. In these difficult circumstances your Company was able to manage the supplies remarkably well, except for some minor disruptions during the year which affected our export deliveries to some extent.

Outlook

The trade flows of SM have now stabilized and your Company is well supported by the traditional suppliers from Singapore and Middle East as well as the new suppliers from USA. All major SM suppliers of the world recognize the pre-eminent position of India as a major destination and your Company as a major customer.

Polystyrene (PS)

PS demand shrunk by about 1% during the year under review for the industry as a whole including imports mainly due to ban on one time use disposable foodware and cutlery in Maharashtra and Uttar Pradesh and static growth in other applications except appliances. Notification banning certain applications of Polystyrene caused uncertainty in the minds of processors in the initial months resulting in low offtake for the trade in the first half of the year under review. Falling prices of Polystyrene as a result of fall in SM price starting September, 2018 impacted consumption of PS in applications other than Appliances, Pens and Stationary. Ban on one time use disposable foodware and cutlery not only impacted demand in the concerned State but to an extent also in the neighbouring States where product was supplied from manufacturing units in the State banning the product.



Your Company's local sales were lower by 0.6% during the year under review over the previous year. Your Company, however, had a healthy growth in the appliances sector during the year. Imports of General Purpose Polystyrene continued during the year at low prices from Iran/UAE with 81% of total GPPS imports into India arriving from these two countries. PS industry is working on making an application for levy of anti-dumping duty on imports of Polystyrene from Iran/UAE.

Export volumes remained flat due to loss of Turkey market where Iranian PS producers were selling at very low prices. Anti-dumping duty of 11.3% was imposed by the Turkish Government in January, 2019. However, business didn't pick up for us, since overall PS market in Turkey shrunk due to over 3% drop in GDP of the economy. Export business in other markets like SAARC countries & Hong Kong/China market did well. Your Company's exports of PS during the year was lower by 10% compared to the previous year due not only to loss of Turkey business but also on account of disruption in Styrene supplies on some occasions during the year.

Outlook

With the anticipated growth in the appliance segment Polystyrene demand is likely to grow in the coming years despite ban on one time disposable foodware and cutlery. With new capacities being put up by the existing players like Haier and Whirlpool and entry of new players like Voltas Beko, Havells and Media in the next 1-2 years demand for PS in the appliances segment is likely to grow by about 15% in the coming years. During 2019-20, the overall growth in domestic demand for PS is estimated at 5%.

Focused efforts in developing customers in appliance industry across the various countries where your Company is exporting by offering improved property products is expected to give new impetus to export volumes in 2019-20 period. Your Company hopes to recover the export business during the year with expected increase in volumes by 20% over the previous year.

Expandable Polystyrene (EPS)

EPS demand in the country grew by 6% during the year under review despite ban on use of certain EPS products in the States of Maharashtra and Uttar Pradesh. Your Company's sale increased by 8.65% during the year. The demand growth came from white goods, agri packaging, and cold storages. Due to various promotional programmes undertaken by your Company through seminars and exhibitions displaying a fully functional house built from 3D panels, the awareness level for use of 3D panel in construction is growing. Demand base for 3D panel is quite low at present. During the year it witnessed 100% growth over the previous year. With a new plant for 3D panel commissioning soon your Company expects to see the demand growing in this application in the second half of 2019-20.

Outlook

The expected growth in EPS market during 2019-20 is about 6%. The growth in demand is expected from white goods packagings, fisheries, construction and insulation. Your Company is consistently engaged in business development

activities involving three major application segments viz. Construction, Insulation and packaging to give a fillip to its EPS business. Your Company expects to grow at about 8% during the current year.

Speciality Polymers & Compound Business (SPC)

The business volume was flat during 2018-19. However, the strategy to shift focus from low value compounds to higher value compounds was completed successfully. This shift has resulted in about 25% growth in high value compounds. New distributors are continuously being added to increase the reach. Your Company appointed 10 new distributors for SPC business during the year taking total number of distributors to 31. Company plans to add another 10 distributors for its SPC business during the year.

Outlook

Emphasis is continuously being made in developing new value added compounds of SMMA for different applications including light diffuser grades. The Company plans to introduce in the current year compounds of ABS, Nylon etc. for which necessary facilities are being suitably retrofitted and renewed. This would give a boost to the compound business of your Company.

Extruded Polystyrene Board (XPS)

XPS grew by 33% despite slowdown of several key projects like IITs, AIIMS, IIMs etc. This could be possible by addition of new distributors in Tier II & Tier III cities. The Company added 28 new distributors during the year. Total number of distributors at the end of the year under review increased to 49. Adding new distributors in new territories is an ongoing exercise and your Company plans to increase total number of distributors for XPS business to 70 by the end of the current year.

Some imports take place only to the extent of low priced low quality boards as well as non-standard wide width boards. Your Company has taken steps to develop BIS specification in line with Global standards. Once the BIS standards are notified, imports of low quality boards may largely reduce.

Outlook

In addition to the building insulation, REEFER container and fresh container segment is developing as new application area for XPS due to their excellent cost to performance ratio vis-à-vis other competing materials. Your Company expects this segment to grow into significant volume in the years ahead.

Your Company is targeting to grow XPS business by 25% in 2019-20.

Styrene Methyl Methacrylate (SMMA)

The commercial sales of SMMA has steadily grown in the fiscal 2018-19. The new high impact grade of SMMA introduced in the third quarter is showing encouraging acceptance in household, kitchenware, small appliances, RO Water cabinets and stationary segments where transparent ABS, PMMA and Polycarbonate is normally used. Several new compounded grades of SMMA were introduced in the market for use in applications where BPA - free material suitable for food contact use is a pre-requisite. This is showing good acceptance in the market place.

Outlook

Commissioning of large MMA plant in Saudi Arabia is expected to give impetus to our SMMA business, making it possible to price our SMMA & Compounds in a competitive manner, which will help to develop new application in sheet segment. Rigid Sheets produced from your SMMA have well been accepted during the trial runs.

Company's product has been well accepted in certain export markets. New markets are being explored, based on successful applications in different segment in domestic market.

The long term strategy of the Company is to create R&D capability to develop unique products in all the verticals in which your Company is operating.

FINANCE

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

Changes in Key Financial Ratios:

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

Sr. No.	Ratio		Year Ended		Deviation %
			31/03/2019	31/03/2018	
1	Debtors Turnover Ratio	Times	11.01	10.30	6.92
2	Inventory Turnover	Times	10.11	8.49	19.14
3	Interest Coverage Ratio	Times	26.47	44.37	(40.34)
4	Current Ratio	Times	1.64	1.57	4.46
5	Debt Equity Ratio *	Times	-	-	-
6	Operating Profit Margin	%	3.24	6.75	(52.00)
7	Net Profit Margin	%	1.54	3.84	(59.90)
8	Change in Return on Net Worth	%	7.64	18.92	(59.62)

* The Company is Debt free

Operations during the year under review were adversely affected due to heavy inventory losses suffered by your Company during the third quarter of the year consequent to sharp fall in prices of Styrene Monomer, its main raw material, by around 35% during a short span of less than three months between September, 2018 to November, 2018 and subdued demand in the first half of the year on account of uncertainty

caused by ban of certain one time use plastic products. Some of the Company's operating ratios have therefore been negatively impacted by more than 25% for these reasons. Reduction in inventory during the year helped improve inventory turnover ratio.

CAPITAL EXPENDITURE

Your Company incurred a total expenditure of ₹ 34.00 crores during the year under review on various items comprised of HIPS product improvement, retrofitting / replacement of compounding line for SMMA/ABS/SAN Compounds, replacement of old Hardware in Manali, Tamil Nadu and Nagothane, Maharashtra Plants of the Company.

The capital expenditure proposed to be incurred in the current year towards various process/product improvement projects, SMMA/GPPS debottlenecking, EPS debottlenecking, replacement/retrofitting XPS line, additional Compounding/MB Lines, replacement of old hardware etc. is estimated at ₹ 61 crores.

MASS ABS PROJECT

Supreme Petrochem Ltd proposes to start a new vertical of Mass ABS with initial capacity of 60,000 TPA for which technical feasibility studies have been carried out. We have applied for necessary statutory clearances. The Company will execute the project on a fast track basis after getting necessary clearances.

RISK MANAGEMENT

International pricing and demand/supply risk are inherent in the import of Styrene Monomer, the main raw material. Your Company enters into procurement contracts for imports of Styrene Monomer on annual basis. The contracts specify the quantity and attributes for arriving at monthly pricing. However, a part of the requirement is sourced on spot basis 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 a cushion to protect the margin. Company's speciality products like SPC, XPS and SMMA will provide additional cushion from Styrene Monomer price movement risks as these businesses mature.

The global and Indian economic events impacting dollar-rupee parity has a direct effect on cost of imports and also pricing of your Company's products. To overcome these 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.

Protection of data and system is essential part of managing the business. To secure its data, your Company has instituted the best practices adopted across the industry. Your Company has all its servers co-located at Tier III+ Data Centres, with DR/backup DC at different Seismic zone, Antivirus setup maintenance and monitoring for filtering incoming data, end-point security controls, Firewall setup for control/restrictions on Networking Access, Access control to Business Application and File System and E-mailing and Internet Policies to control outgoing data/information. Your Company gets IT infrastructure audits by the 3rd party service providers on periodical basis. These audits include Application Security Assessment, Internal/External penetration testing by using ethical hacking tools, Server/Network devices configuration Audit, Network architecture review and firewall rule base review. Issues found in the audit are reviewed and mitigated as per the recommendation followed by re-audit for effective mitigation.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

Regular internal audits, review by management and documented policies, guidelines and procedures 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.

HSE MANAGEMENT, AWARDS & RECOGNITION

Amdoshi, Nagothane, Maharashtra Plant:

(i) **Health Safety and Environment:** Environmental Management System and Occupational Health and Safety Management System continued to be maintained by your Company as per the ISO 14001:2015 and OHSAS 18001:2007 standard respectively.

HSE Performance Index for the period under review stood to be in "Excellent" Range. The Company has completed 6740 accident free days as on March 31, 2019 which

amounts to 17.44 million man-hours of accident free operations.

(ii) Awards and Recognitions

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

- National Safety Council of India (NSCI) Safety Awards – 2018 - Sarvashreshtha Suraksha Puraskar (Gold Award), in recognition for developing and implementing most effective Management System & Procedures and achieving the most outstanding performance in OSH for the Assessment Period of three years -2015 to 2017.
- Greentech Safety Award 2018 (Platinum Award) – From Greentech Foundation, New Delhi. For outstanding achievements in Safety Management.
- Greentech Environment Award 2018 (Gold Award) – From Greentech Foundation, New Delhi. For outstanding achievement in Environment Management.
- National Safety Awards, Ministry of Labour & Employment, Government of India for outstanding performance in Industrial safety as Runner-Up during the Performance Year 2016 in achieving Lowest Average Frequency Rate.
- National Safety Awards, Ministry of Labour & Employment, Government of India, for outstanding performance in Industrial safety as Runner-Up during the Performance Year 2016 in achieving Accident Free Year.
- Certificate of Merit from National Safety Council – Maharashtra Chapter for achieving Zero Accident Frequency Rate in the contest year 2017.

Manali Plant, Tamil Nadu

- Certificate of Appreciation from the renowned National Safety Council (NSCI)-2018

CAUTIONARY STATEMENT

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

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

The Company lays emphasis on transparency across all aspects of its business as well as in discharging its Corporate Social Responsibility activities in a meaningful manner as a responsible corporate citizen and 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 Listing Regulations of SEBI.

1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors was comprised of 9 members as on March 31, 2019. The Directors bring to the Board a wide range of experience and skills required for its successful business operations.

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

Notes :

* Includes only Audit Committee and Stakeholders' Relationship Committee in all Public Limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 Companies.

** Does not include Directorship in foreign companies



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

Name of Director	Name of Listed Company in which Directorship held	Category of Directorship
M. P. Taparia DIN No. 00112461	The Supreme Industries Limited Supreme Petrochem Ltd West Coast Paper Mills Limited Kabra Extrusion Technic Limited	Promoter & Managing Director Non-Executive & Promoter, Chairperson Non-Executive & Independent Director Non-Executive & Independent Director
Rajan B. Raheja DIN No. 00037480	Exide Industries Limited Prism Johnson Limited Supreme Petrochem Ltd	Non-Executive & Non-Independent Director Non-Executive & Non-Independent Director Non-Executive & Promoter Director
B. L. Taparia DIN No. 00112438	The Supreme Industries Limited Supreme Petrochem Ltd	Promoter & Non-Executive Director, Chairperson Non-Executive & Promoter Director
S. J. Taparia DIN No. 00112513	The Supreme Industries Limited Supreme Petrochem Ltd	Promoter & Executive Director Non-Executive & Promoter Director
R. Kannan DIN No. 00380328	The Supreme Industries Limited Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director
M. S. Ramachandran DIN No. 00943629	GOCL Corporation Ltd. Gulf Oil Lubricants India Ltd. Ester Industries Ltd. International paper APPM Ltd. ICICI Prudential Life Insurance Co. Ltd. Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Nihalchand Chauhan DIN No. 00021782	Kabra Extrusion Technik Limited Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director
Ameeta Parpia DIN No. 02654277	Prism Johnson Limited Hathway Cable & Datacom Ltd. Hathway Digital Pvt. Ltd. Supreme Petrochem Ltd	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director
Dr. S. Sivaram DIN No. 00009900	Apcotex Industries Ltd. Asian Paints Limited GMM Pfudler Limited Deepak Nitrite Limited Supreme Petrochem Ltd Gharda Chemicals Limited Vyome Therapeutics Limited	Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Chairperson Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director Non-Executive & Independent Director

Skills/Expertise/Competencies of Board of Directors

The Core skills/expertise/competencies as identified by the Board of Directors for the Board Members of the Company in relation to its business affairs, with a view to ensure effective functioning of the Company in all respect and as already available with the Board, are stated as hereunder:

1. Petrochemicals
2. Business Management
3. Marketing
4. Finance & Banking
5. Industry Developments/Technological Advancement
6. Legal

Board Meetings

During the year under review the Board met on 5 occasions i.e. April 24, 2018, July 18, 2018, July 30, 2018, October 26, 2018 and January 21, 2019.

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

Attendance of Directors in Board Meetings:

Name of the Director	Category of Directorship	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter/Chairperson	5	5	Yes
Rajan B. Raheja	Non-Executive – Promoter	5	5	Yes
B. L. Taparia	Non-Executive – Promoter	5	3	No
S. J. Taparia	Non-Executive – Promoter	5	5	Yes
R. Kannan	Non-Executive – Independent	5	5	Yes
M. S. Ramachandran	Non-Executive – Independent	5	5	Yes
Nihalchand Chauhan	Non-Executive – Independent	5	4	Yes
Ameeta Parpia	Non-Executive – Independent	5	5	Yes
Dr. S. Sivaram	Non-Executive – Independent	5	5	Yes

Declaration of Independence of Board:

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

2. AUDIT COMMITTEE:

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

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

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

The Audit Committee has the following powers:

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

Role of the Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;



- (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - (6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds 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.
 - (21) Review the utilization of existing loans/advances/investments etc of the Company.
 - (22) Review compliances of Company with respect to the SEBI (Prohibition and Insider Trading) Regulations, 2015 on annual basis.

The Audit Committee mandatorily reviews the following:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (3) Letters, if any, issued by the statutory auditors regarding internal control weaknesses;
- (4) Internal audit reports relating to internal control weaknesses;
- (5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and
- (6) Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (i);

- (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 and the Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review the Audit Committee met on 4 occasions i.e. April 24, 2018, July 30, 2018, October 26, 2018 and January 21, 2019.

Attendance of Committee Members:

Members	Category of Membership	Meetings held	Meetings Attended
R. Kannan	Non-Executive – Independent/Chairperson	4	4
S. J. Taparia	Non-Executive – Promoter	4	4
Nihalchand Chauhan	Non-Executive – Independent	4	3
Ameeta Parpia	Non-Executive – Independent	4	4

3. NOMINATION AND REMUNERATION COMMITTEE:

The composition of Nomination and Remuneration Committee is as under:

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

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

Role of Nomination and Remuneration Committee inter-alia includes:

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

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

During the Year under review the Nomination and Remuneration Committee met on 2 occasions i. e. April 24, 2018 and October 26, 2018.

Attendance of Committee Members

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



Performance Evaluation Criteria for Independent Directors:

The Criteria for performance evaluation for Independent Directors includes:

- (1) Attends meetings regularly.
- (2) Understands business regulatory competitive and social environment in which the Company operates.
- (3) Understands strategic issues and challenges confronting the Company.
- (4) Demonstrates a solid understanding of his/her responsibility as a Director including his/her statutory and fiduciary roles and acts appropriately in his/her governance role.
- (5) Attends meetings well prepared to evaluate and/or add value to Agenda items presented to the Board.
- (6) Brings useful outside information and perspective to Board deliberations.
- (7) Contributes meaningfully to Board discussions, makes useful suggestions, provides strategic insight and directions.
- (8) Demonstrates an ability to identify the cost benefits and implications of Board decisions.
- (9) Demonstrates a strong understanding of financial statements, ratios and/or indices of performance and can see the issues behind the numbers.
- (10) Appropriately questions data and information presented to the Board for its deliberations.
- (11) Listens effectively to 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 of Membership	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter/Chairperson	2,80,000
Rajan B. Raheja	Non-Executive – Promoter	2,50,000
B. L. Taparia	Non-Executive – Promoter	1,50,000
S. J. Taparia	Non-Executive – Promoter	4,30,000
R. Kannan	Non-Executive – Independent	5,10,000
M. S. Ramachandran*	Non-Executive – Independent	3,30,000
Nihalchand Chauhan	Non-Executive – Independent	2,90,000
Ameeta Parpia	Non-Executive – Independent	4,80,000
Dr. S. Sivaram	Non-Executive – Independent	3,00,000
TOTAL		30,20,000

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

The Company has no Stock Option Scheme. The Company does not make any payment 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 of Membership
M. P. Taparia	Non-Executive – Promoter/Chairperson
Rajan B. Raheja	Non-Executive – Promoter
S. J. Taparia	Non-Executive – Promoter
Ameeta Parpia	Non-Executive – Independent

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

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

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

Members	Category of Membership	Meetings Held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter/Chairperson	25	25
Rajan B. Raheja	Non-Executive – Promoter	25	24
S. J. Taparia	Non-Executive – Promoter	25	23
Ameeta Parpia	Non-Executive – Independent	25	24

During the year under review, your Company received 727 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and were resolved appropriately within due period. There were NIL pending complaints as on March 31, 2019.

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:

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

The composition of Finance Committee is as under:

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

During the year under review the Finance Committee met on 5 occasions i.e. July 30, 2018, September 14, 2018, November 05, 2018, December 10, 2018 and January 24, 2019.

Attendance of Committee Members:

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



7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

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

The Corporate Social Responsibility Committee functions under the overall supervision of the Board of Directors of the Company. During the year under review the Corporate Social Responsibility Committee comprising of the following Directors met on 2 occasions i.e. April 24, 2018 and January 21, 2019.

Attendance of Committee Members:

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

8. RISK MANAGEMENT COMMITTEE:

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

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

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

The composition of Risk Management Committee is as under:

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

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

During the year under review the Risk Management Committee comprised of the following Directors and Senior Executives met on one occasion i.e. January 21, 2019.

Attendance of Committee Members:

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

9. (A) INDEPENDENT DIRECTORS:

Shri R. Kannan, Shri M. S. Ramachandran, Shri 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, 2019. The Independent Directors continue to serve on the Board and will hold Office for a consecutive term up to September 21, 2019 pursuant to the provisions of section 149(10) of the Companies Act, 2013.

(B) EVALUATION OF DIRECTORS

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

During the year under review, the Independent Directors held their separate meeting on January 21, 2019 pursuant to the provisions of section 149 (8) of Companies Act, 2013 (read with Schedule IV thereto) and Regulation 25 (3) and (4) of SEBI (LODR) Regulations, 2015 and evaluated the performance of Non-Independent Directors and the Board as a whole and the Chairperson of the Company and found them suitable to continue in the Company in their existing capacity.

Attendance of Independent Directors' Meeting:

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

10. CODE OF CONDUCT:

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

Declaration by the Manager:

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

N. Gopal
Manager

11. COMPLIANCE CERTIFICATE BY MANAGER & CHIEF FINANCIAL OFFICER

(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015)

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



D. We have indicated to the auditors and the audit committee that:

- (1) there are no significant changes in internal control over financial reporting during the year;
- (2) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
- (3) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N. GOPAL
Executive Director & Manager

RAKESH NAYYAR
Executive Director & CFO

The above certificate was placed before the Board at its meeting held on April 26, 2019.

12. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held:

Year	Location	Date	Time	Special Resolutions Passed
2015-2016	27th I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	24.08.2016	4.00 p.m.	Yes
2016-2017	28th I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	12.07.2017	4.00 p.m.	No
2017-2018	29th I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	18.07.2018	4.00 p.m.	Yes

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

- a) 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.
- b) At the 29th Annual General Meeting held on July 18, 2018:
 - ii) Under Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 for Appointment of Shri N Gopal, as Manager of the Company for the period May 01, 2018 to March 31, 2021.

(B) Details of Three Special Resolutions passed through Postal Ballot process on January 2, 2019

Pursuant to the requirement of Regulation 17(1A) of SEBI (LODR) Regulations, 2015, three Special Resolutions as mentioned hereinbelow were passed by the members with requisite majority through postal ballot. These resolutions were passed in accordance with the procedure stipulated under the provisions of section 110 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015.

The Company appointed Shri P. N. Parikh, a Practicing Company Secretary, of M/s. Parikh & Associates (FCS 327) as the Scrutinizer for conducting the Postal Ballot voting and E-Voting process in a fair and transparent manner.

- (1) Continuance of the Directorship of Shri M. P. Taparia, the Non-Executive Promoter Director of the Company, who has attained the age of 75 years and is aged around 81 years at present, as long as he continues in the office of the Director of the Company on the existing terms and conditions, subject to respective rules and regulations applicable thereto.

Voted in **favour** of the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
156	6,26,67,887	99.98

Voted **against** the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
24	13,197	0.02

Invalid votes:

Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
6	11,250

- (2) Continuance of the Directorship of Shri B. L. Taparia, the Non-Executive Promoter Director of the Company, who has attained the age of 75 years and is aged around 83 years at present, as long as he continues in the office of the Director of the Company on the existing terms and conditions, subject to respective rules and regulations applicable thereto.

Voted in **favour** of the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
155	6,26,68,137	99.98

Voted **against** the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
23	12,697	0.02

Invalid votes:

Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
8	11,500

- (3) Continuance of the Directorship of Shri Nihalchand Chauhan, the Non-Executive Independent Director of the Company, who has attained the age of 75 years and is aged around 82 years at present, upto the expiry of his present term as an Independent Director i.e. September 21, 2019 on the existing terms and conditions, subject to respective rules and regulations applicable thereto.

Voted in **favour** of the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
154	6,26,67,237	99.98

Voted **against** the Resolution:

Number of members voted through electronic voting system and through physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast
24	13,597	0.02

Invalid votes:

Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
8	11,500



Further there is no immediate proposal for passing any other 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.

13. SUBSIDIARY COMPANY:

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

14. DISCLOSURES:

(a) Basis of Related Party Transactions -

Your Company places all the details of Related Party Transactions before the Audit Committee periodically, however there was no significant material related party transactions during the financial year 2018-19. 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 Financial Statement of Annual Report (Please refer to Note No. 44). However these transactions are not likely to have any potential conflict with the interest of the Company at large for being on an arms length basis. The policy on dealing with Related Party Transactions is available on the Company’s website on the link <http://supremepetrochem.com/pdf/Policy-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) Proceeds from Public Issues, Right Issues or Preferential Issues etc. -

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

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

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

(e) Whistle Blower Policy/Vigil Mechanism -

A Whistle Blower Policy/Vigil Mechanism has been adopted by the Board of Directors on July 18, 2014. During the year under review, there was no complaint with respect to any unethical conduct etc. by any stakeholder of the Company. No stakeholder has been declined access to the Audit Committee or its Chairperson in any case, if any.

(f) The Company has adopted clause D & E of Part E of Schedule II viz. Corporate Governance- Discretionary Requirements [Regulation 27(1)] of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, by having separate post of Chairperson and CEO viz. Manager and by allowing the Internal Auditors to report directly to the Audit Committee.

(g) 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 and Disclosure Requirements) Regulations, 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	Complied
22	Vigil Mechanism	Complied
23	Related Party Transaction	Complied
24	Corporate Governance requirements with respect to Subsidiary of listed entity	N.A.
25	Obligations with respect to Independent Directors	Complied
26	Obligations with respect to Directors and Senior Management	Complied
27	Other Corporate Governance requirements	Complied

Clause		Head	Status		
46	2	b	Terms and conditions of appointment of Independent Director		
		c	Composition of various Committees of Board of Directors		
		d	Code of Conduct of Board of Directors and Senior Management personnel		
		e	Establishment of Vigil Mechanism and Whistle Blower Policy		
		f	Criteria for making payments to non-executive Directors		
		g	Policy on 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	5
				Cumulative	15
		(ii)	No. of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	During the year	2.30
					Cumulative

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

- An overview of demand and supply of all the Company's verticals, their competition, market share and Company's plans for increasing capacity utilisation and quality up-gradation.
- Progress report on up-gradation of HIPS plant.
- Road map related to proposed expansion programme of ABS manufacturing and its market potentials etc.
- Presentation on the Polystyrene and Expandable Polystyrene markets including plans to increase sales.
- An overview on the status and future plans of the Speciality Polymers and Compounds division including master batches, alloys and compounds of ABS, SMMA etc.

The Company is in compliance with all the mandatory requirements of Corporate Governance provisions as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013 to the extent of its applicability to the Company.

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

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

16. MEANS OF COMMUNICATION:

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

17. MANAGEMENT DISCUSSION AND ANALYSIS:

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



18. CERTIFICATE RELATED TO CORPORATE GOVERNANCE COMPLIANCE DURING FINANCIAL YEAR 2018-19 AND DIRECTOR'S DISQUALIFICATION / DEBARMENT:

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

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

19. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting	Friday, July 12, 2019, at 4.00 p.m., at I.M.C., Walchand Hirachand Hall, Churchgate, Mumbai - 400 020
Period under review	April 1, 2018 to March 31, 2019
Date of Book Closure	Wednesday July 10, 2019 to Friday, July 12, 2019 (both days inclusive)
Dividend Payment Date	July 19, 2019 – Dividend warrants will be posted on or after July 19, 2019, if dividend is declared by the members.
Listing on Stock Exchanges	(i) BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai - 400 001 (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code	(i) BSE Limited - 500405 (ii) The National Stock Exchange of India Ltd. – SUPPETRO
Payment of Listing Fees	Annual listing fees for the financial year 2019-20 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 2019-20 has not been paid to CDSL and NSDL and will be paid post receiving their invoices for the same.

Market Price Data:

(In ₹)

Month/Year	BSE Limited		The National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2018	359.25	308.00	360.35	308.00
May 2018	325.90	287.00	327.70	292.00
June 2018	304.95	270.00	305.00	270.00
July 2018	288.00	266.50	290.00	266.50
August 2018	287.95	256.20	286.70	256.00
September 2018	262.65	244.95	265.50	242.05
October 2018	251.50	215.00	252.65	215.00
November 2018	233.00	199.00	232.90	198.90
December 2018	219.75	199.00	219.00	199.00
January 2019	209.55	179.00	209.90	175.00
February 2019	215.60	190.00	214.30	190.00
March 2019	238.85	205.90	239.95	206.45

COMPARISON WITH INDICES:

	April 2018 Opening	March 2019 Closing	% Rise (Fall)
BSE Sensex	33030.87	38672.91	17.08
NSE Nifty	10151.65	11623.90	14.50
SPL Shares BSE	356.90	224.05	(37.22)
SPL Shares NSE	327.95	222.45	(32.17)



REGISTRAR AND TRANSFER AGENT:

Karvy Fintech Private Limited,

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

SHARE TRANSFER SYSTEM:

The Company has outsourced its share transfer function to Karvy Fintech 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, 2019)

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 - 5000	35199	89.68	5084230	5.26
5001 - 10000	2035	5.19	1680175	1.74
10001 - 20000	890	2.27	1353461	1.40
20001 - 30000	334	0.85	858965	0.89
30001 - 40000	142	0.36	506766	0.53
40001 - 50000	150	0.38	703722	0.73
50001 - 100000	207	0.53	1500745	1.56
100001 & above	292	0.74	84813894	87.89
TOTAL	39249	100.00	96501958	100.00

CATEGORIES OF SHAREHOLDERS (AS ON MARCH 31, 2019)

Sr. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1.	Promoters	15	60133600	62.31
2.	Mutual Funds	5	1947850	2.02
3.	Banks/FI	9	150117	0.16
4.	Foreign Portfolio Investors	16	737942	0.76
5.	Private Corporate Bodies	368	3486509	3.61
6.	Foreign Nationals	1	200	0.00
7.	Indian Public	36990	27644540	28.65
8.	NRIs	1809	942170	0.98
9.	Clearing Members	30	34326	0.04
10.	IEPF	1	1388711	1.44
11.	NBFCs Registered with RBI	1	2000	0.00
12.	Trust	3	21200	0.02
13.	Alternate Investment Fund	1	12793	0.01
	GRAND TOTAL	39249	96501958	100.00

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. Around 97.48% Equity Shares out of the total 9,65,01,958 equity shares issued by the Company so far have been dematerialized up to March 31, 2019.

OUTSTANDING ADRs/GDRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY	NOT APPLICABLE
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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 and thus associated risk thereof. To overcome the risk of foreign exchange volatility in market, your Company's Board has approved a policy to hedge the risk by way of foreign exchange exposures by taking appropriate hedging products. Your Company also has, to some extent, hedge against the said risk by way of export receivables.

PLANT LOCATION:

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

CREDIT RATINGS:

During the year under review, the Company has not issued any debt instrument or fixed deposit receipts etc. in India or abroad. India Ratings & Research has affirmed long term rating at IND A+ with Stable Outlook and with rating of IND A+ /Stable/IND A1+ for Working Capital related Banking Facilities, including fund based and non fund based facilities, of your Company for the year 2019. There was no revision in its credit rating during the financial year 2018-19.

SHAREHOLDERS' ASSISTANCE:

The Secretarial Department of the Company operates from its Registered Office situated at Andheri (East) in Mumbai. Besides, the Company's Registrars and Transfer Agents, Karvy Fintech 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 D. N. Mishra/Shri Finian Lopez/Ms. Jean Bhandary

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

OR

(2) Shri K. S. Reddy

Karvy Fintech Private Limited,
Unit: Supreme Petrochem Ltd,
Karvy Selenium Tower B, 6th Floor, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda,
Serilingampally, HYDERABAD - 500 032, TELANGANA
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

EQUITY SHARES IN SUSPENSE ACCOUNT

	No. of Shareholders	No. of Shares
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	137	14401
No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year	1	1000
No. of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	1	1000
No. of shareholders and the outstanding shares which were transferred to IEPF during the year	43	3074
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	93	10327

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.

The Company uploads full details of such shareholders and shares due for transfer to IEPF Suspense Account on its website at www.supremepetrochem.com/investorrelations.

The details of the shares already transferred to IEPF are uploaded on the Company’s website, as aforesaid.

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 will be deemed as non-negotiable. The shareholders may further note that the details uploaded by the Company on its website should be deemed as adequate notice in respect of issue of the duplicate share certificate(s) by the Company for the purpose of transfer of shares to IEPF 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, 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 such 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 respective shareholders from IEPF Authority directly after following the prescribed procedures, details / requisite process whereof are available at www.iepf.gov.in.

For further clarifications concerned, shareholders may contact Karvy Fintech Private Limited, Unit: Supreme Petrochem Ltd, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032, TELANGANA, Toll Free No: 1800-4258-998, Phone No: 040 67162222, Email: einward.ris@karvy.com quoting reference of their folio no. / demat account no.

For and on behalf of the Board

Place: Mumbai
Date: April 26, 2019

M. P. Taparia
Chairperson

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



ANNEXURE A

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members
Supreme Petrochem Limited

1. This certificate is issued in accordance with our terms of engagement with Supreme Petrochem Limited ('the Company')
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended on March 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D & E of Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance on internal control and procedures to ensure the compliance with conditions of Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility was limited to examining procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out the examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Mumbai
Date : April 26, 2019

Rajen Ashar
Partner
Membership No. 048243



ANNEXURE B

CERTIFICATE RELATED TO DEBARMENT / DISQUALIFICATION OF DIRECTOR(S)

To,

The Members,

Supreme Petrochem Limited

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

This certificate is issued pursuant to clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide circular dated May 9, 2018 of the Securities Exchange Board of India.

We have examined the compliance of provisions of the aforesaid clause 10 (i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our information and according to the explanations given to us by the Company, and the declarations made by the Directors, we certify that none of the directors of Supreme Petrochem Limited ("the Company") CIN No. L23200MH1989PLC054633 having its registered office at Solitaire Corporate Park, Bldg. No.11, 5th Floor, 167, Guru Hargovinji Marg, Chakala, Andheri (East), Mumbai 400093, Maharashtra, have been debarred or disqualified as on 31st March, 2019 from being appointed or continuing as directors of the Company by SEBI/ Ministry of Corporate Affairs or any other statutory authority.

For **Parikh & Associates**
Practising Company Secretaries

Place : Mumbai

Date : April 26, 2019

P. N. Parikh
FCS: 327 CP: 1228



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L23200MH1989PLC054633
2	Name of the Company	:	Supreme Petrochem Ltd
3	Registered address	:	Solitaire Corporate Park, Building No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681
4	Website	:	www.supremepetrochem.com
5	Email id	:	Investorhelpline@spl.co.in
6	Financial Year reported	:	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code wise)	:	Manufacture and Trading of Petrochemicals Industrial Group – 201
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	:	Polystyrene Expandable Polystyrene Master Batch and Polymer Compounds
9	Total number of locations where business activity is undertaken by the Company	:	
	(a) Number of International Locations (Provide details of major 5)	:	NIL
	(b) Number of National Locations	:	02 manufacturing locations and 18 offices including registered office
10	Markets served by the Company - Local/State/National/International	:	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	9650.20 Lakhs
2	Total Turnover (INR)	:	320379.64 Lakhs
3	Total profit after taxes (INR)	:	4920.69 Lakhs
4	Total Spending on Corporate Social responsibility (CSR) as percentage of profit after tax (%)	:	Total spending on CSR is 1.89% of average profit after tax of the past 3 years. Please refer Annexure – 6 to the Directors' Report.
5	List of activities in which expenditure in 4 above has been incurred	:	List of CSR activities are detailed in the Annexure – 6 to the Directors' Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%, 60%, More than 60%]

The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. They are however encouraged to adopt practices aligned with the nine principles enumerated in the National Voluntary Guidelines on Social Environment and Economic Responsibilities of Business (NVG – SEE) notified by Ministry of Corporate Affairs, Government of India.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of BR Head

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

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

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

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

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



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

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

www.supremepetrochem.com/Investor Relations/BRR Policies

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

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

3. Governance related to BR

The BR Responsibility Report forms part of the Annual Report of the Company. The Annual Report will also be uploaded on the website of the Company at www.supremepetrochem.com.

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

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

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

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



Principle 2

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

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

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

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

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

Production processes are monitored regularly.

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

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

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

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

Principle 3

Businesses should promote the wellbeing of all employees

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

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

The Company has total 359 permanent employees as on 31.03.2019 including 20 women staff. The Company also hires contractual work force for various ancillary and other activities whenever required and about 251 persons including about 13 women are engaged in such services.



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

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

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

Principle 4

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

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

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

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

The details of initiatives taken by the Company are provided in the Corporate Social Responsibility section of the Annual Report.

Safeguarding the interests of the contractual work force is of importance to the Company. Suitable control mechanisms are in place at plant locations. Compliance of statutory obligations are verified on a regular basis.

Internal mechanisms are in place to engage stakeholders.

Principle 5

Businesses should respect and promote human rights

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

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

Principle 6

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

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

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

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

Company has planted around 89000 trees in compliance with the guiding principal of Greening of Earth in and around the complex.

In recognition of the excellence in the field of Health, Safety and Environment, the Company has received various awards from Ministry of Labour, Govt. of India, National Safety Council, NGO Greentech etc. During the year the Company has been awarded most prestigious "Sarvashrestha Suraksha Puraskar (Golden Trophy) by the National Safety Council of India and Gold Award for excellence in Environment Protection by an NGO M/s. Greentech.

Principle 7

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

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

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

The Company articulates the larger interests of industry and the community at industrial forums. As on March 31, 2019 the Company was the member of following trade associations:-

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

Principle 8

Businesses should support inclusive growth and equitable development

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

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

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

An amount of ₹ 340.65 Lakhs was spent on various CSR projects during the financial year 2018-19 benefitting people in the villages surrounding the Company's plant.

The details of CSR activity undertaken by the Company are set out in the CSR section of this Annual Report.

Principle 9

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

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

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the standalone financial statements of **Supreme Petrochem Limited** (the Company), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act (Ind AS), of the state of affairs of the Company as at March 31, 2019 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
1) Evaluation of Provision and Contingent Liabilities	
As at the Balance Sheet date, the Company has significant open legal cases and other contingent liabilities as disclosed	We have reviewed and held discussions with the management to understand their processes to identify new possible obligations

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
<p>in note no. 36. The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of its expert, as needed, have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have analysed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> the details of the proceedings before the relevant authorities including communication from the advocates/experts; legal advises / opinions obtained by the management, as needed, from experts in the field of law on the legal cases; minutes of board meetings, including the sub-committees; and status of each of the material matters as on the date of the balance sheet. <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</p>
2) Valuation of inventory:	
<p>Inventory forms a significant part i.e. 20% of the Company's total assets.</p> <p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares.</p>	<p>We have reviewed the stock records and held discussion with the management. We verified arithmetical accuracy of valuation records/reports.</p>
<p>Inventories are valued at lower of cost and net realisable value.</p> <p>Styrene Monomer is the main raw material for the Company.</p>	<p>For a sample of inventory items we have verified that the weighted average cost calculation by the system in case of inventory is appropriate.</p>

Key Audit Matter description:-	How the scope of our audit responded the key audit matter:-
<p>Styrene Monomer, which is imported, is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Styrene Monomer may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Styrene Monomer.</p>	<p>We have reviewed the price movement of Styrene Monomer prices with respect to cost to the Company. Compared such prices with the recent selling prices.</p> <p>Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>

Other Information

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act

for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ‘Annexure B’;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements. Refer Note 36 to the financial statements; and
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts to the standalone financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Atul Shah
Partner

Place: Mumbai
Date: April 26, 2019

Membership No. 039569

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2019.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) As informed to us, the property plant and equipment have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties classified as property plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of verification is reasonable; The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) & (c) of the clause 3(iii) of the Order does not arise
- (iv) The Company has not granted any loans or under section 185, made any investment, provide any guarantee or security. Hence, the question of reporting under clause 3(iv) of the Order does not arise.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2019 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ In lakhs)	Forum where disputes pending
1	Central Excise Act, 1944	Excise Duty demand	April-2001 – Nov-2012	426.2	CESTAT
			Jul-13	7.56	CESTAT
2	Service Tax (Finance Act 1994) -	Service Tax and penalty. -	April-2005 – Sep-2009	14.92	CESTAT
			Sep-2004 – Aug-2013	452.45	CESTAT
			April-2003 – Mar-2005	188.42	CESTAT
			April-2011 – Mar-2013	222.57	CESTAT
			Sep-2013 – May-2015	117.57	CESTAT
			June-2015 – May-2016	1.25	CESTAT
			June-2016 – June-2017	8.79	Commissioner Office (SCN)
3	Central Excise Act, 1944 (Tamil Nadu)	Excise duty demand	Mar-08	23.16	Madras H.C.
4	Service Tax (Finance Act 1994)	Service Tax and penalty.	June 2009 – Feb 2010	3.84	CESTAT



Sr. No	Statutes	Nature of Dues	Period	Amount (₹ In lakhs)	Forum where disputes pending
5	Tamil Nadu VAT Act, 2006	VAT and penalty.	2010-2011	7.43	Deputy Commissioner (Commercial tax)
			2009-2010	0.61	Deputy Commissioner (Appeals)
			2010-2011	0.65	Deputy Commissioner (Appeals)
			2011-2012	1.99	Deputy Commissioner (Appeals)
			2012-2013	1.98	Deputy Commissioner (Appeals)
			2013-2014	10.48	Deputy Commissioner (Appeals)
			2014-2015	2.27	Deputy Commissioner (Appeals)
			2015-2016	3.72	Deputy Commissioner (Appeals)
			2014-2015	1.49	Deputy Commissioner (Appeals)
			2012-2013	1.99	Additional Commissioner
6	Income Tax Act, 1961	Income Tax, interest and penalty.	2007-2008	191.9	Commissioner of Income Tax (Appeal)
7	GST Act	Refund claim of CVD & SAD	2016-2017	68.96	High Court

- (viii) Based on our audit procedure and according to the information and explanation given to us, 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) nor any term loan during the period under audit. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period by the Company.
- (xi) The managerial remuneration has been paid/provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a chit fund or a Nidhi Company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.

- (xiii) The Company has complied with the provisions of sections 177 and 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date: April 26, 2019

Atul Shah
Partner
Membership No. 039569

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Supreme Petrochem Limited** (the Company) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No.104767 W

Atul Shah

Partner

Place: Mumbai

Date: April 26, 2019

Membership No. 039569



BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2019	As at 31-03-2018
ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	2	33,007.70	33,224.03
(b) Capital work-in-progress		2,375.87	965.13
(c) Other Intangible assets	3	104.83	116.45
(d) Financial assets			
(i) Loans	4	86.95	133.56
(ii) Other non-current financial assets	5	442.17	345.85
(e) Other non-current assets	6	773.98	920.33
Total non-current assets		36,791.50	35,705.35
2. Current Assets			
(a) Inventories	7	24,505.03	31,285.94
(b) Financial assets			
(i) Investment in Liquid scheme of Mutual Fund	8	25,079.61	11,060.26
(ii) Trade receivables	9	28,468.89	29,526.39
(iii) Cash and cash equivalents	10	3,300.99	12,326.94
(iv) Bank balances other than (iii) above	11	529.00	511.97
(v) Loans	12	80.31	70.63
(vi) Other current financial assets	13	171.86	270.87
(c) Current tax assets (net)		229.55	225.92
(d) Other current assets	14	2,929.86	8,590.95
Total current assets		85,295.10	93,869.87
TOTAL ASSETS		122,086.60	129,575.22
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	9,650.20	9,650.20
(b) Other equity	16	54,592.69	54,908.88
Total equity		64,242.89	64,559.08
LIABILITIES			
1. Non-Current Liabilities			
(a) Provisions	17	225.95	189.26
(b) Other non-current financial liabilities	18	361.40	307.99
(c) Deferred tax liabilities (net)	19	5,233.05	4,874.00
Total non-current liabilities		5,820.40	5,371.25
2. Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	20	47,411.61	57,082.16
(ii) Other current financial liabilities	21	2,411.30	1,379.14
(b) Other current liabilities	22	1,858.19	810.06
(c) Provisions	23	160.00	192.54
(d) Current tax liabilities (net)		182.21	180.99
Total current liabilities		52,023.31	59,644.89
TOTAL EQUITY AND LIABILITIES		122,086.60	129,575.22
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

Atul Shah
Partner
Membership No. 039569
Place : Mumbai
Date : April 26, 2019

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

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

Place : Mumbai
Date : April 26, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No	(₹ in Lakhs)	
		2018-2019	2017-2018
REVENUE			
Revenue from Operations			
Gross Sale		317,680.94	308,023.28
Other Operating Income		1,699.69	2,388.41
	24	319,380.63	310,411.69
Other Income	25	999.01	802.01
TOTAL REVENUE		320,379.64	311,213.70
EXPENSES			
Cost of materials consumed	26	196,097.12	183,491.97
Purchase of stock-in-trade	27	86,022.65	79,103.03
Excise Duty on sale of goods		–	7,751.18
Changes in inventories of finished goods and work-in-process	28	5,683.40	(727.94)
Employee benefits expenses	29	3,965.52	3,950.15
Finance costs	30	390.36	460.39
Depreciation and amortisation expenses	31	2,327.20	2,074.68
Other expenses	32	18,277.09	17,216.60
TOTAL EXPENSES		312,763.34	293,320.06
Profit Before Tax		7,616.30	17,893.64
Tax Expenses			
Current tax		2,335.81	6,175.00
Deferred tax		359.80	106.58
Profit After Tax		4,920.69	11,612.06
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(2.14)	(55.86)
Income tax relating to items that will not be reclassified to profit or loss		0.75	19.52
Total Comprehensive Income for the period		4,919.30	11,575.72
Earning per share (₹)			
Basic		5.10	12.03
Diluted		5.10	12.03
Nominal Value of Share			
		10.00	10.00
Significant Accounting Policies	1		

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

As per our report of even date.

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

Atul Shah
Partner
Membership No. 039569
Place : Mumbai
Date : April 26, 2019

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

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

Place : Mumbai
Date : April 26, 2019



STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

Particulars

A: EQUITY SHARE CAPITAL

For the year ended 31-03-2018

Balance as at 01-04-2017	Changes in equity share capital during the year	Balance as at 31-03-2018
9,650.20	–	9,650.20

For the year ended 31-03-2019

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

B: OTHER EQUITY

Particulars

	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
Opening balance as on 01-04-2017	1,563.46	37,258.12	9,845.71	(107.46)	48,559.83
Total Comprehensive Income for the year			11,612.06	(36.34)	11,575.72
Dividends including tax on dividends			(5,226.67)		(5,226.67)
Transfer to General Reserve		7,000.00	(7,000.00)		–
Balance at 31-03-2018	1,563.46	44,258.12	9,231.10	(143.80)	54,908.88

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

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

Atul Shah
Partner
Membership No. 039569
Place : Mumbai
Date : April 26, 2019

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

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

Place : Mumbai
Date : April 26, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before income tax	7616.30	17,893.64
Non-cash Adjustment to Profit Before Tax:		
Depreciation and amortisation expense	2327.20	2,074.68
Loss/(Gain) on disposal of property, plant and equipment	(23.45)	(48.93)
Ind As adjustment for loan to employees	10.12	21.74
Ind As adjustment for Rent	1.86	7.22
Allowance for expected credit loss	(88.54)	(20.50)
Provision for doubtful debts	0.00	556.77
Dividend and interest income classified as investing cash flows	(562.02)	(392.43)
Unwinding Interest	(16.51)	(20.77)
Finance costs	390.36	460.39
Net exchange differences	(791.55)	464.67
	1,247.48	3,102.84
Change in operating assets and liabilities :		
Decrease/(increase) in trade receivables	1108.76	722.59
Decrease/(increase) in inventories	6780.91	(700.22)
Increase/(decrease) in trade payables	(8,841.72)	13,569.64
Decrease/(Increase) in other financial assets	33.86	279.82
Decrease/(increase) in other non-current assets	(8.15)	(18.24)
Decrease/(increase) in other current assets	5659.22	(4,351.99)
Increase/(decrease) in provisions	2.01	(115.39)
Increase/(decrease) in Other Non-current financial liability	53.41	44.74
Increase/(decrease) in other financial liabilities	935.23	(543.22)
Increase/(decrease) in other current liabilities	1048.13	(2,333.09)
	6,771.66	6,554.64
Cash generated from operations	8,019.14	9,657.48
Direct taxes paid (net of refunds)	(2,338.21)	(6,279.92)
Net cash flow from/(used in) operating activities (A)	13,297.23	21,271.20
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	(3,236.15)	(1,896.42)
Payments for software development costs	(29.66)	(37.52)
Proceeds from sale of property, plant and equipment	30.69	86.03
Interest received	19.50	5.21
Dividends received	554.67	379.03
	(2,660.95)	(1,463.67)
Net cash flow from/(used in) investing activities (B)	(2,660.95)	(1,463.67)
Cash flows from financing activities		
Interest paid	(390.36)	(460.39)
Dividends paid to equity shareholders	(5,235.49)	(5,226.67)
	(5,625.85)	(5,687.06)
Net cash flow from/(used in) in financing activities (C)	(5,625.85)	(5,687.06)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,010.43	14,120.47
Effect of exchange differences on cash & cash equivalent held in foreign currency		
Cash and cash equivalents at the beginning of the year	23899.17	9,778.70
Cash and cash equivalents at the end of the year	28,909.60	23,899.17
Cash and cash equivalents comprises of :		
(i) Cash and cash equivalents	3300.99	12,326.94
(ii) Bank balance other than (i) above	529.00	511.97
(iii) Investment in liquid scheme of mutual fund	2509.61	11,060.26
Balance as per the cash flow statement :	28,909.60	23,899.17

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

Atul Shah
Partner
Membership No. 039569
Place : Mumbai
Date : April 26, 2019

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R. Kannan
Nihalchand Chauhan
Ameeta Parpia
Dr. S. Sivaram

Chairperson

Directors

Place : Mumbai
Date : April 26, 2019

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019****NOTE : 1****Corporate Information**

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

Authorisation of financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on **April 26, 2019**.

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

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

1.2. Basis of Preparation

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

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

Classification of Assets and Liabilities into current and Non-Current

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when :

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

All other liabilities are classified as non-current.

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

1.3. Use of judgements, estimates and assumptions

The preparation of the Company's financial statements required management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the

disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

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

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

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

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

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

1.4. Property, Plant and Equipment

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

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



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

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

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

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

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

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

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

1.5. Intangible Assets

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

Computer Software is amortised over a period of six years.

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

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

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

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

1.6. Impairment of non – financial assets

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

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

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

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

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

1.7. Inventories

Inventories are valued as under

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

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

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

1.8. Cash and cash equivalents

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

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

Cash Flow Statement

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

Bank Balances other than above

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

1.9. Non-current assets Held for Sale

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

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

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

1.10. Financial instruments

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

A. Financial Assets:

(i) Classification:

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

(ii) Initial recognition and measurement:

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



(iii) Financial assets measured at amortised cost:

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

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

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

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

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

(vi) Derecognition of financial assets:

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

A: Impairment of Financial Assets

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

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

B: Financial Liabilities

(i) Classification:

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

(ii) Initial recognition and measurement:

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

(iii) Subsequent measurement:

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

(iv) Loans and borrowings:

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

(vi) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(vii) Derivative Financial Instruments:

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

C: Offsetting of financial instruments

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

1.11. Fair value measurement

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

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

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

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

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

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

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

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

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

1.12. Borrowing cost

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

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

1.13. Provisions, Contingent liabilities, Contingent Assets

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



Contingent liabilities are disclosed in the case of :

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

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

1.14. Employee Benefits

A. Short Term Benefits

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

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

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

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

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

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

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

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

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

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

C. Defined Contribution Plans - Superannuation

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

D. Other Long-Term Employee Benefits – Compensated Absences

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

1.15. Revenue Recognition

The Company has adopted Ind AS 115 standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is nil.

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

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

Dividend Income

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

Export benefit

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

Interest Income

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

Insurance Income

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

Others

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

1.16. Taxes on income

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

Current Tax

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

Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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



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

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

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

1.17. Earnings per share

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

1.18. Segment Reporting

The operating segments have been identified on the basis of nature of products and same are accordingly evaluated by the Manager and Board of Directors. Company's primary operating segment is Styrenics business which accounts for over 96% of total business. Company also operates in masterbatches and compounds of other Polymers, and miscellaneous others. This activity shares manufacturing assets and facilities with compounds / masterbatches / coloured products of Styrenics, have similar pattern, customer profile and distribution channels as of compounds / masterbatches / coloured products of Styrenics and does not have separately identifiable discreet financial information. Masterbatches and Compounds of other Polymers have therefore been aggregated with Styrenics business. Masterbatches and Compounds of other Polymers and miscellaneous others account for less than 4% of total business and are individually below threshold of total sale revenue specified in Ind AS 108, Para 13. Company accordingly reports its financials under one segment 'Styrenics and allied products'.

1.19. Leases

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

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. 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.

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE : 2

Property Plant and Equipment

(₹ in Lakhs)

Particulars	GROSS BLOCK*				DEPRECIATION				NET BLOCK	
	As at April 01, 2017	Additions	Disposal	As at March 31, 2018	Upto April 01, 2017	Provided / Adjustments	Disposal	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Own Assets										
Land (Freehold)	3,539.43	231.75	-	3,771.18	-	-	-	-	3,771.18	3,539.43
Buildings	11,326.76	13.30	23.96	11,316.10	847.63	475.19	1.40	1,321.42	9,994.68	10,479.13
Plant and Machinery	21,957.58	1,270.23	6.40	23,221.41	2,798.44	1,431.92	2.92	4,227.44	18,993.97	19,159.14
Office equipments	41.42	6.21	0.06	47.57	22.24	4.94	-	27.18	20.39	19.18
Computers	206.32	101.82	0.06	308.08	74.84	54.83	-	129.67	178.41	131.48
Air-conditioners	25.76	3.94	0.52	29.18	11.42	5.48	0.35	16.55	12.63	14.34
Vehicles	183.24	43.82	20.52	206.54	34.46	25.95	9.75	50.66	155.88	148.78
Furniture and Fixtures	66.29	65.35	-	131.64	19.78	14.97	-	34.75	96.89	46.51
TOTAL	37,346.80	1,736.42	51.52	39,031.70	3,808.81	2,013.28	14.42	5,807.67	33,224.03	33,537.99

Note :

2.1. Buildings include ₹ 259.62 lakhs (previous year ₹ 283.58 lakhs) being cost of premises including cost of shares of the face value of ₹ 0.04 lakhs (Previous year ₹ 0.04 lakhs) in Co-operative Societies.

2.2. The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP

* On historical cost basis the gross block as on March 31, 2018 is ₹ 71,538.25 lakhs

Property Plant and Equipment

(₹ in Lakhs)

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

Note :

2.1. Buildings include ₹ 259.62 lakhs (previous year ₹ 259.62 lakhs) being cost of premises in Co-operative Societies including cost of shares of the face value of ₹ 0.04 lakhs (Previous year ₹ 0.04 lakhs).

2.2. The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP.

*On historical cost basis the gross block as on March 31, 2019 is ₹ 73429.54 lakhs



NOTE : 3

Other Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK *				AMORTISATION				NET BLOCK	
	As at April 01, 2017	Additions	Disposal	As at March 31, 2018	Upto April 01, 2017	Provided / Adjustments	Disposal	Upto March 31, 2018	As at March 31, 2018	As at March 31, 2017
Computer software	247.62	37.52	–	285.14	107.29	61.40	–	168.69	116.45	140.33
TOTAL	247.62	37.52	–	285.14	107.29	61.40	–	168.69	116.45	140.33

* On historical cost bases the gross block as on March 31, 2018 is ₹ 610.41 lakhs

Other Intangible Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK*				AMORTISATION				NET BLOCK	
	As at April 01, 2018	Additions	Disposal	As at March 31, 2019	Upto April 01, 2018	Provided / Adjustments	Disposal	Upto March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer software	285.14	29.65	–	314.79	168.69	41.27	–	209.96	104.83	116.45
TOTAL	285.14	29.65	–	314.79	168.69	41.27	–	209.96	104.83	116.45

*On historical cost basis the gross block as on March 31, 2019 is ₹ 640.06 lakhs

Range of remaining period of amortisation of intangible assets as on March 31, 2019 is as below:

	0 to 2 Years	3 to 5 Years	6 to 10 Years	Total WDV
Computer Software	13.80	85.06	5.97	104.83

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 4		
Loans - Non current		
Unsecured, Considered Good		
Loans to staff	86.95	133.56
	86.95	133.56
The above includes		
Loans to other officers of the Company	11.43	21.89
	11.43	21.89
NOTE : 5		
Other Non-Current Financial Assets		
Security deposit other than utility services	442.17	345.85
	442.17	345.85
NOTE : 6		
Other Non-Current Assets		
Capital advance		
Capital advance	509.67	664.16
Other than Capital advance		
Deposits with statutory authorities	83.72	85.63
Balance due from MIDC	129.39	129.39
Security deposit - utility services	41.82	39.97
Advance rent	9.38	1.18
	773.98	920.33

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 7		
Inventories		
Raw materials and packing materials	12,288.15	13,360.12
Stock-in-process	177.24	231.55
Finished goods	8,637.97	14,820.85
Finished goods in transit	1,834.63	1,280.85
Stores and spares	1,531.46	1,562.13
Fuel	35.58	30.44
	24,505.03	31,285.94

Note :

7.1. The Company does not have any stock which is expected to be sold in more than twelve months.

NOTE : 8

Investment in Liquid Scheme of Mutual Funds - Measured at FVTPL

HDFC Liquid Fund Dividend Reinvestments	5,018.06	–
Aditya Birla Sun Life Cash Plus-Daily Dividend -Regular Plan	5,015.06	4,026.52
DSP Black Rock Liquidity Fund-Regular Plan-Daily Dividend	–	4,031.57
IDFC Cash Fund-Daily Dividend-Regular Plan	–	3,002.17
SBI Premier Liquid Fund Inst. Daily Dividend	5015.68	–
Kotak Mahindra Liquid Scheme-DDR	5008.93	–
ICICI Institutional Liquid Fund	5021.88	–
	25,079.61	11,060.26

NOTE : 9

Trade Receivables

(Unsecured-Considered good)

Trade receivables	28,483.59	30,305.07
Less : Provision for doubtful debts	–	675.44
Less : Allowance for expected credit loss	14.70	103.24
	28,468.89	29,526.39

Note :

9.1. The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. Receivables supported by Dealer/Distributor agreements, letters of credit or other form of additional comfort are excluded. The expected credit loss allowance is based on the ageing of the days the receivables are due and recognises impairment loss allowance based on lifetime ECL's (Expected Credit Loss) at each reporting date, right from its initial recognition. The provision matrix at the end of the reporting period is as follows :

(₹ in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
Total Receivable	28,483.59	30,305.07
Trade Receivables not considered for ECL	20895.59	22,254.07
Others considered for ECL	7589.00	8,051



(₹ in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
Ageing		
Not Due	6594	7,242
0-90 days overdue	893	560
91-180 over due	76	42
181-270 over due	5	20
271-365 over due	1	130
366- 451 over due	10	29
451- 540 over due	0	0.07
541- 630 over due	0	0.39
> 631 days *	10	27
Movement in the expected credit loss allowance		
Balance at beginning of the year	103.24	123.74
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(88.54)	(20.50)
Balance at end of the year	14.70	103.24

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

*Includes

- (i) a sum of ₹ 10.00 lakhs (previous year ₹ 21.12 lakhs), where Company has won the legal case and the party has gone in for appeal to the high court

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 10		
Cash and Cash Equivalents		
Balances with banks		
– In Current accounts	1,951.56	3,981.93
– Deposits with original maturity less than 3 Months	–	8,100.59
Cheques on hand	1,339.71	235.31
Cash on hand	9.72	9.11
	3,300.99	12,326.94
NOTE : 11		
Other Balances with Banks		
Margin money deposits with banks	88.47	88.86
Earmarked balances with banks(unpaid dividend)	440.53	423.11
	529.00	511.97

11.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2019

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 12		
Loans - Current		
(Unsecured-Considered Good)		
Loans and advances to employees	80.31	70.63
	<u>80.31</u>	<u>70.63</u>
The above includes		
Loans to other officers of the Company	10.45	9.56
	<u>10.45</u>	<u>9.56</u>
NOTE : 13		
Other Current Financial Assets		
Insurance claim receivable	83.92	237.00
Derivative Asset	23.54	18.41
Interest receivable	64.40	15.46
	<u>171.86</u>	<u>270.87</u>
NOTE : 14		
Other Current Assets		
Advance license,DEPB benefits and others	578.42	850.29
Prepaid expenses	481.14	493.46
Advance recoverable in cash or in kind	281.39	474.37
Deposits with statutory authorities	79.09	87.84
Balances with statutory authorities	360.93	3,911.05
Receivable from statutory authorities	1,146.25	2,773.85
Advance rent	2.64	0.09
	<u>2,929.86</u>	<u>8,590.95</u>
NOTE : 15		
Share Capital		
Authorised		
125,000,000 (Previous Year 125,000,000) Equity Shares of ₹ 10 each	12500.00	12500.00
25,000,000 (Previous Year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 10 each	2500.00	2500.00
	<u>15000.00</u>	<u>15000.00</u>
Issued, Subscribed And Paid Up		
96,501,958 (Previous Year 96,501,958) Equity Shares of ₹ 10 each	9,650.20	9,650.20
	<u>9,650.20</u>	<u>9,650.20</u>

Note :

- 15.1. In the financial year 2008-2009, the Company bought back and extinguished 1537907 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9837.65 lakhs to ₹ 9683.86 lakhs.
- 15.2. In the financial year 2013-2014, the Company bought back and extinguished 336655 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9683.86 lakhs to ₹ 9650.20 lakhs.



15.3. The details of Shareholders holding more than 5% Shares :

Name of the Shareholder	As At 31-03-2019		As At 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
The Supreme Industries Limited	28936400	29.99	28936400	29.99
R. Raheja Investments Private Limited	28936400	29.99	28936400	29.99

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

Particulars	As At 31-03-2019		As At 31-03-2018	
	No. of Shares		No. of Shares	
Equity Shares at the beginning of the year	96501958		96501958	
Equity Shares at the end of the year	96501958		96501958	

15.5. 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.

15.6. 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.

In the Board meeting held on October 26, 2018, the board declared an amount of ₹ 1 per equity shares as a interim dividend which was distributed to equity shares holder. The amount of interim dividend distributed to equity shares holder was ₹ 1163.46 lakhs including corporate tax.

The Board of Directors, in their meeting on April 26, 2019, have proposed a final dividend of ₹ 2/- per equity share (Previous year ₹ 3.50/- per equity share) for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on July 12, 2019 and if approved would result in a cash outflow of approximately ₹ 2326.87 lakhs (previous year ₹ 4072.00 lakhs) (we don't have any treasury shares), including corporate dividend tax.

(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 16		
Reserves & Surplus		
Capital reserves	1,563.46	1,563.46
General reserves	46,758.12	44,258.12
Retained earnings	6,416.30	9,231.11
Other comprehensive income - remeasurement of defined benefit plans	(145.19)	(143.80)
	54592.69	54908.89
NOTE : 17		
Provisions - Non Current		
Provision for leave encashment	225.95	186.66
Provision for gratuity	—	2.60
	225.95	189.26
NOTE : 18		
Other Non-current Financial Liabilities		
Security deposits from distributors	361.40	307.99
	361.40	307.99

NOTE : 19

A. Movement In Deferred Tax Balances

(₹ in Lakhs)

Particulars	Net balance April 1, 2018	Recognised in profit or (loss)	Recognised in OCI	March 31, 2019		
				Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(5,301.89)	(69.68)		(5,371.57)		(5,371.57)
Employee benefits	158.19	(12.89)	0.75	146.05	146.05	
Trade receivables	270.08	(264.94)		5.13	5.13	
Other items	(0.38)	(12.28)		(12.66)		(12.66)
Deferred tax assets/(liabilities)	(4,874.00)	(359.80)	0.75	(5,233.05)	151.18	(5,384.23)
				March 31, 2018		
Particulars	Net balance April 1, 2017	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(5,079.63)	(222.26)		(5,301.89)		(5,301.89)
Inventories	42.22	(42.22)		-	-	
Employee benefits	167.82	(29.15)	19.52	158.19	158.19	
Trade receivables	83.89	186.19		270.08	270.08	
Other items	(1.24)	0.86		(0.38)		(0.38)
Deferred tax assets/(Liabilities)	(4,786.94)	(106.58)	19.52	(4,874.00)	428.27	(5,302.27)

(₹ in Lakhs)

Particulars	2018-2019	2017-2018
B. Income tax related to items charged or credited directly to profit or loss during the year		
Statement of profit or loss		
Current Income tax as per statement of profit & loss	2,335.81	6,175.00
Relating to amount payable towards time difference for advance tax payment tax pertaining to earlier years	(3.64)	36.85
	2,339.45	6,138.15
Particulars	For the year ended March 31, 2019	For the Year ended March 31, 2018
C. Reconciliation of effective tax rate		
Profit before tax	7,616.30	17,893.64
Applicable tax rate %	34.944%	34.608%
Income tax expenses	2,661.44	6,192.63
Effect of income that is exempt from taxation	(241.48)	(140.26)
Effect of expenses as that is non-deductible in determining taxable profit	157.10	110.87
Temporary changes in recognised deductible differences	(237.61)	(25.09)
	2,339.45	6,138.15



(₹ in Lakhs)

	As at 31-03-2019	As at 31-03-2018
NOTE : 20		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	53.47	–
Total outstanding dues of trade payable and acceptance other than micro enterprises and small enterprises	47,358.14	57,082.16
	<u>47,411.61</u>	<u>57,082.16</u>
NOTE : 21		
Other Current Financial Liabilities		
Creditors for Capital Goods	277.61	180.67
Salary and other benefit payable	32.28	42.11
Derivative liability	662.21	46.28
Unclaimed dividend	440.53	423.11
Others	998.67	686.97
	<u>2,411.30</u>	<u>1,379.14</u>
NOTE : 22		
Other Current Liabilities		
Statutory dues	1,313.78	194.85
Employee and contractor deduction	49.31	43.09
Advances from customers	495.10	572.12
	<u>1,858.19</u>	<u>810.06</u>
NOTE : 23		
Current Provisions		
Employee Benefit		
Provision for leave encashment	53.35	81.94
Provision for gratuity	106.65	110.60
	<u>160.00</u>	<u>192.54</u>
NOTE : 24		
Revenue From Operations		
Gross Sale (refer note. 37, 38, 39)	317,680.94	308,023.28
Other Operating Income		
Export benefit	1,083.38	1,991.83
Scrap sales	616.31	396.58
	<u>1,699.69</u>	<u>2,388.41</u>
Revenue from operations (Gross)	319,380.63	310,411.69

	(₹ in Lakhs)	
	2018-19	2017-18
NOTE : 25		
Other Income		
Interest Income		
Interest received on trade receivables	117.07	93.96
Interest received on bank fixed deposits	7.35	13.40
Interest received Others	35.29	119.41
Unwinding Interest	16.51	20.77
	<u>176.22</u>	<u>247.54</u>
Other Non-operating income		
Dividend (gross)	554.67	379.03
Miscellaneous income	156.13	106.01
	<u>710.80</u>	<u>485.04</u>
Others Gains		
Gain on sale of fixed assets (net)	23.45	48.93
Allowance for expected credit loss	88.54	20.50
	<u>111.99</u>	<u>69.43</u>
	<u>999.01</u>	<u>802.01</u>
NOTE : 26		
Cost of Materials Consumed		
Consumption Raw materials (including packing materials)	<u>196,097.12</u>	<u>183,491.97</u>
NOTE : 27		
Purchases Of Stock-In-Trade		
Petrochemicals	85,893.01	78,074.57
Others	129.64	1,028.46
	<u>86,022.65</u>	<u>79,103.03</u>
NOTE : 28		
Changes In Inventories Of Finished Goods And Stock-In-Process		
Inventories (at commencement)		
Finished goods	16,101.70	15,480.03
Stock-in-process	231.55	125.28
	<u>16,333.25</u>	<u>15,605.31</u>
Inventories (at close)		
Finished goods	10,472.60	16,101.70
Stock-in-process	177.25	231.55
	<u>10,649.85</u>	<u>16,333.25</u>
	<u>5,683.40</u>	<u>(727.94)</u>



(₹ in Lakhs)

	2018-19	2017-18
NOTE : 29		
Employee Benefit Expenses		
Salaries and wages	3,369.01	3,439.86
Contribution to provident and other funds	260.61	217.34
Contribution to gratuity and leave encashment	127.14	104.10
Staff welfare expenses	208.76	188.85
	3,965.52	3,950.15
NOTE : 30		
Finance Cost		
Interest		
Interest on short term loans	—	—
Interest others	279.50	378.11
Others		
Processing fees paid to banks	110.86	82.28
	390.36	460.39
NOTE : 31		
Depreciation And Amortisation Expenses		
Depreciation	2,285.93	2,013.28
Amortisation	41.27	61.40
	2,327.20	2,074.68
NOTE : 32		
Other Expenses		
Consumption of stores and spares	1,129.62	1,043.84
Power	3,594.36	3,183.36
Fuel	1,154.37	851.47
Repairs to building	236.76	175.14
Repairs to machinery	411.05	349.35
Repairs to others	382.01	434.13
Commission on sales	668.55	689.98
Carriage outward	5,742.06	5,357.99
Bad debts written-off	173.19	67.16
Provision for doubtful debts	—	556.77
Rent, rates and taxes	447.06	403.79
Directors' fees	31.18	29.93
Insurance	516.33	495.60
Auditors remuneration	33.10	31.40
Legal & Professional fees	351.33	292.57
Travelling & Conveyance	348.71	320.28
Advertisement, Publicity & Business Promotion	20.89	22.21
Corporate social responsibility expenses	340.65	185.75

(₹ in Lakhs)

	2018-19	2017-18
Royalty	13.80	206.33
Packing & Forwarding expenses	187.67	162.96
Miscellaneous expenditure	1,000.59	1,345.65
Net loss on foreign currency transaction and translation (Other than considered as financial cost)	1,493.81	1,010.94
	18,277.09	17,216.60
Payment to Auditors		
For audit fees	18.00	16.50
for taxation matters	8.77	9.80
For other services	2.58	1.35
For Limited review	3.75	3.75
	33.10	31.40
NOTE : 33		
As per Ind AS 19 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below		
A. Gratuity		
I. Assumptions		
Discount Rate (Current)	7.77%	7.73%
Rate of return on Plan Assets Current Year	7.77%	7.73%
II. Changes in the defined benefit obligation :		
Liability at the beginning of the year	948.40	810.26
Interest cost	73.31	59.88
Current Service cost	33.91	36.54
Benefits paid	(57.48)	(19.32)
Actuarial (gains)/losses on obligations Due to Change in Demographic Assumption	—	—
Actuarial (gains)/losses on obligations Due to Change in Financial Assumption	(1.83)	(14.71)
Actuarial (gains)/losses on obligations Due to Experience	6.04	75.75
Liability at the end of the year (a)	1,002.35	948.40
III. Changes in the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	835.20	642.28
Expected return on plan assets	64.56	47.46
Employer's contributions	51.36	159.59
Actuarial (gains)/losses on plan assets		
Benefits paid	(57.48)	(19.31)
Return on plan assets, Excluding Interest Income	2.07	5.18
Fair value of plan assets at the end of the year (b)	895.71	835.20
IV. Balance Liability (a-b)	106.65	113.19
V. Actual Return on plan Assets :		
Expected return on plan assets	64.56	47.46
Remeasurement gains/(losses) on plan assets	2.07	5.18
Actual return on plan assets	66.62	52.64



(₹ in Lakhs)

	2018-19	2017-18
VI. Expenses Recognised in Statement of Profit and Loss :		
Current Service Cost	33.91	36.54
Interest Cost	8.75	12.41
Expenses recognized in Profit & Loss	42.66	48.95
VII. Expenses Recognised in the Other Comprehensive Income (OCI) :		
Actuarial gains/(losses) on Obligation for the period	4.21	61.04
Return on plan assets, Excluding Interest Income	(2.07)	(5.18)
Expenses recognized in Other Comprehensive Income (OCI)	2.14	55.86
VIII. The Categories of plan assets as a percentage of total plan are as follows :		
Insurer managed funds	100%	100%

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

(₹ in Lakhs)

Particulars	2019	2018	2017	2016	2015
Defined benefit obligation	1,002.35	948.40	810.26	668.51	528.03
Plan assets	895.71	835.20	642.28	560.87	501.64
(Surplus)/deficit	106.65	113.20	167.98	107.64	26.39
Experience adjustments on plan liabilities	6.04	75.75	51.48	32.15	97.50
Remeasurement gain/(loss) on plan assets	2.07	5.18	10.84	0.75	(8.51)

B. Leave Encashment

The valuation of Leave Encashment has been done on exit as well as availment during the service. This liability forms part of other long term benefits as per the standard and does not require disclosures as mentioned in Para 158 of the Ind AS 19.

C. Provident Fund

The provident fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no shortfall as at 31st March, 2019.

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

Average holding period of assets	5 Years
Guaranteed rate	8.65 %

NOTE : 34

Financial Instruments : Accounting classifications, Fair value measurements

March 31, 2019

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	28,468.89	–	–	28,468.89	–	–	–
Loans and Advances							
Security deposits	442.17	–	–	442.17	–	–	442.17
Loans to employees	167.26	–	–	167.26	–	–	167.26
Derivative assets	23.54	23.54	–	–	23.54	–	–
Investments	25,079.61	25,079.61	–	–	25,079.61	–	–
Cash on hand	9.72	–	–	9.72	–	–	–
Bank Balances & cheques on hand	3,291.27	–	–	3,291.27	–	–	–
Other Bank Balance	529.00	–	–	529.00	–	–	–
Other Financial assets	148.32	–	–	148.32	–	–	–
	58,159.78	25,103.15	–	33,056.63	25,103.15	–	609.44
		Carrying Value	Classification		Fair Value		
			FVTPL	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities							
Trade payables		47,411.61	–	47,411.61	–	–	–
Other financial liabilities							
Security deposits		361.40	–	361.40	–	–	361.40
Derivative liability		662.21	662.21	–	662.21	–	–
Other financial Liability		1,749.09	–	1,749.09	–	–	–
		50,184.31	662.21	49,522.10	662.21	–	361.40

March 31, 2018

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	29,526.39	–	–	29,526.39	–	–	–
Loans and Advances							
Security deposits	345.85	–	–	345.85	–	–	345.85
Loans to employees	204.19	–	–	204.19	–	–	204.19
Derivative assets	18.41	18.41	–	–	18.41	–	–
Investments	11,060.26	11,060.26	–	–	11,060.26	–	–
Cash on hand	9.11	–	–	9.11	–	–	–
Bank Balances & cheques on hand	12,317.82	–	–	12,317.82	–	–	–
Other Bank Balance	511.97	–	–	511.97	–	–	–
Other Financial assets	252.46	–	–	252.46	–	–	–
	54,246.46	11,078.67	–	43,167.79	11,078.67	–	550.04
		Carrying Value	Classification		Fair Value		
			FVTPL	Amortised Cost	Level 1	Level 2	Level 3
Financial Liabilities							
Trade payables		57,082.16	–	57,082.16	–	–	–
Other financial liabilities							
Security deposits		307.99	–	307.99	–	–	307.99
Derivative liability		46.28	46.28	–	46.28	–	–
Other financial liability		1,332.85	–	1,332.85	–	–	–
		58,769.28	46.28	58,723.00	46.28	–	307.99



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 2019		31 March 2018	
1% Increase / decrease in USD	(48.87)	48.87	164.87	(164.87)
1% Increase / decrease in EURO	0.91	(0.91)	(1.79)	1.79
1% Increase / decrease in CHF	0.09	(0.09)	-	-

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 : 35

Financial Risk management:

The Company's activities expose it to variety of financial risks viz. commodity price risk, credit risk, liquidity risk, capital risk and foreign currency risk. These risks are managed by the senior management of the Company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the Company.

Commodity Risk:

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

Credit Risk:

Credit risk from cash and cash equivalents, derivative financial instruments and bank deposits is considered immaterial in view of the creditworthiness of the banks the Company works with. The Company has specific policies for managing customer credit risk on an ongoing basis; these policies factor in the customer's financial position, past experience and other customer specific factors.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company makes provision for doubtful debt or write off when a debtor fails to make contractual payments greater than two years past due. When loans or receivables have either been provided for or written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in Statement of Profit and Loss.

Liquidity Risk:

The Company needs to ensure that at all times, it meets its payment obligations on time. The table below summarises the Company's liquidity position and its preparedness for likely variations in the liquidity:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Cash, Cash equivalents & bank balances (note: 10)	3,300.99	12,326.94
Investments in liquid scheme of mutual funds (note: 8)	25,079.61	11,060.26
Undrawn fund based credit facilities from banks	14,500.00	25,100.00
Liquidity buffer	42,880.60	48,487.19
Borrowings from Banks and Financial Institutions	-	-

The Company is debt free and has, adequate liquidity as detailed above, to meet any exigencies. In addition to the undrawn fund based credit limits, the Company also has recourse to discount trade receivables backed by letters of credit. These measures are considered by the management adequate to ensure that the Company is not exposed to any liquidity risk.

Capital Risk Management:

The Company's Capital Risk management policy objective is to ensure that at all times, it remains a going concern and safeguard interests of its shareholders and other stakeholders.

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Net Financial Debt	–	–
Total Equity	64,242.89	64,559.08
Total Capital Employed	69,475.94	69,433.08
Gearing Ratio	–	–

The Company's total owned funds of ₹ 64,242.89 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, 2019		March 31, 2018	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
Financial Assets				
Receivables in				
US Dollars	52,51,970.11	3,632.00	33,47,852.94	2,168.57
Euro	1,19,022.33	92.45	2,59,506.53	207.90
Financial Liabilities				
Payables in				
US Dollars	6,37,68,877.77	44,099.37	8,12,77,273.41	52,558.53
Euro	2,324.00	1.81	36,192.50	28.89
CHF	13,200.00	9.17	–	–
Derivative Contracts				
Forward/Options Contracts for payables in USD	5,15,72,461.81	–	52,428,376	–
Forward Contracts for receivables in USD	–	–	–	–

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 : 36

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
(1) Contingent liabilities		
(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.	1,669.04	1,735.93
Disputed Sales Tax demand	31.82	32.70
Disputed CVD refund	68.96	–
Disputed Income Tax liability (matters under appeal)	–	23.03
(B) Counter guarantees given to banks against guarantees issued by the banks.		
Other bank guarantees.	394.95	394.95
(C) Other money for which the Company is contingently liable		
Letter of Credit opened by Bankers' and outstanding at the year end.	22,869.19	24,283.89
Bills discounted but not matured.	811.97	707.96
(2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	654.00	471.84



The management has estimated the provisions for pending litigation, claims and demands (including cases relating to direct and indirect taxes) on its assessment of probability for these demands crystallizing against the Company in due course. The difference between the amount demanded and provision made is disclosed as contingent liabilities.

NOTE : 37**Impact of implementation of Goods and Services Tax (GST) on the financial statements**

In accordance with Ind AS 115 on “Revenue” and Schedule III to the Companies Act, 2013, Sales for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT). Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 115. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial statements for the year ended March 31, 2019 and in particular, sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales, are not comparable with the figures of the previous year.

In accordance with the requirement of Ind AS 115, sales for the year ended March 31, 2019 is net of Goods and Service Tax (GST). Sales for year ended March 31, 2018, is net of GST and inclusive of excise duty for the period April 1, 2017 to June 30, 2017. The sales figures for the year 2018–19 are strictly not relatable to the sales for the year 2017-18. The following additional information is being provided to make it comparable.

	(₹ in Lakhs)	
Particulars	2018-19	2017-18
Gross sales (A)	3,17,680.94	3,08,023.28
Less : Excise duty (B)	–	7,751.18
Sales excluding excise duty (A- B)	3,17,680.94	3,00,272.10

NOTE : 38

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

	(₹ in Lakhs)	
Description	2018-19	2017-18
Styrenics	2,99,012.00	296,616.42
Masterbatches, Compounds of other Polymers	10,941.89	6,123.03
Others	7,727.05	5,283.83
Total	3,17,680.94	3,08,023.28

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

	(₹ in Lakhs)	
Description	2018-19	2017-18
Within India	2,71,865.20	2,58,539.74
Outside India	45,815.74	49,483.54
Total	3,17,680.94	3,08,023.28

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

NOTE : 39**Revenue from Contract with Customers as per disclosure requirements under Ind AS 115.**

The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sales invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued there after are reduced from Gross Sales and the Net Sales is shown in the Statement of Profit and Loss. Debit note when issued towards

interest on delayed payment, are included under Other Income and shown separately. Both debit and credit notes are subject to GST. Details of the revenue from contracts with customers as it appears in the invoices raised on Customers and credit notes issued thereafter are as below:

			(₹ in Lakhs)	
Sr No.		2018-19	2017-18	
1.	Revenue from contracts with customers	3,20,011.41	3,02,065.24	
	Less:			
2.	Performance & Price Discounts as per Memorandum of Understanding.	1,150.58	366.54	
3.	Other Discounts as per Trade practices	1,179.89	1,426.60	
	Add:			
4.	Excise Duty Included in Sales	-	7,751.18	
Gross Sales as per statement of Profit and Loss		3,17,680.94	3,08,023.28	

NOTE : 40

Ind AS 116

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 116 Leases which replaces the existing Ind AS 17 Leases. The new standard will come into force from April 1, 2019.

The core principle of the new standard lies in identifying whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The new standard modifies the accounting of leases in the books of lessee. At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability, for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The accounting for leases in the books of the lessor is substantially similar to the requirements of Ind AS 17.

The standard allows for two methods of transition: the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or the modified retrospective approach, under which the date of initial application of the new leases standard, lessees recognize the cumulative effect of initial application as an adjustment to the opening balance of equity as of annual periods beginning on or after April 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2019, will not be retrospectively adjusted. The cumulative effect of the initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Company has taken on lease certain office premises and warehouses, which may fall under the scope of Ind AS 116. On a preliminary assessment effect on adoption of Ind AS 116 is assessed to be of limited impact on the financials of the Company.

NOTE : 41

Investments

Investments in the Balance Sheet comprises of short term surplus funds invested in liquid schemes of Mutual Funds which are measured at fair value through Profit and Loss.

NOTE : 42

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 immoveable properties (including plant and machinery) situated at the Maharashtra & Tamil Nadu plants. Refer Note 7 for inventories, Note 9 for trade receivables and Note 2 for immovable properties.

NOTE : 43

The settlement of the loss/damage to the assets at the EPS plant in Tamil Nadu due to floods in December 2015 is completed. Against Company’s claim of ₹ 977 lakhs, Insurance Company approved a claim of ₹ 819.28 lakhs.



NOTE : 44

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" is given below:

a) Names of the related parties and description of relationship:

Sr. No.	Particulars	Name of the Party
1	Entities having significant influence	The Supreme Industries Ltd. R. Raheja Investments Pvt. Ltd.
2	Key Management Personnel	
	A. Non-Executive Directors	Shri M. P. Taparia Shri Rajan B. Raheja Shri B. L. Taparia Shri S. J. Taparia Shri R. Kannan Shri M. S. Ramachandran Shri Nihalchand Chauhan Miss Ameeta Parpia Dr. S. Sivaram
	B. Others	
	Manager	Shri N. Gopal (From 01.05.2018)
	Chief Finance Officer	Shri Rakesh Nayyar
	Company Secretary	Shri D. N. Mishra (From 6.10.2018)
	Company Secretary	Shri R. V. Kuddyady (Up to 30.09.2018)

Related parties transactions

Sr. No.	Nature of transactions	₹ in Lakhs	
		2018 - 19	2017 - 18
1. *	Entities having significant influence The Supreme Industries Ltd.		
A.	Sale of Goods (Net)	4,868.07	2,988.14
B.	Purchase of goods	73.64	116.27
C.	Balance receivable (Sales of goods)	173.00	214.14
D.	Balance payable (Purchase of goods)	3.66	–
2. *	R. Raheja Investments Pvt. Ltd.	–	–
	* All Transactions are on commercial basis at market rates.		
3.	Directors sitting fees		
A.	Shri M. P. Taparia (Non-Executive - Promoter/Chairperson)	2.80	2.50
B.	Shri Rajan B. Raheja (Non-Executive - Promoter)	2.50	2.50
C.	Shri B. L. Taparia (Non-Executive - Promoter)	1.50	2.50
D.	Shri S. J. Taparia (Non-Executive - Promoter)	4.30	4.00
E.	Shri R. Kannan (Non-Executive - Independent)	5.10	4.50
F.	Shri M. S. Ramachandran (Non-Executive - Independent) #	3.30	2.00
G.	Shri Nihalchand Chauhan (Non-Executive - Independent)	2.90	4.20
H.	Miss Ameeta Parpia (Non-Executive - Independent)	4.80	4.50
I.	Dr. S. Sivaram (Non-Executive - Independent)	3.00	3.00
	# 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	Short term employment benefit ##	469.39	482.39
2	Post employment benefit.	3.00	3.00

Shri N. Gopal from May 1, 2018 onwards

Shri R. V. Kuddyady retired on September 30, 2018

Shri D. N. Mishra Company Secretary from October 6, 2018

Dividend

(₹ in Lakhs)

Sr. No.	Nature of Transactions	2018 - 19	2017 - 18
1	Dividend paid on Equity Shares		
	The Supreme Industries Ltd. Entity having significant influence	1,302.00	1,302.00
	R. Raheja Investments Pvt. Ltd. Entity having significant influence	1,302.00	1,302.00
	Key Management Personnel		
	Shri M. P. Taparia Director	1.70	1.70
	Shri B.L. Taparia Director	0.22	0.22
	Shri S. J. Taparia Director	1.70	1.70
	Shri Rajan B. Raheja Director	0.02	0.02
	Miss Ameeta Parpia Director	0.99	0.99
	Shri N. Gopal Manager	0.72	0.72
	Shri Rakesh Nayyar Chief Finance Officer	0.02	0.02
	Shri Ravi V. Kuddyady Company Secretary	0.02	0.02

NOTE : 45

Leasing - Operating Lease

(₹ in Lakhs)

Sr. No.	Particulars	2018 - 19	2017 - 18
1.	Obligations on non cancellable leases		
	A) Not later than one year.	112.36	284.75
	B) Later than one year and not later than five years.	255.61	348.02
2.	Lease rental expenses in respect of operating lease.	360.17	303.51

NOTE : 46

(₹ in Lakhs)

Particulars	2018 - 19	2017 - 18
Earnings per share (EPS)		
Profit after tax	4,920.69	11,612.06
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)	5.10	12.03
Profit after tax for computing Diluted EPS	4,920.69	11,612.06
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)	5.10	12.03

**NOTE : 47**

According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2019 as follows:

Particulars	(₹ in Lakhs)	
	2018 - 19	2017 - 18
Principal Amount due	53.47	—
Interest due on above	—	—
Amount of interest paid in terms of section 16 of the MSMED 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 interest remaining due and payable in the succeeding year	—	—

NOTE : 48

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 : ₹ 360.22 lakhs (Previous Year ₹ 278.38 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	58.91 (122.46)	63.67 (—)	122.58 (122.46)
(B) On purposes other than (A) above	218.06 (63.29)	— (—)	218.06 (63.29)
Total	276.97 (185.75)	63.67 (—)	340.64 (185.75)

NOTE : 49

Previous year's figures have been regrouped and rearranged wherever necessary to conform to this period's classification.

As per our report of even date.

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

Atul Shah
Partner
Membership No. 039569
Place : Mumbai
Date : April 26, 2019

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

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

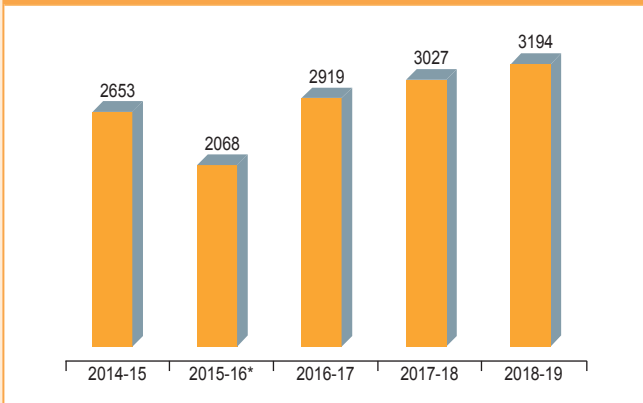
Chairperson

Directors

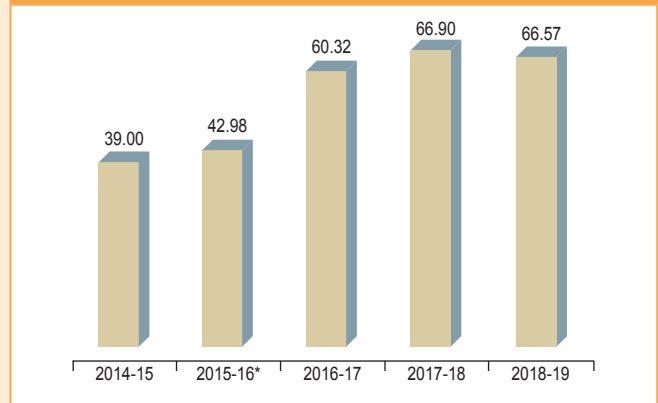
Place : Mumbai
Date : April 26, 2019

FINANCIAL HIGHLIGHTS

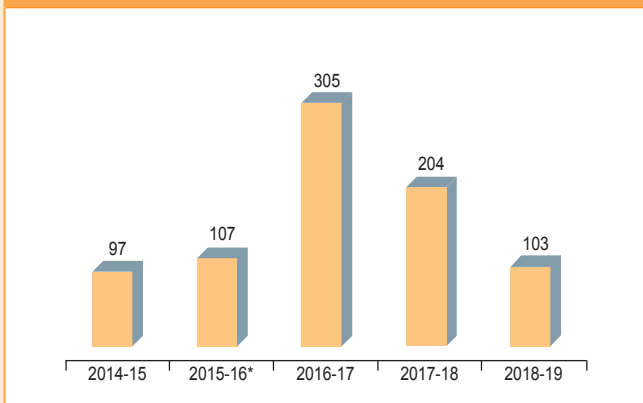
Sales Revenue (₹ Cr.)



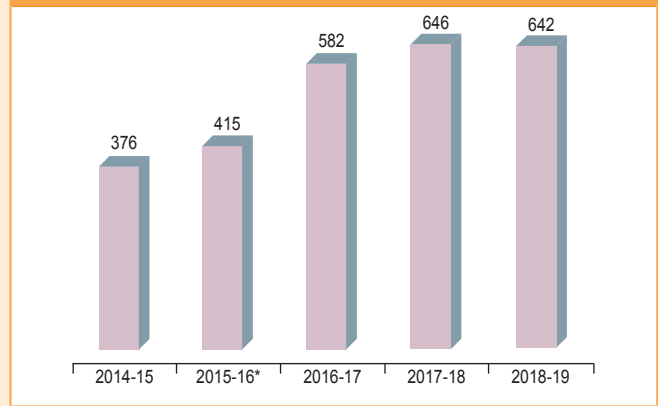
Book Value Per Share (₹)



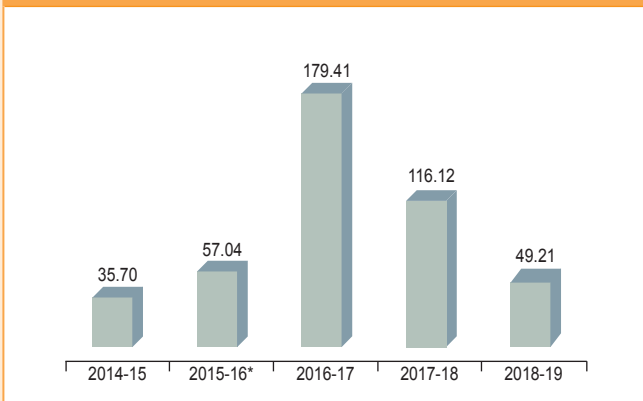
EBIDTA (₹ Cr.)



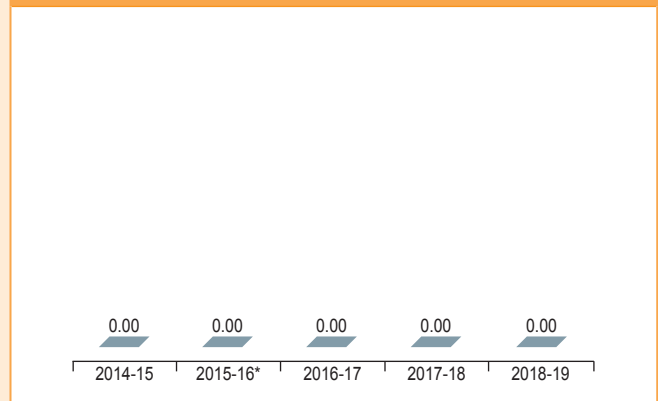
Net Worth (₹ Cr.)



Net Profit (₹ Cr.)



Debt : Equity



*Year 2015-16 comprises of 9 Months.



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, Maharashtra, India.**

Website: www.supremepetrochem.com