

SH/13/2018
02nd July, 2018

The Secretary,
BSE Limited
Market-Operation Dept.,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J. Towers,
Dalal Street, Fort,
MUMBAI - 400023.

Ref.: Annual Report for the Financial Year 2017-2018.

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find attached Annual Report for the Financial Year 2017-2018.

This is for your information and records.

Thanking you,

Your faithfully,
For The Supreme Industries Limited



(R.J. Saboo)
AVP (Corporate Affairs) &
Company Secretary



Encl.: a/a.

The Supreme Industries Limited

Regd. Off. : 612, Raheja Chambers, Nariman Point, Mumbai-400 021. INDIA
CIN : L35920MH1942PLC003554 **PAN :** AAAC1344F

Corp. Off. : 1161 & 1162, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri- Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093. INDIA
☎ +91 (022) 67710000, 40430000 📠 +91 (022) 67710099, 40430099 ✉ sil_ho@supreme.co.in 🌐 www.supreme.co.in

+91 (022) 22820072, 22851656
+91 (022) 22851657, 30925825
sil_narimanpoint@supreme.co.in ✉

76th

2017-18

ANNUAL REPORT

Supreme[®]
People who know plastics best

SCALING NEW HEIGHTS



PERSEVERANCE

DETERMINATION

INNOVATION



SCALING NEW HEIGHTS

PERSEVERANCE
DETERMINATION
INNOVATION

There's an old adage that says you can't defeat a person who refuses to quit. It is easy to dream but the path to turn it into reality is usually a long, treacherous one - a path that tests your determination, forces you to experiment, to innovate, and most times, brings you to a point when you wish to give it all up - but it is your determination, and your spirit of perseverance that pushes you on to take the challenges head on - and finally turn your dreams into living, breathing realities.

As a leader, Supreme firmly believes that growth comes from innovation, determination and perseverance; qualities that the group has always demonstrated in good measure.

With this philosophy in mind, Supreme Group is continually getting better and stronger with each passing year...scaling new heights in every facet of its operations. The company is lauded for its various attributes of excellence from product development and quality consciousness to corporate social responsibility, and from exports performance to occupational safety.

Over the last 75 years, Supreme has conquered new horizons and spread its footprints pan - India, with a vast network of manufacturing plants, offices and distributor/dealer network.

The journey of Supreme is an inspiring one - our achievements & accolades during the period are illustrious and showcase how innovation, determination and perseverance have helped us scale new heights and sustain our leadership status in the industry.

At Supreme, we have always raised the benchmarks of performance, to add better value to the society and the nation - as a pioneer, creator, leader and a responsible citizen.



Performance Highlights

(₹ In Lacs)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Market Capitalization	64,263	143,261	229,919	283,206	428,144	663,779	857,749	939,554	1,387,959	1,516,764
Polymers Processed (MT)	172,746	191,704	224,673	245,700	281,452	285,539	303,812	242,968	359,930	366,714
Product Sales (MT)								235,306	340,906	371,176
Sales	180,900	217,159	266,553	318,462	374,608	434,333	469,138	332,776	499,896	510,517
Less: Excise Duty	15,707	16,586	22,980	29,532	38,796	43,851	47,239	36,770	53,719	13,914
Net Sales	165,193	200,574	243,573	288,930	335,812	390,483	421,899	296,006	446,177	496,603
Other Income	905	1,622	4,295	4,917	4,884	6,751	4,246	1,082	802	1,778
Total Income	166,097	202,195	247,868	293,847	340,697	397,234	426,145	297,088	446,979	498,381
Operating Profit	24,699	30,556	36,709	48,282	53,940	59,903	67,265	47,171	76,961	80,432
Interest	5,456	3,303	4,250	5,480	5,235	7,614	5,795	2,888	3,024	2,192
Gross Profit	19,243	27,254	32,459	42,802	48,705	52,288	61,470	44,283	73,937	78,240
Depreciation	5,252	5,292	6,285	7,246	8,171	10,154	13,895	10,457	15,429	16,715
Profit Before Tax & Exceptional Items	13,991	21,962	26,175	35,556	40,535	42,135	47,575	33,826	58,508	61,525
Tax	(4,251)	(7,489)	(8,773)	(11,504)	(13,299)	(13,998)	(16,004)	(11,765)	(20,578)	(20,570)
Profit after Tax	9,740	14,473	17,401	24,052	27,235	28,137	31,571	21,292	37,930	40,955
Other Comprehensive Income					-	-	-	(143)	(213)	(62)
Total Comprehensive Income	9,739	14,483	17,497	24,052	27,235	28,137	31,571	21,149	37,717	40,893
Paid up Equity Capital (FV ₹ 2)	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541
Reserves and Surplus*	25,991	35,137	46,279	61,472	77,581	93,828	120,692	119,673	152,804	170,764
Shareholders' Funds	28,531	37,677	48,819	64,013	80,122	96,369	123,233	122,214	155,345	173,305
Net Loan (After Adjusted Surplus In CC Account)	41,044	37,778	50,167	34,352	45,396	45,188	27,651	41,209	22,836	24,508
Long Term Loans	29,142	18,570	27,487	20,226	29,274	34,998	29,622	24,826	6,406	135
Deferred Tax Liability (Net)	6,428	6,984	7,954	8,326	9,065	11,675	9,058	10,548	11,626	11,340
Capital Employed**	64,102	63,232	84,260	92,565	118,461	143,042	161,913	157,588	173,377	184,780
Net Fixed Assets***	54,024	56,118	74,027	73,805	102,645	108,790	103,250	118,467	126,330	135,338
Basic & Diluted Earning Per Share (Before exceptional income/loss)	8	11	14	19	21	22	25	17.37#	30	32
Basic & Diluted Earning Per Share (After exceptional income/loss)	8	11	14	19	21	22	25	16.76#	30	32
Cash Earning Per Equity Share (₹)	12	16	19	25	28	30	36	25	42	45
Book Value (₹)	22	30	38	50	63	76	97	96	122	136
Dividend (%)	120	180	215	300	375	400	450	375	750	600
ROACE (PBIT / Average Capital Employed)% **** ^	27.83	38.09	39.80	44.69	40.03	34.81	33.15	29.23	36.24	34.70
ROANW (PAT / Average Net Worth) % ^	36.55	43.72	40.24	42.63	37.79	31.88	28.75	23.13	27.33	24.92
Debt : Equity (Long Term Debt / Total Net worth)	1.02	0.49	0.50	0.29	0.36	0.36	0.24	0.20	0.04	-
Debt: Equity (Total Debt / Total Net Worth)	1.46	1.03	1.05	0.54	0.58	0.47	0.22	0.34	0.15	0.14

* Excluding revaluation reserves

** Shareholders' funds + Long Term Loans + Deferred Tax Liability

*** Excluding revaluation reserve & Capital work in Progress & Assets held for disposal

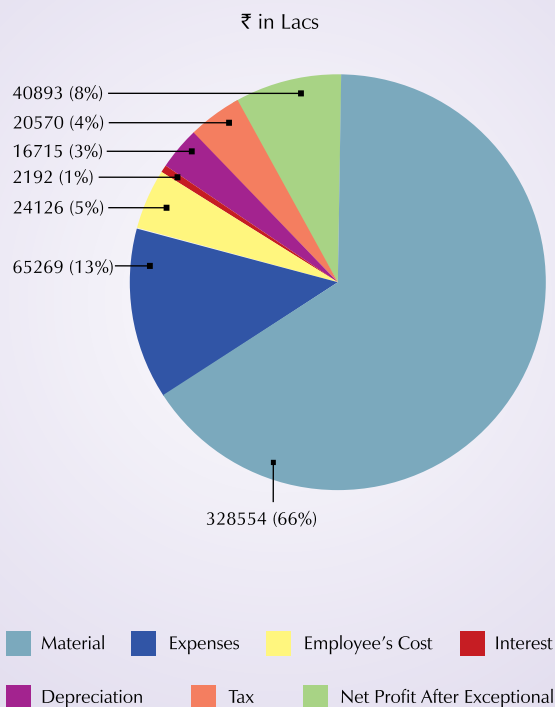
**** ROACE = PBIT (Interest is excluding interest on working capital loans & unsecured loans) / Avg. Capital employed

Figure Not Annualised

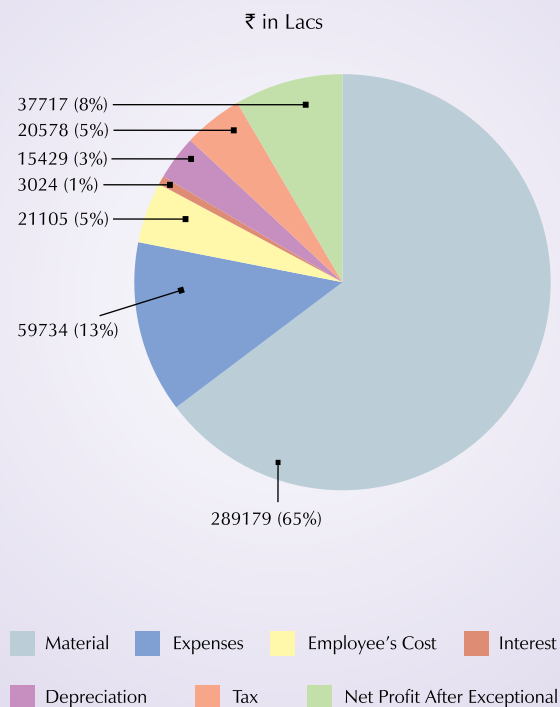
^ FY 2015-16 Figures Annualised

Previous year figure have been regrouped where ever required.

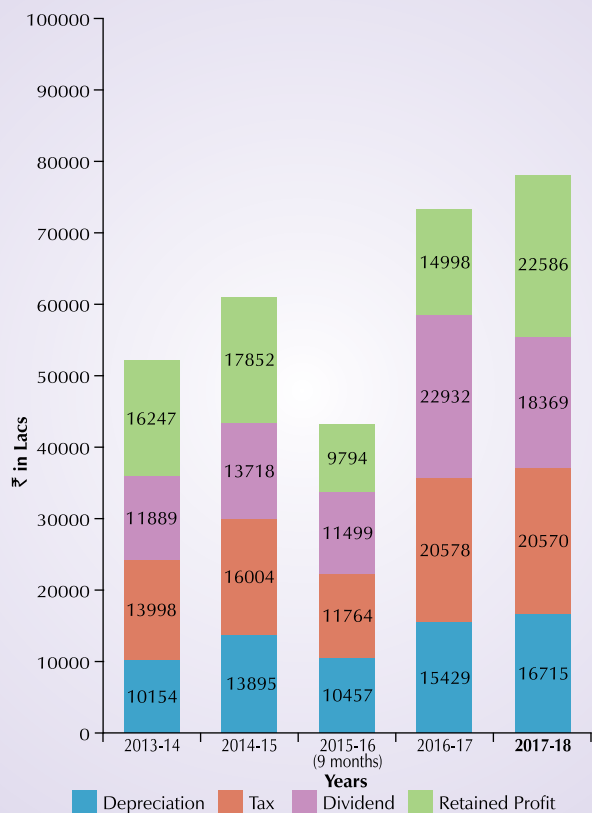
Distribution of Revenue 2017-18



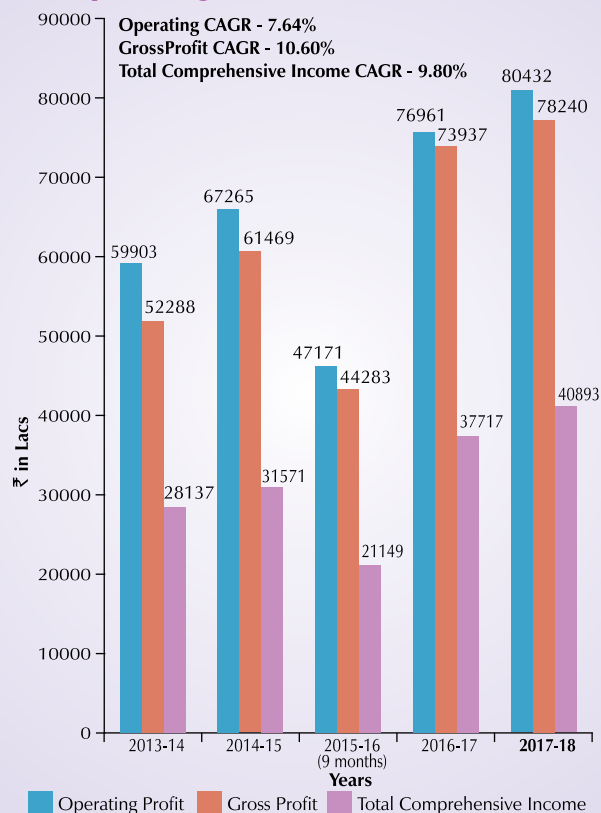
Distribution of Revenue 2016-17



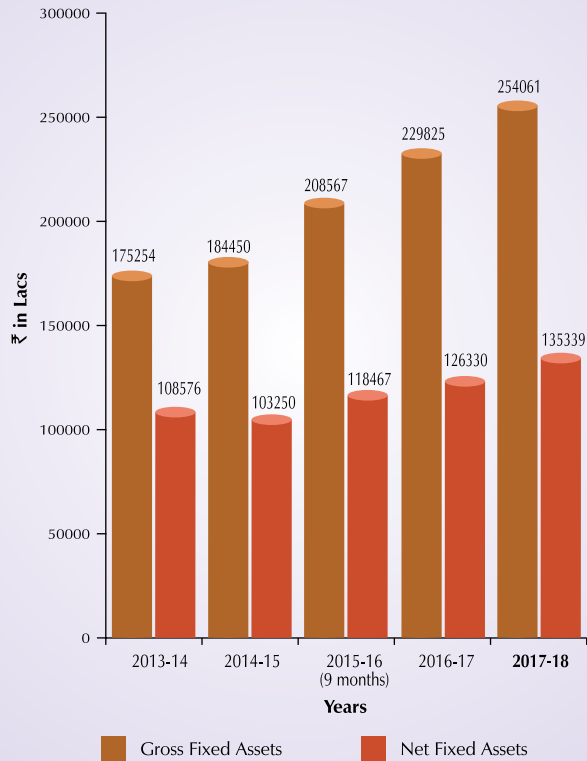
Distribution of Profit



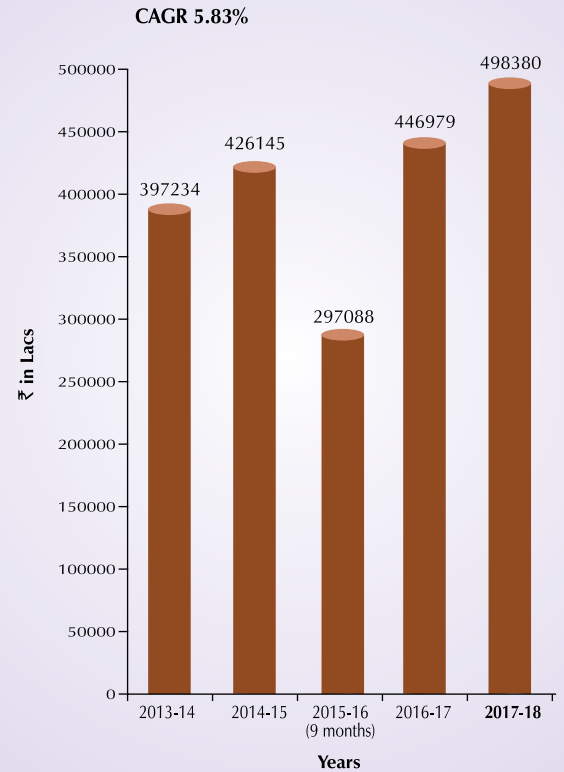
Operating, Gross and Net Profits



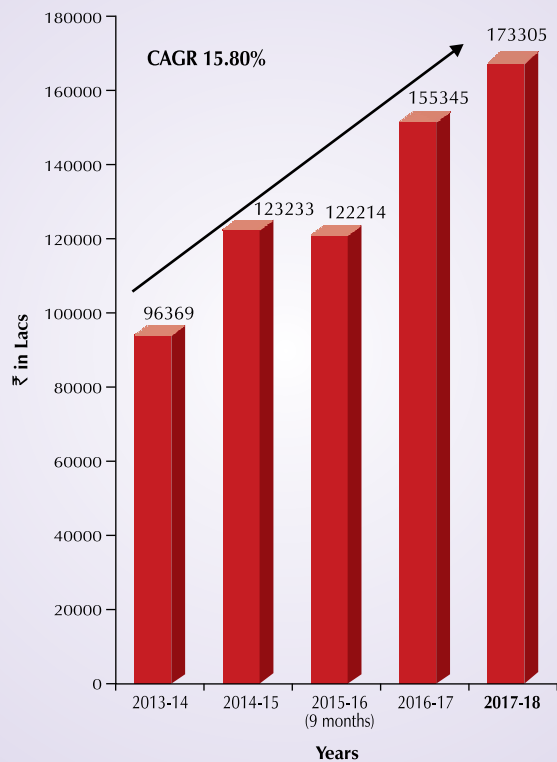
Gross and Net Fixed Assets



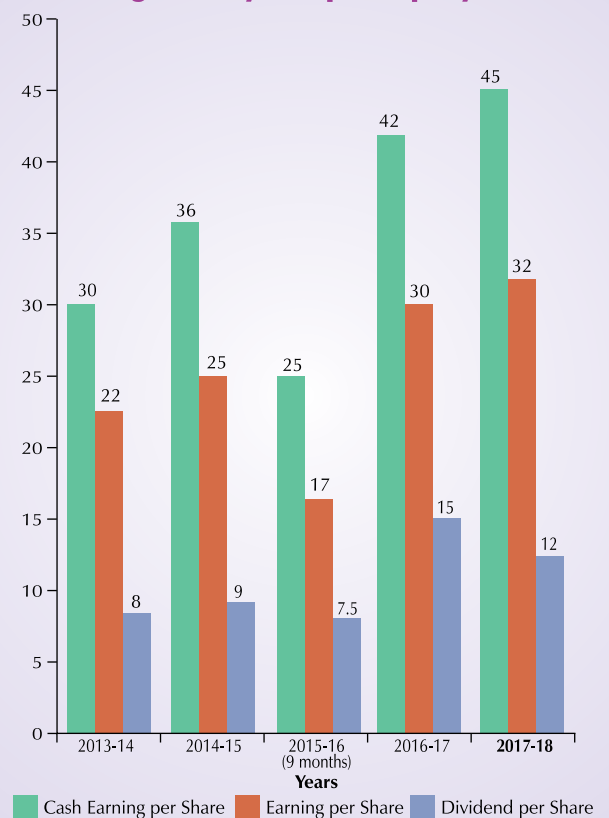
Total Income



Shareholders' Funds



Earnings & Pay out per Equity Share





**SUPREME STALL AT PLASTINDIA 2018
GANDHINAGAR, GUJARAT, INDIA**



**NOIDA PLANT RECEIVED AWARD
FOR TPM EXCELLENCE CATEGORY A - 2017**

Company Information

BOARD OF DIRECTORS

B. L. Taparia, Chairman
M. P. Taparia, Managing Director
S. J. Taparia, Executive Director
V. K. Taparia, Executive Director
B. V. Bhargava, Director
N. N. Khandwala, Director
Y. P. Trivedi, Director
R. Kannan, Director
R. M. Pandia, Director
Smt. Rashna Khan, Director

BANKERS

Central Bank of India
Axis Bank Ltd.
BNP Paribas
ICICI Bank Ltd.
IDBI Bank Ltd.
Standard Chartered Bank
State Bank of India
Kotak Mahindra Bank Ltd. (inducted w.e.f. 11.04.2018)
HDFC Bank Ltd. (inducted w.e.f. 11.04.2018)

CHIEF FINANCIAL OFFICER

P. C. Somani

AVP (CORPORATE AFFAIRS) & COMPANY SECRETARY

R.J. Saboo

AUDITORS

M/s. Lodha & Company
Chartered Accountants

REGISTERED OFFICE

612, Raheja Chambers, Nariman Point, Mumbai 400 021.
Tele: 022-2285 1656 Fax: 022-2285 1657
Website: <http://www.supreme.co.in>
Email: investor@supreme.co.in
CIN: L35920MH1942PLC003554

CORPORATE OFFICE

1161 & 1162 Solitaire Corporate Park, Building No. 11,
6th Floor, 167, Guru Hargovindji Marg,
Andheri Ghatkopar Link Road, Andheri (E), Mumbai 400 093
Tele: 022-4043 0000 Fax: 022-4043 0099
Website: <http://www.supreme.co.in>
Email: supreme@supreme.co.in

WORKS

1. Derabassi (Punjab)
2. Durgapur (West Bengal)
3. Gadegaon (Maharashtra)
4. Ghiloth (Rajasthan)
5. Guwahati (Assam)
6. Halol – Unit I (Gujarat)
7. Halol – Unit II (Gujarat)
8. Halol – Unit III (Gujarat)
9. Halol – Unit IV (Gujarat)
10. Hosur Unit I (Tamil Nadu)
11. Hosur Unit II (Tamil Nadu)
12. Jalgaon – Unit I (Maharashtra)
13. Jalgaon – Unit II (Maharashtra)
14. Jadcherla (Telangana)
15. Kanhe (Maharashtra)
16. Kanpur (Uttar Pradesh)
17. Kharagpur (West Bengal)
18. Khopoli (Maharashtra)
19. Khushkheda (Rajasthan)
20. Malanpur – Unit I (Madhya Pradesh)
21. Malanpur – Unit II (Madhya Pradesh)
22. Malanpur – Unit III (Madhya Pradesh)
23. Noida (Uttar Pradesh)
24. Puducherry (Union Territory)
25. Silvassa (Union Territory)
26. Sriperumbudur (Tamil Nadu)
27. Urse (Maharashtra)

OFFICES

- | | | |
|--------------|--------------|------------|
| 1. Ahmedabad | 5. Hyderabad | 9. Mumbai |
| 2. Bangalore | 6. Indore | 10. Noida |
| 3. Chennai | 7. Kanpur | 11. Pune |
| 4. Cochin | 8. Kolkata | 12. Jaipur |

Contents

Notice of AGM	2
Boards' Report.....	11
Management Discussion and Analysis	40
Corporate Governance	49
Business Responsibility Report	61
Independent Auditors' Report.....	69
Balance Sheet.....	74
Statement of Profit and Loss.....	75
Cash Flow Statement	76
Statement of Change in Equity	77
Notes to Financial Statements	78
Consolidated Financial Statements	110-131
Works Locations	132
Attendance Slip & Proxy Form	

Notice

NOTICE is hereby given that the Seventy Sixth Annual General Meeting of the Members of The Supreme Industries Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Friday the 29th June, 2018, at 4.00 p.m. to transact with or without modification(s), as may be permissible, the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) The Audited financial statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and cash flow statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.
 - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018.
2. To declare final dividend on Equity Shares for the Financial Year ended 31st March, 2018 and to confirm the payment of interim dividend on Equity Shares considered & approved by the Board of Directors of the Company.
3. To appoint a Director in place of Shri B.L. Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to approval of members at the 74th Annual General Meeting, the appointment of M/s. LODHA & CO., Chartered Accountants having Registration No. 301051E, Mumbai, be and is hereby ratified to hold office from the conclusion of 76th Annual General Meeting until the conclusion of 77th Annual General Meeting of the Company, and the Board be and is hereby authorised to fix the remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

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

"RESOLVED THAT, pursuant to provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board be and is hereby authorised to appoint Branch Auditors of any branch of the Company, whether existing or which may be opened / acquired hereafter within or outside India, in consultation with the Company's auditors, any person(s) qualified to act as Branch Auditors and to fix their remuneration."

SPECIAL BUSINESS:

6. **To approve re-appointment and remuneration of Shri M.P. Taparia (Director Identification No. 00112461) as a Managing Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197, 198 and 203 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri M.P. Taparia, as Managing Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

- (1) Salary
Monthly salary of ₹ 13,50,000/- (Rupees Thirteen Lacs Fifty Thousand only) in the Grade of ₹ 13,50,000/- ₹ 1,50,000/- ₹ 25,50,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).
- (2) Allowances / Benefits / Perquisites
 - A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Managing Director shall be paid House Rent Allowance equivalent to 50% of salary.
 - B. Other Perquisites / Allowances
 - i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family.
 - ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
 - iii. Medical and Personal Accident Insurance.
 - iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
 - v. Conveyance: The Company shall provide suitable conveyance facilities as may be required by the Managing Director.
 - vi. Communication: The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence.

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Managing Director.

- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof;
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Managing Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.
- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Managing Director in the course of business of the Company.
- (5) Commission:

In addition to the above, the Managing Director shall also be entitled up to 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one wholetime Director 10% for all of them together for that year computed in the manner laid down in Section 197 and 198 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Managing Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule V to the Act.

The Company shall pay to the Managing Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 191 and 202 of the Act.

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

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

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

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

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

7. **To approve re-appointment and remuneration of Shri S.J. Taparia (Director Identification No. 00112513) as a Executive Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197 and 198 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri S.J. Taparia, as Executive Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

- (1) Salary

Monthly salary of ₹ 13,25,000/- (Rupees Thirteen Lacs Twenty Five Thousand Only) in the Grade of ₹ 13,25,000/- ₹ 1,50,000/- ₹ 25,25,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).

- (2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

- Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family.
- Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
- Medical and Personal Accident Insurance.
- Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.

v. Conveyance: The Company shall provide suitable conveyance facilities as may be required by the Executive Director.

vi. Communication :
The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence.

Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Executive Director.

C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,

For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Executive Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

(3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.

(4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.

(5) Commission:

In addition to the above, the Executive Director shall also be entitled up to 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole time Director 10% for all of them together for that year computed in the manner laid down in Section 197 and 198 of the Act.

In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule V to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 191 and 202 of the Act.

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

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

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

RESOLVED FURTHER THAT the Executive Director shall as long as he continues to be Executive Director of the Company be liable to retire by rotation.

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

8. **To approve re-appointment and remuneration of Shri V.K. Taparia (Director Identification No. 00112567) as a Executive Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee to the Board of Directors (Board) and approval thereof by the Board and in accordance with the provisions of Section 196, 197 and 198 read with Schedule – V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri V.K. Taparia, as Executive Director of the Company, for a further period of five years with effect from 7th January, 2019 to 6th January, 2024 and payment of remuneration and perquisites to him on the following revised terms and conditions with liberty to the Board (which term shall include any committee constituted by the Board) from time to time to alter the said terms and conditions and to revise upwards the salary and perquisites as herein mentioned in such manner as may be decided by the Board in the best interest of the Company and as may be permissible at law viz:-

(1) Salary

Monthly salary of ₹ 13,00,000/- (Rupees Thirteen Lacs only) in the Grade of ₹ 13,00,000/- ₹ 1,50,000/- ₹ 25,00,000/- per month, during his tenure of office (first increment falling due on, 1st April, 2019).

(2) Allowances / Benefits / Perquisites

A. Housing - Rent free furnished residential accommodation. In case, no accommodation is provided by the Company, the Executive Director shall be paid House Rent Allowance equivalent to 50% of salary.

B. Other Perquisites / Allowances

i. Reimbursement of actual medical expenses incurred in India and / or abroad including hospitalization for self and family.



- ii. Leave Travel Concession for self and family once in a year incurred in accordance with the Rules of the Company applicable to Senior Management Staff / Personnel of the Company.
 - iii. Medical and Personal Accident Insurance.
 - iv. Reimbursement of membership fees / subscription, subject to a maximum of two clubs in India.
 - v. Conveyance : The Company shall provide suitable conveyance facilities as may be required by the Executive Director.
 - vi. Communication :
The Company shall provide telephone, telefax and other communication facilities at the Executive Director's residence.
Perquisites shall be evaluated as per Income Tax Rules where applicable. "Family" shall mean spouse and dependent children of the Executive Director.
- C. (i) Contribution to Provident fund, superannuation fund or annuity fund as per the Rules of the Company to the extent these either singly or put together do not exceed the limit laid down under the Income Tax Act, 1961 or under any statutory modification or re-enactment thereof.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,
For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, the service of the Executive Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.
- (3) Leave on full pay and allowances but not exceeding one month's leave for 11 month's service, encashment of unavailed earned leave as per Rules of the Company and / or at the end of the tenure being permitted.
- (4) Reimbursement of entertainment and other business promotion expenses actually incurred by the Executive Director in the course of business of the Company.
- (5) Commission:
In addition to the above, the Executive Director shall also be entitled upto 1% of the Net Profits per year as commission, as may be determined by the Board, provided that, the aggregate of salary, perquisites and commission for any financial year shall not exceed 5% of the net profits of the Company and when there are more than one whole time Director 10% for all of them together for that year computed in the manner laid down in Section 197 and 198 of the Act.
In the event of loss or inadequacy of profits of the Company in any year, the Executive Director shall be entitled to payment by way of salary and perquisites as specified above subject to the restrictions specified in Schedule V to the Act.

The Company shall pay to the Executive Director compensation for loss of office, or as consideration for loss of office or retirement from office or in connection with such loss or retirement, in accordance with the provisions of Section 191 and 202 of the Act.

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

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

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

RESOLVED FURTHER THAT the Executive Director shall as long as he continues to be Executive Director of the Company be liable to retire by rotation.

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

9. **To approve payment of Commission to all Non-Executive Directors and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, and subject to all other approvals, as may be required, and recommendations of the Nomination and Remuneration Committee, the consent of members be and is hereby accorded to the payment of commission to the Non Executive Directors (other than Managing Director & Executive Directors) of the Company.

RESOLVED FURTHER THAT the aggregate amount of such commission per annum, to all the Non Executive Directors shall be within an overall limit of 1% of the net profits of the Company during any financial year calculated in accordance with the provisions of Section 198 of the Act.

RESOLVED FURTHER THAT payment of commission be paid to individual Non-Executive Directors of the Company in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors of the Company.

AND FURTHER RESOLVED THAT Members approval for the payment of commission shall cover five years period from 1st April 2018 to 31st March 2023."

10. **To ratify the remuneration payable to Cost Auditors and in this regard 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactments thereof for the time being in force), M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), be and are hereby appointed as Cost Auditors by the Board of Directors of the Company

to conduct the Audit of the Cost records of the Company for the financial year ending on 31st March, 2019, be paid a remuneration of ₹ 4,84,000/- (Rupees Four Lacs Eighty Four Thousand Only) per annum plus reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

RESOLVED FURTHER 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."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Proxies, in order to be effective, must be received at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item No. 6,7,8,9 and 10 of the above Notice is annexed hereto.
4. Register of Members and the Share transfer books of the Company will remain closed from Thursday the 21st June, 2018 to Friday 29th June, 2018 (both days inclusive).
5. The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 29th June, 2018, and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on 20th June, 2018 as per details furnished by the Depositories for this purpose.
6. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2011 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim with the Company shall lie in respect thereof.
7. Pursuant to provisions of Section 124(6) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended by time to time, Company has transferred 233900 Nos of Equity Shares to IEPF Accounts. The shares are transferred of those shareholders who had not encashed dividends for a continuous period of 7 years from the date of

Final Dividend 10th September, 2009 (FY 2008-09) up to 2nd Interim Dividend dated 15th March, 2016 (FY 2015-16).

8. 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 dividend, directly to their Depository Participants.
9. 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 M/s. Bigshare Services Pvt. Ltd., for doing the needful.
10. SEBI Regulations has mandated Companies to credit the dividends electronically to the Members' bank account. Members who hold shares in dematerialized form should inform their Depository Participant's (DP) as well as to the Company and such Members holding shares in physical form should inform the Company, their Bank details viz. Bank Account Number, Name of the Bank and Branch details and MICR Code. Those Members who have earlier provided the above information should update the details if required.
11. Members are requested to notify change in address, if any, immediately to M/s. Bigshare Services Pvt. Ltd., quoting their folio numbers.
12. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
13. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Listing Regulations" in respect of the Directors seeking appointment re-appointment / continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders / Depositories for depositing of dividends.
15. Electronic copy of the Annual Report will be sent to the members whose email IDs are registered with the Company / Depository Participant(s).
16. A route map showing direction to reach the venue of 76th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
17. Members may also note that Notice of the 76th Annual General Meeting and Annual Report 2017-18 will also be available on the Company's website www.supreme.co.in for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering



e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@supreme.co.in.

VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their votes through 'remote e-voting (e-voting from a place other than venue of the AGM) and Ballot Form for all the resolutions detailed in the Notice of the 76th Annual General Meeting scheduled to be held on 29th June, 2018 at 4.00 p.m. The Company has engaged the services of CDSL, as the authorized agency to provide the e-voting as per instructions below:

In order to enable its members, who do not have access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent herewith. Instructions for Ballot form are given at the back of said form.

The voting right of Shareholders shall be in proportion to their share in the paid up equity capital of the Company as on 22nd June, 2018 (cut-off date).

The facility for voting through ballot paper (Poll) shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting or by Ballot Form shall be able to exercise their right at the meeting through Ballot paper.

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

Kindly note that members can opt for only one form of voting i.e. either by Ballot Form or through remote E-Voting. If members are opting for remote e-voting then they should not vote by Ballot Form and vice-versa.

However, in case of Members casting their vote both by Ballot Form and remote e-voting, then voting done through remote e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

The Company has appointed Mr. V. Laxman of M/s. V. Laxman & Company, Company Secretaries as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM (including voting through Ballot form) in fair and transparent manner.

In case a Member desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor@supreme.co.in. A member desiring to exercise vote by Ballot Form shall complete the Ballot Form with assent (for) or dissent (against) and send it to Shri V. Laxman, Scrutinizer C/o. The Supreme Industries Limited, 612, Raheja Chambers, Nariman Point, Mumbai - 400021, so as to reach him on or before 28th June, 2018, by 5.00 p.m. Any Ballot form received after the said date shall be treated as if the same from the member has not been received.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, 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.

The Scrutinizer shall after the conclusion of voting at AGM, will first count the votes cast at the meeting and 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 shall make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The result declared along with the report of the Scrutinizer shall be placed on the website of the Company www.supreme.co.in and on the website of CDSL e-voting, immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the Stock Exchanges.

The instructions for members for voting electronically are as under:-

- The voting period begins on Tuesday the 26th June, 2018 at 9.00 A.M and ends on Thursday the 28th June, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd June, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Log on to the e-voting website www.evotingindia.com
- Click on Shareholders / Members
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.

	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant The Supreme Industries Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

(B) The voting period begins on Tuesday the 26th June, 2018 at 9.00 A.M and ends on Thursday the 28th June, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd June, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The Notice of AGM is placed on website of the Company viz. www.supreme.co.in and also on the website of CDSL viz. www.evotingindia.com.

By order of the Board

R. J. Saboo

AVP (Corporate Affairs) &
Company Secretary

Registered Office

612, Raheja Chambers,
Nariman Point,
Mumbai 400 021

Dated : 26th April, 2018



Explanatory Statement under Section 102(1) of the Companies Act, 2013

Item No. 6

The existing term of the office of Shri M. P. Taparia, Managing Director, expires on 6th January, 2019. Since the year 1967, Shri M. P. Taparia is at the helm of the management and administration of the Company under the overall supervision, control and direction of the Board of Directors. Ever since his stewardship the Company has made tremendous strides as reflected by the present prosperous position of the Company.

Since he has attained the age of above 70 years, a special resolution is being proposed for his appointment in accordance with provisions of Companies Act 2013.

Accordingly, the Board of Directors have proposed the re-appointment of Shri M. P. Taparia as Managing Director, for a further period of five years commencing from 7th January, 2019 upon the terms and conditions as set out in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the tremendous growth in the operations of the Company during his tenure and compared to the remuneration payable to other comparable personnel of other Corporate's in the country, the terms of his re-appointment and remuneration as set out in the resolution, and which may also be deemed to be a part of this explanatory statement, are considered to be quite just, fair and reasonable. The Resolution is accordingly commended for your approval.

A brief profile of Shri M. P. Taparia, is given in the particulars of Directors under the report on Corporate Governance and member's attention is also invited thereto. The above may also be treated as an abstract of the terms of the re-appointment of Shri M. P. Taparia, as Managing Director, pursuant to Section 190 of the Companies Act, 2013.

Shri M. P. Taparia is himself interested in the Resolution. Shri B.L. Taparia, Chairman, of the Company, is also interested being his Brother. Shri S. J. Taparia and Shri V. K. Taparia, Executive Directors are also related to Shri M. P. Taparia.

The Board commend the Special Resolution for your approval.

Item No. 7

The existing term of the office of Shri S.J. Taparia, Executive Director, expires on 6th January, 2019. Shri S.J. Taparia has been associated with the Company for more than 40 years. Shri S.J. Taparia is responsible for (1) all technical aspects of (i) operations, (ii) new product identification, development and introduction, and (iii) Plant, Machinery, Moulds and Equipments, including their selection, purchase, installation, running and maintenance, (2) marketing of industrial components, material handling products & composite cylinders products and (3) to generally assist the Managing Director in day to day management and conduct of the business and affairs of the Company under the overall supervision, control and direction of Board of Directors.

Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company.

Since he has attained the age of above 70 years, a special resolution is being proposed for his appointment in accordance with provisions of Companies Act 2013.

Accordingly, the Board of Directors have proposed the re-appointment of Shri S. J. Taparia as Executive Director, for a further period of five years commencing from 7th January, 2019 upon the terms and conditions as set out in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the tremendous growth in the operations of the Company during his tenure and compared to the remuneration payable to other comparable personnel of other Corporates in the country, the terms of his re-appointment and remuneration as set out in the resolution, and which may also be deemed to be a part of this explanatory statement, are considered to be quite just, fair and reasonable.

A brief profile of Shri S. J. Taparia, is given in the particulars of Directors under the report on Corporate Governance and member's attention is also invited thereto. The above may also be treated as an abstract of the terms of the re-appointment of Shri S. J. Taparia, as Executive Director, pursuant to Section 190 of the Companies Act, 2013.

Shri S.J. Taparia is himself interested in the Resolution. Shri B. L. Taparia, Chairman, Shri M. P. Taparia Managing Director and Shri V. K. Taparia, Executive Directors are related to Shri S. J. Taparia.

The Board commend the Special Resolution for your approval.

Item No. 8

The existing term of the office of Shri V.K. Taparia, Executive Director, expires on 6th January, 2019. Shri V. K. Taparia has been associated with the Company for more than 33 years. Apart from being involved generally in corporate strategy, Long term business plan and other incidental activities of the Company, Shri V.K. Taparia has for quite some time been looking after and is responsible for the following activities of the company:

- (a) Company's business in all spheres of activities relating to production, marketing, procurements of working capital, Business development, expansion and overall administration pertaining to :
 - (i) Performance packing products which includes Multilayer Films for various applications,
 - (ii) Protective Packaging products which includes Expanded Polyethylene foam, Cross – Link Foam, Air Bubble Film, net and tube and products made thereof.
- (b) He is the driving force and leading the IT Team of the Company for upgrading its computerization, SAP implementation and other related areas.
- (c) He has represented the Company on various organizations such as Plast India Foundation, OPPI and other institutions.

Ever since his Directorship in the Company has made tremendous strides as reflected by the present prosperous position of the Company. Accordingly, the Board of Directors have proposed the re-appointment of Shri V. K. Taparia as Executive Director, for a further period of five years commencing from 7th January, 2019 upon the terms and conditions as set out in the resolution mentioned in this item of the notice.

Considering his competence, experience as also the tremendous growth in the operations of the Company during his tenure and

compared to the remuneration payable to other comparable personnel of other Corporates in the country, the terms of his re-appointment and remuneration as set out in the resolution, and which may also be deemed to be a part of this explanatory statement, are considered to be quite just, fair and reasonable. The Resolution is accordingly commended for your approval.

A brief profile of Shri V. K. Taparia, is given in the particulars of Directors under the report on Corporate Governance and member's attention is also invited thereto. The above may also be treated as an abstract of the terms of the re-appointment of Shri V. K. Taparia, as Executive Director, pursuant to Section 190 of the Companies Act, 2013.

Shri V.K. Taparia is himself interested in the Resolution. Shri B. L. Taparia, Chairman, Shri M. P. Taparia Managing Director and Shri S. J. Taparia, Executive Directors are related to Shri V.K. Taparia.

The Board commend the Ordinary Resolution for your approval.

Item No. 9

Payment of Commission to non Executive Directors

Section 197 of the Companies Act, 2013, permits payment of remuneration to Non-Executive Directors (other than Managing Director & Executive Directors) of a Company by way of commission, if the Company authorizes such payment by way of a resolution of members.

Considering the Company's performance, profits, return to investors and shareholder value creation by the Company and also considering that under the Companies Act, 2013 ("the Act"), directors have been entrusted with new responsibilities and enhanced role, and considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that, payment of commission by way of remuneration be paid to the Non Executive Directors of the Company as stated in the Resolution.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Non-Executive Directors of the Company

to whom the resolution relates are concerned or interested in the Resolution.

The Board recommends the resolution for your approval.

Item No. 10

The Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Member of the Company. Accordingly consent of the Members is sought by way of an Ordinary Resolution as set at Item no.10 of the Notice for ratification of the remuneration amounting to ₹ 4,84,000/- (Rupees Four Lacs Eighty Four Thousand Only) per annum, plus reimbursement of out of pocket expenses as may be incurred during course of audit.

None of the Directors and Key Managerial Personnel (or their relatives) are interested in the said resolution.

The Board recommends the resolution for your approval.

By order of the Board

R. J. Saboo

AVP (Corporate Affairs) &
Company Secretary

Registered Office

612, Raheja Chambers,
Nariman Point,
Mumbai 400 021

Dated : 26th April, 2018

Boards' Report

The Directors have great pleasure in presenting the 76th Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2018.

(₹ In Crores)

Particulars	FY 2017-18	FY 2016-17
Total Income	4984	4470
Profit Before Interest, Depreciation & Tax	804	769
Interest & Financial Charges	22	30
Depreciation, Amortization and Impairment	167	154
Profit Before Tax	615	585
Provision for Current Tax	209	195
Deferred Tax	-3	11
Profit After Tax	409	379
Other Comprehensive Income (Net of Taxes)	(1)	(2)
Total Comprehensive Income	408	377

DIVIDEND

₹ in Crores

(i) Dividend on 12,70,26,870 Equity Shares of ₹ 2/- each @ 600% i.e. ₹ 12/- per share as under:-		
(Previous year @ 750% i.e. ₹ 15/- per equity share (including Special Dividend @ 250% i.e. ₹ 5/- per share)		
(a) Interim Dividend @ 150% i.e. ₹ 3/- per share (already paid in October 2017),	38	
(b) Final Dividend recommended @ 450% i.e. ₹ 9/- per share	114	152
(ii) Corporate Dividend Tax as applicable (including ₹ 7.76 crores paid on Interim Dividend)		32
		184

The Board of Directors of the Company had adopted the Dividend Distribution Policy on January 25, 2017 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at www.supreme.co.in

OVERVIEW OF THE FINANCIAL PERFORMANCE

The financial performance highlights for the year ended 31st March, 2018, are as follows -

The Company sold 371176 MT of Plastic goods and achieved net product turnover of ₹ 4826 Crores during the year under review against sales of 340906 MT and net product turnover of ₹ 4376 crores in the corresponding period of the previous year achieving volume & product value growth of about 9.00% and 10.00%, respectively.

Total Income and Operating Profit for the year under review amounted to ₹ 4984 crores and ₹ 804 crores respectively as compared to ₹ 4470 crores and ₹ 769 crores, in the previous financial year.

The Profit before Tax and Profit after Tax for the year under review amounted to ₹ 615 crores and ₹ 409 crores respectively as compared to ₹ 585 crores and ₹ 379 crores, in the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis forms an integral part of this report and gives detail of the overview, industry structure and developments, different product groups of the Company, operational performance of its various business segments.

JOINT VENTURE

The Company has entered into a Joint Venture Agreement & Business Transfer Agreement on 4th April 2018 with Kumi Kasei Co.Ltd., Japan (Kumi) and formed a joint venture company named Kumi Supreme India Private Ltd. (KSIPL). The company shall hold 20.67% share capital of JVC. The joint venture would undertake the business of manufacture and sale of injection molded plastic components for automotive application at its manufacturing unit at Khushkhera in Rajasthan (Business). The Auto Comp Business (part of Company's industrial Product Segment) of the designated unit is proposed to be transferred by the company as a going concern on a slump sale basis. The said unit is primarily engaged in the manufacturing of plastic components for Automotive application and forms part of Industrial Product Segment of the company. Company is not a major player in the field of Automotive Components. Further certain advanced technological enhancement is likely to be required for the Business to grow. Kumi is already a Technical collaborator of the company and has requisite skill set and technology and already catering to many international customers. Kumi wanted to have its manufacturing set up in India and proposed joint venture would be a win win situation for both the organisations. The transaction will be consummated on an arm's length basis for a consideration of approximately ₹ 97.15 crores plus value of Net Working Capital as on closing date subject to closing adjustments.

The JVC is a 'Related Party' under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in the capacity of an 'Associate Company' of the Company, as well as by virtue of having

a common director. The necessary approval is being obtained from the shareholders of the Company by means of Postal Ballot.

CREDIT RATING

The Company's financial discipline and prudence is reflected in strong credit rating ascribed by CRISIL.-

Total Bank Loan Facilities Rated	₹ 1760.8 crores
Long-Term Rating	CRISIL AA/Stable (Reaffirmed)
Short-Term Rating	CRISIL A1+ (Reaffirmed) ₹ 200 crores short term debt

FIXED DEPOSITS

In accordance with the terms and conditions governing the Fixed Deposit Scheme, the Company has exercised the option to repay on 1st April, 2014, all the Fixed Deposits with accrued interest as at the end of 31st March, 2014. Accordingly, the Company is not having any Fixed Deposit as on 31st March, 2018 except 15 deposits amounting to ₹ 1.90 lacs which remained unclaimed as on 31st March, 2018.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuing compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2018 and state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures from the same;
- the Directors have selected such accounting policies and applied 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 as at 31st March, 2018 and of the profit of the Company for the year ended on that date ;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

CORPORATE GOVERNANCE

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure - I** to this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The prescribed particulars of Employees 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 is annexed herewith as **Annexure-II** to this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Boards' Report for the year ended 31st March, 2018 is given in the separate Annexure of this Report.

The Annual Report excluding the aforesaid Annexure is being sent to the Members of the Company in terms with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 76th Annual General Meeting and up to the date of the ensuing Annual General Meeting during the business hours on working days.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the company & its subsidiary & associate which form part of Annual Report have been prepared in accordance with section 129(3) of the Companies Act, 2013. Further, a statement containing the salient features of the Financial Statement of Subsidiary Company & Associate Company in the prescribed format AOC-1 is annexed herewith as **Annexure - III** to this Report. The statement also provides the details of performance and financial position of the Subsidiary Company & Associate Company.

In accordance with Section 136 of the Companies Act, 2013 the Audited Financial Statements, including the consolidated financial statements & related information of the Company & Audited Accounts of its Subsidiary Company are available on the website www.supreme.co.in. These documents will also be available for inspection during business hours at the registered office of the company. Any member desirous of obtaining a copy of the said financial statement may write to the Company Secretary at the Registered Office of the company.

The Consolidated net profit of the company and its subsidiary amounted to ₹ 431 crores for the financial year ended 31st March 2018 as compared to ₹ 428 crores for the previous financial year ended 31st March 2017.

Additional details regarding performance of the Associate Company & Subsidiary Company have been mentioned in the succeeding paragraphs.

ASSOCIATE COMPANY - SUPREME PETROCHEM LIMITED (SPL)

During the year the Company received an aggregate Dividend of ₹ 4.50 per Equity Share from Supreme Petrochem Ltd (SPL) - promoted jointly by your Company and the R Raheja Group. Net



revenues and net profit for the year ended 31st March, 2018 were ₹ 3112 crores and ₹ 116 crores, respectively.

SUBSIDIARY COMPANY

The Supreme Industries Overseas FZE, Sharjah UAE, a wholly owned subsidiary, having principal activity to promote globally Plastics piping products, completed Twelve years of successful operation recording net profit of AED 318,008/- during the year April 2017- March 2018.

During the year under review, Plastics Piping Division achieved export sales of US\$ 7.357 million exceeding the target of 6.5 million US\$ set for the year registering a growth of 48% over the previous year.

Company's, products are exported to twenty countries covering high value project sales into Ethiopia & Maldives and trade supplies into GCC, Iraq, East Africa, Europe, UK, Ireland, Philippines & Indian Sub-continent.

Company is projecting to grow by 50% to achieve the sales volume of US\$ 11.00 million through high value project sales as well by widening the client base in existing & new geographies.

Company will continue to exhibit the products in various international exhibitions to promote the brand name & in-turn improve the export sales volume.

MATERIAL SUBSIDIARY

The Board of Directors of the Company had adopted a Policy for determining material subsidiary company in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at www.supreme.co.in. Presently there is no material subsidiary company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation.

Shri B.L. Taparia, Non Executive Director, Chairman (DIN No: 00112438) of the Company retires by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company and being eligible, offers himself for re-appointment.

Shri M. P. Taparia, Managing Director, (DIN No: 00112461) is proposed for re-appointment as Managing Director for the period of five years from 7th January, 2019 to 6th January 2024.

Shri S. J. Taparia, Executive Director, (DIN No: 00112513) is proposed for re-appointment as Executive Director for the period of five years from 7th January, 2019 to 6th January 2024.

Shri V. K. Taparia, Executive Director, (DIN No: 00112567) is proposed for re-appointment as Executive Director for the period of five years from 7th January, 2019 to 6th January 2024.

KEY MANAGERIAL PERSONNEL

Shri M P Taparia, Managing Director, Shri P C Somani, Chief Financial Officer and Shri R J Saboo, AVP (Corporate Affairs) & Company Secretary were appointed as Key Managerial Personnel of your Company, in accordance with the provisions of Section 203

of the Companies Act 2013 and there is no change in the same during the year under review.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. Board Meetings:

The Board of Directors met 5 times during the year ended 31st March, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report.

b. Board Performance Evaluation:

(i) The Company has devised criteria for performance evaluation of Independent Directors, Board/Committees, and other individual Directors which includes criteria for performance evaluation of Non Executive Directors and Executive Directors. Performance evaluation has been carried out as per the Nomination & Remuneration Policy.

At the meeting of the Board all the relevant factors that are material for evaluating the performance of individual Directors, the Board/ Committees were discussed in detail. A structured questionnaire each for evaluation was prepared and recommended to the Board by Nomination & Remuneration Committee for doing the required evaluation after taking into consideration the input received from the Directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, qualifications, knowledge, skills and experience in the respective fields, honesty, integrity, ethical behavior and leadership, Independence of judgment, safeguarding the interest of the Company, attending the meetings regularly, understanding the business, regulatory, competitive and social environment, understanding strategic issues and challenges, bringing outside information and perspective to Board for deliberations, ability to identify the cost benefits and implications of Board decisions etc.

The performance evaluation of the Independent Directors was also carried by the entire Board. The performance evaluation of the Chairman, Managing Director & Executive Directors was carried out by the independent Directors at its separate meeting held on 30th January, 2018. The Directors expressed their satisfaction with the evaluation process.

(ii) The Board has, on the recommendation, of the Nomination & Remuneration Committee, framed a Nomination & Remuneration policy and Policy on fixation of criteria for selection & appointment of Directors & Senior Management Personnel. The Nomination & Remuneration Policy and Policy on fixation of criteria for selection & appointment of Directors & Senior Management Personnel are annexed herewith as **Annexure IV (A) & Annexure IV (B)** to this Report.

AUDITORS

Statutory Auditors

The Statutory Auditors M/s Lodha & Co., Chartered Accountants having Registration No 301051E, was appointed in 74th Annual General Meeting to hold office from the conclusion of 74th Annual General meeting for a term of consecutive five years till conclusion of 79th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting). The Auditors have confirmed their eligibility to the effect that the ratification of their appointment, if made, would be within the prescribed limits of the Companies Act, 2013 and that they are not disqualified for such appointment.

AUDITORS' REPORT

Note on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s V. Laxman & Co., Company Secretaries (C.P No. 744), to conduct Secretarial Audit for the financial year ended on 31st March, 2018.

Secretarial Audit Report issued by M/s. V. Laxman & Co, Company Secretaries in Form MR-3 forms part to this report **Annexure V**. The said report does not contain any observation or qualification requiring explanation or adverse remark.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2018, which may affect the financial position of the company or may require disclosure.

IMPLEMENTATION OF SAP

The Company has implemented SAP a leading ERP solution with effect from 1st April 2018 by switching over from existing ERP. The implementation of SAP shall integrate all the business process across the organisation. The new Regime of SAP shall bring discipline by transforming the work culture thereby bringing transparency & structured information system. The SAP implementation is under stabilization process & shall soon get established across all the activities. After full stabilization of the same it will enhance the productivity & improve efficiency of the organization in the entire gamut of activities.

INTERNAL FINANCIAL CONTROLS

The company has in place Internal Financial Control system, commensurate with size & complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls & other regulatory & statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of professional Chartered Accountants monitor & evaluate the efficacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures & policies at all the locations of the company. Based on their report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened.

Significant audit observations & corrective action suggested are presented to the Audit Committee.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All the transactions with Related Parties are placed before the Audit Committee as also before the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

All transactions entered into with related parties during the year were on arm's length basis, in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions & are in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder & Regulation 23 of (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 During the financial year ended on 31st March, 2018, there were no transactions with related parties which qualify as material transactions.

The details of the related party transactions are set out in Note 38 to the standalone financial statements forming part of this Annual Report.

The Form AOC-2 pursuant to section 134(3)(h) of the Companies Act read with Rule 8(2) of the Companies(Accounts) Rules, 2014 is set out as **Annexure VI** to this Report.

The Policy on Related Party Transactions as approved by the Board is also uploaded on the Company's website at the Link: www.supreme.co.in

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The company has complied with the provisions of section 185 & 186 of the Act to the extent applicable, with respect to the loans and investments made.

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

A "Vigil Mechanism Policy" for Directors and employees of the Company is constituted, to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

RISK MANAGEMENT POLICY

Your Company has an elaborate risk Management procedure and adopted a systematic approach to mitigate risk associated with accomplishment of objectives, operations, revenues and regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives. The entity's objectives can be viewed in the context of four categories Strategic, Operations, Reporting and Compliance. The Company consider activities at all levels of the organization, viz Enterprise level, Division level, Business unit level and Subsidiary level, in Risk Management framework. The Risk Management process of the Company focuses on three elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk Monitoring.

A Risk Management Committee is constituted which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise risk management



framework; and (b) Overseeing that all the risk that the organization faces.

The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR activities during the year are set out in Annexure of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014. **Annexure VII.**

The Policy is available on the website of the Company.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as approved by the Business Responsibility Committee and Board of Directors forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure VIII.**

GENERAL DISCLOSURE

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.

3. Issue of shares (sweat equity shares) to employees of the Company under ESOS.
4. Neither the Managing Director nor the Whole Time Directors of the Company received any remuneration or commission from any of its subsidiary.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company operations in future.
6. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, co-operation and support received by the Company from the local authorities, bankers, customers, suppliers and business associates. The directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018

Annexure to the Boards' Report

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014

1. CONSERVATION OF ENERGY

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis.

The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations and activities.

To achieve above objectives the following steps are being undertaken by the Company:-

- 1 Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2 Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- 3 Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4 To enhance utilization of Renewable Energy Resources.
- 5 Achieving the power factor near to unity in all plants by the effective reactive energy management.
- 6 To reduce the Green House Emission by improving energy efficiency at all plants.
- 7 Conducting Power Quality Audit at several locations.
- 8 Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- 9 Exploring the feasibility of utilization of Solar Power at Plant locations wherever possible.
- 10 Installed roof-top solar power plant at Jalgaon, khopoli & Gadegaon. Company had also installed 1.53 Mw ground mounted capex solar power plant in Gadegaon (MH) which had commissioned in Dec-17. Company is also looking further exploring the feasibility of utilization of Solar Power at its other locations.
- 11 Noida & Khushkhhera plants are certified for ISO-50001 Energy Management System.

- Improving the output / input ratio to gain maximum finished products from per kg. Raw material.
- Modify the mould and dies to improve the cycle time to get higher production from the same machine.
- To modify the process parameters to improve the quality.
- Expenditure on R & D: Not significant.

B. TECHNOLOGY ABSORPTION

- The Company has renewed its agreement with M/s. Wavin Overseas B.V., Netherlands for its Plastic Piping Division.
- The Company has taken technical knowhow for manufacture of Cross Laminated films and products from Mr. Ole-Bendt Rasmussen, Switzerland and the technology is fully absorbed. The exclusive rights granted to the company to manufacture and sell XF products in entire South Asia has now been further extended to the whole world.
- The company's collaborator has developed Cross line Bonded Film and Cross Plastics Film, which are next generation Film having superior properties. The exclusive rights granted to the Company to manufacture and sell products developed from new technologies in India and SAARC countries have now been extended to the whole world (excluding the Rights of existing licenses).
- The company also has Technical License Agreement with Kumi Kasai Co of Japan for Auto Components manufacturing for Honda Motors.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in Lakhs
Foreign Exchange Earned	10443
Foreign Exchange Used	178500

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

A. RESEARCH & DEVELOPMENT (R&D)

On-going study in the following areas to reduce cost of conservation and improve the quality.

- Evaluation of the alternative materials or additives to reduce the cost of raw material.

Place: Mumbai
Date: 26th April 2018

Annexure to the Boards' Report

Particulars of employees pursuant to Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirement under Rule 5(1)	Details
1.	Ratio of the remuneration of Managing Director & Executive Director to the median remuneration of the Company for the Financial Year	Shri M. P. Taparia, Managing Director : 321 Shri S. J. Taparia, Executive Director : 320 Shri V. K. Taparia, Executive Director : 321
2.	Percentage increase in remuneration of Managing Director, each Executive Director, Chief Financial Officer, & Company Secretary (Salary of 2017-18 v/s Salary of 2016-17).	Shri M. P. Taparia, Managing Director : 5.69% Shri S. J. Taparia, Executive Director : 6.47% Shri V. K. Taparia, Executive Director : 6.80% Shri P. C. Somani, CFO : 10.19% Shri R. J. Saboo, Company Secretary : 6.78%
3.	Percentage increase in the median remuneration of employees in the financial year (2017-18 v/s 2016-17)	Median Increase : 12.47%
4.	Number of Employees as on 31st March, 2018 on rolls of Company	4716
5.	* Average percentile increase made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: * Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees	9% The increase in the managerial remuneration was based on the recommendation of the Nomination & Remuneration committee as per the Industry benchmarks.
6.	Key parameters for any variable component of remuneration availed by the Directors.	Commission: 1% of the net profits of the year as approved by the members at the AGM held on 17th September, 2013
7.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration is as per the Nomination and Remuneration Policy of the Company.
8.	Percentage increase or decrease in the market quotations of the shares of the Company	The closing price of the Company's Equity Shares on the NSE and BSE as of 31st March, 2018 was ₹ 1194.05 and ₹ 1190.70, respectively.

Note:- Managing Director & Executive Directors are whole-time Directors & other Directors are non -Executive Directors, who are paid only sitting fees for attending the Board & Committees thereof. Hence ratios provided are only for Managing Director & Whole-time Directors.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018

Annexure to the Boards' Report

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary / associate company

Part A Subsidiaries

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 31st March, 2018.	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) Before Tax	Provision For Tax	Profit (Loss)	Proposed Dividend	% of holding
1	The Supreme Industries Overseas (FZE)	AED	17.75	18	165	361	361	NIL	313	56	NIL	56	NIL	100

Part B Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Company

(₹ in lacs)

Sr. No.	Name of Associate.	Latest Audited Balance Sheet Date	Shares of Associates			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Nos.	Amount of investment in Associates	Extend of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Supreme Petrochem Ltd.	31st March, 2018	28936400	3337	29.99	There is significant influence due to (%) of share capital	N.A.	19358	3455	15903

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai

Date: 26th April 2018

Annexure to the Boards' Report

NOMINATION AND REMUNERATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges], the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors.

II. OBJECTIVE

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- **"Board"** means Board of Directors of the Company.
- **"Company"** means "The Supreme Industries Limited."
- **"Employees' Stock Option"** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- **"Independent Director"** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **"Key Managerial Personnel"** (KMP) means
 - Chief Executive Officer or the Managing Director or the Manager,
 - Chief Financial Officer,
 - Company Secretary and
 - Such other officer as may be prescribed.
- **"Nomination and Remuneration Committee"** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.
- **"Policy or This Policy"** means, "Nomination and Remuneration Policy."
- **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

- **"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

X. COMMITTEE MEMBERS' INTERESTS.

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

XII. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XIII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for

appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:

1. Managing Director/Whole-time Director / Manager (Managerial Person):
 - The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

• Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

• Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any



other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XIV. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

XV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

XVI. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018

Annexure to the Boards' Report

CRITERIA FOR :

1. SELECTION OF DIRECTORS

AND

2. SENIOR MANAGEMENT PERSONNEL

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges] requires the Nomination and Remuneration Committee to consider and lay down criteria for identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

CRITERIA FOR SELECTION OF DIRECTORS

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 behaviour and leadership.
3. Achievements in industry, business, profession and / or social work.
4. Possesses appropriate skills, experience and knowledge in one or more fields such as finance, law, management, sales, marketing, administration, research, corporate governance and such other areas that are relevant to the Company's business.
5. Whether the candidate is free from any disqualification provided under Section 164 of the Companies Act, 2013.
6. Whether the candidate meets the conditions of being independent as stipulated under Companies Act, 2013 in case of appointment as Independent Director.

CRITERIA FOR SELECTION OF SENIOR MANAGEMENT PERSONNEL

The term Senior Management Personnel shall have the same meaning as provided in the explanation under Section 178 of the Companies Act, 2013.

The Committee shall before making any recommendation to the Board for appointment considers the following:

- 1) The candidate's qualifications and experience in the field / area for which he/she is being considered.
- 2) Candidate's reputation of honesty, integrity and ethical behaviour in past assignments.
- 3) Leadership skills, decision making skills, effective communication, ability to build team, foster team spirit and ability to work sincerely with dedication.
- 4) Past record in goal setting, developing strategy, devising a tactical road map and in motivating team members to overcome challenges and meet set goals.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018



Annexure to the Boards' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
THE SUPREME INDUSTRIES LIMITED,
612 Raheja Chambers,
Nariman Point,
Mumbai – 400 021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Supreme Industries 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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 maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (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 *[Not applicable to the Company during the audit period]* ;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *[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.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *[Not applicable to the Company during the audit period]*; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *[Not applicable to the Company during the audit period]*;
- (vi) The Company has identified the laws specifically applicable to the Company:
 - (a) Water (Prevention & Control of Pollution) Act, 1974;
 - (b) The Air (Prevention & Control of Pollution) Act, 1981;
 - (c) The Legal Metrology Act, 2009.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

For and on behalf of
V. Laxman & Co.,
Company Secretaries

(V. Laxman)
FCS No. 1513
C P No. : 744

Place : Mumbai
Date : 25th April, 2018

This Report is to be read with our letter of even date which is attached as Annexure 'A' and forms an integral part of this Report.

ANNEXURE 'A'

To,
The Members,
THE SUPREME INDUSTRIES LIMITED,
612 Raheja Chambers,
Nariman Point,
Mumbai – 400 021

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

1. Maintenance of secretarial records 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 processes 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 processes and practices we followed proved a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account 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 procedures 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 and on behalf of
V. Laxman & Co.,
Company Secretaries

(V. Laxman)
FCS No. 1513
C P No. : 744

Place : Mumbai
Date : 25th April, 2018



Annexure to the Boards' Report

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 in to by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts / arrangements / transactions	(c) Duration of contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) justification for entering in to such contracts or arrangements or transactions	(f) date(s) of approval by the Board	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of contracts or arrangements or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts / arrangements / transactions	(c) Duration of contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any
Supreme Industries Overseas (FZE)	Sale of goods including compensation for rendering of services	On-going	In normal course of business & in line with Market Parameters. Sale of goods ₹ 85.61 lacs. Rendering of services ₹ 200.89 lacs.
Supreme Petrochem Ltd.	Purchase/Sale of goods or materials & provision of any services in connection with the sale or purchase of goods or materials including storage thereof.	On-going	In normal course of business & in line with Market Parameters. Purchase of goods ₹ 2952.04 lacs. Sale of goods ₹ 116.27 lacs.
M/S Devvrat Impex (P) Ltd	Sales of Plastic Piping System	On-going	In normal course of business & in line with Market Parameters amount ₹ 3278.37 lacs. Rendering of services ₹ 1.32 lacs
Kumi Supreme India Private Limited Joint Venture between Kumi Kasei Co Ltd, Japan and The Supreme Industries Limited	The Company holds 20.67% of the paid-up equity share capital of the JVC. The Company has the right to subscribe to any further issues of equity securities by the Company to maintain its proportionate shareholding in the Company.	On-going till the Joint Venture Agreement is carried on .	Same as mentioned under column (b).

Note:- Appropriate approvals have been taken for related party transactions. No Advances have been paid or received against the transactions mentioned above.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018

Annexure to the Boards' Report

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline of the company's CSR Policy:

The Board of Directors' at its meeting held on 21st July, 2014 approved the CSR Policy of your company pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. The Composition of the CSR Committee is as under:

Name of the Member	Nature of Directorship
Shri N. N. Khandwala (Chairman)	Independent Director
Shri B. L. Taparia	Non-Executive Chairman
Shri M. P. Taparia	Managing Director

The CSR Committee met on 25th April, 2018 and it has taken on record the activities undertaken by the Company from 1st April, 2017 to 31st March, 2018 and the expenditure incurred during the financial year 2017-18.

3. Focus Areas:

Advancement of Public Charitable objects and trusts and fulfillment of its Corporate Social Responsibility obligation laid down under the Companies Act, 2013.

The Company has identified few focus areas of engagement which are as under:

1. Benefits to the under privileged
2. Education
3. Sanitation
4. Healthcare
5. Drinking Water supply
6. Preservation of environment including watersheds, forests and wildlife.

4. Supreme Foundation

Supreme Foundation – CSR arm of Supreme has taken a good initiative and project in hand aiming to improve basic education level at foundation level of a child which will go a long way in building the future. It would not only spread and create the awareness about importance of good education system but also nurture behavioral aspects and good quality characteristics in a human being. Brief details of the project undertaken by Supreme Foundation is as under:

Purpose

The company has initiated project to provide the teachers for educating the students in government schools in Ajmer and Bikaner Divisions through Supreme Foundation. The project being commenced with an initial period for 5 years & shall be reviewed thereafter. To meet the above objective, company has entered into an Agreement dated 27th June, 2017, between Supreme Foundation, Mumbai, with Divisional Sanskrit Education Officer, Ajmer, Government of Rajasthan.

Supreme Foundation intends to cover 251 schools in Ajmer Division and 263 Schools in Bikaner Division i.e. an aggregate of 514 schools. The total number of students & teachers in (1) Ajmer Division is above 16304 & 447 respectively (2) in Bikaner Division is 17302 & 809 respectively. An aggregate of 33,606 students can be covered for the purpose.

The number of vacancies of teachers required to be filled up in Ajmer Division & Bikaner Division is about 897. The foundation intends to provide an aggregate of upto 200 teachers to both the Divisions. Each teacher will be imparting subject-wise education and will be covering about 2 to 3 schools for teaching that particular subject. This will facilitate filling of vacancies of teaching staff and also cover maximum number of students.

Activities

During the year FY 2017-18, Supreme foundation employed 329 teachers in 200 Schools to fill vacant positions in primary schools of Ajmer and Bikaner Sanskrit divisions. Supreme foundation has also formed committee having coordinators to control and overview all activities of teachers deputed by it in close coordination with respective School's principle/ headmaster to ensure that prime objective of education standard improvement is being achieved.

Achievements

1. Increase in 1086 students in 84 schools
2. Improvement in 35 Schools on evaluation merits

3. Improvement of Sports activities in 39 Schools
4. Improvement in Prayer Session and discipline in 60 Schools
5. Health awareness increased in students by organizing Yoga and Exercises activities
6. Employed teachers and coordinators are taking participation in Clean India programme, Tree plantation and various social curriculum activities

Future Plans

In coming years, Supreme foundation will focus and may consider on following areas to improve education infrastructure of Selected Sanskrit schools in Ajmer and Bikaner divisions:

1. Construction of water tanks and provide drinking water in schools
2. Construct and create Toilet facilities in schools
3. Grant merit Scholarships to bright students
4. Provide Computers , printers and other necessary infrastructure and create Computer labs with appointment of computer teacher
5. Extra classes and teachers for English speaking
6. Installation of good quality Sound system to make various school programmes effective.
7. Provide Basic Facilities in schools like School dress, Stationary, Floor Mats, Almira etc.
8. Provide Dustbins and encourage cleanliness
9. Promote and help in Tree Plantations
10. Provide additional teachers for English, Science and Maths education
11. Setup Fun classrooms for students
12. To create social awareness about "Beti Bachao-Beti Padhao".

During the year under review, a sum of ₹ 251.43 lacs have been spent and it plans to spend about ₹ 550 lacs in the current year on above plans including continuation of regular deployment of teachers in various schools.

Further the Supreme foundation has committed Sum of ₹ 28 Lakhs for the construction of Public toilet facilities to be built in the city of Jalgaon. Jalgaon Municipality Corporation has earmarked the requisite plot of land in the heart of city and agreement for a period of 30 years is being executed between Supreme Foundation and Jalgaon Municipal Corporation. This facility would be extensively useful for common public visiting the market area and shall be maintained by Supreme Foundation.

Company has also taken various initiatives and brief details of activities undertaken is as under:

(I) Village Health improvement Initiative:

This initiative has entered its 9th year of successful operation since its inception in the year 2008. The health center's main camp is located at Dhadgaon in the district of Nandurbar, Maharashtra.

This facility comprises of a mobile medical van equipped with necessary diagnostic equipment's, medicines and skilled manpower etc. In the year 2017-2018 , this facility has benefited as many as 4428 patients mostly coming from tribal population residing in remote villages of Nandurbar District .

The above health improvement program also works in sync with following activities –

- a) Medical check-up of students in Ashramshalas
- b) Medical check- up of kids in Anganwadis
- c) KishoriKaryashalas at villages
- d) Providing Sanitary Napkins to adolescent girls in the villages
- e) Free distribution of medicines especially during epidemics
- f) Free distribution of medicines such as hemoglobin , iron & calcium supplement
- g) Company's Ambulance is provided to the needy & critical patients of nearby villages for further hospitalization in bigger cities
- h) Making small gardens (ParasBaug's) for growing vegetables using compost fertilizer and make it available as a supplement in the food served to the school going children.
- i) As many as 62 patients got benefit from eye camp conducted in association with KantilaxmiShaha Eye Hospital, Nandurbar.

(II) Public Sanitation :

Company has provided a Public toilet block facility at the city of Jamner, Dist. Jalgaon located in the heart of the city and is in the close vicinity of a bus stand, many Government offices, police station, educational institutes and commercial market place. This toilet block having facility for Gents & Ladies was completed & handed over to Jamner Municipal Corporation on 7 th Oct' 2017.

This initiative is a contribution towards Govt. of India's "Swachha Bharat Abhiyan" which aims at one hundred percent eradication of open defecation and providing hygiene and convenience.

This Toilet Block is managed and maintained by Supreme Foundation, a CSR arm of Supreme Industries Ltd.

(III) Drinking water supply:

The Company has taken up an initiative of making maximum villages tanker-free during the year 2017-2018 under its CSR plan.

Company has already completed the work of making a permanent drinking water supply scheme operational to the following villages falling under Tehsil of Jamner, Dist- Jalgaon.

- 1) Hivari
- 2) HivarkhedaDigar

These two villages were facing acute water shortage for the past 4 consecutive years. The said scheme started delivering adequate drinking water to above villages from 21 st April'2017. The work involved laying of approx. 2000 ft of pipe line (HDPE + PVC), a pump, electrical power supply etc. The water from back waters of Motidevi dam is lifted and transported to the open well located in the village. The water from well is then supplied to the households connected through the distribution pipe network of Grampanchayat. Village population of more than 1000 people and livestock of around 600 cattles are getting benefitted on regular basis.

Village of Gadegaon has been facing a problem of acute shortage of water, Hence, our company is supplying 1,00,000 liter of clean water on daily basis.

(IV) Police Welfare Fund and infrastructure support to the office of Supdt of Police, Jalgaon:

Company has contributed a sum of ₹ 2 lacs to the Police Welfare Fund, which is used for families of police personnel for childrens' education, medical help etc.

Company has provided infrastructural support to the Suprintendant of Police, Jalgaon.

The infrastructure included interior furnishing, wooden work , curtains , providing audio-visual system , LED screens etc for "Mangalam" multipurpose hall.

The Mangalam multi-purpose hall is used by police personnel for training, social gatherings etc

(V) Grant/Contribution for educational & Healthcare facilities.

The company regularly contribute towards various philanthropic activities particularly for education grant to students in need and to various institutions/trusts carrying out exemplary work in the field of education, health care & benefits of underprivileged in rural India.

5. Average Net Profit of the company for last 3 financial years :

₹ 463.89 crores

6. Prescribed CSR expenditure:

₹ 9.27 crores (2% of the average net profit of last three financial years)

7. Manner in which amount spent in financial year :

During the year under review, company has spent a sum of ₹ 6.86 crores. These includes donations to several registered trusts apart from direct spending and providing company's goods at special prices to Philanthropic NGOs and Trusts. These Trusts are providing education, vocational training at a very low cost and grants for medical help & education. The company continues to explore appropriate projects and spend the requisite amount or more. Company desires to spend the money for rightful and deserving causes. Now the Company has identified good project under its CSR arm – Supreme Foundation.

For and on behalf of the Board of Directors

B. L. Taparia
Chairman

Place: Mumbai
Date: 26th April 2018



Annexure to the Boards' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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:-	L35920MH1942PLC003554
II	Registration Date	17/02/1942
III	Name of the Company	The Supreme Industries Limited
IV	Category / Sub-Category of the Company	Manufacturing
V	Address of the Registered Office and contacts details	612, Raheja Chambers, Nariman Point, Mumbai - 400 021 Phone Nos. 22820072, 22851656, 22851159-60, Fax No.: 22851657 Email : investor@supreme.co.in
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent	M/s Bigshare Services Pvt Ltd Bharat Tin Works Building 1st Floor Opp. Vasant Oasis Next to Keys Hotel Makwana Road Andheri – East Mumbai – 400059 Tel No. : 022-62638200 Fax No. : 022-62638299 E-mail : investor@bigshareonline.com

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:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Plastic Products	222	97.98

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

[No. of Companies for which information is being filled]-

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Supreme Petrochem Limited Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai 400 093.	L23200MH1989PLC054633	Associate Company	29.99	Section 2(6)
2	The Supreme Industries Overseas (FZE) Reg. no 01-01-03490 Q-1-08-47/B, SAIF Zone, P.O Box 9158, Sharjah, United Arab Emirates.	–	Subsidiary	100	Section 2(87)

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

(i) Category-wise Share Holding

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2017				No. of Shares held at the end of the year: 31/03/2018				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
A.	Promoters									
(1)	Indian									
(a)	Individual / HUF	3235590	–	3235590	2.55	3235590	–	3235590	2.55	–
(b)	Central / State Government(s)	–	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	59897155	–	59897155	47.15	59897155	–	59897155	47.15	–
(d)	Financial Institutions / Banks	–	–	–	–	–	–	–	–	–
(e)	Any Others (Specify)									
(f)	Trusts	–	–	–	–	–	–	–	–	–
	Sub Total (A)(1) :	63132745	–	63132745	49.70	63132745	–	63132745	49.70	–

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2017				No. of Shares held at the end of the year: 31/03/2018				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(2)	Foreign									
(a)	NRI-Individual	–	–	–	–	–	–	–	–	–
(b)	Other- Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(d)	Banks/FI	–	–	–	–	–	–	–	–	–
(e)	Any Others (Specify)	–	–	–	–	–	–	–	–	–
	Sub Total (A)(2) :	–	–	–	–	–	–	–	–	–
	Total holding for promoters (A)= (A)(1) + (A)(2)	63132745	–	63132745	49.70	63132745	–	63132745	49.70	0.00
B.	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	6067471	–	6067471	4.78	9391560	–	9391560	7.39	2.61
(b)	Banks/Financial Institutions	364575	2765	367340	0.28	43986	2765	46751	0.04	(0.24)
(c)	Central Government(s)	–	–	–	–	233900	–	233900	0.18	0.18
(d)	State Government(s)	–	–	–	–	–	–	–	–	–
(e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f)	Insurance Companies	–	–	–	–	–	–	–	–	–
(g)	FII's	16549741	1500	16551241	13.03	13931407	1500	13932907	10.97	(2.06)
(h)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
(i)	Foreign Financial Institutions / Banks	500	–	500	–	500	–	500	–	–
(j)	Foreign Portfolio Investors	13383498	–	13383498	10.54	13048304	–	13048304	10.27	(0.27)
(k)	Alternate Investment Funds	375504	–	375504	0.30	603588	–	603588	0.48	0.18
(l)	Any Others (Specify)									
	Sub Total (B)(1) :	36741289	4265	36745554	28.93	37253245	4265	37257510	29.33	0.40
2	Non-Institutions									
(a)	Bodies Corporate	4626151	17405	4643556	3.66	4680239	13535	4693774	3.70	0.04
(b)	Individual									
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	15051803	2150675	17202478	13.54	15302116	1769530	17071646	13.44	(0.10)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4696050	–	4696050	3.70	4170741	–	4170741	3.28	(0.42)
(c)	Any Others (Specify)									
(i)	Trusts	3750	–	3750	–	3220	–	3220	–	–
(ii)	Clearing Member	54195	–	54195	0.04	86387	–	86387	0.07	0.03
(iii)	Non Resident Indians (NRI)	229302	134915	364217	0.28	292083	84835	376918	0.30	0.02
(iv)	Non Resident Indians (Repat)	39646	–	39646	0.03	45595	–	45595	0.04	0.01
(v)	Non Resident Indians (Non Repat)	123072	–	123072	0.10	185162	–	185162	0.15	0.05
(vi)	Overseas Bodies Corporate	–	–	–	–	–	–	–	–	–
(vii)	Corporate Body NBFC	21607	–	21607	0.02	3172	–	3172	0.00	(0.02)
	Sub Total (B)(2) :	24845576	2302995	27148571	21.37	24768715	1867900	26636615	20.97	(0.40)
	Total Public Shareholding (B)=(B)(1) + (B)(2)	61586865	2307260	63894125	50.30	62021960	1872165	63894125	50.30	0.00
C.	Shares Held By Custodians For GDRS & ADRS	–	–	–	–	–	–	–	–	–
	Grand Total (A) + (B) + (C)	124719610	2307260	127026870	100.00	125154705	1872165	127026870	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Venktesh Investment And Trading Company Private Limited	19693081	15.50	0.00	19693081	15.50	0.00	0.00
2	Jovial Investment And Trading Company Private Limited	19912082	15.68	0.00	19912082	15.68	0.00	0.00
3	Boon Investment And Trading Company Private Limited	20206592	15.91	0.00	20206592	15.91	0.00	0.00
4	Shivratan Jeetmal Taparia	703816	0.55	0.00	703816	0.55	0.00	0.00
5	Mahaveerprasad S. Taparia	749186	0.59	0.00	749186	0.59	0.00	0.00
6	Vijaykumar Bajranglal Taparia	344890	0.27	0.00	344890	0.27	0.00	0.00
7	Bajranglal Surajmal Taparia	317398	0.25	0.00	317398	0.25	0.00	0.00
8	Vivek Kumar Taparia	262230	0.21	0.00	262230	0.21	0.00	0.00
9	Kamleshdevi M Taparia	347830	0.27	0.00	347830	0.27	0.00	0.00
10	Kusumdevi S Taparia	98690	0.08	0.00	98690	0.08	0.00	0.00
11	Priyankadevi Taparia	141500	0.11	0.00	141500	0.11	0.00	0.00
12	Viren Vivek Taparia	200050	0.16	0.00	200050	0.16	0.00	0.00
13	Anika Vivekkumar Taparia	20000	0.02	0.00	20000	0.02	0.00	0.00
14	Akshay Vivekkumar Taparia	50000	0.04	0.00	50000	0.04	0.00	0.00
15	Suraj Packaging Private Limited	6300	0.00	0.00	6300	0.00	0.00	0.00
16	Platinum Plastic And Industries Private Limited	49100	0.04	0.00	49100	0.04	0.00	0.00
17	Space Age Chemplast Pvt. Ltd.	30000	0.02	0.00	30000	0.02	0.00	0.00
	Total	63132745	49.70	0.00	63132745	49.70	0.00	0.00

(iii) Changes in Promoters Shareholding (please specify if there is no change)

Sr. No.		Share holding at the beginning of the year		Cumulative Shareholding during the year	
		Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
	At the beginning of the year	63132745	49.70	63132745	49.70
	Date wise increase /decrease in Promoters shareholding during the year specifying reasons for increase/decrease (allotment / transfer /bonus / sweat equity etc):				
	At the end of the year	63132745	49.70	63132745	49.70

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2017)/End of the year(31.03.2018)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
1	Nalanda India Fund Limited	8176502	6.44	01/04/2017				
				05/01/2018	(617000)	Transfer	7559502	5.95
				19/01/2018	(15500)	Transfer	7544002	5.94
		7544002	5.94	31/03/2018			7544002	5.94
2	Smallcap World Fund, INC	5961479	4.69	01/04/2017				
				15/09/2017	(124459)	Transfer	5837020	4.60
				22/09/2017	(28998)	Transfer	5808022	4.57

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2017)/End of the year(31.03.2018)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
				29/09/2017	(14013)	Transfer	5794009	4.56
				06/10/2017	(22693)	Transfer	5771316	4.54
				13/10/2017	(127498)	Transfer	5643818	4.44
				20/10/2017	(55335)	Transfer	5588483	4.40
				27/10/2017	(77091)	Transfer	5511392	4.34
				23/02/2018	(6429)	Transfer	5504963	4.33
				02/03/2018	(888787)	Transfer	4616176	3.63
				30/03/2018	(38237)	Transfer	4577939	3.60
		4577939	3.60	31/03/2018			4577939	3.60
3	HDFC Trustee Company Ltd.- A/C HDFC MID- Cap Opportunities Fund	2499522	1.97	01/04/2017				
				19/05/2017	(48000)	Transfer	2451522	1.93
				22/06/2017	(73000)	Transfer	2378522	1.87
				14/07/2017	(38500)	Transfer	2340022	1.84
		2340022	1.84	31/03/2018			2340022	1.84
4	JPMorgan Emerging Markets Investment Trust PLC.	1479890	1.17	01/04/2017		Nil movement during the year		
		1479890	1.17	31/03/2018			1479890	1.17
5	Matthews India Fund	1441965	1.14	01/04/2017				
				07/04/2017	(36329)	Transfer	1405636	1.11
				05/05/2017	(23671)	Transfer	1381965	1.09
				26/05/2017	(1804)	Transfer	1380161	1.09
				02/06/2017	(29423)	Transfer	1350738	1.06
				09/06/2017	(23773)	Transfer	1326965	1.04
				16/06/2017	(116831)	Transfer	1210134	0.95
				22/06/2017	(3169)	Transfer	1206965	0.95
				04/08/2017	(60000)	Transfer	1146965	0.90
				11/08/2017	(60000)	Transfer	1086965	0.86
				15/09/2017	(50000)	Transfer	1036965	0.82
				22/09/2017	(50000)	Transfer	986965	0.78
				10/11/2017	(115000)	Transfer	871965	0.69
				26/01/2018	(4)	Transfer	871961	0.69
		871961	0.69	31/03/2018			871961	0.69
6	J P Morgan Funds	1282173	1.01	01/04/2017				
				28/04/2017	96990	Transfer	1379163	1.09
				26/05/2017	118890	Transfer	1498053	1.18
				16/06/2017	75810	Transfer	1573863	1.24
				29/09/2017	(13966)	Transfer	1559897	1.23
				06/10/2017	(31334)	Transfer	1528563	1.20
				24/11/2017	(11337)	Transfer	1517226	1.19
				01/12/2017	(25406)	Transfer	1491820	1.17
		1491820	1.17	31/03/2018			1491820	1.17
7	Suryavanshi Commotrade Private Limited	675000	0.53	01/04/2017				
				08/12/2017	(200000)	Transfer	475000	0.37
		475000	0.37	31/03/2018			475000	0.37

Sr. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2017)/End of the year(31.03.2018)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
8	Invesco India Mauritius Limited	623000	0.49	01/04/2017				
				12/05/2017	(44426)	Transfer	578574	0.46
				19/05/2017	(3258)	Transfer	575316	0.45
				16/06/2017	(20000)	Transfer	555316	0.44
				22/06/2017	(80000)	Transfer	475316	0.37
				14/07/2017	(15654)	Transfer	459662	0.36
				21/07/2017	(12500)	Transfer	447162	0.35
				03/11/2017	(20000)	Transfer	427162	0.34
				24/11/2017	(21700)	Transfer	405462	0.32
				12/01/2018	(19115)	Transfer	386347	0.30
				19/01/2018	(72987)	Transfer	313360	0.25
				26/01/2018	(21773)	Transfer	291587	0.23
				02/02/2018	(9306)	Transfer	282281	0.22
		282281	0.22	31/03/2018			282281	0.22
9	Mayank Jashwantlal Shah	583018	0.46	01/04/2017				
				14/04/2017	(18346)	Transfer	564672	0.44
				21/04/2017	(1172)	Transfer	563500	0.44
				28/04/2017	(3000)	Transfer	560500	0.44
				05/05/2017	(47000)	Transfer	513500	0.40
				12/05/2017	(8000)	Transfer	505500	0.40
				19/05/2017	(1300)	Transfer	504200	0.40
				26/05/2017	(5)	Transfer	504195	0.40
				16/06/2017	(129)	Transfer	504066	0.40
				23/06/2017	(3566)	Transfer	500500	0.39
				07/07/2017	(4304)	Transfer	496196	0.39
				14/07/2017	(5996)	Transfer	490200	0.39
				26/01/2018	(100000)	Transfer	390200	0.31
				02/02/2018	(5000)	Transfer	385200	0.30
		385200	0.30	31/03/2018			385200	0.30
10	SBI Magnum Global Fund	755220	0.59	01/04/2017				
				28/07/2017	(590000)	Transfer	165220	0.13
				01/09/2017	(165000)	Transfer	220	0.00
		220	0.00	31/03/2018			220	0.00
11	DSP Blackrock	263728	0.21	01/04/2017				
				12/05/2017	50000	Transfer	313728	0.25
				22/06/2017	51795	Transfer	365523	0.29
				27/06/2017	6950	Transfer	372473	0.29
				30/06/2017	156908	Transfer	529381	0.42
				07/07/2017	12491	Transfer	541872	0.43
				04/08/2017	50968	Transfer	592840	0.47
				11/08/2017	116185	Transfer	709025	0.56
				18/08/2017	30000	Transfer	739025	0.58
				25/08/2017	58000	Transfer	797025	0.63
				08/09/2017	4450	Transfer	801475	0.63
				15/09/2017	195000	Transfer	996475	0.78
				08/12/2017	38235	Transfer	1034710	0.81
				22/12/2017	212185	Transfer	1246895	0.98

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2017)/End of the year(31.03.2018)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
				02/03/2018	859397	Transfer	2106292	1.66
		2106292	1.66	31/03/2018			2106292	1.66
12	Kotak Mahindra Fund	560122	0.44	01/04/2017				
				19/05/2017	(62033)	Transfer	498089	0.39
				05/05/2017	(30000)	Transfer	468089	0.37
				16/06/2017	(25000)	Transfer	443089	0.35
				22/06/2017	(1042)	Transfer	442047	0.35
				27/06/2017	(2811)	Transfer	439236	0.35
				07/07/2017	(10067)	Transfer	429169	0.34
				14/07/2017	(26541)	Transfer	402628	0.32
				18/08/2017	23281	Transfer	425909	0.34
				25/08/2017	86807	Transfer	512716	0.40
				01/09/2017	10000	Transfer	522716	0.41
				01/09/2017	(6514)	Transfer	516202	0.41
				08/09/2017	3816	Transfer	520018	0.41
				15/09/2017	13050	Transfer	533068	0.42
				22/09/2017	26129	Transfer	559197	0.44
				29/09/2017	25769	Transfer	584966	0.46
				06/10/2017	4277	Transfer	589243	0.46
				20/10/2017	40000	Transfer	629243	0.50
				27/10/2017	16436	Transfer	645679	0.51
				03/11/2017	9935	Transfer	655614	0.52
				07/11/2017	21860	Transfer	677474	0.53
				10/11/2017	70778	Transfer	748252	0.59
				17/11/2017	31907	Transfer	780159	0.61
				24/11/2017	39560	Transfer	819719	0.65
				24/11/2017	(1206)	Transfer	818513	0.64
				01/12/2017	20441	Transfer	838954	0.66
				08/12/2017	13160	Transfer	852114	0.67
				15/12/2017	1210	Transfer	853324	0.67
				22/12/2017	8982	Transfer	862306	0.68
				29/12/2017	12138	Transfer	874444	0.69
				05/01/2018	11888	Transfer	886332	0.70
				12/01/2018	(351)	Transfer	885981	0.70
				12/01/2018	20879	Transfer	906860	0.71
				19/01/2018	(1041)	Transfer	905819	0.71
				19/01/2018	9095	Transfer	914914	0.72
				26/01/2018	(12400)	Transfer	902514	0.71
				02/02/2018	(26185)	Transfer	876329	0.69
				02/02/2018	2096	Transfer	878425	0.69
				09/02/2018	1504	Transfer	879929	0.69
				16/02/2018	1	Transfer	879930	0.69
				23/02/2018	16767	Transfer	896697	0.71
				02/03/2018	4092	Transfer	900789	0.71
				16/03/2018	736	Transfer	901525	0.71
		901525	0.71	31/03/2018			901525	0.71

Sr. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2017)/End of the year(31.03.2018)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
13	Kotak Fund – India Midcap Fund	0	0	01/04/2017				
				28/07/2017	507631	Transfer	507631	0.40
				17/11/2017	183296	Transfer	690927	0.54
				01/12/2017	644	Transfer	691571	0.54
				08/12/2017	116146	Transfer	807717	0.64
				12/01/2018	342559	Transfer	1150276	0.91
				09/02/2018	48523	Transfer	1198799	0.94
				16/02/2018	3711	Transfer	1202510	0.95
				23/02/2018	3666	Transfer	1206176	0.95
				02/03/2018	23055	Transfer	1229231	0.97
		1229231	0.97	31/03/2018			1229231	0.97
14	Axis Mutual Fund	718872	0.57	01/04/2017				
				21/04/2017	18000	Transfer	736872	0.58
				28/04/2017	(20000)	Transfer	716872	0.56
				05/05/2017	50000	Transfer	766872	0.60
				19/05/2017	25000	Transfer	791872	0.62
				26/05/2017	75000	Transfer	866872	0.68
				16/06/2017	85000	Transfer	951872	0.75
				22/06/2017	20000	Transfer	971872	0.77
				23/06/2017	25000	Transfer	996872	0.78
				30/06/2017	10000	Transfer	1006872	0.79
				07/07/2017	15000	Transfer	1021872	0.80
				14/07/2017	70000	Transfer	1091872	0.86
				28/07/2017	100000	Transfer	1191872	0.94
				04/08/2017	160000	Transfer	1351872	1.06
				18/08/2017	3645	Transfer	1355517	1.07
				25/08/2017	70758	Transfer	1426275	1.12
				01/09/2017	25000	Transfer	1451275	1.14
				08/09/2017	19742	Transfer	1471017	1.16
				29/09/2017	25000	Transfer	1496017	1.18
				03/11/2017	25000	Transfer	1521017	1.20
				07/11/2017	25000	Transfer	1546017	1.22
				10/11/2017	60000	Transfer	1606017	1.26
				08/12/2017	25000	Transfer	1631017	1.28
				05/01/2018	48188	Transfer	1679205	1.32
				12/01/2018	60000	Transfer	1739205	1.37
				19/01/2018	100000	Transfer	1839205	1.45
				26/01/2018	100000	Transfer	1939205	1.53
				02/02/2018	100000	Transfer	2039205	1.61
				09/02/2018	150000	Transfer	2189205	1.72
				23/02/2018	75000	Transfer	2264205	1.78
				02/03/2018	22000	Transfer	2286205	1.80
				23/03/2018	29000	Transfer	2315205	1.82
		2315205	1.82	31/03/2018			2315205	1.82

(V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1)	Shri B.L. Taparia, Chairman				
	At the beginning of the year	317398	0.25	317398	0.25
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):				
	At the end of the year	317398	0.25	317398	0.25
2)	Shri M.P. Taparia, Managing Director				
	At the beginning of the year	749186	0.59	749186	0.59
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	749186	0.59	749186	0.59
3)	Shri S.J. Taparia, Executive Director				
	At the beginning of the year	703816	0.55	703816	0.55
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	703816	0.55	703816	0.55
4)	Shri V.K. Taparia, Executive Director				
	At the beginning of the year	344890	0.27	344890	0.27
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	344890	0.27	344890	0.27
5)	Shri B.V. Bhargava, Director				
	At the beginning of the year	13000	0.01	13000	0.01
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	13000	0.01	13000	0.01
6)	Shri Y.P. Trivedi, Director				
	At the beginning of the year	20010	0.02	20010	0.02
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	20010	0.02	20010	0.02
7)	Shri N.N. Khandwala, Director				
	At the beginning of the year	314500	0.25	314500	0.25
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	314500	0.25	314500	0.25

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8)	Shri Rajeev M. Pandia, Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL
9)	Shri Ramanathan Kannan, Director				
	At the beginning of the year	7410	0.00	7410	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	7410	0.00	7410	0.00
10)	Smt. Rashna Khan, Director				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL
11)	Shri P. C. Somani, Chief Financial Officer				
	At the beginning of the year	4000	0.00	4000	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	4000	0.00	4000	0.00
12)	Shri R. J. Saboo, AVP (Corporate Affairs) & Company Secretary				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

(₹ In Lacs)

	Secured Loans	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	9709	18189	27898
ii) Interest due but not paid	4	18	22
iii) Interest accrued but not due			
Total (i+ii+iii)	9713	18207	27920
Change in Indebtedness during the financial year			
• Addition			
• Reduction	1467	1624	3091
Net Change	1467	1624	3091
Indebtedness at the end of the financial year			
i) Principal Amount	8246	16528	24744
ii) Interest due but not paid			
iii) Interest accrued but not due		54	55
Total (i+ii+iii)	8246	16582	24799

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri M.P. Taparia	Shri S. J. Taparia	Shri V. K. Taparia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	226	223	225	674
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act	–	–	–	–
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission	641	641	641	1923
	– As % of profit				
	– others, specify...				
5.	Others, please specify				
	Total (A)	867	864	866	2597
	Ceiling as per the Act				6412

B. Remuneration to other directors:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri Y. P. Trivedi	Shri N. N. Khandwala	Smt. Rashna Khan	Shri Ramanathan Kannan	Shri Rajeev M. Pandia	
1.	Independent Directors							
	• Fee for attending board, committee meetings	6.50	9.50	12.50	7.00	7.50	9.50	52.50
	• Commission							
	• Others, please specify							
	Total(1)	6.50	9.50	12.50	7.00	7.50	9.50	52.50
		Shri B. L. Taparia						
2.	Other Non-Executive Directors							
	• Fee for attending board, Committee meetings	5.00						5.00
	• Commission							
	• Others, please specify							
	Total(2)	5.00						5.00
	Total(B)=(1+2)	11.50	9.50	12.50	7.00	7.50	9.50	57.50
	Total Managerial Remuneration	NA						
	Overall Ceiling as per the Act	NA						

C. Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53	115	168
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	– as % of profit			
	– others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total	53	115	168

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment		NIL			
Compounding					
B. DIRECTORS					
Penalty					
Punishment		NIL			
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment		NIL			
Compounding					

For and on behalf of the Board of Directors

B. L. Taparia
 Chairman

 Place: Mumbai
 Date: 26th April 2018

Management Discussion and Analysis

1. OVERVIEW

There were far reaching structural reforms implemented in the Indian economy in the last seventeen months starting from November 2016. In the process these measures have put the economy on sound growth path. They augur well to put the economy in high growth mode in future.

The most significant reform was introduction of Goods and Service Tax w.e.f 1.7.2017. This single measure has integrated the Country's economy. Overall, the incidence of indirect tax has come down on most of the products by this measure of merging several indirect taxes and cess charged on the products in different States prior to July 2017.

The streamlining of GST implementation and Tax rates took some time. That has created upheaval in 1st half of last year. For your Company's business, the introduction of Realty Estate regulation Act (RERA) has also affected growth of piping business in Housing Sector for several months.

The several initiatives taken by Government to boost rural income and infrastructure are now fructifying to boost business in several segments which are catered by the Company. The Company, therefore, envisaged a faster growth in business from April 2018 and beyond. On the basis of the promising future demand growth, the Company started committing larger investments during the year than planned at beginning of the year.

Due to hardening of Polymer Prices and lack of new capacity build up of the PVC resin all around the world, the PVC prices have moved to higher band. For the year 2018-19, it is expected that the PVC price trend will remain on higher side. In spite of increase in Crude prices, the prices of Polythene will move to a lower level over the year as several new plants are starting in USA based on the low feed stock cost of Shale gas. Overall, the polymer prices will remain affordable.

The effect of Demonetization, GST and RERA looks to have settled down to a large extent. The economy is moving to formal sector slowly, but surely from informal sector. This augurs well to boost the economic activity in the Country. The initial forecast for Monsoon this year is also normal. Company, therefore, expects business conditions to be favorable in the year to boost the demand for its products.

The Company expects to put two new Greenfield plants in production this year – one at Telangana and another at Rajasthan. The Company's additional construction of buildings in existing plants and start up of production at those sites will also go in production this year at Malanpur, Khopoli, Hosur and Kharagpur.

The Company intends to start two new plants at Andhra Pradesh and Assam. Land acquisition process has started. They may partially go into production next year.

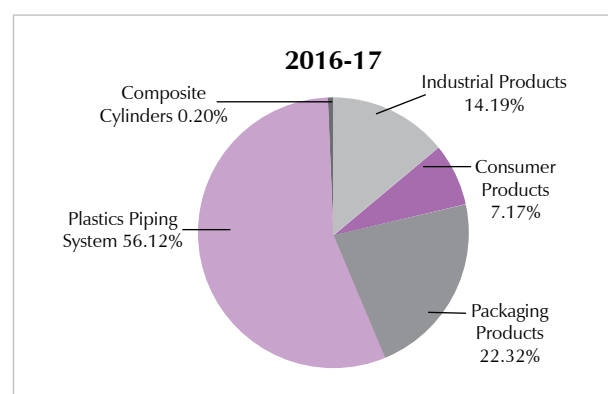
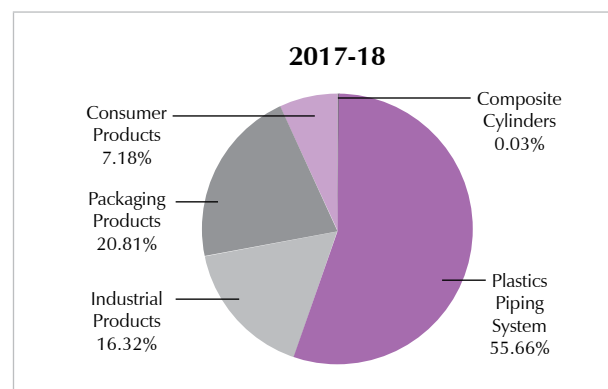
The Company's units to make up automobile products at Khushkhera has been put in JV with a Japanese Company. The Company may divest its small holding in that Unit within 2-3 years after start up of this J.V

2. PRODUCT GROUPS

The product groups of the Company have been recast as follows:

Group	Products
Plastics Piping System	uPVC Pipes, Injection Moulded PVC fittings and handmade fittings, Polypropylene Random Co-polymer pipe system, HDPE Pipe Systems, CPVC Pipes Systems, Inspection Chambers, manholes, Toilets Bath fittings, Roto moulded Tanks and Fittings and Solvents
Consumer products	Furniture
Industrial Products	Industrial Components, Material handling System and Pallets – Roto moulded crates, pallets and garbage bins
Packaging Products	Flexible packaging film products, Protective Packaging Products, Cross Laminated Film products
Composite Products	Composite LPG Cylinders,

PRODUCT GROUP WISE SHARE IN TURNOVER FOR THE LAST TWO YEARS (% OF VALUE)



The net turnover (including other income) of the Company for the year under review was ₹ 4983.80.Crores (including ₹ 65.77 Crores by way of trading in other related products and ₹ 24.28 crores from sale of Premises) as against ₹ 4469.79 crores (including ₹ 64.78 Crores by way of trading in other related products) during the previous year.

The Company has sold 3,71,176 tons of Plastic products as against 3,40,906 tons of Plastic products in the corresponding period of previous year, reflecting a growth of 9% in product turnover by volume.

The Company exported goods worth US \$ 16.93 . million as against US \$ 13.50 million during the corresponding period of the previous year.

Profit before interest, depreciation and exceptional items and taxes during the period under review have been at ₹ 804.31 crores as against ₹ 769.61 crores during the previous year.

3. COMPANY'S STRENGTH AND GROWTH DRIVERS

3.1 Manufacturing Sites

The Company is operating from 25 manufacturing sites operating in 11 States and Union Territories. The Company intends to start working on two new sites to put up plant in the current year. It is expected that the Company will be finalizing the location in Andhra Pradesh and Assam during this year and start activities to put up the plants.

3.2 Distribution network

Your Company is committed to increase its reach throughout the country. To attain this objective, the Company has added further distributors in the past year. The distributors strength has gone up to 3303. Nos by the end of March 2018 compared to 2973 nos by March 2017.

Wherever the Company could not find suitable distributors to buy and stock Company's products for re-distribution throughout the retail chain of that area, the Company started selling products directly to big retailers in that area. Selectively, the Company has strengthened its supply system to service those retailers in a cost efficient manner. The Company started this only very selectively.

Your Company's Supreme brand is now registered with a punch line " Supreme – People who know plastics best."

3.3 Growth Drivers

Your Company is strengthening its brand in Two ways. One by increasing expenditure on Advertisement through Electronic, Print media and participating in several Exhibitions in India and abroad along with large meets of plumbers, Dealers, Retailers and Architects. The Company participated in several exhibitions in India and internationally last year. Secondly Company is taking legal recourse to contain counterfeit products in Plastics pipe System, XF Products and Furniture. Company assiduously works to address this menace.

4. OPERATIONAL PERFORMANCE

4.1 Plastics Piping Systems

The Company continues its objective to grow in Plastic Pipe System business. The company is leader in this segment as it has the largest portfolio of products, which is being continuously increased, to offer more systems as required in the economy.

The introduction of GST regime in the country augured well for growth of this business. There is likelihood of shift in business from unorganized players to organized players over the period. This is expected to lead to growth in the business of your Company in forthcoming years.

The Company during the year under review registered an over all revenue growth of 10% in Plastic Piping System made from different plastic materials. Overall the company sold 2,56,330 Tons of Pipe System compared to 2,35,256 Tons in same period of last year.

The growth in the business was not upto Company's expectation. GST introduction has put damper in Agri market requirement in April/June. Real Estate Regulation Act (RERA) to regulate the Housing Sector has slowed down the demand from this sector for quite a period.

The Government at the Centre and States has put the priority focus on Swatch Bharat Abhiyan, Sanitation and affordable houses to all and development of 100 smart cities on all India basis. Real Estate Regulation Act (RERA) has created a major transformation the way housing construction for sale was in vogue in the Country. It affected the business growth in Housing in the year under review. The growth tempo has now started and the Company expects good demand coming from this segment in this year.

The Company incurred Capex of ₹ 144 crore in this year in its various plants to build more capacities and increase product range. Majority of them has been put to use .

The Company with objective of making its footprint for manufacturing at South Zone, for Plastic Piping Division, has got 50 acres of land allotted at Jadcherla-District Mahaboobnagar at Telangana. The civil construction work has started and production of Water & Septic Tanks is likely to start in October/December '2018. The Company will launch other Piping System products at this location in next one/ two year. The Company has entered into a MOU with the State Government of Andhra Government to put up a project at Nellore district. Efforts are being made to acquire the required land of approx. 40 acres to start the manufacturing there. The Company aims to start production at the same site in second half of 2019-2020.

The plant at Kharagpur is fully operational. The capacity increase for PVC, HDPE & CPVC Pipes is now in place and become operational. The Company is also exploring further increasing the capacity of HDPE Pipe at Kharagpur plant to cater to increased demand.

To meet the increasing demand of HDPE Pipes in North India, the Company has taken in hand to put up the capacity in Malanpur Unit No.3. The same will go in production in July/ September 2018 quarter.

Another Roto Moulding plant is now operational at Kharagpur. The enhanced capacity at Gadegaon facility for Roto Moulded Products is made operational. The capacity of Roto Moulded Products is being planned to increase at Malanpur and Kanpur plant.

The production of Double Wall Corrugated HDPE Pipes has started from Gadegaon plant with BIS Certification. The company has also started commercial production of Double Wall Corrugated HDPE Pipes at Kharagpur. At Kharagpur the BIS certification for Pipes up to diameter of 500 mm is received and for balance sizes of 600 mm and 800 mm diameter is likely to be received shortly.

The company introduced 195 nos. of variety of Injection Moulded Pipe fittings during 2017-18. They all have been well received in the market. The sale of moulded fittings increased by 6% in volume terms during the year under review. The Company has plan of introducing further new items during the year as per system requirement.

The Company manufactures the cPVC Pipes at three of its manufacturing location and cPVC Fittings at two of its manufacturing locations. The Company has planned further expansion of CPVC System manufacturing at it's existing plants. The total product portfolio in Pipe System has reached 7730 nos., thus adding 500 products to the range of various Plastic Piping System.

The AQUAKRAFT Bath Fittings introduced by the company is well established now including newly launched Chrome Plated range. There were 11 new items introduced during the year. The portfolio in Bath Fittings has reached to 100 items. For test market, Company also imported 16 variety of Bath Fittings to service local market. The Company plans to further complement the range during 2018-19 by introducing large varieties of products in Bath fittings.

The Company's business to Export market during the year saw a growth of 48% in US \$ terms. The company is continuously trying to boost its export business of Piping Systems.

The Division's Value Added Products sale was 31.76%. The company has also added further 68 direct business Channel partners during the year taking the total to 984 Nos.. The Company continues to expand its reach by appointing Distributors in areas where there is a gap. The company has also started directly servicing retailers in selected markets.

The Company has now multiple Knowledge Centres across the country to facilitate the services locally. At Gadegaon for the customers of Western India, at Kochi for the customers of Southern India, at Malanpur for customers of Northern India and at Kharagpur for customers of Eastern India.

Although Company's CPVC Fire Sprinkler System is approved by Bureau of Indian Standard (BIS) and is also Underwriters Laboratories (UL) listed, still the Company needs product approval to install in Residential /Commercial Buildings. There is no single authority to approve the product and every State Government has their own rules and regulations to be followed in their States. Certain states got Central Authority called "Director Fire Services" and the approval is acceptable to all the Fire Officers and Fire stations within their States. But in certain States the Company has to seek approval from every Chief Fire Officer of a city which has status of Municipal Corporation. Seeking approval is a time consuming process. Thus the growth in this segment will be slow though it is internationally proven a better system than metal Fire Sprinkler System for Horizontal Application.

The BIS has not yet published the standard for CPVC Fire Sprinkler Fittings and also many amendments to IS- 15105, which is a standard for design and installation of Fire Sprinkler System. Although National Building Code 2016 has been published the implementation part has still not gathered pace. As a result the awareness about mandatory installation of CPVC Fire Sprinkler System in High-rise Residential Apartments as well as Commercial buildings is not catching the momentum.

The Company is putting lot of efforts in creating awareness about it's products by meeting various Developers, Consultants and Installers in all the major Metropolitan and Tier-I cities. As a result of these efforts the Company could install this system at Mumbai, Pune and Goa locations for many upcoming High-rise Buildings. These installations will work as a showcase to present it to future buyers, consultants and installers.

The installers who did the mock-up installations are truly satisfied. They see tremendous benefit because of ease and speed of installation while using this product. They have confirmed that the speed of installation is four times faster than the earlier metal installations and the skill requirement is less as no welding or threading operations are involved.

The Company has developed moulds for fast running fittings and the samples are already under testing with Underwriters Laboratories (UL). This will enhance Company's efficiency in delivering the products to the end users with speed.

The Company has started participating in various "Fire and Safety" Exhibitions in India as well as abroad as part of promotional activities. This is helping in creating awareness to 'Supreme Flameguard' Brand . The Company is getting good response from Indian as well as Overseas buyers.

Apart from installation in India the Company has supplied it's products to a hotel project in Sri Lanka and to a renowned distributor in Philippines.

The Company expects that most of the regulatory approvals will be over and indigenous development of products should be complete during the current Calendar year. The business may catch momentum from the second half of the current financial year.

To support environment concern the Company is gearing up to meet with National Green Tribunal and court directive of phasing out Lead stabilizers from manufacturing of different types of u PVC Pipes. The Company is planning a phased out schedule for different variety of PVC Pipes having Lead stabilizers to produce with Lead free stabilizers.

4.2 Consumer Products

4.2.1 FURNITURE

The business during the year had a good growth. The company grew by 11 % on value terms and 8 % on volume terms where as the overall Plastic Furniture Industry grew by only 4 % on value terms. The company faced initial hiccups in business with GST regime. Sales in First Quarter were extremely sluggish due to introduction of GST and reduction in pipeline inventory with trade channels. Further, the GST rate which was kept at 28 % in the beginning had an adverse effect on the business. However, reduction in GST rate from 28 % to 18 % gave boost to the business and the growth in second half of 2017-18 was a healthy 16% on value terms. The company believes that with reduction in GST rate & effective compliance, the share of organized players should increase in overall plastic furniture business over the period.

The company currently manufactures Injection Moulded Furniture & Blow Moulded Furniture. It has 5 units manufacturing Injection Moulded Furniture across the country at Puducherry (UT), Durgapur (West Bengal), Derabassi



(Punjab), Gadegaon (Maharashtra) & Guwahati (Assam) to cater effectively different regions of the country. The company has also started manufacturing Blow Moulded Tables at its Kharagpur (West Bengal) plant. The company is putting up a Green Field Plant at Jadcherla (Telangana) for manufacture of Injection Moulded Furniture for increasing its market share in Southern India. The company believes the new plant will also be a good feeder unit for all other parts of the country due to its central location and good connectivity. The plant is likely to go in production by third quarter of this year and contribute to growth in last two quarters.

The growth in company's business is primarily attributed to its continuing focus on increasing its distribution set up and delivering high quality product & service to its customers. The company's furniture is currently available to its customers through nationwide network of around 11,000 retailers. The company has established itself as a premium brand amongst its trade channel and customers due to its continuous focus on Quality, innovation and wide range of products. During the year, the company increased its strength of channel partners from 814 Nos. to 900 Nos. and continues to increase its presence in the unrepresented areas.

The company's new product line of Blow Moulded Tables has been well received by customers and is considered as top class in Quality. At present, the company is offering Tables in 8 Sizes and will be adding 4 more sizes by end of September 2018. The company also plans to develop more products to cater different market segments.

The product line requires intensive marketing combined with education about its benefits vis a vis other conventional wooden tables and the company hopes to grow in 2018-19 in this segment primarily from domestic market. The export potential for this product line is big. The Company's quality of product is far superior comparable to competitive products in the world market. Once the range becomes large and get well established in domestic market, then the Company aims to launch its product in international markets.

The company introduced 7 new furniture models during the year. The Fusion Series of Cupboards found very high acceptance amongst the customers due to its unique aesthetic design. The company also launched its two seater rattan finish Love Seat Sofa which made an ideal combination with its fast selling model Cambridge Chair and Vegas Center Table. The complete set has been well appreciated in domestic as well as International Market. All the new models introduced during the year were well appreciated and the company hopes to get good growth from its new introductions.

The company continues to focus on developing its export market and has found good acceptance by various customers. The company has now started exports to Twelve countries and hopes to grow substantially from this segment. The Company participates in several exhibitions to promote its quality products.

4.3 Industrial Products

4.3.1 Industrial Components

The year started against the backdrop of improved business sentiments resulting from gradual economic recovery because

of various reforms initiated by the government. Demand revival took momentum in various segments including Automotive and Consumer Durable sector in which the Division has major business portfolio. At the beginning of the year, the Division had projected growth of 20% and 12% in Value and Volume terms in both the sectors put together. The initial negative effect of major economic Structural Reforms like Demonetization and GST having faded, demand progressively picked up in all segments of Automobile sector like 2 Wheeler/3 Wheeler, Cars/SUVs and Commercial Vehicles and in White Goods like washing Machines, Refrigerators and other home appliances. The good monsoon also helped demand boost in Automotive and Appliances. Division grew by 31% and 18% respectively in Volume and Value terms over previous year. With microeconomic parameters encouraging, GST getting stabilized and improved confidence in economy, the Company expects further expansion in demand which should pave the way for further growth during the current year.

Noida Plant revenue had improved significantly during the year under review and grew by 46%. Noida plant improved its customer base to have sizable spread in non-Appliances to counter seasonal demand volatility. Hence plant could achieve fairly uniform production with low level of volatility. Demand for AC segment improved considerably showing healthy growth. Company expects AC segment to grow significantly and concentrating on new customer development in this product line. In order to meet improved demand of one of Company's major AC customer and reduce logistics cost for the customer, company decided to put up a new plant at **Ghiloth**, Rajasthan and started the project work in full swing. The project is already at last leg of completion and expected to go in production in April-June, quarter. With the continued efforts in developing new Business Mix, company expects steady growth at Noida plant in future. Lot of steps were taken to carry out layout changes and many other improvements to make the plant future ready as the plant is three decade old and was requiring revamp. During the year, the Plant cleared Initial Assessment and Final Audit for TPM Excellence by JIPM (Japan Institute of Plant Maintenance). The Plant received the prestigious Award of TPM Excellence during the year. The movement will be accelerated further to next level during the years to come.

Auto Business in the western India which started showing recovery during FY 16-17 accelerated further during FY17-18 improving revenue of **Talegaon Plant** resulting in robust growth of 58% in sales revenue. The business of some automotive models, which were acquired during previous years from the major customer Tata Motors, started showing demand pick up. Supply of Cockpit Assembly which started for the LCV/MCV Model 'Ultra' of Tata Motors; during previous year, ramped up considerably and is expected to improve further during coming years. The New 2 Wheeler model SR 150 and the existing Vespa together registered better demand improving revenue of Talegaon plant. Plant Capacity Utilization improved significantly. Company is aggressively focusing to improve business at Talegaon by strengthening its Business Development cell.

Khushkhera Plant sales revived and grew by 8%. Supplies have been successfully established for one of the prestigious

SUV model of Honda Car, WR-V. Development is on for several other models for Maruti Suzuki and Honda. Company has been continuously exploring good business opportunities from Maruti, Honda and other tier one customers in many of their new models. However, it is felt that Company needs to strengthen its capabilities and reorganize not only a component supplier but also to become complete source of supply right from designing, development to supply of products which can be done effectively by the Company having such technical strength and capabilities.

Keeping the same in mind, Company has entered into a joint venture with Kumi Kasei Co., Ltd (Kumi), a company incorporated in Japan, to set up a new entity by the name of Kumi Supreme India Private Limited (JVC). Kumi is a major supplier to Honda for many interior parts for automotive application all over the world. They have been Company's Technology Partner for the last six years for Company's automotive supplies to Honda in India. The JVC would take over Khushkhera plant operations as a going concern on a slump sale basis. Transaction is likely to be completed by 30th June, 2018. This Joint Venture may further improve technological competence of the Auto Comp Business and will help in strengthening Company's relationship with all its customers.

Business opportunities are encouraging for **Chennai Plant**. Plant registered growth of only 4% as company couldn't grab the business opportunities due to capacity constraints in the plant. Currently plant is running at its optimum capacity. Company is now in the process of acquiring land adjacent to its existing facility, which will be used for expanding the plant. Company plans to expand and increase the plant capacity to facilitate acquiring future opportunities. Bosch has set up its huge manufacturing facility in India, at Chennai and would be launching various other Home Appliance products during next few years. Company expects good growth with this customer in years to come. The prospects in automotive sector for this unit are looking bright and it is expected to form a significant portion of plant revenue. Company has planned to realign its Customer-Mix for more productive capacity utilization.

Pondy Plant achieved a healthy volume growth of about 40% driven by good demand for Whirlpool Washing Machines. Value growth was close to 50% mainly due to product-Mix. The drive is taken to improve the operations further to enhance productivity, Quality, Cost Optimization, and Skills up gradation to meet increased demand from customers and stay competitive. The Company expects business to grow with its major customer during the years to come. Realizing the opportunities company has planned both Capacity and Capability enhancement at Pondy by taking series of actions. Company has initiated some layout changes for optimum utilization of space, improving safety standards and augmenting plant capacity.

Durgapur Plant also achieved healthy value and volume growth of 28% and 15% respectively due to maturation of the new businesses acquired during previous year and the current year. Company had added a customer in TIER 1 category to Auto Major TML during previous year. The sale to this Company significantly grew and is a major contributor to the growth of the plant. Company expects better growth during

this year from all the customers of this plant. Company has planned major layout changes in the plant to improve overall operations. Also, company has planned to initiate drive to work for TPM Excellence.

Company has taken drive to rationalize and reorient the machine capacities at its various locations to align it with the changed Product- Mix. While doing so, the new machines and equipment being added are equipped with the latest Technology, Energy efficient, designed for Good repeatability for better quality and improved productivity. Wherever feasible and cost-effective, Automation is being considered to for better productivity and quality. All these initiatives will ensure enhanced Quality, Productivity, Safety, Energy conservation and Cost optimization. It is helping us to negate the impact of inflation due to various manufacturing cost increases and cost reductions required to be given year on year to customers to remain competitive. The various such initiatives of the Company would support Environment and help Go Green.

Continuous focus on employee engagement initiatives is helping company to enhance its Human Capital. Company is envisaging certain fast track initiatives under HR Umbrella to enhance skilling of its human resource to improve its capability to meet future needs of Digital Manufacturing.

Overall rating of the Company by its customers meets or exceeds their expectations. Company is considered a highly dependable and valuable supplier. Company received various Awards and Recognitions from time to time from its customers for its support in Quality, Cost, Delivery and New product development, Overall Support, Best Practices etc. All employees are constantly re-oriented to ensure utmost focus on Customer Satisfaction.

The Journey towards excellence is being cultivated as a culture and will be continuous. Efforts are being accelerated to increase customer and product base, bring in new technology, Automation, Effective cost management to ensure sustained growth with profits.

4.3.2 Material Handling Products

The year started at the backdrop of demonetization and commencement of the GST regime from the end of 1st quarter, the effects of these were witnessed by the Material Handling Division also in the first half and the business started improving from then on.

The Crate Division has shown a volume growth of 18%.

The Company's Crates are used in various segments which includes Automobile, FMCG, White Goods, Engineering, Retail sectors.

Company also provides customized solution by fabrication to its valued customers. This business has shown healthy growth of 30%.

The Company's customers are appreciative of the quality of the products.

Company's Crate business has been decreasing in Dairy and fruits and vegetables segment. This is mainly due to abundant use of reprocessed material by many players in these applications. Company is able to participate only where good quality products are required.

Injection Moulded Pallet business has achieved volume growth of 12%.

Company has developed some new products which should get better response from the customers.

MHD products made by Roto Moulding has also shown good growth of 20% over last year. Company is planning to enhance capacity for Roto Moulded products of this Division.

Bottle crates for soft drinks did not perform well. This business is mainly dependent on two major soft drink players.

The products for garbage handling is on the increase due to Swachh Bharat Mission of Central Government. Company will introduce new products in this segments.

MHD Products were made at different locations which helps Company to serve the customers at competitive prices and timely delivery.

Company is setting up a new complex at Jadcherla in Telangana. Products for Material Handling Division also will be produced at that site.

Company is hopeful of achieving better growth in this Division in the current year.

4.4 Packaging Products

4.4.1 Packaging Films

The performance films division was running at full capacity last year as well as in the year under review. Therefore there was no growth possible in the year under review.

Overall sale was 7454 tons in the year under review vis a vis 7596 tons in the previous year. The sales in value term dropped from ₹ 129.40 Crores to ₹ 125.31 Crores. This was due to fall in raw material prices as well as drop in selling price.

During the year under review, exports stood at 1659 tons as against 1028 tons in corresponding period of previous year. The company's thrust on export resulted in robust growth of 61 % in volume. This trend will continue with addition of new customers in several geographies.

The customers of the Company have shown confidence in the quality of Company's films and service.

The division's sales have been consistent and customer base could be maintained by virtue of quality of products & high service standards. As the capacity of the division remains fully utilised, the division has committed an investment of ₹ 41 crores to expand its capacity at existing Khopoli unit.. The same may go in production in Jan/March 2019 quarter. This will increase the capacity by around 5000 Tons per annum.

4.4.2 Protective packaging division (PPD)

Protective packaging division (PPD) recorded 16% growth in value & 17.5% in volume during the year under review. The total sale was 23335 tons against 19853 tons last year

Overall packaging business was good during the year under review. The de-growth of the business of insulation grade cross-linked polyethylene foam has continued, as more competitors entered the business during the year. Most of the manufacturers are supplying substandard products against their own declared specifications. The division has taken up

a challenge to build quality awareness among the customers and approving authorities by several modes of communication. This is however a long drawn process. NBR sheet plant has commenced production in the first week of April after a delay of over 4 months due to delayed supply of equipments. This will enhance Company's product offering for insulation range of products. However competition may remain fierce in the coming year.

Many of the civil projects are getting restarted and it is expected that the demand will improve for the DURA range of products in the current year.

The market response for the new ranges of products like children education toys, sports, health sector, & interiors which were launched last year has been encouraging. A wide range of interlock mats are now well established in the market. The division is also developing sport specific certified interlock mats.

The division is now an approved vendor of Decathlon, a leading global sports goods retailer, for yoga mats. Several other products are in the pipeline for approval.

The acoustic range of products haven't picked up as well as expected, due to the limited availability of NBR bonded block foam and some technical issues related to the other range of products. The division is expecting a good growth of business of this vertical during the year due to enhanced availability of the NBR bonded block foam.

Hosur unit 1 & 2 will be merged alongwith the expansion at unit 2 & is expected to go in full production by August 2018. Unit 1 operation will then be shut down. The company would divest the land & building of this unit thereafter.

The production capacity of Kharagpur unit will be enhanced by 2600 MTPA during the current year by constructing a new building and addition of Cross Linked Foam products.

The division is also doing the feasibility study for enhancing production capacity at Malanpur.

The division has started work at the Jadcherla complex which is being set up. Production should start in the last quarter of the financial year 2018-19.

The division has also decided to establish more fabrication facilities including expansion of existing ones at different locations to capture high value added fabrication business.

The division has also started getting good demand of civil and insulation range of products from the middle-east market. There would be a significant growth of exports in the coming year. Present production capacity of 28,600 tons will increase to 38,500 TPA without considering Jadcherla and Malanpur expansion.

Packaging

Packaging vertical grew by 20.08% in value and 21% in volume as against last year. Enhanced productivity & improved quality standards have been achieved by re-engineering of existing equipment/equipments resulting in growth of business. The R & D team is also working on developments of new variants of polyethylene foam range of products which are application specific.

The new bubble plant which was installed last year at Hosur unit has been modified for the production of new range of composite products which was not possible earlier in any of our existing equipments. The Company expects good growth in the premium range of products during the year. Business of two stage block foam which was sluggish over the past few years is now picking up and it is expected that the capacity will be well utilized in the current year.

Business of EVA foam moulded products has not yet started. Several products for the sports & health sector have been identified & will be launched by the end of 1st quarter. Further products would be added in the year.

Civil

Business grew by 9.18% value and 1.55% by volume in the current year. The division has been awarded BIS certification for its DURA HD 100 for expansion joint application. Demand for DURA range of products is now increasing for the business in project based business. To cater the demand, the division is planning to expand cross-linked block foamed production capacity at various locations. The division is also working on development of new range of civil products which are application oriented and a cost effective solution to the customers.

Insulation

The growth of Insulation division was 7.29% in value & 3.51% in volume. As informed earlier, several new competitors entered the business simultaneously & dropped prices inappropriately while compromising on desired quality standards. This had severely impacted Company's business & profitability. However, constant efforts to sell products based on required quality standards has started to yield results. NBR sheet plant will expand existing portfolio of products in this vertical.

Technology

The Technical team of the division has been working on innovative ideas to develop new products, new applications, & upgrading of existing processing facilities and other segments. The Company's innovative & light weight products have been beneficial to industry & the society at large

The Indian Green Building Council (IGBC) has certified all of Company's insulation range of products. The division has also received 8th Plasticon Award in the category of "Innovation in Polymer Waste Management and Recycling Technology" on the bonded block foam.

4.4.3 Cross Laminated Film

The Business of Cross Laminated film and products had a de-growth during the year which witnessed slow down in economy in the first half due to roll out of Goods & Service Tax (GST). Several new players have also entered this business in the country claiming to make similar products like our Company. Combination of these two factors have affected the volume & margins in this segment of business.

Prior to launch of GST on 1st July, 2017 there was lot of confusion, particularly amongst the traders, regarding eligibility of credit of duties paid on purchase of goods which remained in stock on the date of GST implementation. Most of the

company's dealers curtailed purchases to maintain stocks at a very low level. This adversely impacted sale of company's products during the first quarter of the year which are supposed to be the peak months for the sale of tarpaulins. In the GST regime, the company's main product tarpaulin was placed initially in the highest rate bracket i.e. 28%. This made the product costly to the end users. After lot of representations at various forums the GST rate on tarpaulin was reduced from 28% to 18% but in the meantime company lost sizeable business. Though the sales picked up from September onwards, the loss of sales during the first five months could not be recouped.

There was small growth in the 35GSM Silpoly Liner business. The company is promoting this product in newer applications with positive response.

As per the prediction of India Meteorological Department the 2018 monsoon is expected to be normal brightening the chances of recovery in the farm sector & growth in rural economy. This may boost the demand for Company's products, most of which find application in agriculture sector.

The company is hopeful of getting increased foothold in the USA market in the coming years. The company is working on developing specialized new applications to increase the size of market. The company aims to bringing in new customers in its fold in the existing markets & reaching out new markets where at present it does not have any presence by show casing its products in various international exhibitions.

With enhanced capacity at its disposal the company has made Cross Line (XL) Bonded Film available in almost all thicknesses. This product has superior properties than the normal XF Film & enjoys patent protection. The company has now acquired all the rights in the patents of Cross Line Bonded Film from the technical collaborator. This will bring in lot of savings in the royalties in the coming years as the sale of this product is expected to grow.

In the coming year the thrust will be on developing newer applications and entering into several international markets. The company has developed many new fabricated products apart from Tarpaulin. Due to its superior properties it is getting increased acceptance in different applications. The company has successfully introduced this product in different applications by laminating the film with other substrate.

The technical collaborator of the company is working in tandem with the prospective customers of Cross Plastic Film to perfect the product in all respects. Once the product is perfected the company will be putting up plant to manufacture this product at its Muvala plant.

4.5 Construction Business

The company has developed Commercial Premises viz "Supreme Chambers" with a view to monetize the land parcel where its first own manufacturing unit was functional. The building was completed in 2010-2011 and all permissions are in place including Occupation Certificate.

The aforesaid commercial premises is marvelously designed & is having many eco-friendly features, aesthetically design green land scape area & the best of infrastructure & utilities.



At the beginning of the year total 63,868 sq.ft saleable area was available for sale at the said premise. During the year under review the company sold 12610 sq ft saleable area at an aggregate consideration of ₹ 24.28 Crs. New construction in commercial space is minimal. In view of limited availability of good office premises and improved sentiments in Commercial space market, Company is hopeful to monetize remaining premises of about 51,258 sq. ft. saleable area during current year.

4.6 New Initiatives

4.6.1 Composite LPG Cylinder

Through the year gone by has not been to the expectation but all the same now appears to be promising for the current financial year.

There were some minor technical issues on the cylinders supplied by the Company to Korea and Bangladesh. All those issues have been resolved and clients have started discussions for repeat orders.

It is encouraging to note that Bangladesh has been using cylinders for last one year and the Company is negotiating to supply larger quantities in the current year.

Market demands 15.6 and 20 kg. cylinders. Company developed the cylinders and got approval from TUV, PESO and KGS. In this, a trial lot has been shipped to Korea in 20 kg. cylinder and the Company expects to have a good volume in these sizes since the country being a coastal region faces a problem of rusting of steel cylinders.

The much awaited BIS Standards is complete and BIS 16646 has been published for Type IV composite cylinders. This was necessary so that oil market companies can now take effective steps to introduce composite cylinders in Indian market.

The feedback has been good from Company's customers for it's cylinders on whatever small quantities supplied by the Company to Private Gas Companies in Goa, Belgaum and Bengaluru. Company hopes to see better off-take from Indian Gas Companies in coming year.

Company has acquired 10% business interest in HPC Research s.r.o. a start up company focusing on R & D in Composite Cylinders in the Czech Republic which will strengthen its R & D footprint in the field of Pressure Vessels.

5. FINANCE

A brief on borrowing levels and finance cost is given below :-

Particulars	Measure	F.Y. 2017-18	F.Y. 2016-17
Net borrowing level at the end of the year	₹ In crores	246.40	228.36
Average Monthly Borrowings	₹ in crores	335.95	382.13
Interest & finance charges	₹ In crores	21.92	30.24
Average cost of borrowings at the end of the year	% p. a	7.12	6.56

Particulars	Measure	F.Y. 2017-18	F.Y. 2016-17
Financial cost as a % of Turnover	%	0.44	0.68
Total Debt : Equity Ratio		0.14	0.15

During the year under review despite RBI keeping the policy rates under control, there was increase in interest rate scenario in India and US FED rates continue to increase (going up from 1% to 1.75%), resulting in higher cost for borrowings under Buyer's credit/ Packing credit in foreign currency routes.

Now, with the abrupt discontinuance of Letter of Undertakings (LOUs) by RBI, availment of low cost working capital credit in foreign currency may become difficult.

Despite the challenging times, the Company managed to reduce its overall finance cost during the year under review, on account of (a) Prudent working capital management (b) more reliance on low cost commercial papers and low cost borrowings from banks, and (c) Judicious and consistent hedging policy to mitigate the risk arising out of foreign currency fluctuations.

Even though, LOUs are now discontinued, Company is equipped to adopt alternative routes to continue to avail low cost foreign currency borrowings to meet its working capital requirements.

During the year under review, the Company has not availed any fresh loans and it has repaid Term loan installments of ₹ 47.44 crores. The Company has no plans to increase its borrowings level and it is committed to become virtually debt free (except for its working capital requirements) in the next year.

Dealers' financing & Vendor Management.

The Dealers' finance facilities extended by Standard Chartered Bank is becoming popular amongst the channel partners of the Company. More and more channel partners are trying to get enrolled under the scheme so as to meet their working capital requirements at competitive rates offered by the bank. The Company is also availing extended maturity payables to its creditors thus effectively managing its vendors.

CRISIL Rating

During the year, the Rating for Company's Short term bank facilities was reaffirmed at "CRISIL A1+ (re-affirmed)" by CRISIL (which is highest rating for the Short term instruments). The Long Term Banking Facilities was re-affirmed at "CRISIL AA/Stable (re-affirmed)".

According to CRISIL, the re-affirmation of the rating continues to reflect Company's diversified revenue profile, with multiple end-user industries mitigating impact of slowdown in any industry, Healthy market position across business segments, supported by strong product development capabilities and extensive distribution network, Robust financial risk profile, backed by comfortable network, low gearing and strong debt protection metrics.

Capital Expenditure

Considering the better business growth potential going forward the Company has increased investment plan to around ₹ 450

crores in this year as compared to ₹ 350 crores as planned in the beginning of the year. Out of the above investment plan of ₹ 450 crores, the Company incurred Capital Expenditure (Capex) of ₹ 260 crores. The balance committed investment will go in production in the year 2018-19.

During the current year i.e. 2018-19, the Company envisages Capex in the range of about ₹ 300 to 350 crores, mainly on the following:

- a) Taking effective steps to put up a new Unit at Assam.
- b) Start a Greenfield Plastics Product Complex in Andhra Pradesh by acquiring land and initiating preliminary action.
- c) Put up a plant to make Protective Packaging Product at Jadcharla in Telangana.
- d) Put up plastic pipe manufacturing at Jadcharla.
- e) Increase HDPE plant capacity at Kharagpur.
- f) Put additional Roto Machines and moulds at different locations.
- g) Add moulds and moulding machines in Pipe, Furniture and material handling division.
- h) To increase capacity of Industrial components business.
- i) To increase capacity of Protective Packaging Products.
- j) To invest in automation.

The Company shall continue to finance its Capex programme through internal accruals and Supplier's Credit.

6. INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units/ locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of

internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements.

The Company has undertaken a detailed exercise to revisit its control systems in technical and other non-financial areas to align them properly with Management Information Systems (MIS) to make MIS more efficient and result oriented. Information technology base created by the Company over the period is providing a very useful helping hand in the process. Needless to mention, that ensuring maintenance of proper accounting records, safeguarding assets against loss and misappropriation, compliance of applicable laws, rules and regulations and providing reasonable assurance against fraud and errors will continue to remain central point of the entire control systems.

7. HUMAN RESOURCES

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning within the country and abroad. Industrial relations at all the units and locations are cordial.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include cost of raw materials, tax laws, interest and power cost and economic developments and such other factors within the country and the international economic and financial developments.

Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

Good Governance ensures adoption of best business practices, and accountability of the person's in-charge of the company's operations. Your Directors are committed to good Governance practices and the company has been sharing all important information about its various business segments and operations of the company through Quarterly Results, Press release, Chairman's Statement and Annual Reports. Further as required by the Listing Agreement, Report on Corporate Governance is given below.

2. GOVERNANCE STRUCTURE

The Company's Governance Structure comprises a dual layer, the Board of Directors and the Committees of the Board at the apex level and the Management Team at an operational level. The Board lays down the overall Corporate Objectives and provides direction and independence to the Management Team to achieve these objectives within a given framework. This professional management process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

The Board of Directors and the committees of the Board play a fundamental role in upholding and furthering the principals of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its stakeholders and in the utilization of resources for creating sustainable growth to the benefit of all the stakeholders. The Board within the framework of law, discharges its fiduciary duties of safeguarding the interests of the Company. The Boards composition and size is robust and enables it to deal competently with emerging business development issue and exercise independent judgment.

Committee of Directors assists the Board of Directors in discharging its duties and responsibilities. The Board has constituted the following Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee which are mandatory Committees. The Risk Management Committee and Business Responsibility Committee (for BRR) are also constituted which are non-mandatory Committees.

The Management Structure for the day-to-day business operations and management of the Company is in place with appropriate delegation of powers and responsibilities.

3. CORPORATE GOVERNANCE PRACTICE

The Company maintains the highest standard of corporate governance; it is the Company's constant endeavour to adopt the best Corporate Governance Practice.

4. ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaces between the Management and regulatory authority for governance matters.

5. BOARD OF DIRECTORS

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 "Listing Regulations" and is in accordance with best practices in Corporate Governance.

As on 31st March, 2018 the Board comprised of 10 Directors viz Managing Director, two Executive Directors and Seven Non Executive Directors out of which six Directors are Independent Directors. The Chairman of the Board is Non -Executive Director.

a) Composition and Categories of Board of Directors:

Name of the Directors	Category	No. of outside Directorship*		No. of Committees Chairpersonship / Membership held including Supreme	
		Public	Private	Chairperson	Members
Shri B L Taparia	Promoter / Non-Executive Chairman	2	1	–	–
Shri M P Taparia	Promoter / Managing Director	4	2	1	2
Shri S J Taparia	Promoter / Executive Director	4	3	–	2
Shri V K Taparia	Promoter / Executive Director	1	1	–	–
Shri B. V. Bhargava	Independent / Non-Executive Director	3	–	1	4
Shri Y. P. Trivedi	Independent / Non-Executive Director	5	1	2	4

Name of the Directors	Category	No. of outside Directorship*		No. of Committees Chairpersonship / Membership held including Supreme	
		Public	Private	Chairperson	Members
Shri N. N. Khandwala	Independent / Non-Executive Director	–	–	2	2
Smt. Rashna Khan	Independent / Non-Executive Director	5	4	1	1
Shri R. Kannan	Independent / Non-Executive Director	1	–	1	1
Shri Rajeev M. Pandia	Independent / Non-Executive Director	3	–	1	3

Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered.

*Directorship in public and private companies includes Section 8 Companies.

b) Attendance of Directors at the Board Meetings held during 2017-2018 and the last Annual General Meeting held on 3rd July, 2017

During the Financial Year 2017-2018 the Board met on five occasion's i.e. 28th April, 2017, 3rd July, 2017, 27th July, 2017, 30th October, 2017 and 30th January, 2018. The gap between any two meetings is not more than 120 days.

Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B. L. Taparia	Promoter / Non-Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	5	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	5	Yes
Shri B. V. Bhargava	Independent / Non-Executive Director	5	4	Yes
Shri Y. P. Trivedi	Independent / Non-Executive Director	5	5	Yes
Shri N. N. Khandwala	Independent / Non-Executive Director	5	5	Yes
Smt Rashna Khan	Independent / Non-Executive Director	5	5	Yes
Shri R Kannan	Independent / Non-Executive Director	5	5	Yes
Shri Rajeev M. Pandia	Independent / Non-Executive Director	5	5	Yes

6. RELATIONSHIP BETWEEN DIRECTORS

Out of 10 Directors 4 Directors are related Directors viz : Shri B. L. Taparia , Non-Executive Chairman, Shri M. P. Taparia, Managing Director, Shri S. J. Taparia , Executive Director and Shri V. K. Taparia, Executive Director. None of the other Directors are related with each other.

7. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2018:

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	317398
2)	Shri B. V. Bhargava	13000
3)	Shri Y. P. Trivedi	20010
4)	Shri N. N. Khandwala	314500
5)	Smt Rashna Khan	Nil
6)	Shri R Kannan	7410
7)	Shri Rajeev M. Pandia	Nil

8. THE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

Brief Terms of reference:

An Appropriate induction programme for new Directors and ongoing familiarization with respect to the Business / working of the Company for all Directors is a major contributor for meaningful Board Level deliberations and sound business decisions.

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarize them with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The Company through its Managing Director / Executive Directors / Senior Management Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken, statutory compliance, risk management, etc.

The details of familiarization programmes held for the Independent Directors is provided on the Company's website.

9. INDEPENDENT DIRECTORS MEETING:

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 3rd July, 2017 and 30th January, 2018. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Shri Y. P. Trivedi is the Chairman of Independent Directors Meeting.

Attendance of Independent Directors in Independent Directors Meeting.

Directors	Meetings held during Year	Meetings Attended
Shri Y.P. Trivedi	2	2
Shri B.V. Bhargava	2	2
Shri N.N. Khandwala	2	2
Smt Rashna Khan	2	2
Shri R. Kannan	2	2
Shri Rajeev M. Pandia	2	2

10. AUDIT COMMITTEE:

The Company has an independent Audit Committee. The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial report process and the disclosure of its financial information's.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To investigate into any matter referred to by the Board.

Composition and Attendance of Members at the Meetings of the Audit Committee held during 2017-2018

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Shri N. N. Khandwala - Chairman	Independent / Non-Executive Director	4	4
Shri Y. P. Trivedi	Independent / Non-Executive Director	4	4
Shri Rajeev M. Pandia	Independent / Non-Executive Director	4	4

11. NOMINATION AND REMUNERATION COMMITTEE

(i) Brief Terms of reference:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties.

(ii) Composition

Members	Category	Meetings held	Meetings attended
Shri Y. P. Trivedi– Chairman	Independent / Non-Executive Director	1	1
Shri B. V. Bhargava	Independent / Non-Executive Director	1	1
Shri N. N. Khandwala	Independent / Non-Executive Director	1	1

(iii) Performance evaluation criteria for Independent Directors:

- How well prepared and well informed the Independent Directors for the Board Meeting
- Is the attendance of Independent Directors at meetings satisfactory?
- Does Independent Director demonstrate a willingness to devote time and efforts learning about the Company and its Business?
- What has been the quality and value of their contributions at Board Meeting?
- What has been their contribution to development of strategy and to risk management?
- How effectively have they followed up matters about which they have expressed concern?
- How good are their relationship with other Board members, the company secretary, and senior management?
- Are they up-to-date with the latest developments in areas such as corporate governance framework and financial reporting and in the industry and market conditions?
- How well do they communicate with other Board members, senior management and others?
- Do the Independent Directors willing to participate in events outside Board meeting such as site visits?
- Does their performance and behaviour promote mutual trust and respect within the Board?

(iv) Nomination and Remuneration Policy:

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy and the same set out as Annexure IV (A) to the Board Report.

The details relating to the remuneration of Directors is as under:

(v) Remuneration Paid to Directors during 2017-18

(₹ in lacs)

Sr No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Shri B L Taparia	Promoter / Non-Executive Chairman	5.00	–	–	5.00
2	Shri M P Taparia	Promoter / Managing Director	–	226	641	867.00
3	Shri S J Taparia	Promoter / Executive Director	–	223	641	864.00
4	Shri V K Taparia	Promoter / Executive Director	–	225	641	866.00
5	Shri B V Bhargava	Independent / Non-Executive Director	6.50	–	–	6.50
6	Shri Y P Trivedi	Independent / Non-Executive Director	9.50	–	–	9.50
7	Shri N NKhandwala	Independent / Non-Executive Director	12.50	–	–	12.50
8	Smt Rashna Khan	Independent / Non-Executive Director	7.00	–	–	7.00
9	Shri R Kannan	Independent / Non-Executive Director	7.50	–	–	7.50
10	Shri Rajeev M. Pandia	Independent / Non-Executive Director	9.50	–	–	9.50
	Total		57.50	674	1923	2654.50

12. STAKEHOLDERS RELATIONSHIP COMMITTEE

The company has constituted Stakeholders Relationship Committee of the Board of Directors to look into the transfer of Equity Shares, transmission of Equity Shares /issuance of duplicate Equity Share certificates, complaints received from the shareholders of the Company and other allied connected matters.



a) Composition:

Members	Category	Meetings held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent / Non-Executive Director	6	6
Shri M. P. Taparia	Promoter / Managing Director	6	6

b) Compliance Officer:

Shri R. J. Saboo AVP (Corporate Affairs) & Company Secretary is the Compliance Officer for complying with requirements of Companies Act, Securities laws and listing Agreements with Stock Exchanges.

c) During the year, the company received 199 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which except one have been duly resolved in time.

13. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted pursuant to section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee of the Board consists of the following Directors as Members.

During the financial year 2017-18 Corporate Social Responsibility Committee meeting was held on 27th April, 2017 and 28th June, 2017.

Name	Meetings held	Meetings attended
Shri N. N. Khandwala- Chairman	2	2
Shri B. L. Taparia	2	2
Shri M. P. Taparia	2	2

Terms of reference:

- Formulate and recommended to the Board, a CSR Policy.
- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR Policy of the Company from time to time and ensure its Compliance.

Submit to the Board half-yearly / yearly report giving status of the CSR activities undertaken, expenditure incurred and such other details as may be required by it.

14. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company constituted a Risk Management Committee of the Board comprising Shri M. P. Taparia, Managing Director, Shri Rajeev M. Pandia, Independent Director, Shri R. Kannan, Independent Director and Shri P. C. Somani, CFO. The Chairman of the Committee is Shri M. P. Taparia.

During the financial year 2017-18 Risk Management Committee was held on 29th January, 2018.

Members	Category	Meetings held	Meetings attended
Shri M. P. Taparia – Chairman	Promoter / Managing Director	1	1
Shri Rajeev M. Pandia	Independent / Non-Executive Director	1	1
Shri R. Kannan	Independent / Non-Executive Director	1	1
Shri P. C. Somani	Chief Financial Officer	1	1

15. BUSINESS RESPONSIBILITY COMMITTEE

The Board of Directors of the Company constituted a Business Responsibility Committee of the Board comprising Shri M.P. Taparia, Managing Director, Shri P.C. Somani, Chief Financial Officer and Shri R.J. Saboo, AVP (Corporate Affairs) & Company Secretary , to assess the various initiatives forming part of the BR performance of the Company, on a periodic basis.

During the financial year 2017-18 Business Responsibility Committee was held on 27th April, 2017

Members	Category	Meetings held	Meetings attended
Shri M. P. Taparia – Chairman	Promoter / Managing Director	1	1
Shri P.C. Somani	Member	1	1
Shri R.J. Saboo	Member	1	1

16. GENERAL BODY MEETINGS

(i) Location and time of last Three AGM's held:

Year	Location	Date	Time
2015 - 73rd AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	16th September, 2015	4.00 p.m.
2016 - 74th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	28th June, 2016	4.00 p.m.
2017 - 75th AGM	Walchand Hirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	3rd July, 2017	4.00 p.m.

(ii) Special Resolutions passed in previous Three Annual General Meetings.

Year	Date	Time	Special Resolutions passed
2016-17	03.07.2017	4.00 pm	<ul style="list-style-type: none"> Alteration of Article of Association Approving the re-appointment of Shri S.J. Taparia (Director Identification No. 00112513) as an Executive Director liable to retire by rotation
2015-16	28.06.2016	4.00 pm	Nil
2014-15	16.09.2015	4.00 pm	<ul style="list-style-type: none"> Continuation of Shri M. P. Taparia as Managing Director Continuation of Shri S. J. Taparia as Executive Director. Increase in Shareholding limit for foreign Institutional Investors (FIIs) / Registered Foreign Portfolio Investor (RFPs) up to 30 percent of the paid up Equity Share Capital.

(iii) The Board has appointed M/s V. Laxman & Co., Company Secretaries, as a Scrutinizer to conduct the voting process in a fair and transparent manner

17. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:

In compliance with the SEBI Regulations on prevention of Insider trading, the Company has adopted a code of conduct for its Directors and designated employees. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company.

18. MANAGEMENT DISCUSSION AND ANALYSIS:

The management discussion and analysis is a part of the Annual report and annexed separately.

19. DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS:

Particulars of Directors, seeking re-appointment/ continuation are given here in below:

Name of the Directors	Date of Birth	Date of Appointment	Expertise in specific functional area	Qualifications	Chairman / Director of other companies	No of Equity Shares held in the Company
Shri B.L. Taparia	25/11/1934	15/06/1977	Overall guidance in framing business Policies and Social Work	B.Com	1. Supreme Petrochem Ltd. 2. Supreme Capital Management Ltd. 3. Venkatesh Investment & Trading Company Pvt. Ltd	317398
Shri M.P. Taparia	22/10/1937	02/08/1966	Industrialist having rich Business experience	B.A	1. Supreme Petrochem Ltd. 2. Supreme Capital Management Ltd. 3. West Coast Papers Mills Limited 4. Kabra Extrusion Technik Limited 5. Jovial Investment and Trading Co. Pvt. Ltd. 6. Polystyrene Producers Association (India)	749186
Shri S.J. Taparia	07/08/1945	15/06/1977	Industrialist Having rich Business experience.	B.E	1. Supreme Petrochem Limited 2. Supreme Capital Management Ltd. 3. Oricon Enterprises Limited 4. Kumi Supreme India Private Limited 5. Boon Investment and Trading Co. Pvt. Ltd. 6. Platinum Plastic & Industries Pvt. Ltd. 7. Automotive Component Manufacturers Association of India	703816
Shri V.K. Taparia	26/10/1955	29/10/1984	Industrialist Having rich Business experience.	B. Com.	1. Venkatesh Investments & Trading Company Pvt. Ltd. 2. Organisation of Plastics Processors of India	344890

20. MEANS OF COMMUNICATION:

- (i) The Quarterly results of the company are published in widely circulated newspapers such as The Economic Times (English), Business Standard & Maharashtra Times (Marathi). The results are also displayed on the company's website: <http://www.supreme.co.in>.

(ii) Official News Releases:-

Official News releases and media releases are sent to the Stock Exchanges.

The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by the Companies and clarified that the service of documents by the Companies can be made through Electronic Mode. Accordingly, as a contribution towards green environment, your Company also implemented the Initiative to send documents, such as Notice calling the general meeting, audited financial statements, Board' report, auditors' report, etc. in electronic form on the email id's provided by the shareholders & made available by them to the company through the depositories.

(iii) Presentation made to Institutional Investor / Analysts:

Detailed presentation made to Institutional Investors and financial analysis's is available on the Company's website: <http://www.supreme.co.in>.

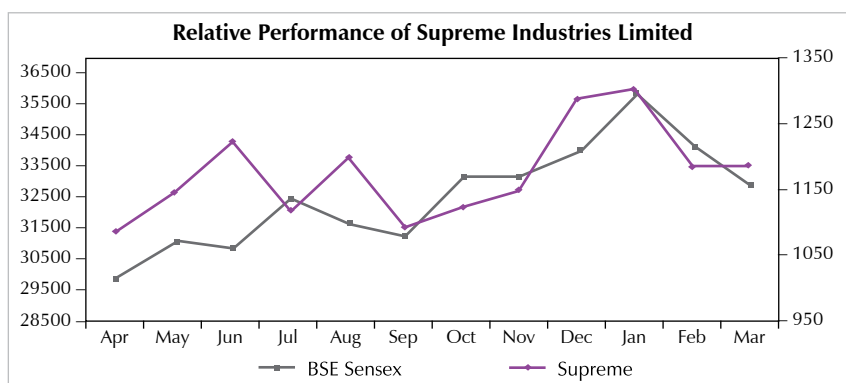
21. GENERAL SHAREHOLDER INFORMATION

(i)	AGM (Date, Time and Venue)	:	On Friday the 29th June, 2018 at 4.00 pm. At WalchandHirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020.
(ii)	Financial Year	:	1st April, 2017 to 31st March, 2018
(iii)	Key Financial Reporting Dates F.Y. 2018-2019	:	
	Unaudited Results for the First Quarter ended June 30, 2018	:	On or before 15th August, 2018
	Unaudited Results for the Second Quarter ended September 30, 2018	:	On or before 15th November, 2018
	Unaudited Results for the Third Quarter ended December 31, 2018	:	On or before 15th February, 2019
	Audited Results for the F.Y. 2018-2019	:	On or before 31st May, 2019
(iv)	Date of Book Closure	:	From Thursday, 21st June, 2018 to Friday 29th June, 2018 (Both days inclusive)
(v)	Registered Office	:	612, Raheja Chambers, Nariman Point, Mumbai 400 021.
(vi)	Dividend Payment Date	:	Within the Statutory time limit
(vii)	Listing on Stock Exchanges	:	(i) BSE Limited (ii) National Stock Exchange of India Ltd., (NSE)
(viii)	Listing Fees	:	Annual Listing Fees for the year upto 2018-19 have been paid to both the Stock Exchanges.
(ix)	Stock Codes	:	(i) BSE : 509930 (ii) NSE : SUPREMEIND
(x)	Trading Group	:	(i) BSE : "A" Group, (ii) NSE : "Other Securities"

- (xi) Market Price Data: High / Low / Close During each month in the last Financial Year.

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April-2017	1120.00	1055.00	1087.05	1124.00	1058.60	1088.30
May-2017	1213.00	1047.10	1148.85	1219.95	1092.95	1149.20
June-2017	1244.00	1121.10	1224.95	1250.00	1119.10	1227.80
July-2017	1250.00	1055.05	1118.10	1442.60	1052.50	1120.80
August -2017	1224.00	1018.00	1202.55	1228.95	1020.10	1201.55
September-2017	1213.80	1056.50	1093.80	1219.00	1060.60	1098.80
October-2017	1148.70	1063.05	1126.20	1150.00	1061.10	1131.00
November-2017	1170.40	1088.00	1151.25	1180.00	1096.00	1155.05
December-2017	1301.00	1122.00	1291.10	1305.00	1100.00	1294.50
January-2018	1489.95	1217.00	1303.60	1476.00	1215.10	1303.25
February-2018	1395.00	1156.30	1187.25	1410.00	1153.35	1189.05
March-2018	1219.90	1160.10	1190.70	1238.95	1161.15	1194.05

(xii) Relative Performance of Supreme Share Price V/S. BSE Sensex :



(xiii)	Registrar & Transfer Agent (For Physical & Demat Shares)	: M/s. Bigshare Services Pvt. Ltd. Bharat Tin Works Building 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road Andheri – East, Mumbai – 400059. Tel 022- 62638200 Fax No- 022 -62638299 E-mail : investor@bigshareonline.com
	Our RTA, M/s. Bigshare Services Pvt. Ltd. launched Gen-Next Investor Interface Module “I’Boss” the most advanced tool to interact with investors. Please login in to I’Boss (www.bigshareonline.com) and help them to serve you better.	
(xiv)	Share Transfer System	: Share Transfer are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

(xv) Distribution of Shareholding (As on 31st March, 2018)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	30261	83.93	2763844	2.18
501 - 1000	2149	5.96	1714076	1.35
1001 - 2000	1600	4.44	2367738	1.86
2001 - 3000	612	1.70	1540877	1.21
3001 - 4000	319	0.88	1124618	0.89
4001 - 5000	242	0.67	1132349	0.89
5001 - 10000	393	1.10	2790088	2.20
Over 10001	477	1.32	113593280	89.42
Total	36053	100.00	127026870	100.00

(xvi)	Dematerialization of Shares	: 125154705 Shares are Dematerialized (as on 31.03.2018) (98.53% of total Shares viz 127026870 shares)
(xvii)	Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	: The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in past and hence as on 31st March, 2018, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.
(xviii)	Foreign Exchange Risk & Hedging Activity 1. Long term liabilities Long term liabilities by way of loans including ECB loans are fully hedged ab initio by way of a currency and interest rate swap. 2. Trade exposure 2.1. Imports/ buyer’s credit finance This exposure is hedged to the extent of at least 50% on a regular basis; 2.2. Exports Since the quantum of exports is nominal in comparison to Company’s imports/ buyer’s credit exposure, the same is kept open.	

	<p>3. Derivatives</p> <p>The Company follows a very conservative policy with regard to derivatives. The derivatives are used only to cover/ hedge the underlying liabilities in the nature of Long Term Loans.</p> <p>4. The foreign exchange policy is in line with the mandate received from the Board. The same is closely followed by Chief Financial Officer, under the overall supervision of the Managing Director and Executive Directors.</p>
(xix)	<p>Plant Locations</p> <p>:</p> <ol style="list-style-type: none"> 1. Derabassi (Lalru, Punjab) 2. Durgapur (West Bengal) 3. Gadegaon (Maharashtra) 4. Guwahati (Assam) 5. Ghilot (Rajasthan) 6. Halol - Unit I (Gujarat) 7. Halol - Unit II (Gujarat) 8. Halol - Unit III (Gujarat) 9. Halol - Unit IV (Gujarat) 10. Hosur Unit I (Tamil Nadu) 11. Hosur Unit II (Tamil Nadu) 12. Jalgaon - Unit I (Maharashtra) 13. Jalgaon - Unit II (Maharashtra) 14. Jadcherla- (Telangana) 15. Kanhe (Talegaon, Maharashtra) 16. Kanpur (Uttar Pradesh) 17. Kharagpur (West Bengal) 18. Khopoli (Maharashtra) 19. Khushkheda (Rajasthan) 20. Malanpur - Unit I (Madhya Pradesh) 21. Malanpur - Unit II (Madhya Pradesh) 22. Malanpur - Unit III (Madhya Pradesh) 23. Noida (Uttar Pradesh) 24. Puducherry (Union Territory) 25. Silvassa (Union Territory) 26. Sriperumbudur (Chennai, Tamil Nadu) 27. Urse (Maharashtra)
(xx)	<p>Address for Correspondence Investor Correspondence</p> <p>:</p> <p>For shares held in Physical form: M/s. Bigshare Services Pvt. Ltd. Bharat Tin Works Building 1st Floor, Opp. Vasant Oasis Next to Keys Hotel Makwana Road Andheri – East Mumbai – 400059 Tel No. : 62638200 Fax No. : 62638299 E-mail : investor@bigshareonline.com</p> <p>For Shares held in Demat form: Investor's concerned Depository Participant's and / or M/s Bigshare Services Pvt Ltd.</p>
(xxi)	<p>Shareholders Assistance Investors Service Department</p> <p>:</p> <p>Shares Department The Supreme Industries Limited, Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai 400 021. Phone Nos. : 22820072, 22851656, 22851159-60 Fax No.:22851657 E-mail : investor@supreme.co.in</p>

(xxii) Categories of Shareholders (As on 31st March, 2018)

Sr. No.	Category	No. of Shareholders	Voting%	Number of Shares held
1	Promoters	17	49.70	63132745
2	Resident Individuals	34135	17.47	22190367
3	Private Corporate Bodies	606	3.70	4693774
4	Financial Institutions	1	0.02	25863
5	Nationalised Banks and Mutual Funds	55	7.39	9394735
6	FII's & Foreign Portfolio Investors	133	21.24	26981211
7	Foreign Bank	1	0.00	500
8	NRIs	1105	0.48	607675
	Total	36053	100.00	127026870

22. DISCLOSURES:

(i) **Materially Significant Related Party Transactions:**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

(ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

(iii) **Vigil Mechanism Policy**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Vigil Mechanism policy in order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

(iv) **Mandatory and Non-mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has fulfilled the following non-mandatory requirements as prescribed in Schedule II, PART E of Regulation 27(1) of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Positions of Chairman and Managing Director are separate.

(v) The Policy for determination of Material Subsidiary and Related Party Transactions is available on company's website: www.supreme.co.in.

(vi) Your Company has complied with all the requirements of Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 except regulations 17(6), 24(1) which are not applicable to the Company.

(vii)	Additional Information Regarding the Company is also available on the Company's Website at	:	http://www.supreme.co.in
(viii)	CEO / CFO Certification	:	<p>Shri M. P. Taparia, Managing Director and Shri P. C. Somani, CFO heading the finance function have certified to the Board that :</p> <p>(A) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:</p> <p>(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>(2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.</p> <p>(B) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.</p> <p>(C) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.</p> <p>(D) They have indicated to the Auditors and the Audit Committee</p> <p>(1) significant changes in internal control over financial reporting during the year;</p> <p>(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</p>

		<p>(3) instances of significant fraud of which they 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.</p> <p>The above Certificate was placed before the Board Meeting held on 26th April, 2018.</p>
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CODE OF CONDUCT

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director to this effect is given below. Code of Conduct has also been posted on the Company's Website. www.supreme.co.in

Declaration

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 31st March, 2018.

For **The Supreme Industries Limited**

M. P. Taparia
Managing Director

Mumbai: 26th April, 2018

Auditors' Certificate on Corporate Governance

To the Members of
The Supreme Industries Limited

1. This certificate is issued in accordance with our engagement letter dated July 11, 2017
2. This certificate contains details of compliance of conditions of corporate governance by **THE SUPREME INDUSTRIES LIMITED** ('the Company') for the year ended 31st March 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note 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), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **LODHA & COMPANY**
FRN. – 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: 26th April, 2018

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L35920MH1942PLC003554
2. Name of the Company	The Supreme Industries Limited
3. Registered address	612, Raheja Chambers, Nariman Point, Mumbai – 400 021
4. Website	www.supreme.co.in
5. E-mail id	investor@supreme.co.in
6. Financial Year reported	2017-2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Plastic Products, NIC Code -222
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)	Plastic Piping, Packaging Products, Industrial Products, Consumer Products and Composite Cylinders.
9. Total number of locations where business activity is undertaken by the Company	27 Manufacturing Locations, 12 Offices including Registered Office and One Subsidiary Company at Sharjah, UAE
(a) Number of International Locations (Provide details of major 5)	One-The Supreme Industries Overseas FZE, Sharjah, UAE, a wholly owned subsidiary. The principal activity is to promote globally Plastics piping Products
(b) Number of National Locations	<ol style="list-style-type: none"> 1. Derabassi (Lalru, Punjab) 2. Durgapur (West Bengal) 3. Gadegaon (Maharashtra) 4. Guwahati (Assam) 5. Chilot (Rajasthan) 6. Halol - Unit I (Gujarat) 7. Halol - Unit II (Gujarat) 8. Halol - Unit III (Gujarat) 9. Halol - Unit IV (Gujarat) 10. Hosur Unit I (Tamil Nadu) 11. Hosur Unit II (Tamil Nadu) 12. Jalgaon - Unit I (Maharashtra) 13. Jalgaon - Unit II (Maharashtra) 14. Jadcherla- (Telangana) 15. Kanhe (Talegaon, Maharashtra) 16. Kanpur (Uttar Pradesh) 17. Kharagpur (West Bengal) 18. Khopoli (Maharashtra) 19. Khushkheda (Rajasthan) 20. Malanpur - Unit I (Madhya Pradesh) 21. Malanpur - Unit II (Madhya Pradesh) 22. Malanpur - Unit III (Madhya Pradesh) 23. Noida (Uttar Pradesh) 24. Puducherry (Union Territory) 25. Silvassa (Union Territory) 26. Sriperumbudur (Chennai, Tamil Nadu) 27. Urse (Maharashtra)
10. Markets served by the Company	Local/State/National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

₹ in lacs

1. Paid up Capital (INR)	2541
2. Total Turnover (INR)	4,96,603
3. Total profit after taxes (INR)	40,893
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.68%
5. List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> • Health Care, Hygiene and Sanitation • Drinking Water • Education • Free Ambulance Facility

SECTION C: OTHER DETAILS

- Your Company as on 31st March, 2018 has one Wholly owned Subsidiary Company.
- The subsidiary company does not participate in Business Responsibility (BR) Initiatives of the Company.
- The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practice and follow the concept of being a responsible business.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

- DIN : 00112461
- Name : Shri M. P. Taparia
- Designation : Managing Director
- DIN : NA
- Name : Shri P. C. Somani
- Designation : Chief Financial Officer
- DIN : NA
- Name : Shri R. J. Saboo
- Designation : AVP (Corporate Affairs) & Company Secretary

(b) Details of the BR head

- DIN : 00112461
- Name : Shri M. P. Taparia
- Designation : Managing Director
- Tel. No. : 022-67710010 / 02240430010
- E-mail id : mp_taparia@supreme.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

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

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the wellbeing of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

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 Part of policy on Ethics and Code	Y Part of Company's Environmental Policy, Health Safety and Policy on Ethics and Code.	Y Part of Ethics and Code. Human Resource Policy, Employee Safety Policy	Y Part of CSR Policy.	Y Part of policy on Ethics and Code	Y Part of Company's Environmental Policy and Health Safety & Environmental Policy.	N	Y Part of CSR Policy	Y Part of Policy on Ethics and Code
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The spirit and content of the Ethics & Code and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and National Standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php	NA	http://www.supreme.co.in/policies.php	http://www.supreme.co.in/policies.php
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	NA	Yes-on the Website of the Company	Yes-on the Website of the Company
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No								

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

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 understand the Principles	–	–	–	–	–	–	–	–	–
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)	–	–	–	–	–	–	The Company has always remained at forefront and represented the industry in a responsible manner at various level with in the Government and various industry associations from time to time. However no need for a formal policy has been felt.	–	–

3. Governance related to Business Responsibility (BR)

The Board of Directors of your Company constituted the Business Responsibility Committee consisting of Shri M P Taparia, Managing Director and Principal Officers of the Company viz Shri P C Somani, CFO and Shri R J Saboo, AVP (Corporate Affairs) & Company Secretary, to assess various initiatives forming part of the BR performance of the Company, on a periodic basis.

The Company includes the information on BR in this Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at www.supreme.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

As one of the largest plastics processor in India, having diversified product portfolio, significant Market Share, the Company's reputation is most important. How we conduct ourselves on a day to day basis with our customers, shareholders, competitors, contactors, neighbouring communities, suppliers and Distributor forms the basis of reputation of the Company as an ethical Company.

We have an established Policy on Ethics and Code, Whistle Blower Policy, Code of Conduct for prevention of Insider Trading and Code of Practice and Procedure for fair disclosure of Unpublished Price Sensitive Information. The Code, policies and standards communicate our zero tolerance approach to ethical and legal violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

The Policy on Ethics and Code provides guidelines for our business to be consistent with the highest standards of business ethics and is intended to assist all employees in meeting the high standards of personal and professional integrity that the Company requires of them, with strict adherence to the provisions of the Ethic and Code, a condition of employment. It covers: Honest and Ethical Conduct of Employees, Relationship of Employees with the Company, Health Safety and Environment, Whistle Blower Policy, Insider Trading, Competition and Fair Dealing, Conflicts of Interest, Gifts and Entertainment, Protection and Use of Company Assets, Compliance with Government Laws, Rules and Regulations.



The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders' viz. shareholders, customers, employees, vendors etc. The Company responds to the complaints within a time bound manner. During the year, Company received 199 complaints from shareholders out of which 198 have been resolved and 1 are pending.

Principle 2

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

Your Company is committed to offer quality standards for all range of products which are safe and environmental friendly. The Company is having well equipped test labs in all locations to verify the products on a regular basis to ensure no deviation. Some of the products are also tested in International labs to verify the values against declared standards. The Company prefers to forego the business rather than playing with the quality standards.

Most of the products supplied by the Company are functional products and are of day to day use. Company very well ensures that all the products meet hygiene, durability as per the application requirement and functional requirement of end application. As a policy, Company refrains from using any degraded/post consumer waste material for its products. The Company is committed to offer eco-friendly products which meet the best international standards. As leading plastic processor and producer of diversified finished products, the Company has entered into various Technical Collaborations for the different Product Lines and is also having Design and Development Centre as well as testing lab and quality facilities at its plants to regularly carry out different test work on products at various stages of production process to ensure the required standards and efficiencies.

Your Company continues to enlarge its product portfolio and introduces many new product/application which replaces conventional material. These products not only give better value for money to the end consumer but also provide ease of use, installation and maintenance.

The Company has created Knowledge Centers at various locations to inculcate complete knowledge on various products of the Company. Knowledge Center is equipped with product display and hands on demo section including advance testing laboratories and class room, for familiarizing with safety standards to visiting Farmers, Customers, plumbers, Architects, Contractors, engineers etc. The Company imparts extensive training to the piping people fraternity, viz. the plumbers, plumbing contractors, architects, engineers, consultants, farmers etc. Beside awareness on various products manufactured by the Company and its end applications, this will educate people more about plastic piping products and its advantage over the conventional materials.

The Company's products designed and manufactured in the various group viz. Plastic Piping System, Consumer Products, Industrial Products, Packaging Products and Composite.

Products incorporates the social and environmental concerns. The products notably which incorporates environment concerns are Plastic Piping System, Cross Laminated Films, Material Handling Products, products in the Protective Packaging Division viz. Children Health and Education (Funjoy), Bonded Foams and DFMC grade Cross Link Foam. Your Company has introduced Septic Tanks, Underground water storage tanks, Double wall Corrugated pipes for underground sewage & drainage which are the testimony of Company's philosophy of providing safe and sustainable products throughout their life cycle.

Your Company has also introduced various products for waterproofing, sound proofing, heat insulation, fire retardant properties in its goods.

The raw materials are sourced locally as well as imported. The Company due to the size of the requirement of the raw materials obtains the best trade terms and also avail the offered cash discounts.

The production costs are continuously monitored. The latest machines for production of the products are used which results in scrap percentage coming down. Automation is used extensively. Power Cost as a percentage of Sales in current year is 3.50 % against 3.65 % in previous year despite increase in state power tariff at many places during the year.

The water consumption requirements at the various plants has been reduced significantly due to reduction of water consumed in utilities by process improvements in cooling tower operations, re-use and recycle of waste water back into the manufacturing process.

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis.

The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations.

To achieve above objectives the following steps are taken / being undertaken by the Company:-

- 1 Continuously monitoring the energy parameters & efficient utilization of energy tariff.
- 2 Continuously replacing the inefficient equipment's with latest energy efficient technology equipments & up gradation of equipment's continually.
- 3 Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4 To enhance utilization of Renewable Energy Resources.
- 5 Achieving the power factor near to one in all plants by the effective reactive energy management.
- 6 To reduce the Green House Emission by improving energy efficiency at all plants.
- 7 Conducting Power Quality Audit at regular intervals & Installed Active & passive harmonic filters.
- 8 Installed solar power plant at Gadegaon solar plant which is in execution stage. & also exploring the feasibility of utilization of Solar Power at other locations.
- 9 Wind Power purchase agreement for 20 lac units / annum for Hosur unit and we are working to supersede this previous agreement to 40 lacs units / annum for our upcoming project in Hosur .

10 The Plants at Noida & Khushkhera are Certified for ENERGY MANAGEMENT SYSTEM -50001.

11 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 procures raw materials indigenously as well as imports the same. The Company enters into long term / short term contracts for procuring raw materials and other inputs.

The Company has strategically designed its distribution network in order to serve its distributors and the dealers thereof in the least possible time and transportation time. This has resulted in better warehouse and inventory management. The Company drives its distribution plan using an ERP system to optimize freight cost.

The Company gives preference to local suppliers/producers especially by giving to local persons work on job work basis, selectively providing capital for procurement of capital assets, entering into contracts with local contractors, etc.

Wastage management is highly focused and monitored through corporate management and recycling the product by using good waste management process.

Principle 3

Businesses should promote the wellbeing of all employees

The employees are the key asset to the Company's growth. The success of the Company is to a large extent attributable to the employees. The strategy for recruitment, development and retention of workforce staff and employees in the management cadre are well in place & monitored and if need being there also undergoes the desired change.

The Company is committed to providing the employees a safe and healthy work Environment. Through a high degree of engagement and empowerment the Company enables them to realize their full potential, creating a high performance work culture. The focus is on effectively utilizing and grooming talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future.

The Company is having/provided the following norms/guidelines:

- 1) Clear Pay structure as per Corporate guidelines.
- 2) As per the competency and Job responsibilities employees are placed for the job.
- 3) Well measured performance appraisal system through which annual increments and rewards & incentives are recognized.
- 4) Training needs are identified and required training for encouraging the employee to take higher responsibility is imparted.
- 5) Health and Hygiene – continuous monitoring – extend all supports from time to time.
- 6) Dependent Family members covered under health insurance scheme in certain cases.
- 7) No child labour policy is adhered to strictly.
- 8) Sexual harassment policy and its redressal mechanism is in place.
- 9) Pollution free environment supported with requisite apparatus while on the job.
- 10) Annual health check up of employees.
- 11) Medical and financial assistance.

All Employees undergo safety and skill up-gradation training on regular basis as per the training calendar and function.

Your Company has a total number of 4716 permanent employees (including 104 permanent women employees. Company also deploys contracted workforce for various ancillary and non-core activities and about (6700) no. of people including about 500 women are engaged in such services.

The Company is having recognized Trade Unions at most of the Company's manufacturing locations and most of the eligible employees at those places are members of recognized Employee Unions.

The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour. During the year no complaints relating to Sexual harassment were reported.

There are regular safety & skill up-gradation training given to both permanent and contractual employees at each of the works through in house and professional faculties

Principle 4

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

The Company is responsive towards all stakeholders. The Company has mapped its internal and external stakeholders in a way which is mutually beneficial.

The Company identifies the disadvantaged, vulnerable and marginalized stakeholders on a continuous basis. In particular, for any new proposed project or expansion at the existing location, local workforce is engaged to the extent feasible.

The Company extends its social responsibility by engaging in providing education to underprivileged, medical and sanitation facilities and providing safe and clean drinking water through its CSR projects. Company undertakes community led need assessment where we understand the expectations and the context of our neighbouring communities in nearby locations where we operates. The details of initiatives taken by your Company in this regard are provided in the Corporate Social Responsibility section of the Annual report.

Your Company deploys contract workforce in manufacturing facilities for various non core activities like warehouse operations, housekeeping, canteen operations and other ancillary activities. Safeguarding the interest of contract workforce and ensuring that they are paid fairly is very important for your Company. Suitable control mechanism is in place at each plant location and verification of statutory obligation compliance by the contractors are made at regular intervals. Training and safety programmes are also organized for such contract workforce.

The Company identifies the stakeholders and engages with them through multiple channels in order to hear what they have to say about our products and services so as to incorporate their feedback for subsequent action. Continuous improvement and innovation is way of life and imbibed in the culture which enables your Company to meet customer expectation , need and demand in fair manner.

Principle 5

Businesses should respect and promote human rights.

Supreme is committed to protect the human rights across the value chain. The Company believes that a sustainable organization rests on a foundation of ethics and respect for human rights. Company has detailed code of conduct which takes care of its value culture and applies to one and all equally. Supreme promotes awareness of the importance of respecting human rights within its value chain and discourages instances of abuse.

The Complaints as and when received from the various stakeholders are satisfactorily addressed. 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.

The Company has developed, documented and implemented Environmental Policy and Health Safety & Environmental Policy for all its units. The policies are adequately displayed. Top management demonstrates its leadership and commitment by:

- Taking accountability for the effectiveness of Environment Management System (EMS).
- Ensuring that the policy and environmental objectives are established and are compatible with the strategic direction and context of the organization.
- Ensuring the integration of EMS requirement in the organizations business processes.
- Ensuring provision of adequate resources, directing and supporting persons to contribute to the effectiveness of the EMS.
- Promoting continuous improvement.

The Company's Policy on Health, Safety & Environmental is applicable only to the Company.

The Company's Environment Policy & Health, Safety and Environment Policy guides the organization to continually mitigate the impact on climate change and global warming as a result of its operations.

The Company is continuously working to improve energy efficiency in its operations. The Company adheres to all legal requirements and norms of energy conservation standards stipulated by the Government of India. Energy conservation initiatives are part of regular operations.

Your company is committed to the environment friendly measures, by offering products to the cause. All Insulation products are certified as complete Green products as per latest version of Green Building Center / Confederation of Indian Industries on behalf of Indian Green Building Counsel.

Your company received 8th Plasticon award during 2018 PLAST INDIA international plastic trade fair cum conference in the category of "Innovation in Polymer Waste management and recycling Technology" achieving by developed new Indigenous sustainable technology at first time in which three variants of cross linked foam recycling is shredded in small specified shapes and bonded with appropriate adhesive to produce block foam.

ISO 9001, 14001 and OHSAS as per BS 18001 standards are adopted at Units as the quality and environment management system standards. The Company has consistently managed and improved the environmental performance. The Company is sensitive to its role as user of natural resources. The efforts to manage water, energy and material resources have yielded positive results.

The Company considers compliance to statutory Environment, Health and Safety requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

The Company focus on energy consumption reduction through various in-process innovations and adoption of best practices like machine productivity and improving through put to reduce specific energy consumption.

The emissions/ waste generated by the Company are within the permissible limits given by the State or Central pollution control board. This are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

All the Units in the country are having consents from CPCB/SPCB as required and are renewed when required. All the units have been certified for ISO 14001:2004 Environmental Management System and also BS OHSAS 18001:2007 standards as per accredited certification bodies. The compliance obligations are fulfilled. The Status of evaluation of environmental monitoring measurement analysis and results of evaluation are discussed twice in a year with the top management.

Adequate tree plantation has been done and maintained in all the units. In Gadegaon unit which is spread over 132 acres, 26000 trees are planted and maintained. Around 20(Twenty) acre land in this complex has been kept as Green Area.

There are no show cause /Legal notices from CPCB/SPCB which are pending as at the end of the financial year.

Principle 7

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

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums. As on 31st March, 2018 your Company is a member of following trade associations:

1. Plastindia Foundation
2. Organisation of Plastic Processors of India (OPPI)
3. Confederation of Indian Industries (CII)
4. Automotive Component manufacturers Association of India (ACMA)
5. Indian Plastic Federation (IPF)
6. Indian Institute of Packaging (IIP)
7. Tool & Gauge Mfgs. Association of India (TGMA)
8. Federation of Indian Export Organisation (FIEO)

The Company believes in promoting public policies and regulatory framework that serve the common good of the society.

Principle 8

Businesses should support inclusive growth and equitable development.

The Company has identified few focus areas of engagement which are as under:

1. Benefits to the under privileged
2. Education
3. Sanitation
4. Healthcare
5. Drinking Water supply
6. Preservation of environment including watersheds, forests and wildlife.

The Company extends its social responsibility through in-house and Supreme Foundation. The Company's CSR approach focuses on the development of the communities around the vicinity of the plants and in education grant to students in need and to various Institutions / Trusts carrying out exemplary in the field of education health care and benefits of underprivileged in rural India.

An amount of 6.86 Crores was spent towards various CSR projects during the financial year 2017-18 and people in nearby villages surrounding the plant locations in rural areas were benefitted.

The details of the CSR initiatives undertaken by the Company are set out in the Corporate Social Responsibility section of this Annual Report.

Principle 9

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

Our growth and success are directly linked with providing quality products to our customers. We are therefore committed to ensuring that the intended end purposes of the products are met. The consumer related legal cases pending as at the end of the financial year, are not substantial to the overall business operations of the Company.

The products of the Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet/Catalogue that is available with the distributors/dealers of the Company and also displayed on the website of the Company.

Company always pushes its deliverables to its customers and meets or exceeds their expectations. Company is considered a highly dependable and valuable supplier. Company received various Awards and Recognitions from time to time from its customers for its support in Quality, Cost, Delivery and New product development, Overall Support, Best Practices etc. All employees are constantly re-oriented to ensure utmost focus on Customer Satisfaction.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years. On the Company's website, an interactive platform allows any potential customer to raise queries pertaining to our products and services.

The Company leverage feedback from customers for continual improvement in product and service quality, for benchmarking the products with the industry standards and identifying scope and future opportunities to increase customer value.

The Company believes in implementing the customer feedback into product development and enhancing user experience. Each complaint is brought to a final point of closure within the defined level of service.

Company conducts customer experience surveys from time to time for its products and services.

Independent Auditor's Report

To The Members of
The Supreme Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of The Supreme Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the financial statements of various branches located in India audited by the branch auditors.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying, we draw attention regarding the under utilization of capacity of the Company's composite cylinder unit situated at Halol (Gujarat) having carrying value of fixed assets (excluding freehold land) ₹ 7309 lacs as on March 31, 2018. It was explained by the management: Composite cylinders being a very technical product, getting various approvals is a long drawn process; recently, BIS standards have also been published which will facilitate introduction of these cylinders in the domestic market; the Company is getting good enquiries from the export market and hopeful of significant breakthrough in near future; the cylinder product has also been procured by an oil marketing company for carrying out test marketing and it is confident of getting favourable response and in view of the above, no impairment provisioning is considered necessary. (Refer Note 43).

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 exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in the Annexure A attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said 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 reports on the accounts of branches audited under section 143(8) of the Act by nine firms of independent auditors have been sent to us and properly dealt with by us in preparing this report. Our opinion on the financial statements is not modified in respect of our reliance on the work done and the reports of the other auditors.
 - (d) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) 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 (Account) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
 - (g) 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".
 - (h) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 36)
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**

FRN. – 301051E

Chartered Accountants

R. P. Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date: 26th April, 2018



Annexure A to the Independent Auditors' Report

ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018, WE REPORT THAT:

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us the Company has a phased program for physical verification of the fixed assets to cover all locations over a period of three years. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except certain freehold land having carrying value of ₹43 lacs as at March 31, 2018 (₹ 43 lacs as at March 31, 2017) is held in the name of the directors on Company's behalf and two flats having carrying value of ₹ 4 lacs as at March 31, 2018 (₹ 4 lacs as at March 31, 2017), which as explained, necessary steps are being taken for transfer in the Company's name.
2. The inventories have been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made.
5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
6. According to the information and explanations given to us, cost records were maintained by the Company pursuant to the Order of the Central Government under Section 148(1) of the Act.
7. a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, value added tax, and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have been not deposited on account of any dispute except the following :

Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty and Penalty	331	2002 to 2015	Commissioner (Appeals), Large Tax Payer Unit
		963	1994 to 2010	Custom Excise & Service Tax Appellate tribunal (CESTAT)
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax- Acts of various states	Sales Tax / VAT and Entry Tax	104.32	Various years from 2007-2008 to 2014-2015	Joint / Deputy Commissioner / Commissioner (Appeals)
		148.51	Various Years from 2002-2003 to 2012-2013	Sales tax Appellate Tribunal
		173.72	Various Years from 2000-2001 to 2013-2014	High Courts
		188.27	2002-2003 to 2012-13	Hon'ble Supreme Court of India
Gram Panchayat	Cess	81.31	2016-17 and 2017-18	Gram Panchayat

8. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and government. The Company did not have any outstanding dues to debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year or in the recent past.
10. 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, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard (Refer Note 38).
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **LODHA & COMPANY**
FRN. – 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership No. 44101
Place: Mumbai
Date: 26th April, 2018



Annexure B to the Independent Auditor's Report

ANNEXURE B REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of The Supreme Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **LODHA & COMPANY**

FRN. – 301051E

Chartered Accountants

R. P. Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date: 26th April, 2018

Balance Sheet as on 31st March, 2018

		₹ in lacs	
PARTICULARS	Note	As at 31-Mar-18	As at 31-Mar-17
ASSETS			
(1) NON - CURRENT ASSETS			
(a) Property, Plant & Equipment	2	134731	125411
(b) Capital work-in-progress	3A	6262	4590
(c) Intangible assets	4	608	919
(d) Intangible assets under development	3B	1240	83
(e) Financial assets			
(i) Investment in associates & subsidiaries	5A	3356	3356
(ii) Other investments	5B	10	10
(iii) Deposits	6	1791	1590
(iv) Loans	7	769	635
(v) Other financial assets	8	11	26
(f) Other non-current assets	9	2816	2152
TOTAL NON - CURRENT ASSETS		151594	138772
(2) CURRENT ASSETS			
(a) Inventories	10	69698	77679
(b) Financial assets			
(i) Trade receivables	11	38303	27564
(ii) Cash & cash equivalents	12	2920	7510
(iii) Other bank balances	13	429	363
(iv) Deposits	6	490	517
(v) Loans	7	126	149
(vi) Other financial assets	8	70	396
(c) Other current assets	9	13734	13499
(d) Assets held for disposal		70	18
TOTAL CURRENT ASSETS		125840	127695
TOTAL ASSETS		277434	266467
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	2541	2541
Other equity		170764	152804
TOTAL EQUITY		173305	155345
LIABILITIES			
(1) NON - CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	135	1662
(ii) Deposits	16	93	84
(b) Provisions	17	1328	1330
(c) Deferred tax liabilities (net)	30	11340	11626
TOTAL NON - CURRENT LIABILITIES		12896	14702
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	23101	21492
(ii) Trade payables	19	48989	45362
(iii) Deposits	16	140	100
(iv) Other financial liabilities	20	4850	9108
(b) Other current liabilities	21	12237	17877
(c) Provisions	17	707	404
(d) Income tax liabilities (net)	22	1209	2077
TOTAL CURRENT LIABILITIES		91233	96420
TOTAL EQUITY AND LIABILITIES		277434	266467

Significant Accounting Policies.

1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

B. L. Taparia
Chairman
(DIN No. 00112438)

M. P. Taparia
Managing Director
(DIN No. 00112461)

N. N. Khandwala
Director
(DIN No. 00112603)

R. Kannan
Director
(DIN No. 00380328)

R. P. Baradiya
Partner
M. No. 44101

S. J. Taparia
Executive Director
(DIN No. 00112513)

V. K. Taparia
Executive Director
(DIN No. 00112567)

B. V. Bhargava
Director
(DIN No. 00001823)

R. M. Pandia
Director
(DIN No. 00021730)

Mumbai, 26th April 2018

P. C. Somani
Chief Financial Officer

R. J. Saboo
AVP (Corporate Affairs) &
Company Secretary

Y. P. Trivedi
Director
(DIN No. 00001879)

Smt. Rashna Khan
Director
(DIN No. 06928148)



Statement of Profit and Loss for the year ended on 31st March, 2018

₹ in lacs

	Note	2017 - 2018	2016 - 2017
INCOME			
Revenue from operations	23	496603	446177
Other income	24	1778	802
		498381	446979
EXPENDITURE			
Cost of materials consumed	25	317113	293926
Purchase of traded Goods		7692	7451
Changes in inventories of finished goods, Semi finished goods and traded goods	26	3749	(12198)
Employee benefits expenses	27	24126	21105
Finance costs	28	2192	3024
Depreciation and amortisation expense	2, 4	16715	15429
Other expenses	29	65269	59734
		436856	388471
PROFIT BEFORE TAX		61525	58508
TAX EXPENSES			
	30		
Current tax		20856	19500
Deferred tax		(286)	1078
		20570	20578
PROFIT AFTER TAX		40955	37930
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(95)	(326)
Income tax relating to net defined benefit plans		33	113
		(62)	(213)
TOTAL COMPREHENSIVE INCOME		40893	37717
EARNINGS PER SHARE			
	35		
Basic & diluted earning per share (Face value of ₹ 2 each)		32.24	29.86
Significant Accounting Policies			
	1		
The accompanying notes are an integral part of the Standalone financial statements			

As per our report of even date

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

R. P. Baradiya
Partner
M. No. 44101

Mumbai, 26th April 2018

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(DIN No. 06928148)

Cash Flow Statement for the year ended on 31st March, 2018

	2017 - 2018	2016 - 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	61525	58508
Adjustments to reconcile profit before tax to cash flows :		
Add :		
Depreciation	16715	15429
Provision for doubtful debts	55	63
Bad debts	5	46
Leasehold amortisation	19	19
Excess liabilities written back	(304)	(138)
Write down of Inventories	65	137
Foreign currency exchange fluctuation (net)	(258)	(235)
IND As adjustments	240	(194)
Interest (net)	2348	2823
	18885	17950
	80410	76458
Less :		
Dividend received	1302	289
Lease rent received	25	6
Profit /(Loss) on sale of investments	127	154
Profit /(Loss) on sale of assets	66	115
	1520	564
Operating profit before working capital changes	78890	75894
Adjustments for :		
Change in working capital		
(Increase)/decrease in inventories	7916	(22032)
(Increase)/decrease in trade receivable	(10799)	(3947)
(Increase)/decrease in other bank balances	(66)	146
(Increase)/decrease in deposits given	(174)	(91)
(Increase)/decrease in loans given	(110)	195
(Increase)/decrease in other financial assets	341	(335)
(Increase)/decrease in other assets	(1098)	797
Increase/(decrease) in trade payables	3884	11175
Increase/(decrease) in deposits received	49	29
Increase/(decrease) in other financial liabilities	(1052)	(1973)
Increase/(decrease) in provisions	301	232
Increase/(decrease) in other current liabilities	(5640)	3395
	(6448)	(12409)
Cash generated from operations	72442	63485
Direct taxes paid (net of refund)	(21724)	(17053)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	50718	46433
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(28882)	(21273)
Sale of property, plant & equipments	324	288
Sale of investments (net)	128	158
Advance towards investment	200	-
Lease rent received	25	6
Interest received	242	316
Dividend received	1302	289
NET CASH USED IN INVESTING ACTIVITIES (B)	(26661)	(20215)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(4733)	(18419)
Increase/(Decrease) in short term borrowings	1609	5109
Interest paid	(2590)	(3139)
Dividend & corporate dividend tax paid	(22933)	(4586)
NET CASH USED IN FINANCING ACTIVITIES (C)	(28647)	(21035)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(4590)	5183
Opening balance at beginning of the year	7510	2327
Closing balance at end of the year	2920	7510

Significant Accounting Policies

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

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Mumbai, 26th April 2018

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AVP (Corporate Affairs) &
Company Secretary

Y. P. Trivedi
Director
(DIN No. 00001879)

Smt. Rashna Khan
Director
(DIN No. 06928148)



Statement of Changes in Equity for the year ended 31st March, 2018

₹ In lacs

EQUITY SHARE CAPITAL :	Balance as at 1st April' 2016	Changes in equity share capital during the year	Balance as at 1st April' 2017	Changes in equity share capital during the year	Balance as at 31st March' 2018
Paid up capital (Refer Note 14)	2541	–	2541	–	2541

OTHER EQUITY :	Reserves and Surplus						
Particulars	Capital reserve	Securities premium reserve	Capital redemption reserve	General reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2016	245	4749	222	114600	-	(143)	119673
Profit for the year					37930		
Other Comprehensive Income:							
Remeasurements of net defined benefit plans (Net of Taxes)						(213)	
Interim dividend paid including corporate dividend tax					(4586)		
Transfer to general reserve					(14998)		
Transfer from Statement of profit & loss				14998			
Balance as at 31st March, 2017	245	4749	222	129598	18346	(356)	152804
Profit for the year					40955		
Other Comprehensive Income:							
Remeasurements of net defined benefit plans (Net of Taxes)						(62)	
Final dividend paid including corporate dividend tax for FY 2016-17					(18346)		
Interim dividend paid including corporate dividend tax					(4587)		
Transfer to general reserve					(22586)		
Transfer from Statement of profit & loss				22586			
Balance as at 31st March, 2018	245	4749	222	152184	13782	(418)	170764

Significant Accounting Policies

1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

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Smt. Rashna Khan
Director
(DIN No. 06928148)

Notes to the financial statements for the year ended 31st March, 2018

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

The Supreme Industries Limited ("the Company") is public limited company incorporated and domiciled in India and has registered office at 612, Raheja Chambers, Nariman Point, Mumbai 400 021. It is incorporated under the Indian Companies Act, 1913 and its equity shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange in India.

The Supreme Industries Limited is one of the leading plastic products manufacturing company in India having 25 manufacturing facilities spread across the country. Company is engaged in manufacturing various plastic products like Plastic Piping System, Industrial and Engineering Molded products, Storage and Material Handling Products, Plastic Molded Furniture, Protective Packaging Products, Cross Laminated Film and products thereof, Performance packaging Film and Composite LPG Cylinders etc.

1.2 Basis of Accounting

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements of the Company are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 1.9 below)
- Defined Benefit and other Long term Employee Benefits - Refer note 1.11 below
- Derivative Financial instruments – Refer note 1.9 below

1.3 Use of Estimates and Judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

1.4 Property, Plant And Equipment & Intangible Assets

Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

Leasehold land is stated at historical cost less amounts written off proportionate to expired lease period.

Intangible Assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life as specified below:

- Computer Software and Licenses – 3 to 4 years
- Right to Use– 5 years

Capital Work-in-progress and Pre-operative Expenses during Construction Period

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

Notes to the financial statements for the year ended 31st March, 2018

Depreciation/amortisation:

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant & Equipment's are as under:

Category	Useful Life
Buildings (including roads)	3- 60 Years
Plant & Equipment*	7- 18 Years
Moulds & Dies*	2- 6 Years
Furniture & Fixture	10 Years
Office Equipment	3 - 5 Years
Vehicles	8 - 10 Years

* Useful life of Plant & Equipment of Plastic Piping System Division, Protective Packaging Division and Cross Laminated Film Division and Moulds and Dies are determined based on the internal assessment supported by independent technical evaluation carried out by external valuers.

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded.

Leasehold Land is amortized over the period of lease.

Assets costing up to ₹ 10,000 each are depreciated fully in the year of purchase.

Gains/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.

1.5 Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

1.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Notes to the financial statements for the year ended 31st March, 2018

Other Income

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

1.7 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.8 Inventories

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stores & spares , Consumables, Packing Materials, Goods for resale and commercial premises are valued at lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Material and Components – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using identified lot basis / First in first out (FIFO) basis.

Finished/Semi-Finished Goods – cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis

Stores, Spare Parts, Consumables, Packing Materials etc. – cost is determined on FIFO basis.

Goods for Resale – cost is determined on FIFO basis

Commercial Premises – Cost includes cost of land, premium for development rights, construction cost, materials, services and allocated interest and expenses incidental to the construction business.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow moving items.

1.9 Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

(a) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account

Notes to the financial statements for the year ended 31st March, 2018

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

(b) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

(c) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to the financial statements for the year ended 31st March, 2018

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised 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 recognised in the statement of profit or loss.

Derivative financial instruments & hedge accounting

The Company uses derivative financial instruments, such as forward foreign exchange contracts, interest rate swaps, cross currency interest risk swap to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

The Company documents at the inception of hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset cash flow of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transaction at the inception of each hedge relationship.

Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate component of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

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.

1.10 Fair Value Measurement:

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

Notes to the financial statements for the year ended 31st March, 2018

The principal or the most advantageous market must be accessible by the Group.

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 economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 Group 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.11 Employee Benefits

The Company has provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund & Superannuation fund

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees'

Notes to the financial statements for the year ended 31st March, 2018

Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.
- d) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.
- e) Other benefits comprising of discretionary long service awards are recognized as and when determined.

1.12 Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

Other leases are treated as operating leases, with payments are recognised as expense in the statement of profit & loss on a straight-line basis over the lease term.

1.13 Foreign Currency Transactions

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

1.14 Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income 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 in financial statements. Deferred income tax asset 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. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

1.15 Research and Development Expenditure

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.



Notes to the financial statements for the year ended 31st March, 2018

1.16 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.17 Cash and Cash Equivalents

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

1.18 Cash Flow Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items 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.

1.19 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.20 Earnings per Share

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

1.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

1.22 Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

1.23 Recent Accounting Pronouncements

Ind AS 115, Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Ind AS 21, Foreign currency transactions

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Notes to the financial statements for the year ended 31st March, 2018

2 PROPERTY, PLANT AND EQUIPMENT

₹ In lacs

	Land Freehold	Leasehold	Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross carrying amount									
Balance as at 1st April 2016	4310	1601	48642	115020	30320	2291	2590	858	205632
Additions	62	10	5074	12702	4503	357	625	122	23455
Deductions/ Adjustment	–	–	51	1632	271	32	82	159	2227
Amortisation	–	19	–	–	–	–	–	–	19
Balance as at 31st March 2017	4372	1592	53665	126090	34552	2616	3133	821	226841
Accumulated Depreciation									
Balance as at 1st April 2016	–	–	10385	53259	20650	1731	1880	657	88562
Additions	–	–	1902	9478	2902	186	376	61	14905
Deductions/ Adjustment	–	–	24	1479	266	93	25	150	2037
Balance as at 31st March 2017	–	–	12263	61258	23286	1824	2231	568	101430
Net carrying amount as at 1st April 2016	4310	1601	38257	61761	9670	560	710	201	117070
Net carrying amount as at 31st March 2017	4372	1592	41402	64832	11266	792	902	253	125411
Gross carrying amount									
Balance as at 1st April 2017	4372	1592	53665	126090	34552	2616	3133	821	226841
Additions	2511	21	3199	14561	4532	347	602	34	25807
Deductions/ Adjustment	–	–	152	1171	2	61	364	47	1797
Amortisation	–	19	–	–	–	–	–	–	19
Balance as at 31st March 2018	6883	1594	56712	139480	39082	2902	3371	808	250832
Accumulated Depreciation									
Balance as at 1st April 2017	–	–	12263	61258	23286	1824	2231	568	101430
Additions	–	–	2060	10131	3234	182	501	50	16158
Deductions/ Adjustment	–	–	11	1005	0	61	363	47	1487
Balance as at 31st March 2018	–	–	14312	70384	26520	1945	2369	571	116101
Net carrying amount as at 1st April 2017	4372	1592	41402	64832	11266	792	902	253	125411
Net carrying amount as at 31st March 2018	6883	1594	42400	69097	12562	956	1002	237	134731

NOTES

1. Leasehold land under varying lease arrangement for period ranging from 30-99 years.
2. The Company has capitalised borrowing costs of ₹ NIL (Previous year ₹ 201 lacs) in Building and Plant & Equipment.
3. Refer Note 40 for assets provided as security.

Notes to the financial statements for the year ended 31st March, 2018

₹ In lacs

3 A. CAPITAL WORK-IN-PROGRESS

Assets under installation	As at 31st March 2018	As at 31st March 2017
Buildings	3646	1426
Plant and Equipment	2599	2829
Moulds & Dies	12	331
Others	5	4
TOTAL CAPITAL WORK-IN-PROGRESS	6262	4590

B. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31st March 2018	As at 31st March 2017
Computer software	1111	–
Right to use know how	129	83
TOTAL INTANGIBLE ASSETS UNDER DEVELOPMENT	1240	83

4 INTANGIBLE ASSETS

	Computer software	Right to use know how	Total
Gross carrying amount			
Balance as at 1st April 2016	890	2045	2935
Additions	49	–	49
Deductions/ Adjustment	0	–	–
Balance as at 31st March 2017	939	2045	2984
Accumulated Depreciation			
Balance as at 1st April 2016	806	734	1540
Additions	51	473	524
Deductions/ Adjustment	(1)	0	(1)
Balance as at 31st March 2017	858	1207	2065
Net carrying amount as at 1st April 2016	84	1311	1395
Net carrying amount as at 31st March 2017	81	838	919
Gross carrying amount			
Balance as at 1st April 2017	939	2045	2984
Additions	100	145	245
Deductions/ Adjustment	–	–	–
Balance as at 31st March 2018	1039	2190	3229
Accumulated Depreciation			
Balance as at 1st April 2017	858	1207	2065
Additions	68	488	556
Deductions/ Adjustment	–	–	–
Balance as at 31st March 2018	926	1695	2621
Net carrying amount as at 1st April 2017	81	838	919
Net carrying amount as at 31st March 2018	113	495	608

Notes to the financial statements for the year ended 31st March, 2018

₹ in lacs

5. NON CURRENT INVESTMENTS

	Quantity		Amount	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
EQUITY SHARES FULLY PAID UP				
A. INVESTMENT IN ASSOCIATE & SUBSIDIARY				
QUOTED				
Supreme Petrochem Ltd. (an associate Company - holding 29.99% equity stake)	28936400	28936400	3337	3337
UNQUOTED				
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE	1	1	19	19
TOTAL INVESTMENT IN ASSOCIATES & SUBSIDIARIES			3356	3356
B. OTHER INVESTMENTS				
QUOTED				
Vijaya Bank Ltd.	3200	3200	2	2
Central Bank of India	5874	5874	4	6
Unimers India Ltd.	37	37	–	0
UNQUOTED				
Saraswat Co-op. Bank Ltd.	1000	1000	0	0
OPGS Power Gujarat Pvt. Ltd.*	1259000	245000	2	1
Windage Power Company Private Ltd.*	17300	10000	2	1
Nu Power Renewables Pvt Ltd.*	4769	0	0	–
TOTAL OTHER INVESTMENTS			10	10
TOTAL NON CURRENT INVESTMENTS [A+B]			3367	3366
*Lying in escrow account				
Aggregate market value of quoted investments			92863	87527
Aggregate carrying value of unquoted investments			24	21
Aggregate carrying value of quoted investments			3343	3345

6 DEPOSITS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Sundry deposits	1791	1590	490	517
TOTAL DEPOSITS	1791	1590	490	517

7 LOANS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Loans to employees	97	84	126	149
Loans to vendors	672	551	–	–
TOTAL LOANS	769	635	126	149

Notes to the financial statements for the year ended 31st March, 2018

₹ in lacs

8 OTHER FINANCIAL ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Interest accrued and due on fixed deposits	11	26	70	63
Insurance claim recoverable	—	—	—	333
TOTAL OTHER FINANCIAL ASSETS	11	26	70	396

9 OTHER ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Capital advances	2390	1784	—	—
Advances/claims recoverable	3	7	5322	3663
Prepaid expenses	112	138	673	454
Refunds due/balances from/with government authorities	311	224	7739	9382
TOTAL OTHER ASSETS	2816	2152	13734	13499

10 INVENTORIES

(Cost or Net realisable value whichever is lower)

	As at 31-Mar-18	As at 31-Mar-17
Raw materials and components [(including goods in transit ₹ 448 lacs (As at 31st March, 2017 ₹ 1760 lacs)]	29983	28752
Finished goods [(including goods in transit ₹ 218 lacs (As at 31st March, 2017 ₹ 47 lacs)]	31195	40900
Semi-finished goods	2644	2327
Traded goods	930	497
Stores, spare parts, and consumables	1394	1184
Packing materials	920	789
Commercial premises	2632	3230
TOTAL INVENTORIES	69698	77679

Note: Inventories written down to Net Realisable Value by ₹ 65 lacs (Previous year ₹ 137 lacs) based on management inventory policy -Non & slow moving inventory. The same has been recognised as an expense during the year and included in “Changes in value of Inventory of “semi finished goods”and “finished goods” and “traded goods” in statement of Profit and Loss.

11 TRADE RECEIVABLES

	As at 31-Mar-18	As at 31-Mar-17
Unsecured, considered good	38303	27564
Unsecured, considered doubtful	326	271
	38629	27835
Less: Provision for doubtful trade receivables	326	271
TOTAL TRADE RECEIVABLES	38303	27564

Note: Refer note 32 and 38.

Notes to the financial statements for the year ended 31st March, 2018

₹ in lacs

12 CASH AND CASH EQUIVALENTS

	As at 31-Mar-18	As at 31-Mar-17
Balance with banks in current accounts	2249	2151
Balance with banks in cash credit accounts	266	5064
Cheques on hand	369	258
Remittances in transit	—	5
Cash on hand	36	32
TOTAL CASH AND CASH EQUIVALENTS	2920	7510

13 OTHER BANK BALANCES

	As at 31-Mar-18	As at 31-Mar-17
Deposit with banks (Earmarked for electricity/sales tax/margin money)	62	69
Unclaimed dividend	367	294
TOTAL OTHER BANK BALANCES	429	363

14 EQUITY SHARE CAPITAL

	As at 31-Mar-18	As at 31-Mar-17
AUTHORISED		
15,00,00,000 Nos. Equity Shares of ₹ 2 each	3000	3000
1,12,00,000 Nos. Preference Shares of ₹ 10 each	1120	1120
3,38,00,000 Nos. Unclassified Shares of ₹ 10 each	3380	3380
	7500	7500
ISSUED, SUBSCRIBED AND PAID UP		
12,70,26,870 Nos. Equity Shares of ₹ 2 each Fully Paid Up	2541	2541
TOTAL SHARE CAPITAL	2541	2541

The reconciliation of the number of equity shares outstanding	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2541	127026870	2541
Equity Shares at the end of the year	127026870	2541	127026870	2541

Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The details of Shareholders holding more than 5% equity shares:

Name of the Shareholders	31-Mar-18		31-Mar-17	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	7544002	5.94%	8176502	6.44%

In the Period of five years immediately preceding 31st March, 2018:

The Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

Proposed Dividend:

The Board of directors have recommended the payment of a final dividend of ₹ 9 per fully paid up equity share (March 31, 2017 ₹ 12), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

15 BORROWINGS (NON CURRENT)

	As at 31-Mar-18	As at 31-Mar-17
SECURED		
Term loans from banks	–	1539
UNSECURED		
Deferred payment liabilities (under sales tax deferral scheme)	135	123
TOTAL BORROWINGS	135	1662

(Refer Note 32, 33 and 40)

16 DEPOSITS

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Trade / security deposits	93	84	140	100
TOTAL DEPOSITS	93	84	140	100

17 PROVISIONS

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Provision for employee benefits:				
Compensated absences	1328	1330	362	307
Gratuity (Refer Note 34)	–	–	345	97
TOTAL PROVISIONS	1328	1330	707	404

18 BORROWINGS (CURRENT)

	As at 31-Mar-18	As at 31-Mar-17
SECURED		
Working Capital Loans:		
From Banks (Cash credit accounts)	6708	2272
Foreign currency loans - Buyer's credit	–	1154
	6708	3426
UNSECURED		
Foreign Currency loans - Buyer's credit	8893	5566
Commercial paper	7500	12500
	16393	18066
TOTAL BORROWINGS	23101	21492

(Refer Note 32, 33 and 40)

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

19 TRADE PAYABLES

	As at 31-Mar-18	As at 31-Mar-17
Micro, small and medium enterprises	1404	1159
Others	47585	44203
TOTAL TRADE PAYABLES	48989	45362

Notes:

- Refer note 38 for related party balances.
- The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

	As at 31-Mar-2018	As at 31-Mar-2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1404	1159
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	—	—
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	—	—
Further interest remaining due and payable for earlier years	—	—

20 OTHER FINANCIAL LIABILITIES

	As at 31-Mar-18	As at 31-Mar-17
Current maturities of long-term debt	1538	4744
Interest accrued but not due on borrowings	55	22
Payables towards property, plant & equipment	2729	3678
Unclaimed dividend	368	295
Unpaid matured deposits & interest accrued thereon	5	9
Others	155	360
TOTAL OTHER FINANCIAL LIABILITIES	4850	9108

21 OTHER CURRENT LIABILITIES

	As at 31-Mar-18	As at 31-Mar-17
Advances from customers	4906	5289
Statutory dues	7326	12583
Others	5	5
TOTAL OTHER CURRENT LIABILITIES	12237	17877

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

22 INCOME TAX LIABILITIES (NET)

	As at 31-Mar-18	As at 31-Mar-17
Provision for income Tax (net of advance tax paid)	1209	2077
TOTAL INCOME TAX LIABILITIES (NET)	1209	2077

23 REVENUE FROM OPERATIONS

	2017 - 2018	2016 - 2017
Sale of Goods		
Plastic products	495622	490853
Construction Business	2428	—
Polymers	4010	4315
Machineries and moulds	2567	2163
	504627	497331
Less: Excise Duty Paid	13914	53719
	490713	443612
Sale of services		
Income from processing	935	478
	491648	444090
Other operating income		
Government grants/subsidy	2964	953
Claims & refunds	316	106
Liabilities no longer required written back	304	138
Sale of empty bags and other scrap etc.	1371	890
	4955	2087
TOTAL REVENUE FROM OPERATIONS	496603	446177

24 OTHER INCOME

	2017 - 2018	2016 - 2017
Dividend received	1302	289
Profit on sale/discard of fixed assets (net)	66	115
Profit on redemption of liquid mutual funds	127	154
Lease rent	25	6
Fair value gain on investments through profit or loss	—	3
Foreign currency exchange fluctuation (net)	258	235
TOTAL OTHER INCOME	1778	802

25 COST OF MATERIALS CONSUMED

	2017 - 2018	2016 - 2017
Cost of raw materials consumed	307606	286580
Cost of packing materials consumed	8701	7346
Cost of commercial premises sold	806	—
TOTAL COST OF MATERIALS	317113	293926

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

26 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI FINISHED GOODS & STOCK-IN-TRADE

	2017 - 2018	2016 - 2017
Inventories at the beginning of the year		
Finished goods / Semi finished goods	43227	29368
Traded goods	497	378
	43724	29746
Inventories at the end of the year		
Finished goods / Semi finished goods	33840	43227
Traded goods	930	497
	34770	43724
Change in inventories	8954	(13978)
Increase/(Decrease) in excise duty on finished goods	(5205)	1780
TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE	3749	(12198)

27 EMPLOYEE BENEFITS EXPENSES

	2017 - 2018	2016 - 2017
Salaries and wages	19191	16564
Contribution to provident & other fund	1061	899
Managerial remuneration	2597	2443
Staff welfare expenses	1277	1199
TOTAL EMPLOYEE BENEFITS EXPENSES	24126	21105

28 FINANCE COSTS

	2017 - 2018	2016 - 2017
Interest Expenses	2467	3200
Unwinding of discount on deferred sales tax	11	18
Other borrowing costs	216	179
	2694	3397
Less:		
Interest received	452	328
Unwinding of discount on security deposits	50	45
	502	373
TOTAL FINANCE COSTS	2192	3024

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

29 OTHER EXPENSES

	2017 - 2018	2016 - 2017
Stores & spare parts consumed	3145	3315
Labour charges	14082	12396
Power & fuel	17360	16267
Water charges	143	116
Repairs & maintenance of building	558	685
Repairs & maintenance of plant & machinery	1548	1261
Repairs & maintenance (others)	455	398
Directors' fees	58	48
Rent, rates & taxes	1696	1602
Insurance	216	202
Corporate social responsibility	686	386
Legal & professional fees	1167	1281
Travelling & conveyance	2486	2193
Vehicle expenses	431	398
Advertisement, publicity & business promotion	5988	5087
Freight and forwarding charges	9175	7519
Printing, stationery & communication	957	902
Royalty	235	191
Commission	2488	3141
Sales tax	92	49
Bad debts (net of bad debts recovered)	5	46
Provision for doubtful debts	55	63
Plant security services	993	901
Inspection, testing and marking fees	483	545
Fair value loss on investments through profit or loss	2	—
Miscellaneous expenses	765	742
TOTAL OTHER EXPENSES	65269	59734

30 INCOME TAXES

a) Tax expense recognised in the statement of Profit and Loss:

	2017 - 2018	2016 - 2017
Current tax		
Current year	20856	19500
Total current tax	20856	19500
Deferred tax		
Origination and reversal of temporary difference	(395)	1157
Fair valuation of financial assets and financial liabilities	109	(79)
Total deferred income tax expense/(credit)	(286)	1078
Total income tax expense/(credit)	20570	20578

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

b) A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :

	2017 - 2018	2016 - 2017
Enacted income tax rate in India	34.94	34.61
Profit before tax	61525	58508
Income tax as per above rate	21499	20249
Adjustments:		
Expenses not deductible for tax purposes	291	138
Income exempt from Income taxes	(451)	(100)
Carry forward of unused tax credits	(613)	-
Others	(156)	291
Income tax as per profit and loss statement	20570	20578

c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018:

	As at 1st April, 2016	(Credit)/ charge in statement of Profit and Loss	As at 31st March, 2017	(Credit)/ charge in statement of Profit and Loss	As at 31st March, 2018
Deferred tax (assets)/liabilities					
Depreciation	11254	681	11936	(35)	11901
Amount allowable on payment basis	(728)	475	(253)	(360)	(613)
Fair valuation of financial assets and financial liabilities	22	(79)	(57)	109	52
Total	10548	1078	11626	(286)	11340

31 FINANCIAL INSTRUMENTS

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

a. Financial assets

	Note	Instruments carried at			Total carrying amount	Total fair value
		Fair value		Amortized cost		
		At Cost	FVTPL	Carrying amount		
As at 31st March, 2018						
Investment in associates and subsidiaries	5	3356	—	—	3356	3356
Other investments	5	—	10	—	10	10 Level 1
Deposits	6	—	—	2281	2281	2281
Loans	7	—	—	894	894	894
Trade receivables	11	—	—	38303	38303	38303
Cash & cash equivalents	12	—	—	2920	2920	2920
Other bank balances	13	—	—	429	429	429
Other financial assets	8	—	—	82	82	82
Total		3356	10	44909	48275	48275

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

		Instruments carried at				
		Fair value		Amortized cost		
	Note	At Cost	FVTPL	Carrying amount	Total carrying amount	Total fair value
As at 31st March, 2017						
Investment in associates and subsidiaries	5	3356	–	–	3356	3356
Other investments	5	–	10	–	10	10
Deposits	6	–	–	2106	2106	2106
Loans	7	–	–	784	784	784
Trade receivables	11	–	–	27564	27564	27564
Cash & cash equivalents	12	–	–	7510	7510	7510
Other bank balances	13	–	–	363	363	363
Other financial assets	8	–	–	422	422	422
Total		3356	10	38749	42115	42115

Level 1

b. Financial liabilities

	Note	Instruments carried at		Carrying amount	Total carrying amount	Total Fair value
		Fair value				
		FVTPL	Total carrying amount and fair value			
		Amortized cost				
As at 31st March, 2018						
Borrowings	15, 18	8736	8736	14500	23236	23236
Deposits	16	–	–	233	233	233
Trade payables	19	8057	8057	40932	48989	48989
Other financial liabilities	20	–	–	4850	4850	4850
Total		16793	16793	60515	77308	77308
As at 31st March, 2017						
Borrowings	15, 18	6979	6979	16175	23154	23154
Deposits	16	–	–	184	184	184
Trade payables	19	11243	11243	34120	45362	45362
Other financial liabilities	20	–	–	9108	9108	9108
Total		18222	18222	59587	77808	77808

32 RISK MANAGEMENT

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency and interest rate swaps are entered to hedge certain foreign currency risk exposures to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's financial risk management policy is set by the Managing Director and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

S.No.	Risk	Exposure arising from	Measurement	Risk Management
A	Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Credit limits and letters of credit and Performance guarantees.
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
C	Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
D	Market risk – foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
E	Commodity risk	Purchase of Raw Material	Fluctuation of Crude Price and Currency rates	Procurement and inventory strategy

A. CREDIT RISK

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business
- Actual or expected significant changes in the operating results of the counter party
- Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of the same counter party

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Provision for expected credit losses:

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Quality assets, low credit risk			
Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Standard assets, moderate credit risk			

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

		Basis for recognition of expected credit loss provision		
Description of category	Category	Investments	Loans and deposits	Trade Receivables
Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due	Substandard assets, relatively high credit risk	Life-time expected credit losses	Life-time expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due	Low quality assets, very high credit risk			
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Doubtful assets, credit-impaired	Asset is written off		

Expected credit loss for loans, security deposits and investments:

As at 31st March, 2018

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	894	—	—	894
		Security deposits	2281	—	—	2281
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	—	—	—	—

As at 31st March, 2017

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	784	—	—	784
		Security deposits	2106	—	—	2106

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss/allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	–	–	–	–

a. Expected credit loss for trade receivables under simplified approach

Due from the date of invoice	As at 31st March '18	As at 31st March '17
0-3 months	36665	26092
3-6 months	757	557
6 months to 12 months	331	191
beyond 12 months	550	724
Total	38303	27564

b. Reconciliation of loss allowance provision - Trade receivables

	As at 31st March '18	As at 31st March '17
Opening provision	271	208
Additional provision made	55	63
Closing provisions	326	271

B. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period:

	As at 31st March '18	As at 31st March '17
Variable Borrowing -Cash Credit expires within 1 year	10792	10228

Contractual maturity patterns of borrowings

	As at 31st March '18		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	1538	135	1673
Short term borrowings	23101	–	23101
Total	24639	135	24774

	As at 31st March '17		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	4744	1662	6406
Short term borrowings	21492	–	21492
Total	26236	1662	27898



Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

Contractual maturity patterns of Financial Liabilities

	As at 31st March '18	As at 31st March '17
	0-12 Months	0-12 Months
Trade Payable	48989	45362
Payable related to Property, Plant & Equipments	2729	3678
Other Financial liabilities including derivative financial liabilities	583	686
Total	52301	49726

C. MARKET RISK- INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As at 31st March '18	As at 31st March '17
Borrowings bearing fixed rate of interest	17931	25503
Borrowings bearing variable rate of interest	6708	2272

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	2017-2018	2016-2017
50 bp increase- decrease in profits	(22)	(34)
50 bp decrease- Increase in profits	22	34

D. MARKET RISK- FOREIGN CURRENCY RISK.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly lower in comparison to its imports. Foreign currency exchange rate exposure is partly balanced by exports of goods and prudent hedging policy.

Foreign Currency Exposure

Name of the Instrument	2017 - 2018		2016 - 2017	
	In Million US\$	₹ in Lacs	In Million US\$	₹ in Lacs
Open Foreign Exchange Exposures - Receivable	2	1584	2	1515
Open Foreign Exchange Exposures - Payable	34	21963	27	17769

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax:

Particulars	2017 - 2018		2016 - 2017	
	1% appreciation in US\$	1% depreciation in US\$	1% appreciation in US\$	1% depreciation in US\$
Increase / (decrease) in profit or loss (₹ in Lacs)	(235)	235	(162)	162

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and currency and interest rate swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

Name of the Instrument	2017 - 2018		2016 - 2017	
	In Million US\$	₹ in Lacs	In Million US\$	₹ in Lacs
Forward Purchase	26	16974	27	17944
Currency & Interest Rate Swap	–	–	3	1667

The Company enjoys natural hedge to the extent of: a) Exports effected and b) Inventory held (being sensitive to exchange rate fluctuations). Although the Company believes that these derivatives constitute hedges from a economic prospective, they might not qualify for hedge accounting under Ind AS 109.

E. COMMODITY RISK

Principal Raw Material for Company's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario.

Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Company comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

33 CAPITAL RISK MANAGEMENT

A The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following debt equity ratio:

	31st March, 2018	31st March, 2017
Net Debt	24774	27899
Total Equity	173305	155345
Net Debt to Total Equity	0.14	0.18

Company believes in conservative leverage policy. Its debt equity ratio is lower than the industry average.

Company's capex plan over the medium term shall be largely funded through internal accruals and suppliers credit. The Company is committed to become virtual debt free company in couple of years which shall further improve its capital structure. The Company also expects monetization of the remaining unsold area of Supreme Chamber in near future which shall further strengthen the cash flow of the Company.

Company's cash flow shall further be improved by divesting one of its manufacturing unit to newly formed Joint venture Company on slump sales basis.

Loan covenants

In respect of term loan, the Company is required to comply with the following financial covenants:

Particulars	Covenants
Leverage/Total Gearing	2.0x
Debt/EBIDTA	3.0x
Debt Service Coverage Ratio	1.5x
Asset cover	1.5x

The Company has complied with these covenants throughout the reporting period.



Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

- B** The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company's dividend policy. As per the dividend policy, generally the Company maintains a dividend pay-out ratio (including present Dividend Distribution tax) in the range of 35 % to 55% of net profit (PAT).

34 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

- i) Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet

	Defined benefit plans	
	As at 31st March, 2018	As at 31st March, 2017
Present value of plan liabilities	3689	3461
Fair value of plan assets	3344	3364
Asset/(Liability) recognised	(345)	(97)

B. Movements in plan assets and plan liabilities

	Present value of obligations	Fair Value of Plan assets
As at 1st April 2017	3460	3363
Current service cost	244	–
Interest Cost	254	–
Interest Income	–	247
Return on plan assets excluding amounts included in net finance income/cost	–	(52)
Actuarial (gain)/loss arising from changes in financial assumptions	(156)	–
Actuarial (gain)/loss arising from experience adjustments	200	–
Employer contributions	–	97
Benefit payments	(312)	(312)
As at 31st March 2018	3689	3344
	Present value of obligations	Fair Value of Plan assets
As at 1st April 2016	2802	2651
Current service cost	208	–
Interest Cost	226	–
Interest Income	–	214
Return on plan assets excluding amounts included in net finance income/cost	–	(37)
Actuarial (gain)/loss arising from changes in financial assumptions	207	–
Actuarial (gain)/loss arising from experience adjustments	83	–
Employer contributions	–	601
Benefit payments	(65)	(65)
As at 31st March 2017	3461	3364

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

The liabilities are split between different categories of plan participants as follows:

- active members - 100% (2016-17: 100%)

The Company expects to contribute ₹ 597 lacs to the funded plans in financial year 2018-19

The Plan assets have been invested in Insurance managed funds.

C. Statement of Profit and Loss

	2017 - 2018	2016 - 2017
Employee Benefit Expenses:		
Current service cost	244	208
Interest cost/(income)	7	12
Total amount recognised in Statement of profit & loss	251	220
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(52)	(36)
Experience gains/(losses)	(43)	(290)
Total amount recognised in Other Comprehensive Income	(95)	(326)

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at 31st March, 2018	As at 31st March, 2017
Financial Assumptions		
Discount rate	7.85%	7.34%
Expected Rate of Return on plan assets	7.85%	7.34%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%
Demographic Assumptions		
Mortality in Service : Indian Assured Lives Mortality (2006-08)		

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	As at 31st March, 2018	As at 31st March, 2017
Impact on defined benefit obligation	Increase/(Decrease) in liability	Increase/(Decrease) in liability
+0.50% Change in rate of discounting	(142)	(143)
-0.50% Change in rate of discounting	153	154
+1.00% Change in rate of Salary	321	321
-1.00% Change in rate of Salary	(281)	(280)
+0.50% Change in Attrition Rate	23	16
-0.50% Change in Attrition Rate	(24)	(17)



Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

F. The defined benefit obligations shall mature as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within 1 year	484	365
1-2 year	157	154
2-3 year	251	229
3-4 year	310	239
4-5 year	288	295
5-10 year	1745	1645

- ii) **Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

35 EARNINGS PER SHARE (EPS)

	2017 - 2018	2016 - 2017
Profit after tax(PAT) available for equity shareholders	40955	37930
Weighted average number of equity Shares (In Nos.)	127026870	127026870
Nominal value of equity Shares (In ₹)	2.00	2.00
Basic & diluted earning per share	32.24	29.86

36 CONTINGENT LIABILITIES

	2017 - 2018	2016 - 2017
Bills/Cheque's discounted	1493	3277
Claim against the Company including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as debts	1341	1711
Disputed Income Tax demands	1160	942
Disputed Sales Tax / Entry Tax demands	615	537
Other claims against the Company not acknowledged as debts	573	269

Notes:

- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non- submission of required declaration forms in time due to non- receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

37 COMMITMENTS

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 13376 lacs (Previous year ₹ 5889 lacs).
- Pursuant to the Co-operation agreement dated 27th December'2017 entered with the HPC Research s.r.o., Czech Republic a, a start up Limited Liability Company focusing on Research and Development in composite cylinders in which the Company has invested ₹ 192 lacs towards part capital contribution representing 10% share as on March 31, 2018 and balance commitment of ₹ 288 lacs to be contributed by June 30, 2018
- The Company has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Company in accordance with Ind AS-17 on lease transactions.

The Company has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 525 lacs (previous year ₹ 459 lacs) and for the period later than one year & not later than five years is ₹ 513 lacs (previous year ₹ 653 lacs) and for the period later than five year is ₹ 78 lacs (previous year ₹ 125 lacs) .

38 DISCLOSURE ON RELATED PARTY TRANSACTIONS

Names of related parties and description of relationship:

Parties where controls exists :

The Supreme Industries Overseas FZE, Dubai - Subsidiary

Associate and other related parties with whom transaction have been entered during the course of business:

Supreme Petrochem Limited (associate)

Key Managerial Personnel:

Mr. M P Taparia, Managing Director ; Mr. S J Taparia, Executive Director ; Mr. V K Taparia, Executive Director ; Mr. P.C. Somani, Chief Financial Officer ; Mr. R.J. Saboo, AVP (Corporate Affairs) & Company Secretary.

Enterprises in which Directors have significant influence:

Devvrat Impex Private Limited

Other Related Parties:

Mr. B. L. Taparia, Chairman ; Mr. N. N. Khandwala, Director ; Mr. B. V. Bhargava, Director ; Mr. Y. P. Trivedi, Director ; Mr. R. Kannan, Director ; Mr. R. M. Pandia, Director ; Smt. Rashna Khan, Director

Mr. Vivek Taparia, Business Development Manager (Relative of Director)

Nature of Transactions	Subsidiary	Associates	Key Management Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Purchase of goods		2952 (2512)			
Sale of goods	86 (124)	116 (808)		3278 (3695)	
Rendering of services – Paid- excluding taxes	201 (137)	0		1.32	
Dividend Received		1302 (289)			

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

Nature of Transactions	Subsidiary	Associates	Key Management Personnel	Enterprises in which Directors have significant influence	Other Related Parties
Managerial Remuneration:					
Mr. M P Taparia, Managing Director			867 (820)		
Mr. S J Taparia, Executive Director			864 (812)		
Mr. V K Taparia, Executive Director			866 (811)		
Others			171 (166)		
Salary & Perquisites:					
Mr. Vivek Taparia, Business Development Manager					43 (40)
Sitting Fees					58 (48)
Outstanding at year-end - Receivable	112 (40)	1 (1)		26 (245)	
Outstanding at year-end - Payable	74 (85)	175 (145)		2	
Outstanding at year-end - Payable					
Mr. M P Taparia, Managing Director			648 (613)		
Mr. S J Taparia, Executive Director			646 (607)		
Mr. V K Taparia, Executive Director			643 (608)		
Others			34 (18)		
Mr. Vivek Taparia, Business Development Manager					39 (26)

Figures in bracket relate to previous year.

Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year or has not made any provision been made for doubtful debts/ receivable.

39 In terms of Ind As 108 "Operating Segments", segment information has been provided in the notes to Consolidated Financial Statements.

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

40 ASSETS PROVIDED AS SECURITY

The carrying amounts of assets provided as security (First Charge) for current and non-current borrowings are:

	As at 31 March, 2018	As at 31 March, 2017
Current Assets		
Financial Assets		
Trade receivables	38303	27564
Non Financial Assets		
Inventories (excluding commercial premises)	67066	74449
Total Current assets provided as security	105369	102013
Non Current Assets		
Plant and Equipment	69097	64832
Moulds & Dies	12562	11266
Total non-current assets provided as security	81659	76098
Total assets provided as security	187028	178111

Note:

1. Term Loans from banks are secured as first pari passu charge basis on movable properties of the Company viz. plant and equipment & moulds, both present and future, situated at all the locations of the Company.

2. Working Capital Loans from banks are secured against:

First pari passu charge by way of hypothecation of stocks and book debts, both present and future

Second / subservient charge on all movable properties of the Company viz. plant and equipments & moulds, both present and future, situated at all the locations of the Company.

41 On April 4, 2018, the Company has entered into a Definitive Agreement with the Kumi Kasei Co., Ltd. (Kumi), Japan to form a Joint Venture Company namely Kumi Supreme India Private Limited ("JVC") inter-alia, including also business transfer of Automotive Component manufacturing facility having carrying value of ₹ 2865 Lacs as on 31st March 2018, situated at Khushkhera in Rajasthan (Auto Component Business-part of Company's Industrial product Segment) as a going concern on a slump sale basis for a cash consideration of approximately ₹ 10800 Lacs subject to closing adjustments. The Company shall hold 20.67% equity stake in the newly formed JVC. The aforesaid business activity does not constitute a separate major component of the Company and therefore, has not been classified as discontinued operations. Presently, the said transaction does not have any impact on the above results and necessary financial impact will be given in the subsequent period subject to fulfillment of closing conditions which is expected to be completed by end of June, 2018. The details of the assets held for disposal are as under :

Particulars	As at 31 March, 2018
Property, Plant & Equipment	2666
Trade Receivables	775
Inventories	668
Financial assets	58
Other assets	78
Total Assets [A]	4245
Trade Payables	1198
Financial liabilities	17
Other liabilities	164
Total Liabilities [B]	1379
Total [A-B]	2866

Notes to the financial statements for the year ended 31st March, 2018

₹ in Lacs

- 42** Pre GST, the Company was eligible for Industrial Promotion Assistance Schemes (Schemes) in the state of Maharashtra, West Bengal and Madhya Pradesh mostly by way of refund of Sales Tax. Post GST, Maharashtra Government has issued notification dated February 14, 2018 for continuation of the Scheme and accordingly, during the year the Company has recognized this benefit of ₹ 528 lacs, for the period from 1st July, 2017 to 31st March, 2018 (included in other operating income). However, pending notification from the West Bengal and Madhya Pradesh state governments, on prudent basis, the Company has not recognized (Amount not ascertainable) this benefit for aforesaid period. The Company is, however, hopeful of continuance of the Schemes and benefits accruing therefrom.
- 43** The capacity of the Company's cylinder unit situated at Halol (Gujarat) engaged in manufacturing of composite cylinder having carrying value of fixed assets (excluding freehold land) ₹ 7309 lacs as on March 31, 2018 is presently underutilised. Composite cylinders being a very technical product, getting various approvals is a long drawn process. Recently BIS standards have also been published which will facilitate introduction of these cylinders in domestic market. The Company is getting good enquiries from the export market and hopeful of significant breakthrough in near future. The cylinder product has also been procured by an oil marketing company for carrying out test marketing and it is confident of getting favourable response. In view of the same, no impairment provision is considered necessary.

44 PAYMENT TO AUDITORS

(Including Branch auditors excluding Service Tax/GST)

	2017 - 2018	2016 - 2017
Audit fees	52	49
Tax audit fees	15	17
Limited review and certification fees	12	32
Reimbursement of expenses	3	4
TOTAL PAYMENT TO AUDITORS	82	102

- 45** The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials has been rounded off to nearest lacs rupees.

Signature to Notes 1-45

For and on behalf of the board

B. L. Taparia
Chairman
(DIN No. 00112438)

M. P. Taparia
Managing Director
(DIN No. 00112461)

N. N. Khandwala
Director
(DIN No. 00112603)

R. Kannan
Director
(DIN No. 00380328)

S. J. Taparia
Executive Director
(DIN No. 00112513)

V. K. Taparia
Executive Director
(DIN No. 00112567)

B. V. Bhargava
Director
(DIN No. 00001823)

R. M. Pandia
Director
(DIN No. 00021730)

P. C. Somani
Chief Financial Officer

R. J. Saboo
AVP (Corporate Affairs) &
Company Secretary

Y. P. Trivedi
Director
(DIN No. 00001879)

Smt. Rashna Khan
Director
(DIN No. 06928148)

Mumbai, 26th April 2018

Independent Auditors' Report on Consolidated Financial Statements

To the Members of
The Supreme Industries Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Supreme Industries Limited (herein referred to as "the Parent Company"), its foreign subsidiary and its associate (together referred to as "the Group") comprising of consolidated Balance Sheet as at March 31st, 2018, the Consolidated Statement of Profit & Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, changes in equity and consolidated cash flows of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities, the selection and application of the appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor report under the provisions of the Act and the rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation and fair presentation of the consolidated financial statements that give a true and a fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2018, its consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying, we draw attention regarding the under utilization of capacity of the Group's composite cylinder unit situated at Halol (Gujarat) having carrying value of fixed assets (excluding freehold land) ₹ 7309 lacs as on March 31, 2018. It was explained by the management: Composite cylinders being a very technical product, getting various approvals is a long drawn process; recently, BIS standards have also been published which will facilitate introduction of these cylinders in the domestic market; the Group is getting good enquiries from the export market and hopeful of significant breakthrough in near future; the cylinder product has also been procured by an oil marketing company for carrying out test marketing and it is confident of getting favourable response and in view of the above, no impairment provisioning is considered necessary. (Refer Note 36).

Other Matters

- (a) The financial statements of various branches of the Parent Company included in the consolidated financial statements have been audited by the nine firms of Independent auditors whose reports have been furnished to us and properly dealt with by us in preparing this report.
- (b) We did not audit the financial statements of one foreign subsidiary included in the consolidated financial statements, whose financial statements reflects total assets of ₹ 361 lacs as at March 31, 2018 (as at March 31, 2017 ₹ 215 lacs), total revenue of ₹ 313 lacs, net profit of ₹ 56 lacs and net cash inflows of ₹ 169 lacs for the year ended March 31, 2018 (Revenue of ₹ 343 lacs, net profit of ₹ 26 lacs and net cash inflows of ₹ 59 lacs for the year ended March 31, 2017), as considered in the consolidated financial statements. The consolidated financial statement also include the group's share of net profit of Rs 3,455 lacs for the year ended March 31, 2018 (₹ 5,360 lacs for the year ended March 31, 2017) as considered in the consolidated financial statements, in respect of an associate whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and an associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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 Group so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, consolidated statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid consolidated 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) As required by Section 143 (3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Parent Company-Please refer annexure B of the Standalone audit report attached with the standalone financial statements included in this annual report.
- (f) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Group has disclosed the impact of pending litigations on its consolidated financial position in the consolidated financial statements. (Refer Note 33)
 - (ii) The Group did not have material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company.

For **LODHA & COMPANY**

FRN. – 301051E

Chartered Accountants

R. P. Baradiya

Partner

Membership No. 44101

Place: Mumbai

Date: 26th April, 2018

Consolidated Balance Sheet as on 31st March, 2018

		₹ in lacs	
PARTICULARS	Note	As at 31-Mar-18	As at 31-Mar-17
ASSETS			
(1) NON - CURRENT ASSETS			
(a) Property, Plant & Equipment	2	134731	125411
(b) Capital work-in-progress	3A	6262	4590
(c) Intangible assets	4	608	919
(d) Intangible assets under development	3B	1240	83
(e) Financial assets			
(i) Investment in associate	5A	19358	17454
(ii) Other investments	5B	10	10
(iii) Deposits	6	1791	1590
(iv) Loans	7	769	635
(v) Other financial assets	8	11	26
(f) Other non-current assets	9	2816	2152
TOTAL NON - CURRENT ASSETS		167596	152870
(2) CURRENT ASSETS			
(a) Inventories	10	69698	77685
(b) Financial assets			
(i) Trade receivables	11	38195	27533
(ii) Cash & cash equivalents	12	3201	7620
(iii) Other bank balances	13	429	363
(iv) Deposits	6	492	519
(v) Loans	7	126	149
(vi) Other financial assets	8	70	396
(c) Other current assets	9	13734	13506
(d) Assets held for disposal		70	18
TOTAL CURRENT ASSETS		126015	127789
TOTAL ASSETS		293611	280659
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	2541	2541
Other equity		186949	167031
TOTAL EQUITY		189490	169572
LIABILITIES			
(1) NON - CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	15	135	1662
(ii) Deposits	16	93	84
(b) Provisions	17	1328	1330
(c) Deferred tax liabilities (net)		11340	11626
TOTAL NON - CURRENT LIABILITIES		12896	14702
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	18	23101	21492
(ii) Trade payables	19	48981	45325
(iii) Deposits	16	140	100
(iv) Other financial liabilities	20	4850	9108
(b) Other current liabilities	21	12237	17878
(c) Provisions	17	707	404
(d) Income tax liabilities (net)	22	1209	2077
TOTAL CURRENT LIABILITIES		91225	96385
TOTAL EQUITY AND LIABILITIES		293611	280659

Significant Accounting Policies.

1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

B. L. Taparia
Chairman
(DIN No. 00112438)

M. P. Taparia
Managing Director
(DIN No. 00112461)

N. N. Khandwala
Director
(DIN No. 00112603)

R. Kannan
Director
(DIN No. 00380328)

R. P. Baradiya
Partner
M. No. 44101

S. J. Taparia
Executive Director
(DIN No. 00112513)

V. K. Taparia
Executive Director
(DIN No. 00112567)

B. V. Bhargava
Director
(DIN No. 00001823)

R. M. Pandia
Director
(DIN No. 00021730)

Mumbai, 26th April 2018

P. C. Somani
Chief Financial Officer

R. J. Saboo
AVP (Corporate Affairs) &
Company Secretary

Y. P. Trivedi
Director
(DIN No. 00001879)

Smt. Rashna Khan
Director
(DIN No. 06928148)



Consolidated Statement of Profit and Loss for the year ended on 31st March, 2018

₹ in lacs

	Note	2017 - 2018	2016 - 2017
INCOME			
Revenue from operations	23	496629	446226
Other income	24	475	513
		497104	446739
EXPENDITURE			
Cost of materials consumed	25	317113	293926
Purchase of traded Goods		7713	7439
Changes in inventories of finished goods, Semi finished goods and traded goods	26	3749	(12198)
Employee benefits expenses	27	24188	21168
Finance costs	28	2192	3026
Depreciation and amortisation expense	2, 4	16715	15429
Other expenses	29	65155	59704
		436825	388494
PROFIT BEFORE TAX		60279	58245
TAX EXPENSES			
Current tax		20856	19500
Deferred tax		(286)	1078
		20570	20578
PROFIT AFTER TAX		39709	37667
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(95)	(326)
Income tax relating to net defined benefit plans		33	113
		(62)	(213)
Share of other comprehensive income in associate (net of tax)		(11)	(13)
		(73)	(226)
TOTAL COMPREHENSIVE INCOME		39636	37441
Share of profit of associate		3466	5373
NET PROFIT AFTER TAXES AND SHARE OF PROFIT OF AN ASSOCIATE		43102	42814
EARNINGS PER SHARE			
Basic & diluted earning per share	32	33.99	33.88
(Face value of ₹ 2 each)			
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Consolidated financial statements			

As per our report of even date

For **LODHA & COMPANY**
FRN – 301051E
Chartered Accountants

R. P. Baradiya
Partner
M. No. 44101

Mumbai, 26th April 2018

For and on behalf of the board

B. L. Taparia
Chairman
(DIN No. 00112438)

S. J. Taparia
Executive Director
(DIN No. 00112513)

P. C. Somani
Chief Financial Officer

M. P. Taparia
Managing Director
(DIN No. 00112461)

V. K. Taparia
Executive Director
(DIN No. 00112567)

R. J. Saboo
AVP (Corporate Affairs) &
Company Secretary

N. N. Khandwala
Director
(DIN No. 00112603)

B. V. Bhargava
Director
(DIN No. 00001823)

Y. P. Trivedi
Director
(DIN No. 00001879)

R. Kannan
Director
(DIN No. 00380328)

R. M. Pandia
Director
(DIN No. 00021730)

Smt. Rashna Khan
Director
(DIN No. 06928148)

Consolidated Cash Flow Statement for the year ended on 31st March, 2018

	2017 - 2018	2016 - 2017
₹ in Lacs		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	60279	58245
Adjustments to reconcile profit before tax to cash flows :		
Add :		
Depreciation	16715	15429
Provision for doubtful debts	55	63
Bad debts	5	46
Leasehold amortisation	19	19
Excess liabilities written back	(304)	(138)
Write down of Inventories	65	137
Foreign currency exchange fluctuation (net)	(256)	(235)
IND As adjustments	235	(188)
Interest (net)	2348	2825
	18882	17958
	79161	76203
Less :		
Lease rent received	25	6
Profit /(Loss) on sale of investments	127	154
Profit /(Loss) on sale of assets	66	115
	218	275
Operating profit before working capital changes	78943	75928
Adjustments for :		
Change in working capital		
(Increase)/decrease in inventories	7922	(22037)
(Increase)/decrease in trade receivable	(10721)	(3911)
(Increase)/decrease in other bank balances	(66)	146
(Increase)/decrease in deposits given	(175)	(93)
(Increase)/decrease in loans given	(110)	195
(Increase)/decrease in other financial assets	341	(336)
(Increase)/decrease in other assets	(1091)	804
Increase/(decrease) in trade payables	3912	11170
Increase/(decrease) in deposits received	49	29
Increase/(decrease) in other financial liabilities	(1052)	(1973)
Increase/(decrease) in provisions	301	232
Increase/(decrease) in other current liabilities	(5640)	3397
	(6330)	(12377)
Cash generated from operations	72613	63551
Direct taxes paid (net of refund)	(21724)	(17053)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	50889	46498
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(28881)	(21273)
Sale of property, plant & equipments	324	288
Sale of investments (net)	128	154
Advance towards investment	200	-
Lease rent received	25	6
Interest received	242	316
Dividend received	1302	289
NET CASH USED IN INVESTING ACTIVITIES (B)	(26660)	(20220)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(4733)	(18418)
Increase/(Decrease) in short term borrowings	1609	5109
Interest paid	(2591)	(3141)
Dividend & corporate dividend tax paid	(22933)	(4587)
NET CASH USED IN FINANCING ACTIVITIES (C)	(28648)	(21037)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(4419)	5241
Opening balance at beginning of the year	7620	2379
Closing balance at end of the year	3201	7620
Significant Accounting Policies	1	
The accompanying notes are an integral part of the Consolidated financial statements		

As per our report of even date

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Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

₹ In lacs

EQUITY SHARE CAPITAL :	Balance as at 1st April' 2016	Changes in equity share capital during the year	Balance as at 1st April' 2017	Changes in equity share capital during the year	Balance as at 31st March' 2018
Paid up capital (Refer Note 14)	2541	–	2541	–	2541

OTHER EQUITY :	Reserves and Surplus							
Particulars	Capital reserve	Securities premium reserve	Capital redemption reserve	Foreign exchange translation reserve	General reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at 1st April, 2016	249	4749	222	11	123963	–	(163)	129031
Profit for the year						43040		
Adjustment due to Associate Grouping					(233)			
Recognised during the year				6				
Other Comprehensive Income:								
Remeasurements of net defined benefit plans (Net of Taxes)							(226)	
Interim dividend paid including corporate dividend tax						(4587)		
Transfer to general reserve						(20107)		
Transfer from Statement of profit & loss					20107			
Balance as at 31st March, 2017	249	4749	222	17	143837	18346	(389)	167031
Profit for the year						43175		
Adjustment due to Associate Grouping					(259)			
Recognised during the year				8				
Other Comprehensive Income:								
Remeasurements of net defined benefit plans (Net of Taxes)							(73)	
Final dividend paid including corporate dividend tax for FY 2016-17						(18346)		
Interim dividend paid including corporate dividend tax						(4587)		
Transfer to general reserve						(24806)		
Transfer from Statement of profit & loss					24806			
Balance as at 31st March, 2018	249	4749	222	25	168384	13782	(462)	186949

Significant Accounting Policies. 1

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

As per our report of even date

For and on behalf of the board

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Group Overview

The consolidated financial statements comprise financial statements of Supreme Industries Limited, Parent Company and its subsidiary (hereinafter referred as "the Group").

The Supreme Industries Limited ("the Company") is public limited company incorporated and domiciled in India and has registered office at 612, Raheja Chambers, Nariman Point, Mumbai 400 021. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange in India.

The Group is one of the leading plastic products manufacturing company in India having 25 manufacturing facilities spread across the country. Company is engaged in manufacturing various plastic products like Plastic Piping System, Industrial and Engineering Molded products, Storage and Material Handling Products, Plastic Molded Furniture, Protective Packaging Products, Cross Laminated Film and products thereof, Performance packaging Film and Composite LPG Cylinders etc.

Group Structure:

Name of Company	Country of incorporation	Shareholding as at	
		As at March 31, 2018	As at March 31, 2017
Subsidiary			
The Supreme industries Overseas (FZE)	UAE	100%	100%
Associate:			
Supreme Petrochem Limited	India	29.99%	29.99%

1.2 Basis of Accounting

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014

The consolidated financial statements of the Group are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value
- Defined Benefit and other Long term Employee Benefits
- Derivative Financial instruments

1.3 Use of Estimates and Judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

1.4 Basis of Prepration of Consolidation Financial Statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2018. The Parent Company prepares and report its consolidated financial statements in INR (₹).

Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

Consolidation procedure:

Subsidiary:

- Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

1.5 Goodwill

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

1.6 Investments in Associate

Associates are all entities over which the group has significant influences but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights or the group has power to participate in the financial and operating policy decision of the investee. Investments in associate are accounted for using equity method accounting.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

Distributions received from an associate reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

1.7 Foreign Currency Transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

1.8 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

2 PROPERTY, PLANT AND EQUIPMENT

	₹ In lacs								
	Land		Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Office Equipment	Vehicles	Total
	Freehold	Leasehold							
Gross carrying amount									
Balance as at 1st April 2016	4310	1601	48642	115020	30320	2291	2590	858	205632
Additions	62	10	5074	12702	4503	357	625	122	23455
Deductions/ Adjustment	–	–	51	1632	271	32	82	159	2227
Amortisation	–	19	–	–	–	–	–	–	19
Balance as at 31st March 2017	4372	1592	53665	126090	34552	2616	3133	821	226841

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ In lacs

	Land Freehold	Land Leasehold	Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Office Equipment	Vehicles	Total
Accumulated Depreciation									
Balance as at 1st April 2016	–	–	10385	53259	20650	1731	1880	657	88562
Additions	–	–	1902	9478	2902	186	376	61	14905
Deductions/ Adjustment	–	–	24	1479	266	93	25	150	2037
Balance as at 31st March 2017	–	–	12263	61258	23286	1824	2231	568	101430
Net carrying amount as at 1st April 2016	4310	1601	38257	61761	9670	560	710	201	117070
Net carrying amount as at 31st March 2017	4372	1592	41402	64832	11266	792	902	253	125411
Gross carrying amount									
Balance as at 1st April 2017	4372	1592	53665	126090	34552	2616	3133	821	226841
Additions	2511	21	3199	14561	4532	347	602	34	25807
Deductions/ Adjustment	–	–	152	1171	2	61	364	47	1797
Amortisation	–	19	–	–	–	–	–	–	19
Balance as at 31st March 2018	6883	1594	56712	139480	39082	2902	3371	808	250832
Accumulated Depreciation									
Balance as at 1st April 2017	–	–	12263	61258	23286	1824	2231	568	101430
Additions	–	–	2060	10131	3234	182	501	50	16158
Deductions/ Adjustment	–	–	11	1005	0	61	363	47	1487
Balance as at 31st March 2018	–	–	14312	70384	26520	1945	2369	571	116101
Net carrying amount as at 1st April 2017	4372	1592	41402	64832	11266	792	902	253	125411
Net carrying amount as at 31st March 2018	6883	1594	42400	69097	12562	956	1002	237	134731

NOTES

- Leasehold land under varying lease arrangement for period ranging from 30-99 years.
- The Group has capitalised borrowing costs of ₹ NIL (Previous year ₹ 201 lacs) in Building and Plant & Equipment.

3 A. CAPITAL WORK-IN-PROGRESS

Assets under installation	As at 31st March 2018	As at 31st March 2017
Buildings	3646	1426
Plant and Equipment	2599	2829
Moulds & Dies	12	331
Others	5	4
TOTAL CAPITAL WORK-IN-PROGRESS	6262	4590

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

B. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31st March 2018	As at 31st March 2017
Computer software	1111	–
Right to use know how	129	83
TOTAL INTANGIBLE ASSETS UNDER DEVELOPMENT	1240	83

4 INTANGIBLE ASSETS

	Computer software	Right to use know how	Total
Gross carrying amount			
Balance as at 1st April 2016	890	2045	2935
Additions	49	–	49
Deductions/ Adjustment	0	–	–
Balance as at 31st March 2017	939	2045	2984
Accumulated Depreciation			
Balance as at 1st April 2016	806	734	1540
Additions	51	473	524
Deductions/ Adjustment	(1)	0	(1)
Balance as at 31st March 2017	858	1207	2065
Net carrying amount as at 1st April 2016	84	1311	1395
Net carrying amount as at 31st March 2017	81	838	919
Gross carrying amount			
Balance as at 1st April 2017	939	2045	2984
Additions	100	145	245
Deductions/ Adjustment	–	–	–
Balance as at 31st March 2018	1039	2190	3229
Accumulated Depreciation			
Balance as at 1st April 2017	858	1207	2065
Additions	68	488	556
Deductions/ Adjustment	–	–	–
Balance as at 31st March 2018	926	1695	2621
Net carrying amount as at 1st April 2017	81	838	919
Net carrying amount as at 31st March 2018	113	495	608

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

5 NON CURRENT INVESTMENTS

	Quantity		Amount	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
EQUITY SHARES FULLY PAID UP				
A. INVESTMENT IN ASSOCIATE	28936400	28936400		
QUOTED				
Supreme Petrochem Ltd. (an associate Company - holding 29.99% equity stake)			2835	2835
Goodwill on acquisition			503	503
Accumulated share in profit / (-) loss at the beginning of the year			14116	9097
Share in profit / (-) loss for the current year			3455	5360
Dividend received during the year			(1567)	(348)
Adjustments for unrealised profit on stock in hand			16	7
TOTAL INVESTMENT IN ASSOCIATE			19358	17454
B. OTHER INVESTMENTS				
QUOTED				
Vijaya Bank Ltd.	3200	3200	2	2
Central Bank of India	5874	5874	4	6
Unimers India Ltd.	37	37	—	0
UNQUOTED				
Saraswat Co-op. Bank Ltd.	1000	1000	0	0
OPGS Power Gujarat Pvt. Ltd.*	1259000	245000	2	1
Windage Power Company Private Ltd.*	17300	10000	2	1
Nu Power Renewables Pvt Ltd.*	4769	0	0	-
TOTAL OTHER INVESTMENTS			10	10
TOTAL NON CURRENT INVESTMENTS [A+B]			19368	17463
*Lying in escrow account				
Aggregate market value of quoted investments			92863	87527
Aggregate carrying value of unquoted investments			5	2
Aggregate carrying value of quoted investments			19364	17462

6 DEPOSITS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Sundry deposits	1791	1590	492	519
TOTAL DEPOSITS	1791	1590	492	519

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

7 LOANS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Loans to employees	97	84	126	149
Loans to vendors	672	551	—	—
TOTAL LOANS	769	635	126	149

8 OTHER FINANCIAL ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Interest accrued and due on fixed deposits	11	26	70	63
Insurance claim recoverable	—	—	—	333
TOTAL OTHER FINANCIAL ASSETS	11	26	70	396

9 OTHER ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Capital advances	2390	1784	—	—
Advances/claims recoverable	3	7	5322	3664
Prepaid expenses	112	138	673	455
Refunds due/balances from/with government authorities	311	224	7739	9387
TOTAL OTHER ASSETS	2816	2152	13734	13506

10 INVENTORIES

(Cost or Net realisable value whichever is lower)

	As at 31-Mar-18	As at 31-Mar-17
Raw materials and components [(including goods in transit ₹ 448 lacs (As at 31st March' 2017 ₹ 1760 lacs)]	29983	28752
Finished goods [(including goods in transit ₹ 218 lacs (As at 31st March' 2017 ₹ 47 lacs)]	31195	40900
Semi-finished goods	2644	2327
Traded goods	930	503
Stores, spare parts, and consumables	1394	1184
Packing materials	920	789
Commercial premises	2632	3230
TOTAL INVENTORIES	69698	77685

Note: Inventories written down to Net Realisable Value by ₹ 65 lacs (Previous year ₹ 137 lacs) based on management inventory policy -Non & slow moving inventory. The same has been recognised as an expense during the year and included in "Changes in value of Inventory of "semi finished goods"and "finished goods" and "traded goods" in statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

11 TRADE RECEIVABLES

	As at 31-Mar-18	As at 31-Mar-17
Unsecured, considered good	38195	27533
Unsecured, considered doubtful	325	271
	<u>38520</u>	<u>27804</u>
Less: Provision for doubtful trade receivables	325	271
TOTAL TRADE RECEIVABLES	<u>38195</u>	<u>27533</u>

12 CASH AND CASH EQUIVALENTS

	As at 31-Mar-18	As at 31-Mar-17
Balance with banks in current accounts	2530	2260
Balance with banks in cash credit accounts	266	5064
Cheques on hand	369	258
Remittances in transit	—	5
Cash on hand	36	33
TOTAL CASH AND CASH EQUIVALENTS	<u>3201</u>	<u>7620</u>

13 OTHER BANK BALANCES

	As at 31-Mar-18	As at 31-Mar-17
Deposit with banks (Earmarked for electricity/sales tax/margin money)	62	69
Unclaimed dividend	367	294
TOTAL OTHER BANK BALANCES	<u>429</u>	<u>363</u>

14 EQUITY SHARE CAPITAL

	As at 31-Mar-18	As at 31-Mar-17
AUTHORISED		
15,00,00,000 Nos. Equity Shares of ₹ 2 each	3000	3000
1,12,00,000 Nos. Preference Shares of ₹ 10 each	1120	1120
3,38,00,000 Nos. Unclassified Shares of ₹ 10 each	3380	3380
	<u>7500</u>	<u>7500</u>
ISSUED, SUBSCRIBED AND PAID UP		
12,70,26,870 Nos. Equity Shares of ₹ 2 each Fully Paid Up	2541	2541
TOTAL SHARE CAPITAL	<u>2541</u>	<u>2541</u>

The reconciliation of the number of equity shares outstanding	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2541	127026870	2541
Equity Shares at the end of the year	127026870	2541	127026870	2541

Terms/rights attached to Equity shares :

The Parent Company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

The details of Shareholders holding more than 5% equity shares:

Name of the Shareholders	31-Mar-18		31-Mar-17	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	7544002	5.94%	8176502	6.44%

In the Period of five years immediately preceding March, 2018:

The Parent Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

Proposed Dividend:

The Board of directors have recommended the payment of a final dividend of ₹ 9 per fully paid up equity share (March 31, 2017 ₹ 12), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

15 BORROWINGS (NON CURRENT)

	As at 31-Mar-18	As at 31-Mar-17
SECURED		
Term loans from banks	—	1539
UNSECURED		
Deferred payment liabilities (under sales tax deferral scheme)	135	123
TOTAL BORROWINGS	135	1662

16 DEPOSITS

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Trade / security deposits	93	84	140	100
TOTAL DEPOSITS	93	84	140	100

17 PROVISIONS

	Non-Current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Provision for employee benefits:				
Compensated absences	1328	1330	362	307
Gratuity	—	—	345	97
TOTAL PROVISIONS	1328	1330	707	404

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

18 BORROWINGS (CURRENT)

SECURED

Working Capital Loans:

From Banks (Cash credit accounts)

Foreign currency loans - Buyer's credit

UNSECURED

Foreign Currency loans - Buyer's credit

Commercial paper

TOTAL BORROWINGS

	As at 31-Mar-18	As at 31-Mar-17
From Banks (Cash credit accounts)	6708	2272
Foreign currency loans - Buyer's credit	0	1154
	<u>6708</u>	<u>3426</u>
Foreign Currency loans - Buyer's credit	8893	5566
Commercial paper	7500	12500
	<u>16393</u>	<u>18066</u>
TOTAL BORROWINGS	<u>23101</u>	<u>21492</u>

19 TRADE PAYABLES

Micro, small and medium enterprises

Others

TOTAL TRADE PAYABLES

	As at 31-Mar-18	As at 31-Mar-17
Micro, small and medium enterprises	1404	1159
Others	47577	44166
TOTAL TRADE PAYABLES	<u>48981</u>	<u>45325</u>

Note:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

	As at 31-Mar-2018	As at 31-Mar-2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1404	1159
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	—	—
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	—	—
Further interest remaining due and payable for earlier years	—	—

20 OTHER FINANCIAL LIABILITIES

Current maturities of long-term debt

Interest accrued but not due on borrowings

Payables towards property, plant & equipment

Unclaimed dividend

Unpaid matured deposits & interest accrued thereon

Others

TOTAL OTHER FINANCIAL LIABILITIES

	As at 31-Mar-18	As at 31-Mar-17
Current maturities of long-term debt	1538	4744
Interest accrued but not due on borrowings	55	22
Payables towards property, plant & equipment	2729	3678
Unclaimed dividend	368	295
Unpaid matured deposits & interest accrued thereon	5	9
Others	155	360
TOTAL OTHER FINANCIAL LIABILITIES	<u>4850</u>	<u>9108</u>

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

21 OTHER CURRENT LIABILITIES

	As at 31-Mar-18	As at 31-Mar-17
Advances from customers	4906	5289
Statutory dues	7326	12583
Others	5	6
TOTAL OTHER CURRENT LIABILITIES	12237	17878

22 INCOME TAX LIABILITIES (NET)

	As at 31-Mar-18	As at 31-Mar-17
Provision for income Tax (net of advance tax paid)	1209	2077
TOTAL INCOME TAX LIABILITIES (NET)	1209	2077

23 REVENUE FROM OPERATIONS

	2017 - 2018	2016 - 2017
Sale of Goods		
Plastic products	495650	490905
Construction Business	2428	—
Polymers	4010	4315
Machineries and moulds	2567	2163
	504655	497383
Less: Excise Duty Paid	13914	53719
	490741	443664
Sale of services		
Income from processing	935	478
	491676	444142
Other operating income		
Government grants/subsidy	2964	953
Claims & refunds	316	106
Liabilities no longer required written back	304	138
Sale of empty bags and other scrap etc.	1369	887
	4953	2084
TOTAL REVENUE FROM OPERATIONS	496629	446226

24 OTHER INCOME

	2017 - 2018	2016 - 2017
Profit on sale/discard of fixed assets (net)	66	115
Profit on redemption of liquid mutual funds	127	154
Lease rent	25	6
Fair value gain on investments through profit or loss	—	3
Foreign currency exchange fluctuation (net)	256	235
TOTAL OTHER INCOME	475	513

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

25 COST OF MATERIALS CONSUMED

	2017 - 2018	2016 - 2017
Cost of raw materials consumed	307606	286580
Cost of packing materials consumed	8701	7346
Cost of commercial premises sold	806	—
TOTAL COST OF MATERIALS	317113	293926

26 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI FINISHED GOODS & STOCK-IN-TRADE

	2017 - 2018	2016 - 2017
Inventories at the beginning of the year		
Finished goods / Semi finished goods	43227	29368
Traded goods	497	378
	43724	29746
Inventories at the end of the year		
Finished goods / Semi finished goods	33840	43227
Traded goods	930	497
	34770	43724
Change in inventories	8954	(13978)
Increase/(Decrease) in excise duty on finished goods	(5205)	1780
TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE	3749	(12198)

27 EMPLOYEE BENEFITS EXPENSES

	2017 - 2018	2016 - 2017
Salaries and wages	19252	16628
Contribution to provident & other fund	1061	899
Managerial remuneration	2597	2443
Staff welfare expenses	1278	1199
TOTAL EMPLOYEE BENEFITS EXPENSES	24188	21168

28 FINANCE COSTS

	2017 - 2018	2016 - 2017
Interest Expenses	2467	3200
Unwinding of discount on deferred sales tax	11	18
Other borrowing costs	216	181
	2694	3399
Less:		
Interest received	452	328
Unwinding of discount on security deposits	50	45
	502	373
TOTAL FINANCE COSTS	2192	3026

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

29 OTHER EXPENSES

	2017 - 2018	2016 - 2017
Stores & spare parts consumed	3145	3315
Labour charges	14082	12396
Power & fuel	17360	16267
Water charges	143	116
Repairs & maintenance of building	558	685
Repairs & maintenance of plant & machinery	1548	1261
Repairs & maintenance (others)	455	398
Directors' fees	58	48
Rent, rates & taxes	1705	1610
Insurance	216	202
Corporate social responsibility	686	386
Legal & professional fees	1172	1284
Travelling & conveyance	2497	2204
Vehicle expenses	436	401
Advertisement, publicity & business promotion	5998	5095
Freight and forwarding charges	9175	7519
Printing, stationery & communication	974	918
Royalty	235	191
Commission	2312	3050
Sales tax	92	49
Bad debts (net of bad debts recovered)	5	46
Provision for doubtful debts	55	63
Plant security services	993	901
Inspection, testing and marking fees	483	545
Fair value loss on investments through profit or loss	2	—
Miscellaneous expenses	770	754
TOTAL OTHER EXPENSES	65155	59704

30 INVESTMENT IN ASSOCIATES :

Details and material financial information of Associates i.e. Supreme Petrochem Limited:

Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
		As at 31/03/18	As at 31/03/17
Business of Styrenics and Manufactures of Polystyrene and Masterbatches	India	29.99%	29.99%

The above associate is accounted for using the equity method in these consolidated financial statements.

Summarised financial information of Associate

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

Particulars	As at 31/03/18	As at 31/03/17
Non-current assets	35705	35824
Current assets	93870	77146
Non-current liabilities	5371	5317
Current liabilities	59645	49444

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

Particulars	2017 - 2018	2016 - 2017
Revenue	311213	322379
Profit/(loss) for the year	11612	17941
Other comprehensive income for the year (net of taxes)	(36)	(42)
Total comprehensive income for the year	11576	17899
Dividends received from the associate during the year	1302	289

31 SEGMENT REPORTING :

Particulars	2017- 2018	2016 - 2017
1) Segment revenue		
Plastics piping products	272719	246702
Industrial products	79981	62407
Packaging products	101958	98126
Consumer products	35178	31474
Others	6793	7517
Net Revenue from operations	496629	446226
2) Segment results		
Plastics piping products	31363	33656
Industrial products	7830	5578
Packaging products	17458	18162
Consumer products	5777	5314
Others	270	(858)
Total segment profit before interest and tax	62698	61852
Less: Finance cost	2192	3026
Less: Other unallocable expenditure (net of unallocable income)	227	581
Profit before tax	60279	58245
Less: Provision for tax	20570	20578
Add: Other comprehensive income (net of tax)	(73)	(226)
Add: Share of profit/(loss) of associate	3466	5373
Profit after tax	43102	42814

Business segments

Based on the “management approach” as defined in Ind-AS 108 - Operating Segments, the Managing Director/Decision Maker evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Segment assets and liabilities

The Group is engaged mainly in production of plastic products. Most of the assets, liabilities and depreciation/amortisation of the aforesaid reportable segments are interchangeable or not practically allocable. Accordingly, segment assets, liabilities and depreciation/amortisation have not been presented.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

₹ in Lacs

32 EARNINGS PER SHARE (EPS)

	2017 - 2018	2016 - 2017
Group Profit after tax(PAT) available for equity shareholders	43175	43040
Weighted average number of equity Shares	127026870	127026870
Nominal value of equity Shares (In ₹)	2	2
Basic & diluted earning per share	33.99	33.88

33 CONTINGENT LIABILITIES

	2017 - 2018	2016 - 2017
Bills/Cheque's discounted	1493	3277
Claim against the Group including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as debts	1341	1711
Disputed Income Tax demands	1160	942
Disputed Sales Tax / Entry Tax demands	615	537
Other claims against the Group not acknowledged as debts	573	270

Notes:

- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Group is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non-submission of required declaration forms in time due to non-receipt of the same from customers and/ or some interpretation related issues. However in most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

34 COMMITMENTS

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 13376 lacs (Previous year ₹ 5889 lacs).
- Pursuant to the Co-operation agreement dated 27th December'2017 entered with the HPC Research s.r.o., Czech Republic a, a start up Limited Liability Company focusing on Research and Development in composite cylinders in which the Parent Company has invested ₹ 192 lacs towards part capital contribution representing 10% share as on March 31, 2018 and balance commitment of ₹ 288 lacs to be contributed by June 30, 2018
- The Group has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Group in accordance with Ind AS-17 on lease transactions.

The Group has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 525 lacs (previous year ₹ 459 lacs) and for the period later than one year & not later than five years is ₹ 513 lacs (previous year ₹ 653 lacs) and for the period later than five year is ₹ 78 lacs (previous year ₹ 125 lacs) .

- Pre GST, the Group was eligible for Industrial Promotion Assistance Schemes (Schemes) in the state of Maharashtra, West Bengal and Madhya Pradesh mostly by way of refund of Sales Tax. Post GST, Maharashtra Government has issued notification dated February 14, 2018 for continuation of the Scheme and accordingly, during the year the Group has recognized this benefit of ₹ 528 lacs , for the period from 1st July' 2017 to 31st March' 2018 (included in other operating income). However, pending notification from the West Bengal and Madhya Pradesh state governments, on prudent basis, the Group has not recognized (Amount not ascertainable) this benefit for aforesaid period. The Group is, however, hopeful of continuance of the Schemes and benefits accruing therefrom.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2018

- 36** The capacity of the Company's cylinder unit situated at Halol (Gujarat) engaged in manufacturing of composite cylinder having carrying value of fixed assets (excluding freehold land) ₹ 7309 lacs as on March 31, 2018 is presently underutilised. Composite cylinders being a very technical product, getting various approvals is a long drawn process. Recently BIS standards have also been published which will facilitate introduction of these cylinders in domestic market. The Company is getting good enquiries from the export market and hopeful of significant breakthrough in near future. The cylinder product has also been procured by an oil marketing company for carrying out test marketing and it is confident of getting favourable response. In view of the same, no impairment provision is considered necessary.
- 37** There is only one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.
- 38** The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials has been rounded off to nearest lacs rupees.

Signature to Notes 1-38

For and on behalf of the board

B. L. Taparia
Chairman
(DIN No. 00112438)

M. P. Taparia
Managing Director
(DIN No. 00112461)

N. N. Khandwala
Director
(DIN No. 00112603)

R. Kannan
Director
(DIN No. 00380328)

S. J. Taparia
Executive Director
(DIN No. 00112513)

V. K. Taparia
Executive Director
(DIN No. 00112567)

B. V. Bhargava
Director
(DIN No. 00001823)

R. M. Pandia
Director
(DIN No. 00021730)

P. C. Somani
Chief Financial Officer

R. J. Saboo
AVP (Corporate Affairs) &
Company Secretary

Y. P. Trivedi
Director
(DIN No. 00001879)

Smt. Rashna Khan
Director
(DIN No. 06928148)

Mumbai, 26th April 2018

Works Locations

S. No.	Locations	States	Works Locations Address	GST Nos.
1	Derabassi	Punjab	The Supreme Industries Limited Village Sersani, Near Lalru, Ambala Chandigarh Highway, Dist. SAS Nagar, Punjab-140501, India	03AAACT1344F1ZY
2	Durgapur	West Bengal	The Supreme Industries Limited Export Promotion Indl. Park (E.P.I.P.), No. 3017-19, 3183-87,29-35,39,40,42,43,49-54,56 Banskopa, Bidhan Nagar, Durgapur, Dist.Burdwan, West Bengal-713212, India	19AAACT1344F1ZL
3	Gadegaon	Maharashtra	The Supreme Industries Limited Factory at Unit no. III, Plot No. 47,47/2, 48-50,55-66,69,70,72,73,77 to 83/1, 83/2, 84 & 85, Gadegaon, Jalgaon to Aurangabad Road, Taluka - Jamner, Dist.- Jalgaon-425114, Maharashtra, India	27AAACT1344F1ZO
4	Ghilothe	Rajasthan	The Supreme Industries Limited Plot No.: A-211, Ghilothe Industrial Area, Rajasthan-301705, India	08AAACT1344F1ZO
5	Guwahati	Assam	DAG No. 275 & 306, EPIP Zone, Post Amingaon, Village Numalijolahko Mouza, Silasundari Gopa, North Guwahati Dist. Kamrup, Assam-781031, India	18AAACT1344F1ZN
6	Halol Unit-I	Gujarat	The Supreme Industries Limited Factory at Plot No. 1307 & Plot No. 216, GIDC Industrial Estate Halol Dist. Panchmahals, Gujarat- 389 350, India	24AAACT1344F1ZU
7	Halol Unit-II	Gujarat	The Supreme Industries Limited Survey No. 123/1 & 123/2 PAIKY -1 Village - Muvala, Khakharia Madhvas Raod, Get Muvala, Taluka : Halol Dist. GODHRA (PMS)-389350 Gujrat, India	24AAACT1344F1ZU
8	Halol Unit-III	Gujarat	The Supreme Industries Limited Survey No. 188/1 & 189 (part) Chandrapura Dist. PANCHMAHAL, Halol-389350 Gujrat, India	24AAACT1344F1ZU
9	Halol Unit-IV	Gujarat	The Supreme Industries Limited 703 GIDC Halol – Dist. Panchmahals-389350, Gujrat, India	24AAACT1344F1ZU
10	Hosur Unit-I	Tamilnadu	The Supreme Industries Limited Factory at 68, Sipcot Indl. Complex,Hosur, TamilNadu-635126, India	33AAACT1344F1ZV
11	Hosur Unit-II	Tamilnadu	The Supreme Industries Limited S.F. No. 22/3, 22/2B, 23/1B, 24/1A, & 593/1B1 Biramangalam village Denkanikotta Taluka, Dist. Krishnagiri, Hosur-635109, India	33AAACT1344F1ZV
12	Jalgaon Unit-I	Maharashtra	The Supreme Industries Limited Factory at D101/102, MIDC & Survey(ghat) No 242/ 1& 2, 245/03 and Survey No 244/2,3,4 & 5, Jalgaon-425003 Maharashtra, India	27AAACT1344F1ZO
13	Jalgaon Unit-II	Maharashtra	The Supreme Industries Limited Unit No 2,Plot No H-20 MIDC,Ajanta Road Jalgaon-425003 Maharashtra, India	27AAACT1344F1ZO
14	Jadcherla	Telangana	The Supreme Industries Limited 408 to 412, 418 to 435, 437 to 445, 452 to 459, Telangana State Ind. Infra Corp Limited, Jadcherla Mandal, Polepally Village, Mahabubnagar, Telangana-509301	36AAACT1344F1ZP
15	Kanhe	Maharashtra	The Supreme Industries Limited Factory at Post Kanhe, Tal Maal, Talegaon, Pune-412106, Maharashtra, India	27AAACT1344F1ZO
16	Kanpur	Uttar Pradesh	The Supreme Industries Limited H1-H8, H1/A, H9/1 and Khasra No. 135,136,137 & 141 UPSIDC Ind. Area Jainpur, Kanpur Dehat-UP 209311, India	09AAACT1344F1ZM
17	Kharagpur	West Bengal	The Supreme Industries Limited Vill.-Bagabhera & Imampatna, Katat Khal P.O.-Loha Baran Chak, P.S.-Narayan Garh, Near NarayanGarh Power Station Dist.-Paschim Midnapur, Pin-721437 West Bengal, India	19AAACT1344F1ZL
18	Khopoli	Maharashtra	The Supreme Industries Limited Factory at Takai Adoshi Road Village Honad, Khopoli-410203, Maharashtra India	27AAACT1344F1ZO
19	Khushkhera	Rajasthan	The Supreme Industries Limited E-36, D1 to H Industrial Park, Khushkhera, Near Bhiwadi, Dist. Alwar, Rajasthan-301707, India	08AAACT1344F1ZO
20	Malanpur Unit-I	Madhya Pradesh	The Supreme Industries Limited Factory at Plot no.N 1 to N 12 Ghirongi Indl Area, Malanpur, Madhya Pradesh-477116, India	23AAACT1344F4ZT
21	Malanpur Unit-II	Madhya Pradesh	The Supreme Industries Limited Factory at Plot no. K-1 to K-4 K-8 K-9 Ghirongi Indl Area, Malanpur, Madhya Pradesh-477116, India	23AAACT1344F3ZU
22	Malanpur Unit-III	Madhya Pradesh	The Supreme Industries Limited Roto Moulding Division GAG-14 Ghironghi Industrial Area, Malanpur, Dist. Bhind- Madhya Pradesh-477116 India	23AAACT1344F6ZR
23	Noida	UttarPradesh	The Supreme Industries Limited Factory at C 30 to 31 Phase II Noida District, Gautam Budh Nagar, Uttar Pradesh-201305, India	09AAACT1344F1ZM
24	Puducherry	Puducherry	The Supreme Industries Limited R.S.No.90 & 91 Sanyasikuppam Village, Thirubhuvani Post, Pondy-605107, India	34AAACT1344F1ZT
25	Silvassa	Silvassa	The Supreme Industries Limited Factory at Survey No.175/1 and 175/2, Via Athal Tin Rasta Near Luhari Phatal, Village Kharadpada, Dadra & Nagar Haveli, Silvassa-396230, India	26AAACT1344F1ZQ
26	Sriperumbudur	Tamilnadu	The Supreme Industries Ltd. Plot G -14 & 15 SIPCOT Indl. Park, Sripermbudur, Dist. Kancheepuram, Chennai-602105, India	33AAACT1344F1ZV
27	Urse	Maharashtra	The Supreme Industries Limited Gut No. 420 to 424, Urse Maal Talegaon Dabhade, Pune-410506, Maharashtra, India	27AAACT1344F1ZO

THE SUPREME INDUSTRIES LIMITED

Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021
CIN: L35920MH1942PLC003554

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D. P. ID*		L.F. No.	
Client ID*		No. of Shares held	

I/We hereby record my/our presence at the 76th Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 on Friday, 29th June, 2018 at 4.00 p.m.

Name of Shareholder(s)
(in Block Letters) 1. _____ 2. _____ 3. _____

Signature of Shareholder(s) 1. _____ 2. _____ 3. _____

Name of Proxyholder(s)
(in Block Letters) 1. _____ 2. _____ 3. _____

Signature of Proxy holder 1. _____ 2. _____ 3. _____

* Applicable for investors holding shares in electronic form.

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.



THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai - 400 021
CIN : L35920MH1942PLC003554

PROXY FORM

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

CIN : L35920MH1942PLC003554
Name of the Company : The Supreme Industries Limited
Registered office : 612, Raheja Chambers, Nariman Point, Mumbai 400021

Name of the member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of _____ shares of above named Company, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
2) _____ of _____ having e-mail id _____ or failing him
3) _____ of _____ having e-mail id _____ or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 76th Annual General Meeting of the company, to be held on Friday, 29th June, 2018 at 4.00 p.m., at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Optional *	
		For	Against
1	To receive, consider and adopt: a) The Audited financial statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss and cash flow statement for the year ended on that date and reports of the Board of Directors and Auditors thereon. (Ordinary Resolution) b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018. (Ordinary Resolution)		

Resolutions		Optional *	
		For	Against
2	To declare final dividend on Equity Shares for the Financial Year ended 31st March, 2018 and to confirm the payment of interim dividend on Equity Shares considered & approved by the Board of Directors of the Company. (Ordinary Resolution)		
3	To appoint a Director in place of Shri B.L. Taparia (Director Identification No. 00112438), who retires by rotation and being eligible, offers himself for reappointment. (Ordinary Resolution)		
4	Ratification of appointment of Statutory Auditors. (Ordinary resolution)		
5	Appointment of Branch Auditors. (Ordinary Resolution)		
6	To approve re-appointment and remuneration of Shri M.P. Taparia (Director Identification No. 00112461) as a Managing Director of the Company. (Special Resolution)		
7	To approve re-appointment and remuneration of Shri S.J. Taparia (Director Identification No. 00112513) as a Executive Director of the Company. (Special Resolution)		
8	To approve re-appointment and remuneration of Shri V.K. Taparia (Director Identification No. 00112567) as a Executive Director of the Company. (Ordinary Resolution)		
9	To approve payment of Commission to Non-Executive Directors. (Ordinary Resolution)		
10	Ratification of remuneration of Cost Auditors. (Ordinary Resolution)		

Signed _____ day of _____ 2018.

Signature of Shareholder

Affix
₹. 1/-
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

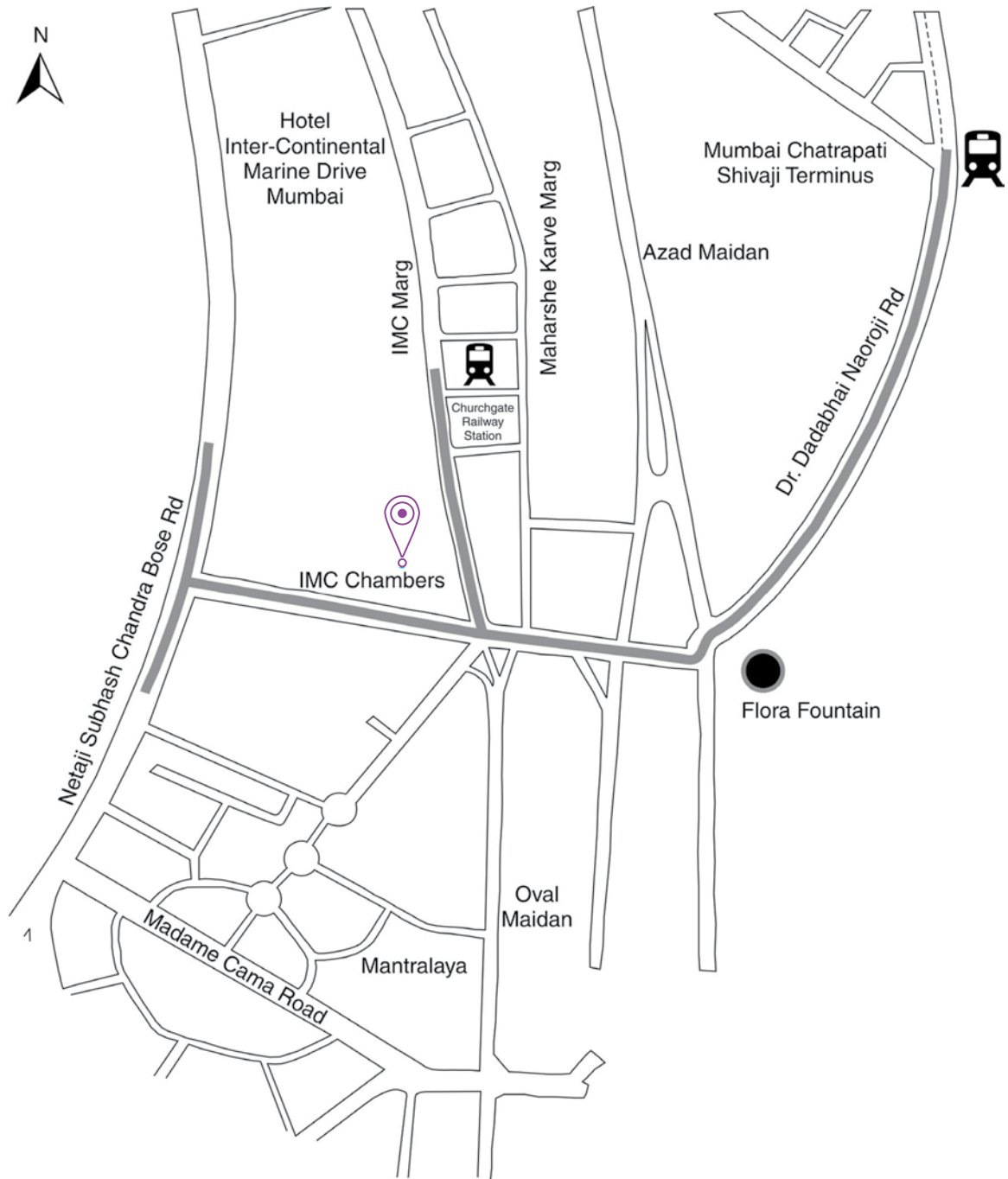
Signature of third proxy holder

Notes :

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) * This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- (5) In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map to the AGM Venue of:

The Supreme Industries Limited
76th Annual General Meeting,
Friday, 29th June, 2018
at 4.00 p.m.



Venue:

Walchand Hirachand Hall,
Indian Merchant's Chamber,
Near Churchgate Station,
76, Veer Nariman Road,
Mumbai - 400020

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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Tel.: (022) 30840000, 40430000 Fax : (91-22) 30840099, 40430099
Website : www.supreme.co.in E-mail : supreme@supreme.co.in
Regd. Office : 612 Raheja Chambers, Nariman Point, Mumbai 400 021, India
Tel.: (022) 22851656, 22820072 Fax : (91-22) 22851657