



SUPREME PETROCHEM LTD

Regd. Office :

Solitaire Corporate Park, Building No. 11, 6th Floor, 167, Guru Hargovindji Marg,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093. INDIA
☎ : 91-22-6709 1900 Fax - 022 - 4005 5681 • CIN : L23200MH1989PLC054633
Website : www.supremepetrochem.com • Email : corporate@spl.co.in

Ref: CFA/CS/12/AGM_30/2020-2021

June 4, 2021

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

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

Dear Sir,

Sub: Annual General Meeting – Annual Report 2020-21 and Intimation of Record Date
Ref : Regulation 34 and 42 of SEBI (LODR), Regulations, 2015

The Thirty Second Annual General Meeting (“AGM”) of the Company will be held on Thursday, July 1, 2021 at 4.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent through electronic mode to the Members.

The Board of Directors have recommended a final dividend of Rs.12.50/- per equity share of the Company for the financial year ended March 31, 2021 subject to approval of the shareholders at the AGM.

Pursuant to Regulation 42 of the SEBI Listing Regulations, if the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made on or after July 15, 2021 as under:

- i) To all the Beneficial Owners in respect of dematted share holders, as at the close of business hours on Monday, June 28, 2021 (viz. the “Record Date”);
- ii) To all the Members in respect of physical share holders, as at the close of business hours on Thursday, July 1, 2021.

We would like to state further that the Register of Members and Share Transfer Books of the company will remain closed from Tuesday, June 29, 2021 to Thursday, July 01, 2021 (Both days inclusive) for the purpose of AGM.

The Annual Report containing the Notice is also uploaded on the Company’s website <http://www.supremepetrochem.com/finance.htm>

Thanking you,

Yours faithfully,
For SUPREME PETROCHEM LTD

D. N. MISHRA
COMPANY SECRETARY

Encl: as above





SUPREME PETROCHEM LTD

**Annual Report
2020-2021**

**BOARD OF DIRECTORS:**

M. P. Taparia, Chairperson
 Rajan B. Raheja
 B. L. Taparia
 S. J. Taparia
 M. S. Ramachandran
 R. Kannan
 Ms. Ameeta Parpia
 Dr. S. Sivaram
 Rajeev M. Pandia
 K. V. Mujumdar (w.e.f September 19, 2020)

REGISTERED OFFICE:

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

CIN:

L23200MH1989PLC054633

PLANTS:

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

BANKERS:

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

AUDITORS:

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

REGISTRARS & SHARE TRANSFER AGENT (RTA):

KFin Technologies Private Limited,
 Selenium Tower B, Plot No. 31 & 32,
 Financial District, Nanakramguda,
 Serilingampally Mandal,
 HYDERABAD - 500 032, TELANGANA.

C O N T E N T S

Notice	1
Board's Report	17
Management Discussion and Analysis	34
Corporate Governance Report	39
Business Responsibility Report	59
Independent Auditor's Report	65
Balance Sheet	72
Statement of Profit & Loss	74
Statement of Changes in Equity	75
Cash Flow Statement	76
Notes to Financial Statements	78



PERFORMANCE HIGHLIGHTS

₹ in Lakhs unless indicated otherwise

	2020-2021 (12 Months)	2019-2020 (12 Months)	2018-2019 (12 Months)	2017-2018 (12 Months)	2016-2017 (12 Months)	2015-2016 (9 Months)	2014-2015 (12 Months)	2013-2014 (12 Months)	2012-2013 (12 Months)	2011-2012 (12 Months)
Net Sales	318517	272425	319381	302661	291862	206805	265254	326430	296716	227267
Other Income	2128	1193	1003	802	749	347	319	586	539	649
Total Income	320645	273618	320384	303463	292611	207152	265573	327015	297254	227916
Operating Profit (EBIDTA)	69020	16042	10338	20429	30477	10721	9654	9557	16158	10269
Financial Cost	727	649	394	460	470	531	1660	2284	2388	3199
Depreciation / Amortisation	3914	3603	2327	2075	2222	1705	2364	2874	2771	2292
Profit Before Tax & Exceptional items	64378	11790	7616	17894	27785	8485	5629	4399	10999	4778
Net Profit	47749	10265	4921	11612	17941	5705	3570	3059	7282	3137
Paid up Equity Capital	9402.07	9643.61	9650.20	9650.20	9650.20	9650.20	9650.20	9650.20	9683.86	9683.86
Reserves and Surplus	97082	57684	54593	54909	48560	31823	27986	26777	25596	21146
Shareholders' Funds (Net Worth)	106484	67328	64243	64559	58210	41473	37636	36427	35280	30830
Deferred Tax Liability (Net)	3569	3743	5233	4874	4787	4796	4848	4924	4872	4386
Loans	–	–	–	–	–	–	–	3204	7469	14231
Capital Employed	110054	71070	69476	69433	62997	46269	42485	44555	47621	49446
Avg. Capital Employed	90562	70273	69455	66215	54633	44377	43520	46088	48534	49710
Earning Per Equity Share (₹)	50.63	10.64	5.10	12.03	18.59	5.91	3.70	3.16	7.52	3.24
Cash Earning Per Equity Share (₹)	54.78	14.37	7.51	14.18	20.89	7.68	6.15	6.13	10.38	5.61
Book Value (₹)	113.26	69.77	66.57	66.90	60.32	42.98	39.00	37.75	36.43	31.84
Dividend (%)	*150	55	30	45	45	15	15	15	25	14
ROACE (%) (PBIT / Average capital Employed)	71.89	17.70	11.53	27.72	51.72	20.32	16.75	14.50	27.58	16.05
ROANW (%) (PAT / Average Net Worth)	54.94	15.60	7.64	18.92	36.00	14.42	9.64	8.53	22.03	10.44
Debt : Equity (Total Debt/Total Net Worth)	–	–	–	–	–	–	–	0.09	0.21	0.46
Total Outside Liabilities / Total Net Worth	0.61	0.81	0.82	0.93	0.86	1.15	1.21	1.56	1.78	2.25

* Including Final dividend of 125% per equity share of the Company subject to approval of shareholders.

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of SUPREME PETROCHEM LTD will be held on Thursday, 1st July, 2021 at 4.30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Board of Directors and Auditors thereon.
2. To confirm the Interim Dividend of ₹ 2.50 per share paid on Equity Shares of the Company in November 2020 and to declare final dividend on the Equity Shares of the Company for the financial year ended March 31, 2021.
3. To appoint a Director in place of Shri Rajan B. Raheja (DIN: 00037480) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

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

"RESOLVED THAT consent of the members be and is hereby accorded, pursuant to the provisions of Section 152(6) of the Companies Act, 2013, for re-appointment of Shri B. L. Taparia (DIN: 00112438), who retires by rotation and being eligible offers himself for re-appointment, as a Non Executive and Non Independent Promoter Director of the Company, subject to retirement by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby also accorded for continuance of Shri B. L. Taparia as a Director of the Company, despite having attained the age of 75 years and above, as long as he continues in the same capacity.

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."

5. **Approval for re-appointment of Shri N. Gopal as Manager of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals as may

be necessary, consent of the Members be and is hereby accorded to the appointment of Shri N. Gopal as a Manager of the Company, despite having attained the age of 70 years and above, and to him being paid and provided remuneration, benefits and amenities for a period of three years w.e.f. April 1, 2021 to March 31, 2024 on the remuneration, terms and conditions approved by the Nomination and Remuneration Committee and as contained in the Explanatory Statement annexed to this Notice and in the Employment Agreement executed between the Company and Shri N. Gopal with liberty to the Board of Directors of the Company to vary or increase the remuneration including the perquisites within the prescribed limits or ceiling stipulated in Companies Act, 2013 read with Schedule V thereto and any other applicable rules/regulations, as amended from time to time, without any further reference to the Company, in such manner as may be agreed to between the Board and Shri N. Gopal.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Shri N. Gopal, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit and suitable, subject to the limits provided in the Companies Act, 2013 read with Schedule V thereto and any other applicable rules/regulations, as amended from time to time.

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

6. **Regularisation of Shri K. V. Mujumdar as Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K.V. Mujumdar (DIN: 08866096) appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and clause 89 of the Articles of Association of the Company with effect from September 19, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

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



7. Appointment of Shri K. V. Mujumdar as Whole Time Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, the consent of the members be and is hereby accorded to the appointment of Shri K. V. Mujumdar as a Whole Time Director of the Company, designated as Director (Operations), for a period of 5 years with effect from September 19, 2020 to September 18, 2025, despite attaining the age of 70 years or more during his said tenure, on the remuneration, terms and conditions approved by the Nomination and Remuneration Committee and as contained in the Explanatory Statement annexed to this Notice and in the Employment Agreement executed between the Company and Shri K. V. Mujumdar with liberty to the Board of Directors of the Company to vary or increase the remuneration including the perquisites within the prescribed limits or ceiling stipulated in Companies Act, 2013 read with Schedule V thereto and any other applicable rules/regulations, as amended from time to time, without any further reference to the Company, in such manner as may be agreed to between the Board and Shri K. V. Mujumdar.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay to Shri K. V. Mujumdar, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit and suitable, subject to the limits provided in the Companies Act, 2013 read with Schedule V thereto and any other applicable rules/regulations, as amended from time to time.

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

8. Ratification of remuneration of the Cost Auditors:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force), the annual remuneration of ₹ 4,40,000/- (Rupees Four Lakhs Forty thousands only) plus out of pocket expenses & GST to M/s. Kishore Bhatia & Associates, (Firm Registration No.00294) - Cost Accountants as fixed by the Board of Directors for appointing them as Cost Auditors of the Company for the Financial Year 2021-2022 to conduct audit of its cost accounting records, as prescribed under the Companies (Cost Records & Audit) Rules, 2014 and

amendments made thereto be and is hereby ratified and approved.

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

9. Approval pertaining to Related Party Transaction(s):

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“The Act”) read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and any other applicable rules and provisions including any amendments thereto for the time being in force, consent of the members be and is hereby accorded to the Board of Directors of the Company to enter into Contract(s)/Arrangement(s)/Transaction(s) with The Supreme Industries Limited, a Company which falls under Related Party Category in terms of the provisions of Section 2(76) of “The Act”, with respect to sale, purchase or supply of any goods or materials and /or availing of any services in connection with the purchase or sale of goods or material including storage thereof, on such terms and conditions as the Board of Directors may deem fit within the threshold limit stipulated under the provisions of Section 188 of “The Act” and/or Regulation 23 of “Listing Regulations” as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), provided that the said Contract(s)/Arrangement(s)/Transaction(s) so carried out shall be on an Arm’s Length basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate authority upon any Director or Officer of the Company for the purpose of executing requisite Agreement(s)/Contract(s)/Document(s) on behalf of the Company, in relation to the aforesaid activities, and to do all such acts, things and deeds as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

D. N. Mishra
Company Secretary
FCS-5506

Registered Office:

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

Date: April 30, 2021
Place: Mumbai

NOTES

1. In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 5, 2020 in conjunction with Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020, (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting ("AGM") of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA/SEBI Circulars, as applicable, the AGM of the Company is being held through VC/OAVM (e-AGM).
2. The Deemed Venue of the 32nd AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2020-2021 will also be available on the Company's website www.supremepetrochem.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of R&T Agent of the Company viz. KFin at <https://evoting.kfintech.com>.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email Id – einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM of the Company electronically.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. To avoid fraudulent transaction(s), the identity/signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and members holding shares in physical form is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.
8. Pursuant to the provisions of the Act and other applicable Regulations, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf and the proxy need not be a Member of the Company. However since this AGM is being held pursuant to the MCA/SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will also not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
9. Corporate/institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter/Power of Attorney etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through e-mail at supreme.scrutiniser@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'SPL_EVENT No.'
10. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 4.15 p.m. to 4.45 p.m. and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
11. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.
12. To receive faster communication by Company including Annual Reports and Notices, the Members are requested to register / update their e-mail address, Telephone Number/Mobile Number with their respective Depository Participants (DPs) where they hold their shares in electronic form. However if their shares are held in physical form, Members are advised to register their e-mail address with R&T Agent of the Company by clicking on the link <https://karisma.kfintech.com/emailreg> and following instructions thereof. Members are requested to support the green initiative efforts of the Company.



13. For ease of conduct, Members who would like to ask questions/express their views on the items of the businesses to be transacted at the AGM can send their questions/comments in advance by visiting URL <https://emeetings.kfintech.com> and clicking on the tab 'Post your Queries' during the period starting from June 23, 2021 (9.00 a.m. IST) to June 26, 2021 (5.00 p.m. IST) mentioning their name, demat account no./Folio no., Email Id, mobile number etc. The queries so raised must also be mailed at investorhelpline@spl.co.in. The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
14. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office - Andheri (East), Mumbai:
 - i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to <https://emeetings.kfintech.com> and clicking the button next to Thumb symbol.
15. The Members approved the appointment of M/s. G M Kapadia & Co. Chartered Accountants (FRN104767W) as Statutory Auditors of the Company, in their Annual General Meeting held on 18th July, 2018, to hold office from conclusion of 29th Annual General Meeting of the Company to the conclusion of its 34th Annual General Meeting to be held in calendar year 2023. Since the requirement of ratification of appointment of Statutory Auditors every year by the Members of Company has been dispensed with w.e.f. May 7, 2018 vide Companies (Amendment) Act, 2017, no resolution is being proposed for ratification of appointment of Statutory Auditors at the AGM.
16. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) is annexed hereto.
17. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ('Act') setting out details/material facts relating to the proposed special business(es) under Item Nos. 4 to 9 of the Notice is annexed hereto.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or

transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their share holdings into dematerialized form. Members can contact the Company or its R&T Agent KFin for assistance in this regard.

19. In terms of circulars/regulations issued by SEBI, it is now mandatory to furnish a copy of PAN Card to the Company or its R&T Agent in case of transactions related to transfer of shares, deletion of name, transmission of shares and transposition of shares, hence members are requested to furnish copy of their PAN Card while proceeding for such transactions.
20. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folios and send the relevant Share Certificates to the R&T Agent of the Company for enabling them to consolidate the shares with due process.
21. Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, June 29, 2021 to Thursday, July 01, 2021 (both days inclusive), for the purpose of AGM and for determining the name of members eligible for dividend on equity shares, if declared at AGM. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 which can be downloaded from the Company website www.supremepetrochem.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's R&T Agent M/s KFin Technologies Pvt Ltd. in case the shares are held in physical form by sending an email to einward.ris@kfintech.com.
22. SEBI Listing Regulations have mandated the Companies to credit the dividends electronically to the Members' Bank account. Members who hold shares in electronic/dematerialized form should inform their Depository Participant (DP) as well as to the Company and those Members holding shares in physical form should inform to the Company or its R&T Agent, their bank details viz. Bank Account Number, Name of the Bank and Branch details, IFSC Code and MICR Code to enable the Company to incorporate the same for dividend payments. Those Members who have earlier provided their bank details but if there is any change therein, they should also update the same instantly in the manner as aforesaid. The dividend warrant for those members who fail to update their bank details will be posted subject to the normal functioning of the postal services, considering the ongoing COVID-19 Pandemic situation.
23. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories or KFin (RTA) to the Company will be

printed on their dividend instruments as per the applicable regulations and the Company will not entertain any direct request from such Members for deletion/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive the dividend, directly to their Depository Participants or KFin, as the case may be.

24. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after July 15, 2021 as under:

- i. to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories viz. National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on Monday, June 28, 2021 (viz. the "Record Date");
- ii. to all the Members in respect of shares held in physical form after giving effect to their valid transfer or transmission or transposition requests lodged with the Company, if any, as at the close of business hours on Thursday, July 1, 2021.

25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates as applicable to various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments made thereto from time to time. Some of the major features of the latest tax provisions on dividend distribution are stated as hereunder for a quick reference.

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no TDS shall be deducted on the dividend payable to a resident Individual if the total dividend to be received by them during Financial Year **2021-2022** does not exceed ₹ 5,000/-. Please note that this includes the previous dividend(s) paid, if any, and future dividend(s) which may be paid, during the Financial Year **2021-2022**, if declared.

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

Apart from the above, since the TDS/ Withholding rates are different for resident and non-resident shareholders,

members are requested to confirm their residential status as per the provisions of the Income Tax Act 1961, by sending an email at einward.ris@kfintech.com with cc to spldividend@spl.co.in

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

In view of above provisions, the shareholders are requested to update their PAN with the Company/R&T Agent (in case shares held in physical mode) and with the depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN but not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H in the aforesaid manner, to avail the benefit of non-deduction of tax at source, by sending email to spldividend@spl.co.in upto 5.00 p.m. (IST) on June 28, 2021.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F or any other document which may be required to avail the tax treaty benefits under the provisions of Income Tax Act, 1961 by sending an email to spldividend@spl.co.in upto 5.00 p.m. (IST) on June 28, 2021.

26. Shareholders who have not yet en-cashed their dividend warrant(s) for the financial year 2013-2014 and/or any subsequent financial years, are requested to submit their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPF A/c.

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

The Company has uploaded the information in respect of unclaimed dividends on the website of the Company



www.supremepetrochem.com for ready reference of the members.

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

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means. The Members may cast their votes using electronic voting system from any place (viz. 'remote e-voting'). The Company has engaged the services of Kfin Technologies Private Limited ("Kfin") as the Agency to provide e-voting facility to members.
2. The Board of Directors of the Company has appointed Shri P. N. Parikh (FCS 327) or failing him Shri Mitesh Dhaliwala (FCS 8331) or failing him Ms. Sarvari Shah (FCS9697) of Parikh & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
3. Voting right of the Members shall be reckoned in proportion to their shares held in the paid-up equity share capital of the Company as on Thursday, June 24, 2021 (the "Cut- off date"). Person who is not a member as on the cut-off date should treat the Notice for information purpose only.
4. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories (viz. CDSL/NSDL) as on the cut-off date i.e. Thursday, June 24, 2021 only shall be entitled to avail the facility of remote e-voting for the resolutions placed in the AGM. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
5. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 a.m. (IST) on Sunday, June 27, 2021.

End of remote e-voting : At 5.00 p.m. (IST) on Wednesday, June 30, 2021.

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

7. The remote E-Voting process, in relation to the resolutions proposed at 32nd AGM of the company has been segregated into 3 parts which is mentioned as hereunder:
 - (i) E-Voting in case of Physical Shareholders & Non-Individual Shareholders (Physical / Demat)
 - (ii) E-Voting in case of Individual Shareholders having shares in electronic / demat mode
 - (iii) E-Voting in case of attending AGM and voting thereat.

INSTRUCTION FOR REMOTE E-VOTING

(i) In case of Physical Shareholders & Non-Individual Shareholders (Physical/Demat) :

- a. Initial password is provided in the body of the e-mail.
- b. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- c. Enter the log in credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- d. After entering the details appropriately, click on LOGIN.
- e. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. You need to login again with the new credentials.
- g. On successful login, the system will prompt you to select the EVENT. Select Supreme Petrochem Limited.
- h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as

- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account.
- j. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can log in multiple times till you are confirmed that you have voted on the resolution.
- k. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin Technologies Pvt. Ltd. on 1800 309 4001 (toll free).
- l. Any person who becomes a Member of the Company after sending the Notice of the meeting but on or before the cut-off date viz. Thursday, June 24, 2021 may obtain the USER ID and Password for e-voting in the following manner or may write an email on einward.ris@kfintech.com for obtaining support in this regard.
 - a. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. (in case of physical shareholders) or DP ID Client ID (in case of Dematted shareholders) to 9212993399.

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

- b. If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call KFin toll free number 1-800-3094-001 for all e-voting related matters.
- d. Member may send an e-mail request to einward.ris@kfintech.com for support related to e-voting matter.

Such shareholder(s) may refer the e-voting process mandated for them vide SEBI circular dated 9th December, 2020 and should follow following process for remote e-voting:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The remote e-voting process of the Depositories viz NSDL and CDSL are different which are stated below to facilitate the members.

NSDL	CDSL
1. User already registered for IDeAS facility: ** I. URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under ‘IDeAS’ section. III. On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com (Select “Register Online for IDeAS”) or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp II. Proceed with completing the required fields. ** (Post registration is completed, follow the process as stated in point no. 1 above)	1. Existing user who have opted for Easi/Easiest ** I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest I. Option to register is available at : https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. ** (Post registration is completed, follow the process as stated in point no. 1 above)



NSDL	CDSL
3. First time users can visit the e-Voting website directly and follow the process below: I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	3. First time users can visit the e-Voting website directly and follow the process below: I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress. V. Click on company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders (holding securities in demat/electronic mode) can also login through their Depository Participants (DPs) as per following process.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

(iii) E-Voting in case of attending AGM and voting thereat:

Attending of E-AGM

- Members will be able to attend the e-AGM through VC/OAVM facility provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab 'video conference' and using their remote e-voting login credentials as provided by Kfintech. The link for e-AGM will be available in Member's login where the EVENT and the name of the Company can be selected. Member's who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned hereinabove vide para 27(7)(l) of this notice.
- Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance/glitch/garbling etc. during the meeting.
- While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile

devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

- Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from June 24, 2021 (9.00 a.m. IST) up to June 27, 2021 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes.

Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during June 24, 2021 to June 27, 2021, subject to the condition that size of such video should be less than 50 MB.

The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz June 24, 2021.

- f) A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
- g) Members who need technical or other assistance before or during the e-AGM can contact KFin by sending email at emeetings@kfintech.com or Helpline: 1800 309 4001 (toll free). For any other kind of support/assistance related to the AGM, members can also contact Shri Finian Lopez at phone number 098200-74324 or may write to investorhelpline@spl.co.in.
- h) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM conference.

Voting at E-AGM (INSTAPOLL)

- a. Only those members /shareholders who hold shares as on the cut off date viz. June 24, 2021 and who have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.
- b. Members who have voted through remote e-voting will be eligible to attend the e-AGM.
- c. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.
- d. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the “Vote” sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- e. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
- f. The electronic voting system for e-voting at AGM, as provided by KFIN Technologies Pvt Ltd, shall be available for 30 minutes from the time of commencement of voting declared by the Chairman at the AGM.

General Information:

- i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes cast through remote

e-voting and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorized in that respect within 2 working days of the conclusion of the AGM, who shall countersign the same and thereafter results of the voting will be declared. The results declared along with the scrutiniser's report shall be placed on the Company's website at www.supremepetrochem.com and on the website of R&T Agent KFin viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges viz BSE Limited & National Stock Exchange of India Ltd. where the shares of the Company are listed. The resolutions shall be deemed to have been passed at the AGM of the Company subject to obtaining requisite votes thereto.

- ii. Process for registration of email id for obtaining Annual Report or other communications from company and process for updation of bank account mandate for receipt of dividend are stated as hereunder:

Physical Holding	Submit a request to KFin at https://karisma.kfintech.com/emailreg providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address, on or before June 30, 2021 in relation to 32nd AGM. Alternatively Annual Report, consisted of AGM notice, can also be downloaded from Company website www.supremepetrochem.com. For updation of dividend mandate, please send following details to einward.ris@kfintech.com on or before June 30, 2021. a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions, d) 9 digit MICR Code Number, e) 11 digit IFSC Code and f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.



ANNEXURE TO THE NOTICE

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

ITEM NO. 4

Shri B. L. Taparia shall retire at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment.

Regulation 17(1A) of SEBI (LODR) Regulations, 2015 requires the listed entities to obtain approval of the shareholders by way of Special Resolution to appoint or continue the Directorship of any Non-Executive Director who have attained the age of 75 Years or more.

Shri B. L. Taparia entered into his business career over 63 years ago and has garnered a long and enriched experience in the Polymer Business(es) and its management. His re-appointment as Non- Executive & Non Independent Promoter Director is likely to be immensely beneficial to the Company considering his potentials, multifacet and diversified enriched long experience in the polymer business segment.

Shri B. L. Taparia, is concerned or interested in this resolution relating to his own re-appointment as Non-Executive & Non Independent Promoter Director of the Company liable to retire by rotation. Shri B. L. Taparia, Director, is the brother of Shri M. P. Taparia and uncle of Shri S. J. Taparia, the Directors of the Company. None of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in this Resolution.

The Board recommends for re-appointment of Shri B. L. Taparia as Non-Executive & Non Independent Promoter Director of the Company liable to retire by rotation.

ITEM NO. 5

The Board of Directors, on the recommendation of Nomination and Remuneration Committee re-appointed Shri N. Gopal as Manager of the Company under Section 196, 197 read with Section 203 of the Companies Act, 2013 to hold office for a term of three years with effect from April 01, 2021 to March 31, 2024.

As per Section 196(3) of the Companies Act, 2013 and Part I of Schedule V thereto, the Company needs approval of members through special resolution for continuation of appointment of Shri N. Gopal whose age has exceeded 70 years.

The qualifications and experience of Shri N. Gopal together with the responsibilities entrusted to him have been taken into account by the Nomination and Remuneration Committee of Directors which has recommended for his re-appointment with the following remuneration:

REMUNERATION:

- (a) Not exceeding ₹ 350 lakhs per annum.

In case, accommodation is provided to Shri N. Gopal by the Company, the same shall be valued as per the Income Tax Rules.

In case the Company does not provide accommodation to Shri N. Gopal, he shall be entitled to House Rent Allowance. The value of the accommodation or the House Rent Allowance paid shall form a part of the remuneration stated above.

- (b) The remuneration shall not exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for time being in force) or any amendment made thereto, without such approvals, if any, as may be mandated by the Companies Act, 2013 and the Rules made thereunder.

Shri N. Gopal shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above.

- i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund or allowances in this respect as per rules of the Company.
- ii) Gratuity payable by the Company to the extent permitted by law.
- iii) Encashment of leave at the end of the tenure as per the rules of the Company.

The Company will provide a car to Shri N. Gopal and shall reimburse expenses incurred by him for use of and maintenance of the car. The driver's salary shall also be reimbursed to Shri N. Gopal as per the rules of the Company.

The Company shall pay the bills for cellular and landline telephones used by Shri N. Gopal, for official purposes. Personal long distance calls on telephone shall be billed by the Company to Shri N. Gopal.

Shri N. Gopal shall be entitled to reimbursement of all actual expenses, including entertainment and travelling, incurred in the course of the Company's business.

Shri N. Gopal shall be entitled to earned/privilege leave as per Rules of the Company.

In the event of absence or inadequacy of profits of the Company for any year during the tenure of Shri N. Gopal, he shall be entitled to remuneration, perquisites and reimbursement of expenses within the threshold limit as provided in the Companies Act, 2013 and Schedule V thereto and/or any other applicable rules, as may be amended from time to time.

Statement of Information as required under Schedule V to the Companies Act, 2013:

I. General Information					
1	Nature of Industry	:	Manufacture and Trading of Petrochemicals.		
2	Date of Commencement of Commercial Production	:	October 1, 1995.		
			(₹ in Lakhs)		
3	Financial Performance	:	2018-2019	2019-2020	2020-2021
	Gross Sales	:	319380.63	272424.53	318517.24
	Profit before tax		7616.30	11789.79	64378.36
	Net Profit		4920.69	10265.28	47749.17
4	Foreign Investments or Collaborations, if any	:	There are no foreign investment or existing Foreign Collaborations in the Company.		
II. Information about the Appointee					
1.	Background Details	:	Shri N. Gopal is B-Tech (in Chemical Engineering) from Madras University and M.Sc., DIC (Advanced Chemical Engineering) from Imperial College, London. He has 52 years experience in the Petrochemical field having worked with companies like ICI Petrochemicals Division, U.K.; Indian Petrochemical Corporation Limited (IPCL) and Reliance Industries Limited (Reliance).		
2.	Past Remuneration and other benefits	:	₹ 264.99 Lakhs for the period 01/04/2020 to 31/03/2021 (including leave encashment at the end of tenure of appointment)		
3	Recognition or Award	:	—		
4	Job Profile and his suitability	:	Shri N. Gopal shall have overall responsibility for the day to day operations of the Company's plants, supply chain management and project implementation subject to the direction, superintendence and control of the Board of Directors. Shri N. Gopal has 52 years experience in the petrochemical industry. He joined the Company in 1991 as Sr. Vice President (Projects & Operations). He was instrumental in setting up the Company's Polystyrene plant from grass root level with a capacity of 66000 TPA which has since been expanded to 272000 TPA. He supervised the expansion of the EPS plant in Chennai. He also spearheads the SPC Plant and its expansion and the projects for EPS and Extruded Polystyrene (XPS) at Nagothane in Maharashtra.		
5	Remuneration Proposed	:	As mentioned hereinabove		
6	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person (in case of expatriates the relevant date would be w.r.t. the country of his origin)	:	The Company is the largest domestic manufacturer of Polystyrene and has a major share in the domestic market. It is also the largest domestic producer of Expandable Polystyrene and has presence in Masterbatches & Compounds & Extruded Polystyrene Insulation Board markets. It has customers across the globe. The proposed remuneration is comparable with other Companies of similar segment and size.		
7	Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any	:	No other pecuniary relationship with the Company apart from remuneration drawn from the Company. No relationship with other Managerial Personnel.		
III. Other information					
1.	Reasons of loss or inadequate profits	:	N/A		
	Steps taken or proposed to be taken for improvement	:	N/A		
	Expected increase in productivity and profits in measurable terms	:	N/A		



IV. Disclosures	
	The following disclosures are mentioned in the "Corporate Governance", Report annexed separately to the Financial statement / Annual Report and forming integral part of Board Report.
(i)	All elements of remuneration package such as salary, benefits, bonus, stock options, pension etc. of all the Directors
(ii)	Details of fixed component and performance linked incentives along with the performance criteria
(iii)	Service contracts, notice period, severance fees
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Agreement with Shri N. Gopal can be inspected at the Secretarial Department of the Company at Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai 400093 between 11.00 a.m. to 5.00 p.m. on any working day subject to the condition that office is open considering ongoing COVID-19 Pandemic situation, however with a view to facilitate the Members, a scanned copy of Agreement consisting terms and conditions of his employment with the Company is also available at Company's Website viz. www.supremepetrochem.com and can be viewed by the Members willing to inspect the same.

Considering the enriched and wider experience of around 30 years of Shri N. Gopal exclusively in the business of Company across its entire gamut of productions, operations and marketing activities including supply chain management as well as project implementations etc. and the roles and responsibilities successfully discharged by him since his joining the Company in 1991, it is thought prudent to re-appoint him as Manager of Company, despite exceeding the age of 70 years, for a further period of 3 years w.e.f. 01-04-21 which is likely to be highly beneficial to the Company in its overall operational affairs. This will also enable the Company to reap the benefit of his long outstanding experience in petrochemical segment.

The Board recommends the resolution at Item No. 5 of the Notice with respect to re-appointment of Shri N. Gopal as Manager of the Company for three years period and seeks approval of the members for the same by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Shri N. Gopal are in any way concerned or interested in the said resolution.

ITEM NO. 6:

Shri K. V. Mujumdar, on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director of the Company w.e.f. 19-09-2020 by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act 2013 to hold office upto the date of the ensuing Annual General Meeting. The Company has also received a Notice in writing from a Member of the Company under Section 160 (1) of the Companies Act, 2013 proposing the candidature

of Shri K. V. Mujumdar for the office of Director of the Company and if he is regularised by the members by way of passing Ordinary Resolution in his favour, he can continue as Director of the Company.

In view of above and considering the competence, skills, extensive and enriched experience of Shri K. V. Mujumdar in the operational affairs of Amdoshi and Manali Plants of the Company, which is likely to be largely beneficial to the Company in future too, the Board recommends the resolution at Item No. 6 of the Notice for seeking approval of members by way of ordinary resolution with respect to regularization/appointment of Shri K. V. Mujumdar as Director of the Company not liable to retire by rotation.

ITEM NO. 7:

Shri K. V. Mujumdar is a qualified Engineer and holds a diploma in Business Management. Shri K. V. Mujumdar was earlier working as Vice President (Operations) of the Company and has been associated with the Company since August, 1992 and has extensive and wide-ranging experience of about 43 years. Prior to joining Supreme Petrochem Ltd (SPL), he worked for about 14 years in Hindustan Organic Chemicals Ltd. (HOCL). He has been associated with the entire development of SPL's manufacturing complex at Nagothane. Over the years in SPL, he has been managing various activities of the Nagothane complex including production, quality control, statutory compliances, human resources, public relations, industrial relations and administration etc. He also oversees the operations of the Chennai complex. His induction on the Board is in the overall interest of the Company and brings diversity to the Board due to his extensive hands-on experience in plant operations and allied affairs.

Considering the recommendation made by the Nomination and Remuneration Committee (NRC), he was appointed as a Whole time Director of the Company designated as Director (Operations) for a consecutive term of five years period commencing from September 19, 2020 till September 18, 2025 on the remuneration, terms and conditions as determined by the NRC, the summary whereof is stated as hereunder, and as contained in his employment agreement, subject to approval of the members in terms of section 196 of the Companies Act, 2013.

As per Section 196(3) of the Companies Act, 2013 and Part I of Schedule V thereto, the Company needs approval of members through special resolution for continuation of appointment of Shri K. V. Mujumdar whose age will exceed 70 years during his current tenure with the Company.

The qualifications and experience of Shri K. V. Mujumdar together with the responsibilities entrusted to him have been taken into account by the Nomination and Remuneration Committee of Directors which has recommended for his appointment with the following remuneration:

REMUNERATION:

- (a) Not exceeding ₹ 140 (One Hundred Forty) lakhs per annum. The Nomination and Remuneration Committee will evaluate the performance of Shri K.V. Mujumdar on annual basis and recommend to Board his annual remuneration including increments etc. within the overall limits of ₹ 140 (One Hundred Forty) lakhs as aforesaid subject to the limits and provisions of Schedule V to the Companies Act, 2013, as may be applicable and as amended from time to time.

Following perquisites shall not be included in the computation of the ceiling on remuneration specified in point (a) above.

- i) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund or allowances in this respect as per rules of the Company.

- ii) Gratuity payable by the Company to the extent permitted by law.
- iii) Encashment of leave at the end of the tenure as per the rules of the Company.

The Company will provide a car to Shri K. V. Mujumdar and shall reimburse expenses incurred by him for use of and maintenance of the car. The driver's salary shall also be reimbursed to Shri K. V. Mujumdar as per the rules of the Company.

The Company shall pay the bills for cellular and landline telephones used by Shri K. V. Mujumdar, for official purposes. Personal long distance calls on telephone shall be billed by the Company to Shri K. V. Mujumdar.

Shri K. V. Mujumdar shall be entitled to reimbursement of all actual expenses, including entertainment and travelling, incurred in the course of the Company's business.

Shri K. V. Mujumdar shall be entitled to earned/privilege leave as per Rules of the Company.

In the event of absence or inadequacy of profits of the Company for any year during the tenure of Shri K. V. Mujumdar, he shall be entitled to remuneration, perquisites and reimbursement of expenses within the threshold limit as provided in the Companies Act, 2013 read with schedule V thereto and/or any other applicable rules/regulations, as may be amended from time to time.

Statement of Information as required under Schedule V to the Companies Act, 2013:

I. General Information					
1	Nature of Industry	:	Manufacture and Trading of Petrochemicals.		
2	Date of Commencement of Commercial Production	:	October 1, 1995.		
			(₹ in lakhs)		
3	Financial Performance		2018-2019	2019-2020	2020-2021
	Gross Sales	:	319380.63	272424.53	318517.24
	Profit before tax		7616.30	11789.79	64378.36
	Net Profit		4920.69	10265.28	47749.17
4	Foreign Investments or Collaborations, if any	:	There are no foreign investment or existing Foreign Collaborations in the Company.		
II Information about the Appointee					
1.	Background Details	:	Shri K. V. Mujumdar is a qualified Engineer and holds a Diploma in Business Management. He was earlier working as Vice President (Operations) of the Company and has been associated with the Company since 26/08/1992 and has extensive and wide-ranging experience of about 43 years. Prior to joining Supreme Petrochem Ltd (SPL), he worked for about 14 years in Hindustan Organic Chemicals Ltd (HOCL).		
2.	Past Remuneration and other benefits	:	₹ 58.18 Lakhs for the period 19/09/2020 to 31/03/2021 and Car, Driver, Company phone etc.		
3	Recognition or Awards	:	—		



4	Job Profile and his suitability	:	Shri K. V. Mujumdar has been associated with the entire development of SPL's manufacturing complex at Nagothane from initial stages. Over the years in SPL, he has been managing various activities of the Nagothane complex including production, quality control, statutory compliances, human resources, public relations, industrial relations and administration etc. He also oversees the operations of the Chennai complex. Looking into his significant and outstanding contribution in the operational affairs of the Company for Nagothane and Chennai Plants of the Company, he has been found a suitable person by the Board for being appointed as Whole Time Director of the Company designated as Director (Operations) for 5 years period w.e.f. September 19, 2020.
5	Remuneration Proposed	:	As specified hereinabove
6	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person (in case of expatriates the relevant date would be w.r.t. the country of his origin)	:	The Company is the largest domestic manufacturer of Polystyrene and has a major share in the domestic market. It is also the largest domestic producer of Expandable Polystyrene and has presence in Masterbatches & Compounds & Extruded Polystyrene Insulation Board markets. It has customers across the globe. The proposed remuneration is comparable with other Companies of similar segment and size.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any	:	No other pecuniary relationship with the Company apart from remuneration drawn from the Company. No relationship with other Managerial Personnel.
III. Other information			
1.	Reasons of loss or inadequate profits	:	N/A
	Steps taken or proposed to be taken for improvement	:	N/A
	Expected increase in productivity and profits in measurable terms	:	N/A
IV. Disclosures			
	The following disclosures are mentioned in the "Corporate Governance", Report annexed separately to the Financial statement/Annual Report and forming integral part of Board Report.		
(i)	All elements of remuneration package such as salary, benefits, bonus, stock options, pension etc. of all the Directors	:	
(ii)	Details of fixed component and performance linked incentives along with the performance criteria	:	
(iii)	Service contracts, notice period, severance fees	:	
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	:	

The Agreement with Shri K. V. Mujumdar can be inspected at the Secretarial Department of the Company at Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Andheri (East), Mumbai 400093 between 11.00 a.m. to 5.00 p.m. on any working day subject to the condition that office is open considering ongoing COVID-19 Pandemic situation, however with a view to facilitate the Members, a scanned copy of Agreement consisting terms and conditions of his employment with the Company is also available at Company's Website viz. www.supremepetrochem.com and can be viewed by the Members willing to inspect the same.

In view of above and also considering the recommendation of Nomination and Remuneration Committee of the Company w.r.t appointment of Shri K. V. Mujumdar as Director (Operations) of the Company for a consecutive term of five years period commencing from September 19, 2020 till September 18, 2025, on basis of his skills, extensive and enriched experience in plant operations and suitability to the Company, the said Resolution No. 7 is being recommended by the Board of Directors to the Members of the Company for their consideration and accord approval thereto by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Shri K. V. Mujumdar, relating

to his own appointment, may be deemed to be concerned or interested in the said resolution.

ITEM NO. 8

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on April 30, 2021 approved the re-appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants as Cost Auditor of the Company to conduct audit of its cost accounting records for the Financial Year ending on March 31, 2022 for an annual remuneration of ₹ 4,40,000/- (Rupees Four Lakhs Forty thousands only) plus out of pocket expenses and GST thereon.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of remuneration payable to the Cost Auditor as aforesaid.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the notice for your approval.

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

ITEM NO. 9:

Section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations require approval of members for entering into related party transaction(s) subject to certain conditions.

Your Company in the ordinary course of business proposes to enter into transaction(s) with The Supreme Industries Limited for the sale, purchase or supply of goods or material or for availing of services for sale or storage of your Company's products. Though these transactions will be on an arm's length basis and in the ordinary course of business, nonetheless as an abundant precaution, it is considered prudent to obtain the members' approval thereto under section 188 of the Companies Act, 2013 and Regulation 23 of Listing Regulations by way of a Special Resolution.

The overall value of the transaction(s) proposed with Supreme Industries Ltd. will not exceed the threshold limit as stipulated under the provisions of Section 188 of the Companies Act, 2013 and/or Regulation 23 of "Listing Regulations", as may be amended from time to time and applicable to the Company.

The Board recommends the Special Resolution as set out at Item No. 9 of the notice for your approval.

None of the Directors of the Company and Key Managerial Personnel except the Directors of the Company Shri M. P. Taparia, Shri B. L. Taparia, Shri S. J. Taparia, Shri R. Kannan, Shri Rajeev Pandia and Ms. Ameeta Parpia who are also on the Board of Directors of The Supreme Industries Limited and their relatives to the extent of their shareholding in the Company, if any, may be deemed to be in any way concerned or interested in the resolution.

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

A. PROMOTER DIRECTORS

Name of the Director	Shri Rajan B. Raheja
DIN	00037480
Age	67 years (DOB 19.06.1953)
Nationality	Indian
Qualification	B. Com.
Experience/Expertise	Shri Rajan B. Raheja is the Promoter of R. Raheja Group. He commenced his business career over 46 years ago. His business range includes batteries, cement, insurance, software, ceramic tiles, media, hotels and petrochemicals. He is also on the Board of many other well known Companies. Over years Shri Rajan B. Raheja has also been dedicating himself to various educational and charitable trusts and has vast expertise in the area of Finance & Business Management.
Date of Appointment as Director of the Company	December 14, 1989
Other Directorships (Listed Companies)	Exide Industries Ltd. Prism Johnson Ltd.
Membership/Chairmanship in Committees of other Listed companies	Exide Industries Ltd. Nomination and Remuneration Committee – Member Prism Johnson Ltd. Nomination and Remuneration Committee – Member
Shareholding in the Company (including shares held as a beneficial owner)	400
Relationships between the Directors inter-se, if any	NIL



Name of the Director	Shri B. L. Taparia
DIN	00112438
Age	86 (DOB 25.11.1934)
Nationality	Indian
Qualification	B. A.
Experience/Expertise	Shri B. L. Taparia is Chairperson of The Supreme Industries Limited. He entered into his business career over 63 years ago and has garnered long experience in the Business Management. He is also associated with multifaceted philanthropic activities.
Date of Appointment as Director of the Company	November 22, 1993
Other Directorships (Listed Companies)	The Supreme Industries Limited
Membership/Chairmanship in the committees of other Listed Companies	The Supreme Industries Limited Corporate Social Responsibility Committee – Member
Shareholding in the Company (including shares held as a beneficial owner)	4834
Relationships between the Directors inter-se, if any	Shri B. L. Taparia is brother of Shri M. P. Taparia and uncle of Shri S. J. Taparia, the Directors of the Company.

B. WHOLE TIME DIRECTOR:

Name of the Director	Shri K. V. Mujumdar
DIN	08866096
Age	67 years (DOB 23.08.1953)
Nationality	Indian
Qualification	B. Sc., BE, DBM
Experience/Expertise	As mentioned hereinabove
Date of Appointment as Director of the Company	September 19, 2020
Other Directorships (Listed Companies)	NIL
Membership/Chairmanship in committees of other Listed Companies	NIL
Shareholding in the Company (including shares held as a beneficial owner)	3000
Relationships between the Directors inter-se, if any	NIL

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

D. N. Mishra
Company Secretary
FCS-5506

Registered Office:

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

Date: April 30, 2021

Place: Mumbai

BOARD'S REPORT 2020-21

Members,

The Board of Directors of the Company are pleased to present the Thirty Second Annual Report of the Company alongwith its Audited Financial Statements for the Financial Year ended on March 31, 2021.

1. FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue (net of GST)	320645.12	273617.50
Profit Before Tax (PBT)	64378.36	11789.79
Less- Tax Expenses	16629.19	1524.51
Profit After Tax (PAT)	47749.17	10265.28
Interim/Final Dividend on equity shares (including corporate dividend tax) paid during the year	3760.82	6980.58
Transfer to General Reserves:	30000.00	3000.00
Retained Earnings	20689.35	6701.00

2. DIVIDEND

During the year under review, Directors of the Company on October 23, 2020, declared an interim dividend of ₹ 2.50 (Two Rupees and Fifty Paise) per share for financial year 2020-21 (viz 25%) on its paid up Equity Share capital, consisted of 9,40,20,671 equity shares of ₹ 10/- each leading to an total outflow of ₹ 2350.51 Lakhs.

Directors have further recommended a final dividend of ₹ 12.50 (Twelve Rupees and Fifty Paise) per share for financial year 2020-21 (viz 125%) on its paid up equity Share capital, as may prevail on the record date fixed for the purpose of dividend eligibility of the members, subject to approval of members in the ensuing Annual General Meeting of the Company.

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

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

3. REVIEW OF OPERATIONS

Company's revenue stood at ₹ 3206.45 Crores (net of GST) for the year under review as compared to ₹ 2736.17 Crores (net of GST) in the previous year. Company during the year under review earned a Net Profit of ₹ 477.49 Crores against ₹ 102.65 Crores in the previous year. Increased

demand of Company's products from OEMs, closure of one of the Company's competitor's plant and ban on import of air conditioners with refrigerant, improved demand from appliance manufacturers helped in achieving better performance of PS and EPS businesses. SPC division also did well as compared to the previous year.

4. BUY BACK OF SHARES

The Company bought back 24,81,287 equity shares under its Buy Back Scheme which ended on September 18, 2020. Consequently the paid up share capital of the Company consisted of 9,65,01,958 equity shares of ₹ 10/- each reduced to 9,40,20,671 equity shares of ₹ 10/-each post buy back. A total sum of ₹ 48.85 Crores was spent on the shares bought back (including ₹ 9.26 Crores towards transaction expenses and Buy Back distribution tax etc).

5. REDUCTION OF SHARE CAPITAL

The Board of Directors of the Company in their meeting held on March 12, 2021 recommended reduction in paid up equity share capital of the Company in terms of section 66 of the Companies Act, 2013 and regulation 37 of SEBI (LODR) Regulations, 2015 from ₹ 10/- per share to ₹ 4/- per share, without reducing the number of shares. Accordingly, every shareholder will receive ₹ 6/- per share for every share held on the record date, as may be determined for the purpose. This is subject to approval of Shareholders, BSE/NSE/SEBI/NCLT etc. This will reduce the existing paid up equity share capital from ₹ 9,402.07 Lakhs to ₹ 3,760.83 Lakhs, post reduction.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT

Management Discussion and Analysis Report & Corporate Governance Report of the Company for the year under review are annexed to the Annual Report separately forming its integral part. The Certificate(s) issued by M/s Parikh & Associates, Practising Company Secretaries, pertaining to compliance of 'Corporate Governance' conditions as applicable to the Company and no Disqualification/Debarment of its Directors from holding Directorship in the Company is annexed to Corporate Governance Report vide Annexure - A & B respectively.

7. BUSINESS RESPONSIBILITY REPORT (BRR)

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

8. HEALTH, SAFETY & ENVIRONMENT (HSE)

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



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

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

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

The Company has completed 7472 accident free days as on March 31, 2021 which amounts to 19.64 million man-hours of accident free operations.

9. DIRECTORS AND WHOLE TIME MANAGERIAL PERSONNEL

(A) Change in Directors and Key Managerial Personnel :

(i) Appointment of Directors retiring by Rotation:

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

(ii) Appointment of Manager

Shri N. Gopal, whose term as Manager of the Company expired on March 31, 2021, has been re-appointed by the Board of Directors for further period of 3 years from April 1, 2021 to March 31, 2024, subject to approval of members.

(iii) Appointment of Whole Time Director:

Shri K. V. Mujumdar (DIN 08866096), who was earlier working as Vice President (Operations), was appointed as Additional Director of the Company with effect from September 19, 2020. He holds office upto the date of ensuing AGM. He was also appointed as a Whole time Director of the Company designated as Director (Operations) for a period of five years with effect from September 19, 2020.

Except above three changes, which the Board recommends and are included in the AGM notice for seeking approval of members, there is no other change in the composition of the Board of Directors and Key Managerial Personnel (KMP) of the Company during the year under review.

(B) Annual evaluation of the Board and Board Committees:

Company has a well defined criteria for evaluation of performance of the Board and its Committees, Independent Directors, Non-Independent Directors

and Chairperson of the Company; as approved by the Nomination and Remuneration Committee of the Company.

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

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

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

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

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

(C) Familiarization Programme of the Independent Directors:

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

(D) Declaration from Independent Directors

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company during the year under review.

In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required for conducting the affairs of the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, all unpaid or unclaimed dividends for a period of seven years are required to be transferred

by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Company transferred an aggregate amount of ₹ 60.78 lakhs during the year under review to the Investor Education and Protection Fund Account. The aggregate amount transferred to the fund since January 2002 is ₹ 490.86 lakhs.

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

In view of above provisions, Company transferred 85010 equity shares belonging to 499 shareholders between 05.01.2021 to 07.01.2021 to the Investor Education and Protection Fund Account.

The unclaimed dividends on equity shares paid in September, 2014 will be due for transfer to the Fund in September, 2021. Investors who have not yet claimed these dividends are requested to contact either the Company's Secretarial Department or the RTA of the Company for support required, if any.

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

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

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

A CONSERVATION OF ENERGY –

Energy conservation programme at both the plant locations of the Company resulted in savings of energy to the extent of 915101 KWH (comprising of 727738 KWH at Amdoshi Plant, Maharashtra and 187363 KWH at Manali Plant, Tamilnadu). Company did not make any significant capital investment on energy conservation equipments during the year under review. The energy conservation programmes mainly comprised of following:

Amdoshi Plant, Maharashtra

- Replacement of HPSV and HPMV Fittings with LED Fittings



- Replacement of existing induction motors with energy efficient induction motors
- Provision of VFDs
- Replacement of existing refrigeration system with new energy efficient system
- Replacement of existing Air Compressor with new energy efficient Air Compressor.

Manali Plant, Chennai

- Optimization of equipment utilization in Plant
- Provision of VFDs
- Use of LED Light Fittings

B TECHNOLOGY ABSORPTION

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

C FOREIGN EXCHANGE EARNINGS AND OUTGO (ON ACTUAL BASIS)-

(₹ in lakhs)

Foreign exchange earnings and outgo (Actuals)	F.Y. 2020-2021
a. Inflow in Foreign Currency	22810.21
b. Outflow in Foreign Currency	196062.48

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

The Annual Report is being sent electronically to all those members who have registered their email addresses with the Company or its Registrar and Transfer Agent or with their depositories and is also available on the Company's website www.supremepetrochem.com.

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

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

Not applicable as there was no Whole Time Director (WTD) in the Company for the entire F.Y. 2020-21 since Shri K. V. Mujumdar was appointed as Director (Operations) w.e.f. 19-09-2020 being for part of the year.

- The percentage increase in remuneration of Manager, CFO, Director (Operations) and Company Secretary

Designation	% increase in the remuneration during F.Y. 2020-21
Manager	7.5
Chief Financial Officer (CFO)	7.5
Director (Operations)	Not Applicable as appointment of WTD was made w.e.f. 19-09-2020 (viz. part of the year)
Company Secretary	9.25

- The percentage increase in the median remuneration of employees in the F.Y. 2020-21: 7.54%
- The number of permanent employees on the rolls of Company as on 31.03.2021: 361
- The average percentage increase in the salaries of employees other than the Manager was 10.50% as compared to an increase of 7.5% in the Manager's remuneration.

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

14. AUDITORS AND THEIR AUDIT REPORTS

Statutory Auditors

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

During the year under review, the Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and no fraud was noticed by the Auditors of the Company during F.Y. 2020-21 which is reportable under Section 143(12) of the Companies Act, 2013.

Cost Auditors

M/s. Kishore Bhatia & Associates has been appointed by the Board as Cost Auditors of the Company to conduct audit of its cost accounting records for the financial year 2021-22.

In accordance with the requirement of the Central Government and pursuant to the provisions of Section 148 of the Act, the Company has maintained the cost records for F.Y. 2020-21 as applicable. The Company also carries out an annual audit of its cost accounting records through Cost Auditors.

The remuneration payable to the Cost Auditors is required to be placed before the members in General Meeting for their ratification. Accordingly, a resolution for the remuneration of said cost auditor is included in the AGM notice of the Company vide item no. 8 annexed to the Annual Report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules thereto, M/s. Parikh & Associates, Practicing Company Secretaries, has been appointed by the Board as Secretarial Auditors of the Company to conduct its secretarial audit for the Financial Year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2021 in form No. MR-3 is annexed to this Board Report vide Annexure-2 forming integral part thereof. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of secretarial standards issued by the Institute of Company Secretaries of India as applicable to the Company and that such systems are adequate and operating effectively.

GST Auditors

Pursuant to the provisions of Section 35(5) Central Goods and Services Tax Act, 2017 and Rule 80(3) of the GSCT Rules, 2017, following GST Auditors have been appointed for financial year 2021-22.

SL. No.	Name of GST Auditor(s)	State
1.	Shri G. Thangraj	Tamilnadu
2.	Shri R. J. Mehta	Gujarat
3.	Shri Punit Gupta	Maharashtra & Others

15. RELATED PARTY TRANSACTIONS

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

The said Policy on materiality of related party transactions, as approved by the Board, is available on the Company's website at the link: <http://supremepetrochem.com/pdf/Policy%20On%20dealing%20with%20related%20party%20transactions.pdf>. Information with respect to related party transactions taken place during financial year 2020-21 is annexed to the Board Report in form AOC-2, vide Annexure 3, forming its integral part.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) in terms of Section 135 of Companies Act, 2013 and Schedule VII thereto. An annual action plan as per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified vide MCA Circular dated January 22, 2021 has also been recommended by the CSR Committee to the Board. The CSR Policy has been approved by the Board and the same is available on the Company's website at the link: <http://supremepetrochem.com/pdf/Corporate-Social-Responsibility.pdf>

The Company, during the financial year 2020-21, has spent an amount of ₹ 351.82 Lakhs for CSR as against the total allocated amount for CSR Activities of ₹ 336.88 Lakhs (comprised of ₹ 248.08 Lakhs allocated for the F.Y. 2020-21 and ₹ 88.80 Lakhs unspent CSR amount carried forward from F.Y. 2019-20) leading to additional CSR spends of ₹ 14.94 Lakhs, to be set off during F.Y. 2021-22.

The prescribed amount to be spent by Company for CSR activities during Financial Year 2021-22, as per Section 135 of Companies Act, 2013, amounts to around ₹ 555.21 Lakhs.

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

17. RISK MANAGEMENT

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



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

Risk Management approach is comprised of three components:

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

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

In accordance with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee on July 18, 2018 to look into and deal with the risk-matters of the Company and take suitable remedial steps, wherever required. During the year under review, management has not come across any element of risk which can threaten its existence.

18. INTERNAL FINANCIAL CONTROLS

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

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

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

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

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

21. MEETINGS OF THE BOARD OF DIRECTORS

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

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The Company had not given any loans or guarantees or made investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the financial year 2020-21.

23. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return of the Company as at 31st March, 2021 is uploaded on the website of the Company [www.supremepetrochem.com/investor relations/MGT-7](http://www.supremepetrochem.com/investor%20relations/MGT-7).

24. DETAILS OF SUBSIDIARIES / JOINT VENTURES/ ASSOCIATES ENTITY

The Company does not have any subsidiaries /joint ventures/associates entity.

25. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

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

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

26. CREDIT RATING

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

CRISIL Ratings Ltd has assigned long term rating at CRISIL AA-/Stable and short term rating at CRISIL A1+ for Company's fund and non fund based working capital facilities from Banks.

India Ratings and Research (IND-Ra) upgraded Company's long term rating to IND AA- from IND A+ with stable outlook and confirmed short term rating at IND A1+ for Company's fund and non fund based working capital facilities from Banks.

27. MATERIAL CHANGES AND COMMITMENTS AFTER THE FINANCIAL YEAR

No material changes and commitments have occurred after the closure of the financial year ended 31st March, 2021 till the date of this Report, which would affect the financial position of the Company significantly.

Business operations of the Company may be affected to certain extent due to partial lockdown enforced by some State Governments in India since April-2021 and risks associated with the COVID-19 virus (second wave), declared as "Pandemic" by WHO.

28. GENERAL DISCLOSURES

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

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

(B) Other Disclosures:

The details of Directorship, meetings held and committee membership of the Directors of the Company are stated in the Corporate Governance Report annexed separately to the Annual Report forming its integral part.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

M. P. Taparia
Chairperson

Place: Mumbai
Date: April 30, 2021



ANNEXURE - 1

CRITERIA FOR SELECTION OF DIRECTORS

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

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

- (1) The candidate's qualifications, knowledge, skills, and experience in his/her respective field.
- (2) His/her reputation of honesty, integrity, ethical behaviour and leadership.
- (3) Achievements in industry, business, profession and/or social work.
- (4) Possesses appropriate competence, 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, wherever applicable.
- (6) Whether the candidate meets the conditions of being independent as per Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 or any other rules/regulations as may be applicable to the Company.

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

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

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

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

from time to time, within the limits provided under the Companies Act, 2013.

- (2) Remuneration is given on basis of remuneration policy of the Company including industry standards, skills, experience and exposures appropriate to the Company's business requirements.
- (3) Considering profitability and uneven earnings it is recommended not to distribute any share of profits to the Directors till further review.
- (4) The remuneration to Senior Management Personnel & Key Managerial Personnel viz. the Manager / CFO / Whole time Director and the Company Secretary is as per the remuneration policy for employees of the Company. The Managerial Remuneration would be in compliance with the requirements of the Companies Act, 2013 including its schedules, the rules framed there under, approval of shareholders and the provisions of the SEBI (LODR) Regulations, 2015, wherever required and as may be applicable.
- (5) Any fees paid to the Directors for rendering any legal or consultancy services to the Company on a professional basis shall not be included in the definition of Remuneration to Directors.

OTHER EMPLOYEES

Objective:

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

Categories of Employees:

- i. Unionised
- ii. Non Unionised

Remuneration Structure:

- i. Unionised:

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

- ii. Non Unionised:

a. Entry Level Recruitments (Trainees)

As per prevailing structure.

b. Lateral Recruitments

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

**Performance Assessment / Appraisal:**

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

The Employees are appraised on the following factors:-

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

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

Considering the competition, similar sized companies in other industries and Company's performance, the range of

percentage hike is fixed.

Grade Revision

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

For and on behalf of the Board

M. P. Taparia
Chairperson

Place: Mumbai

Date: April 30, 2021



ANNEXURE - 2

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,

The Members,

Supreme Petrochem Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2021 according to the applicable provisions of:

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

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

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

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

During the period under review, the Company has generally 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Decisions at the Board Meetings were taken unanimously.

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

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

- (A) The Company bought back 24,81,287 equity shares under its buy back scheme which ended on September 18, 2020. Consequently the paid up share capital of the company consisted of 9,65,01,958 equity shares of ₹ 10/- each before buy back reduced to 9,40,20,671 equity shares of ₹ 10/-each post buy back.

- (B) The Company, in terms of its Board Resolution dated 12.03.2021 and in terms of Section 66 of the Companies Act, 2013 and regulation 37 of SEBI (LODR) Regulations, 2015, has undertaken process for reduction of its existing paid up equity share capital of ₹ 94,02,06,710 divided into 9,40,20,671 equity shares of ₹ 10/- each to ₹ 37,60,82,684/- divided into 9,40,20,671 equity shares of ₹ 4/- each by refunding ₹ 6/- per share out of nominal value of ₹ 10/- per share to the shareholders proportionately. The Scheme does not envisage for any change in the shareholding pattern of members. The proposed Scheme for reduction of capital is subject to necessary approvals of shareholders, NCLT and other regulatory authorities.
- (C) The Objects clause in the Memorandum of Association of the Company has been amended to add new products envisioned by the Company for business purposes and to be in consonance with the provisions of the Companies Act, 2013.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date : April 30, 2021

Shalini Bhat
Partner

FCS No: 6484 CP No: 6994
UDIN: F006484C000218542

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

**‘Annexure A’**

To,

The Members

Supreme Petrochem Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai

Date : April 30, 2021

Shalini Bhat
Partner

FCS No: 6484 CP No: 6994
UDIN: F006484C000218542

ANNEXURE - 3

RELATED PARTY TRANSACTIONS

FORM NO. AOC-2

[Pursuant to section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2020-21)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification of entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date of which the special resolution was passed in general meeting as including under the first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL							

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions (during F.Y. 2020-21)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in lakhs)	Date(s) of approval by the Board	Amount paid as advance, if any
(a)	(b)	(c)	(d)	(e)	(f)
The Supreme Industries Ltd - Co-Promoter	Sales, purchase or supply of any goods or materials and availing of any services in connection with the purchase or sale of goods or material including storage thereof	As per individual purchase order(s)	Sales: 8211.23 Purchase: 150.25	Not applicable as the transactions are in ordinary course of business and on an arm's length basis and do not fall under the category of material related party transaction. However, details of such transaction(s) are placed before Audit Committee every quarter. Annual Omnibus approval to this effect has also been obtained from Audit Committee.	NIL

For and on behalf of the Board

M. P. Taparia
Chairperson

Place : Mumbai
Date : April 30, 2021



ANNEXURE - 4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021]

1.	Brief outline on CSR Policy of the Company	The extant CSR Policy of the Company under section 135 of Companies Act, 2013 was approved by the Board of Directors on April 26, 2019. The Company is committed to inclusive and sustainable development of its stakeholders through various welfare schemes/activities undertaken under its CSR programme in an economically, socially and environmentally sustainable manner. Company, considering the proviso to Section 135(5) of Companies Act, 2013 prefers its social welfare activities in the local areas around its plant in Amdoshi, Maharashtra and Manali, Tamilnadu. Company undertakes CSR activities, as per the provisions of Schedule VII of Companies Act, 2013 and its CSR Policy, majorly benefitting the people of nearby areas in terms of their Health and Hygiene, Education, Sports, Cultural Activities, Rural Development, Potable water availability, Covid-19 pandemic relief measures inter alia other welfare activities taken up for other deserving and needy peoples as well. Company also grants donation to Government Schemes at Centre and State level in crucial and testing times like COVID-19 pandemic and also takes support of NGO/Foundation etc in fulfilling its CSR objectives.
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2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	M. P. Taparia	Non Executive – Promotor/Chairman	2	2
2.	Rajan B. Raheja	Non Executive – Promoter	2	2
3.	Ameeta Parpia	Non-Executive – Independent	2	2

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	www.supremepetrochem.com
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2017-18	NIL	NIL
2	2018-19	NIL	NIL
3	2019-20	NIL	NIL
	TOTAL	NIL	NIL

6.	Average net profit of the Company as per section 135(5) (₹ in lakhs)	12,404.00
7.	(a) Two percent of average net profit of the Company as per section 135(5) (₹ in lakhs)	248.08
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years/CSR amount less spent in F.Y. 2019-20 (₹ in lakhs).	88.80
	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b- 7c) (₹ in lakhs)	336.88

8.	(a)	CSR amount spent or unspent for the financial year 2020-2021										
Total Amount Spent for the Financial Year (in ₹)		Amount Unspent (in ₹)										
		Total Amount transferred to Unspent CSR Account as per section 135(6)					Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)					
		Amount	Date of transfer		Name of the Fund		Amount	Date of transfer				
351.82 Lakh		NIL	NIL		NIL		NIL	NIL				
(b)	Details of CSR amount spent against ongoing projects for the financial year 2020-2021											
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes /No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
	NIL											
	TOTAL	NIL										
(c)	Details of CSR amount spent against other than ongoing projects for the financial year 2020-2021											
1	2		3	4	5		6	7	8			
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency				
				State	District			Name	CSR registration number			
1	Health & Hygiene	1	Yes	Maharashtra	Raigad	27.62	Direct	–	–			
2	Education	2	Yes	Maharashtra & Rajasthan	Various Districts	232.05	Direct/Indirect	–	–			
3	Cultural Affairs	4	Yes	Maharashtra	Raigad	00.70	Direct	–	–			
4	PM Cares donation	8	N/A	N/A	N/A	25.00	Direct	–	–			
5	Covid-19	12	Yes	Maharashtra	Raigad	59.45	Direct	–	–			
	TOTAL					344.82		–	–			
(d)	Amount spent in Administrative Overheads (₹ in lakhs)							7.00				
(e)	Amount spent on Impact Assessment, if applicable							N/A				
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ in lakhs)							351.82				
(g)	Excess amount for set off, if any											
Sl. No.	Particular							Amount (₹ In Lakh)				
(i)	Two percent of average net profit of the Company as per section 135(5) including carried forward unspent amount of ₹ 88.80 Lakh from F.Y. 2019-20							336.88				
(ii)	Total amount spent for the Financial Year							351.82				



Sl. No.	Particular	Amount (₹ In Lakh)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14.94
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14.94

9. (a) Details of Unspent CSR amount for the preceding three financial years: (₹ in Lakh)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Lakh)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-2018	NIL	185.75	NIL	NIL	NIL	NIL
2.	2018-2019	NIL	340.65	NIL	NIL	NIL	NIL
3.	2019-2020	NIL	266.40	NIL	NIL	NIL	88.80
	TOTAL	NIL	792.80	NIL	NIL	NIL	88.80

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed /Ongoing
					NIL			
	TOTAL				NIL			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

As per Annexure-A

	(asset-wise details)	
(a)	Date of creation or acquisition of the capital asset(s).	
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5).

N/A

M. P. Taparia
(Chairperson CSR Committee)

N. Gopal
Manager

This is to certify that the funds allocated for CSR Projects during F.Y. 2020-21 have been utilized for the specified purpose.

Rakesh Nayyar
CFO

ANNEXURE A

DETAIL OF CAPITAL ASSETS CREATED UNDER CSR PROJECT(S)

Sr. No	Nature of Capital Assets	Date of creation / acquisition of the assets	CSR Amount spent on creation/ acquisition of the assets during F.Y. 2020-2021 (₹ in Lakhs)	Detail of Capital Assets created and the entity or public authority or beneficiary to whom it belongs
1	Public Toilet Block at Nagothane	31-Mar-21	1.00	Nagothane Gram Panchayat at Nagothane, Taluka Roha, District Raigad, Maharashtra
2	Public Toilet Blocks for Grampanchayats	31-Mar-21	23.64	Construction Works of Total 13 Blocks of smaller public toilet blocks consisting of 2 WCs for Men and 2 WCs for Women undertaken at locations indicated below 1) Three Locations at Village Kadsure for Kadsure Grampanchayat, Taluka Roha, District Raigad, Maharashtra 2) Three Locations at Village Medha, for Medha Grampanchayat, Taluka Roha, District Raigad, Maharashtra 3) Three Locations at village Chikani, Wazaroli and Patansai for Patansai Grampanchayat, Taluka Roha, District Raigad, Maharashtra 4) Two Locations at Village Ainghar for Ainghar Grampanchayat, Taluka Roha, District Raigad, Maharashtra 5) Two Locations at Village Wani and Cherati for Wani Grampanchayat, Taluka Roha, District Raigad, Maharashtra
3	Construction of Anganwadies for Grampanchayats	31-Mar-21	36.55	Construction Works of total 7 Anganwadies undertaken at locations indicated below 1) Village Killawadi, for Group Grampanchayat Kadsure, Taluka Roha, District Raigad, Maharashtra 2) Village Kagadawadi, for Group Grampanchayat Kadsure, Taluka Roha, District Raigad, Maharashtra 3) Village Kadsure, for Group Grampanchayat Kadsure, Taluka Roha, District Raigad, Maharashtra 4) Village Chikani, for Group Grampanchayat Patansai, Taluka Roha, District Raigad, Maharashtra 5) Village Godsai, for Group Grampanchayat Patansai, Taluka Roha, District Raigad, Maharashtra 6) Village Wazaroli, for Group Grampanchayat Patansai, Taluka Roha, District Raigad, Maharashtra 7) Village Hedawali, for Group Grampanchayat Ainghar, Taluka Roha, District Raigad, Maharashtra
4	E-Learning Facility (E-Classrooms)	31-Mar-21	23.80	E-learning facility has been provided for 13 Classrooms at 4 Schools at locations as indicated below 1) One Classroom at ZP School at Adiwasiwadi, Village Chikani, Taluka Roha, District Raigad, Maharashtra 2) Nine Classrooms at Konkan Education Society's Highschool at Nagothane, Taluka Roha, District Raigad, Maharashtra 3) Two Classrooms at ZP School at Village Uddhar, Taluka Sudhagad, District Raigad, Maharashtra 4) One Classroom at ZP School at Village Khawali, Taluka Sudhagad, District Raigad, Maharashtra



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW & OUTLOOK

Global Economy

Onset of COVID-19 pandemic in the year 2020 and subsequent lockdown imposed across the world to contain spread of virus led to unprecedented situations worldwide with domestic and global trade coming to a standstill. Lockdown and border closures across key global markets paralysed economic activities including production and business operations all over the world. This pause in the global economic activity caused significant contraction of economies in the first half of 2020. Global trade was impacted by a significant margin in the first half of the year. With the easing of lockdown starting from June 2020 the world economy rebounded but still, as per IMF estimates, global economy contracted by 3.5% in 2020. When towards the end of 2020 it looked that world economy is bouncing back the second wave of pandemic embedded with new mutated variants emerged and have slowed down the speed of economic recovery.

The global economy, as per IMF is projected to grow at 6% in 2021 reflecting additional fiscal support in a few large economies and expectations of vaccine powered recovery of economic activity.

Indian Economy

The outbreak of the COVID-19 pandemic in March 2020 along with the national lockdown in India disrupted economic activities including demand and supply chain resulting in a significant slowdown of the Indian economy. This led to a contraction of 23.9% during the first quarter of 2020-21.

With the staggered unlocking measures from May/ June 2020 onwards some normalcy started getting restored. The manufacturing sector witnessed a fast recovery from second quarter of 2020-21 coupled with a revival of consumer demands during the festive season. Widespread monsoon with healthy crops and increased rural demand also helped recovery of the Indian economy in the second half of last fiscal. The service sector was more vulnerable than manufacturing. Indian economy as per the second advance estimates is estimated to have contracted at (8%) during 2020-21 compared to a growth of 4% in 2019-20.

A sharp surge in the cases during the second wave of Covid-19 since the second week of April 2021 had lead to many state governments announcing strict lockdowns / restrictions on movement etc. and this is affecting the economic activity especially of Micro, Small and Medium Enterprises. Economic impact of the second wave could intensify in the next few weeks due to lower mobility. The overall impact of the second wave on the economy is difficult to assess presently, but it is likely to negatively affect GDP growth in the first quarter.

With emergence of strong second wave of Covid-19 pandemic, the Indian economy is now projected to grow at about 10% during fiscal 2021-2022.

COVID-19 PANDEMIC AND SUPREME PETROCHEM LTD

With the announcement of national lockdown, Company shut down its manufacturing lines at both Amdoshi plant in Maharashtra and at Manali, Tamil Nadu. After obtaining necessary approvals from the competent authorities, Company resumed operations of 1 line of Polystyrene initially and ramped up to full production by July 2020.

With disruption in domestic demand and supply chain the Company exported most of its production in the first quarter of 2020-21. Company during the period of lockdown operated its plants with limited manpower as per the stipulations laid by the authorities.

The Company took all necessary steps for safety of plant and its employees during the pandemic. Not only full wages were paid on time, the annual increases in line with the previous years were given to tide the employees through the difficult time of pandemic.

Company also reached out to the local villages surrounding our plants to provide ration, sanitization material and medical help during the lockdown period. Company created an isolation and quarantine facility at our township near the manufacturing complex at Amdoshi, Maharashtra, to isolate and treat persons with symptoms of Covid.

REVIEW OF OPERATIONS & OUTLOOK

During the year under review Company earned a net profit of ₹ 477.49 crores as against ₹ 102.65 crores in the previous year. Improved demand for Company's products coupled with healthy delta between raw material prices and finished products helped achieving this number.

The unfortunate incident of SM vapour leak at the PS/ EPS plant of one of Company's competitors at Visakhapatnam in May, 2020 causing deaths and destruction in the vicinity of said plant led to its closure. The plant remains closed as of now. Company rose to the occasion and has been meeting the requirements of PS/ EPS customers in India from the 2nd quarter of the year under review. It is a matter of extreme satisfaction that no customer was allowed to suffer for lack of supply of material.

Styrene Monomer (SM)

Company scaled down its operations significantly in 1st quarter due to countrywide lockdown. Imports of SM were stopped for over a month, due to the force majeure conditions. Operations were restricted so as to consume inventory and move to a safe mode. Exports were the only important outlet available for our products. With demand revival from 2nd quarter SM supplies were quickly resumed.

Significant supply constraints were seen in second half of the year due to unscheduled shutdowns in Asia, Middle East, Europe, U.S.A. etc in quick succession. Major events being the deep freeze in U.S.A., unscheduled shut down of a large SM

plant in Europe etc. Company, however, was able to manage its supplies well except for some shipping delays during the year.

Styrene Monomer prices were largely stable during the first half of the year. China's new SM capacity additions helped in moderating the price range in Asia.

Two large world scale SM plants were commissioned in China in early 2020. A third SM plant with 6,30,000 MT capacity has been commissioned early this year in China. This augurs well for Company since the centre of gravity of SM trade flow shifts from China to India and the Company being the biggest consumer of SM in India, stands to gain from this changed trade flow. Self sufficiency for SM in China also will mean more stable pricing regime due to removal of volatility associated with China's SM imports.

Polystyrene (PS)

Domestic Polystyrene Market saw a de-growth of (12%) in the year under review, due to loss of business in the 1st quarter after imposition of nationwide lockdown. However, the Company had a growth of 25% due to increased demand of Company's products from the appliance sector after lifting of lockdown and demand from customers of the competitor whose plant was shut down. Ban on import of Air Conditioners with refrigerants also contributed to volume growth since existing makers of Air Conditioners in India had adequate installed capacity to take advantage of this opportunity without any loss of time.

Many segments like stationery, beads and bangles etc. still are affected adversely due to closure of educational institutions/ offices and restrictions on social gatherings.

The final findings of the investigations recommending levy of Anti-Dumping duty on imports of Polystyrene from certain countries was issued by the Directorate General of Trade Remedies, Ministry of Commerce, Government of India in June 2020. Department of Revenue, Ministry of Finance, Government of India, have not issued the required custom notification giving effect to the recommendations of DGTR. The Company has filed a writ in the Delhi High Court against Department of Revenue for same.

Outlook

All appliance OEMs have projected good growth in demand for their products which augurs well for the business of the Company.

Air Conditioner makers (both OEM and contract manufacturers) have committed investments for increasing their capacities which are all expected to fructify in the 2nd half of 2021. The benefit of increased demand from this segment will also accrue in the current financial year to the Company.

Gradual opening up of Educational institutions/ places of worship/ recreational facilities / social gatherings etc. are expected to give a fillip for the stationery/ beads & bangles segments. Company expects domestic Polystyrene demand to grow by 16 - 18% in the year 2021-22 compared to the year

under review. When compared to the year 2019-20 this will translate to a growth of 7% only.

Regional tightness is expected due to closure of Denka, Singapore and Saudi Polymers, Saudi Arabia as well as conversion of GPPS capacity to HIPS by certain N. E. Asian producers.

Expandable Polystyrene (EPS)

Domestic EPS demand witnessed a fall in demand by (5.75%) due to lockdown in the 1st quarter of the year under review. Company's sales, however, grew by 20% despite loss of sales in 1st quarter due to growth in cold storage segment for vaccine handling, fish boxes, plastic crates for hygiene reasons apart from closure of competitor's plant at Visakhapatnam.

Globally EPS and XPS are the material of choice for insulating both commercial and residential buildings for energy conservation to reduce Co2 emissions. International Energy Alliance (IEA) in their India Energy Outlook 2021 has predicted that more than half the increase in demand for energy in India will come from cooling load of dwellings in the period from 2019 to 2040 and have urged Government of India to give greater emphasis on building insulation to combat the same. The Company is well poised to participate in this segment as and when mandates are created by various state governments for building insulation.

Outlook

We expect a growth of 10% in the current year due to appliance demand growth as well as growth in cold chain development happening across the country. 3D EPS Core panel boards are being used in several warehouses in an industrial smart city in Maharashtra. Company expects this method of construction to pick up pace both for residential as well as industrial buildings in due course of time for its cost effectiveness and speed of construction in addition to insulation properties.

EIFS (External Insulation Finishing System) promoted by the Company has also been adopted by a few prestigious projects including a mall, hospital and AIIMS amongst others. With these developments, we expect EPS business to grow faster in the coming years.

Speciality Polymers & Compound Business (SPC)

SPC business achieved several milestones this year with a volume growth of 30% at 11,800 MT despite nationwide lockdown in the first quarter. Main growth drivers were customized UV stabilized pre-colour HIPS and FR PS compounds for appliance/ electrical and electronics segments. Pre-coloured ABS compounds are well received in many applications. Growth in Masterbatch business is driven by Black MB in pipes for agriculture and portable water distribution, drip irrigation, mulch films, pond liners, packaging and industrial foam. White and additive masterbatches have shown steady growth in packaging and appliances. Company's additive MB business is now firmly established with several prestigious customers added to the Company's customer base.



Outlook

Increased demand in black masterbatches due to sustained growth in infrastructure and agriculture and supply of colour masterbatches has established the Company as a strong player in this space. SPC business is expected to grow by 25% in the year 2021 – 22 due to increased range of products now being offered by the Company.

Extruded Polystyrene Boards (XPS)

The year under review saw sales volumes lower by (8%) compared to 2019-20 due to very poor 1st half sale on account of lockdown and restriction on construction activities. Implementation picked up pace after lifting of the lockdown. Refrigerated truck business picked up strongly with all major players in this segment operating at full capacity to enable transport of COVID vaccines across the nation.

Some of the important infrastructure projects of national importance are using Insulboard. Total number of distributors increased to sixty four during the year. XPS business is expected to grow by 25% - 30% during the year provided there are no restrictions imposed on the construction activities in the country.

Styrene Methyl Methacrylate (SMMA)

Company was producing SMMA on campaign basis in order to utilize the spare capacity of the Polystyrene plant. However, due to increased demand of PS from domestic customers, the Company had to regretfully forego SMMA business in the year under review.

However, in order to protect the SMMA compounds business which was developed with great efforts, the Company has tied up with a Japanese maker of SMMA for regular supply of SMMA. With this arrangement in place, Company hopes to revive the SMMA compounds business in the current year.

Acrylonitrile Butadiene Styrene (ABS)

In the year under review the Company firmly established itself as a supplier of imported ABS on regular basis as well as develop various compounds of ABS and SAN. India imports about 50% of its ABS requirements. Demand is further growing due to growth in appliance segment, Automobiles as well as Electrical & Electronic segments.

The Company is in discussions with foreign technical know how supplier for technology for its proposed Mass ABS project.

EXPORTS

Company's export activities have been put in hibernation mode in view of additional requirements from domestic customers in 2020-21. However, considering that the PS/ EPS expansion project underway will be operational in Q4 of 2021-22. Company has kept its overseas customers fully informed of the developments in the Company from time to time so that business can be re-started as soon as products are available.

SUSTAINABILITY

Company's concern for environment made it take initiatives in the field of recycling of post consumer plastic waste of PS and EPS. As a 1st step Company is encouraging organized collection and recycling of post consumer EPS waste in several cities and is actively supporting EPS processors who have joined hands to create a circular economy in the state of Maharashtra.

FINANCE

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

CRISIL Ratings Ltd. has assigned long term rating at CRISIL AA- Stable and short term rating at CRISIL A1+ for Company's Working Capital facilities from banks.

India Ratings and Research (Ind-Ra) upgraded Company's long term issue rating to IND AA- from IND A+ with Stable outlook and confirmed short term rating at IND A1+ for Company's fund and non-fund based working capital facilities from banks.

Buyback of shares

The Company bought back 2481287 equity shares during the scheme period which ended on September 18, 2020. A total sum of ₹ 48.85 crores was spent on the shares bought back (including ₹ 9.26 crores towards transaction expenses and buyback distribution tax etc.). Consequently the total number of shares of the paid up capital of the Company (₹ 10/- nominal value per share) reduced from 96501958 shares to 94020671 shares.

Reduction of Share Capital

The Board of Directors of the Company in their meeting held on March 12, 2021 recommended reduction in paid up share capital in terms of section 66 of Companies Act 2013 and regulation 37 of SEBI (LODR) Regulations 2015 from ₹ 10/- per share to ₹ 4/- per share, without reducing the number of shares. Accordingly, every shareholder will receive ₹ 6/- per share for every share held on the record date. This is subject to approval of shareholders, NSE/ BSE/ SEBI/NCLT etc. This will reduce the existing paid up share capital from ₹ 9402.07 lacs to ₹ 3760.83 lacs. The total amount involved is ₹ 56.41 crores.

Changes in Key Financial Ratios:

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

Sr. No.	Ratio		Year Ended		Deviation %
			31/3/2021	31/3/2020	
1	Debtors Turnover Ratio	Times	10.09	10.23	-1.37

Sr. No.	Ratio		Year Ended		Deviation %
			31/3/2021	31/3/2020	
2	Inventory Turnover	Times	7.94	9.31	-14.72
3	Interest Coverage Ratio	Times	143.73	32.70	339.54
4	Current Ratio	Times	2.20	1.66	32.53
5	Debt Equity Ratio *	Times	–	–	–
6	Operating Profit Margin	%	21.53	5.86	267.41
7	Net Profit Margin	%	14.99	3.77	297.61
8	Change in Return on Net Worth	%	54.94	15.60	252.18

* The Company is Debt free

All around improvements in the business of the Company led to the above improved ratios.

CAPITAL EXPENDITURE

Company incurred a total expenditure of ₹ 26.24 crores during the year under review on ongoing projects related to PS and EPS at Amdoshi and Manali plants and hardware replacement at both locations.

Capital expenditure proposed to be incurred in the current year towards PS 4th line at Amdoshi plant, EPS expansion/debottlenecking at both plant locations, GPPS line revamp, additional lines for SPC and hardware replacement at both plant locations is estimated at about ₹ 260 crores. These projects will add 90,000 MTA of PS and 30,000 MTA of EPS capacity.

RISK MANAGEMENT

International pricing and demand / supply risk are inherent in the import of Styrene Monomer, the main raw material. Company enters into procurement contracts for imports of Styrene Monomer on annual basis. The contracts specify the quantity and attributes for arriving at monthly pricing. A part of the requirement is also sourced on spot basis so as to float with fluctuations in the market and guard against price volatility. Some part of supply to large OEMs are on annual contracts basis tied into monthly SM pricing which allows for equitable sharing of the volatility in SM pricing. Company has also diversified the product portfolio into compounds, masterbatches, foam products etc. as a hedge against Styrene Monomer volatility.

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

pricing due to foreign exchange volatility, Company hedges part of open foreign exchange exposure relating to imports so as to lessen the impact of foreign exchange rate fluctuations in respect of import of raw material. Company also has a natural hedge to the extent of its exports and pricing its products locally on import parity basis. Foreign currency exchange rates being dynamic, Company constantly monitors them to decide on proper response measure.

Company has adequately insured its plant and machinery on a reinstatement basis. The Policies also cover stocks of finished goods, raw materials (at plant, at ports and while in transit), projects under erection and third party liabilities.

Adequate loss of profit insurance policy to cover loss of gross profit, if any, due to interruption has also been purchased by Company. Company has also insured itself against crimes against the Company and has purchased Directors & Officers (D&O) Liability insurance policy also to shield itself from the associated risks. Company is also insured against Cyber Crime. The management periodically reviews the adequacy of the insurance cover.

Protection of data and system is essential part of managing the business. To secure its data, Company has instituted the best practices adopted across the industry. Company has all its servers co-located at Tier III+ Data Centres, with DR on cloud with necessary cloud security tool. Antivirus setup, maintenance and monitoring for filtering incoming data, end-point security controls, Firewall setup for control/ restrictions on Networking Access, Device whitelisting to restrict and ensure access to authorized persons and their authorized devices, Access control to Business Application and File System and E-mailing and Internet Policies to control outgoing data / information. Using licensed software and products only and not allowing to download and install any unlicensed/pirated softwares on Company provided devices. Company gets IT infrastructure audits by the 3rd party service providers on periodical basis. These audits include Application Security Assessment, Internal / External penetration testing by using ethical hacking tools, Server / Network devices configuration Audit, Software / License Audit, Network architecture review and firewall rule based review. Issues found in the audit are reviewed and mitigated as per the recommendation followed by re-audit for effective mitigation.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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



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

HSE MANAGEMENT, AWARDS & RECOGNITION

Health Safety and Environment:

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

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

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

The Company has completed 7470 accident free days as on March 31, 2021 which amounts to 19.64 million man-hours of accident free operations.

Awards and Recognition

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

- NSCI Safety Awards – 2020 - Sarvashreshtha Suraksha Puraskar (Gold Award), in recognition for developing and implementing most effective Management System & Procedures and achieving the most outstanding

performance in OSH for the Assessment Period of three years - 2017 to 2019.

- Winner - Maharashtra Safety Award Competition 2019 organized by National Safety Council Maharashtra Chapter for Lowest Accident Frequency Rate (for the Factories working more than Six Lakh up to Ten Lakh man-hours in a year).
- Winner - Maharashtra Safety Award Competition 2019 organized by National Safety Council Maharashtra Chapter for Longest Accident Free Period. (for the Factories working more than Six Lakh up to Ten Lakh man-hours in a year).
- Winner - Annual Greentech Safety Award 2020 for Outstanding Safety Management.
- Winner - Annual Greentech Environment Award 2020 for Outstanding Environment Management.

CAUTIONARY STATEMENT

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

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

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and Employees of the Company for enhancement of shareholder value while keeping in view the interest of other stakeholders as well.

Company believes that good corporate governance is the foundation for being a truly sustainable Company.

Set procedures, guidelines and practices have been evolved to ensure timely disclosures of information regarding the financials, performance, significant events and governance etc. of the Company. The Company has adopted a code of conduct for its Board, Key Managerial Personnel (KMPs) and Senior Management Employees which has been communicated to them and they have affirmed the compliances of the same through their annual disclosures to the Company.

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

1. BOARD OF DIRECTORS:

Composition and Category:

The Board of Directors is comprised of 10 members as on March 31, 2021. The Directors bring to the Board a wide range of experience and skills required for its successful business operations.

Name of the Director	Category of Directorship	**No. of outside Directorship (excluding SPL)		*No. of Chairpersonship / Membership in other Board / Committees (including SPL)		No. of Shares Held	Relationship with other Directors
		Public	Private	Chairperson	Member		
M. P. Taparia DIN 00112461	Non-Executive –Non-Independent Director/ Chairperson	3	1	1	1	37733	Brother of Shri B. L. Taparia and uncle of Shri S. J. Taparia
Rajan B. Raheja DIN 00037480	Non-Executive – Non-Independent Director	4	12	–	1	400	–
B. L. Taparia DIN 00112438	Non-Executive – Non-Independent Director	2	1	–	–	4834	Brother of Shri M. P. Taparia and uncle of Shri S. J. Taparia
S. J. Taparia DIN 00112513	Non-Executive – Non-Independent Director	2	1	–	2	37733	Nephew of Shri M. P. Taparia and Shri B. L. Taparia
M. S. Ramachandran DIN 00943629	Non-Executive – Independent	2	–	–	1	–	–
R. Kannan DIN 00380328	Non-Executive – Independent	1	–	1	–	–	–
Ameeta Parpia DIN 02654277	Non-Executive – Independent	4	1	4	5	21900	–
Dr. S. Sivaram DIN 00009900	Non-Executive – Independent	6	–	2	–	–	–
Rajeev Pandia DIN 00021730	Non-Executive – Independent	6	–	2	4	–	–
K. V. Mujumdar DIN 08866096	Whole Time Director (Appointed w.e.f. 19-09-2020)	–	–	–	–	3000	–

Notes :

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

** Does not include Directorship in Foreign Companies.



Except payment of sitting fee for attending the meeting(s) which is well within the threshold limit set by the Board and as stipulated under Companies Act, 2013 and fee for rendering professional services to Company in case of Shri M. S. Ramachandran, there was no pecuniary relationship or transaction between the Non Executive Directors and the Company during the financial year 2020-2021.

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

Name of Director	Name of Listed Company in which Directorship held	Category of Directorship
M. P. Taparia DIN 00112461	The Supreme Industries Limited	Promoter & Managing Director
	Supreme Petrochem Ltd	Non-Executive & Non-Independent Director/Chairperson
	Kabra Extrusionstechnik Limited	Non-Executive & Independent Director
Rajan B. Raheja DIN 00037480	Exide Industries Limited	Non-Executive & Non-Independent Director
	Prism Johnson Limited	Non-Executive & Non-Independent Director
	Supreme Petrochem Ltd	Non-Executive & Non-Independent Director
B. L. Taparia DIN 00112438	The Supreme Industries Limited	Promoter & Non-Executive Director/Chairperson
	Supreme Petrochem Ltd	Non-Executive & Non-Independent Director
S. J. Taparia DIN 00112513	The Supreme Industries Limited	Promoter & Executive Director
	Supreme Petrochem Ltd	Non-Executive & Non-Independent Director
M. S. Ramachandran DIN 00943629	Ester Industries Ltd.	Non-Executive & Independent Director
	ICICI Prudential Life Insurance Co. Ltd.	Non-Executive & Independent Director
	Supreme Petrochem Ltd	Non-Executive & Independent Director
R. Kannan DIN 00380328	The Supreme Industries Limited	Non-Executive & Independent Director
	Supreme Petrochem Ltd	Non-Executive & Independent Director
Ameeta Parpia DIN 02654277	Prism Johnson Limited	Non-Executive & Independent Director
	Hathway Cable And Datacom Ltd.	Non-Executive & Independent Director
	The Supreme Industries Ltd	Non-Executive & Independent Director
	Supreme Petrochem Ltd	Non-Executive & Independent Director
Dr. S. Sivaram DIN 00009900	Apcotex Industries Ltd.	Non-Executive & Independent Director
	Asian Paints Limited	Non-Executive & Independent Director
	GMM Pfaudler Limited	Non-Executive & Independent Director/Chairman
	Deepak Nitrite Limited	Non-Executive & Independent Director
	Supreme Petrochem Ltd	Non-Executive & Independent Director
Rajeev Pandia DIN 00021730	GRP Ltd	Non-Executive & Independent Director
	Excel Industries Ltd	Non-Executive & Independent Director
	Thirumalai Chemicals Ltd	Non-Executive & Independent Director
	Ultramarine & Pigments Ltd	Non-Executive & Independent Director
	The Supreme Industries Ltd	Non-Executive & Independent Director
	Supreme Petrochem Ltd	Non-Executive & Independent Director
K. V. Mujumdar DIN 08866096	Supreme Petrochem Ltd	Whole Time Director

Skills / Expertise / Competencies of Board of Directors

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

Name of Directors	Details of skills/competencies
Dr. S. Sivaram, Shri M. S. Ramachandran, Shri R. Kannan	Petrochemicals
Shri M. P. Taparia, Shri Rajan B. Raheja, Shri B. L. Taparia, Shri S. J. Taparia, Shri M. S. Ramachandran, Shri Rajeev Pandia	Business Management
Shri M. P. Taparia, Shri S. J. Taparia	Marketing
Shri Rajan B. Raheja, Shri. R. Kannan	Finance & Banking
Dr. S. Sivaram, Shri Rajeev Pandia	Industry Developments/Technological Advancement
Ms. Ameeta Parpia	Legal
Shri K. V. Mujumdar (appointed w.e.f. 19/09/2020)	Plant Operations

Board Meetings

During the year under review the Board met on 6 occasions i.e. May 20, 2020; July 23, 2020; September 18, 2020; October 23, 2020; January 21, 2021 and March 12, 2021.

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

Attendance of Directors in Board Meetings:

Name of the Director	Category of Directorship	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the Last AGM
M. P. Taparia	Non-Executive – Promoter / Chairperson	6	6	YES
Rajan B. Raheja	Non-Executive – Promoter	6	6	NO
B. L. Taparia	Non-Executive – Promoter	6	6	YES
S. J. Taparia	Non-Executive – Promoter	6	6	YES
M. S. Ramachandran	Non-Executive – Independent	6	6	NO
R. Kannan	Non-Executive – Independent	6	6	YES
Ameeta Parpia	Non-Executive – Independent	6	6	YES
Dr. S. Sivaram	Non-Executive – Independent	6	5	NO
Rajeev Pandia	Non-Executive – Independent	6	6	YES
K. V. Mujumdar (appointed w.e.f. 19/09/2020)	Whole Time Director	3	3	N/A

Board Procedure:

The Company complies with the requisite procedures mandated for conducting Board Meeting(s) as applicable to the Company in terms of the provisions of Secretarial Standard-1 and Companies Act, 2013.

Declaration of Independence of Board:

Based on the confirmation/ disclosures received from the Directors and on evaluation of the relationships disclosed, the Board is of the opinion that all the Non-Executive Independent Directors are independent in terms of the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.



2. AUDIT COMMITTEE:

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

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

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

The Audit Committee has the following powers:

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

Role of the Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; whenever felt required by the Committee.
- (17) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower Policy/Vigil mechanism;
- (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) Review compliances of Company with respect to the SEBI (Prohibition and Insider Trading) Regulations, 2015 on annual basis.

Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as per the Rules applicable to the Company);
- (3) Letters, if any, issued by the statutory auditors regarding internal control weaknesses;
- (4) Internal audit reports relating to internal control weaknesses;
- (5) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- (6) Statement of deviations etc, if any, as may be applicable to Company.

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

The gap between two Audit Committee Meetings did not exceed 120 days. Necessary quorum was present at all Meetings.

During the year under review the Audit Committee met on 5 occasions i.e. May 20, 2020; July 23, 2020; October 23, 2020; January 21, 2021 and March 12, 2021.

Attendance of Committee Members:

Members	Category of Membership	Meetings held	Meetings Attended
R. Kannan	Non-Executive – Independent / Chairperson	5	5
S. J. Taparia	Non-Executive – Promoter	5	5
Rajeev Pandia	Non-Executive – Independent	5	5
Ameeta Parpia	Non-Executive – Independent	5	5

Shri R. Kannan, Chairperson of the Audit Committee, was present at the e-AGM of the Company held on September 18, 2020.

3. NOMINATION AND REMUNERATION COMMITTEE:

The composition of Nomination and Remuneration Committee is as under:

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



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

Role of Nomination and Remuneration Committee inter-alia includes:

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

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

During the Year under review the Nomination and Remuneration Committee met on 2 occasions i. e. September 18, 2020 and January 21, 2021.

Attendance of Committee Members

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

Performance Evaluation Criteria for Independent Directors:

The Criteria for performance evaluation for Independent Directors includes:

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

4. REMUNERATION OF DIRECTORS:

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

Name of the Director	Category of Membership	Sitting Fees (₹)
M. P. Taparia	Non-Executive – Promoter / Chairperson	3,30,000/-
Rajan B. Raheja	Non-Executive – Promoter	3,00,000/-
B. L. Taparia	Non-Executive – Promoter	3,00,000/-
S. J. Taparia	Non-Executive – Promoter	5,10,000/-
M. S. Ramachandran*	Non-Executive – Independent	4,30,000/-
R. Kannan	Non-Executive – Independent	6,40,000/-
Ameeta Parpia	Non-Executive – Independent	6,10,000/-
Dr. S. Sivaram	Non-Executive – Independent	3,50,000/-
Rajeev Pandia	Non-Executive – Independent	5,50,000/-
K .V. Mujumdar	Whole Time Director	N/A
TOTAL		40,20,000/-

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

The criteria for making payment to Non-Executive Directors are displayed on Company website www.supremepetrochem.com.

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of Stakeholders Relationship Committee is as under:

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

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

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

Shri D. N. Mishra, Company Secretary, is the compliance officer.

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

July 27, 2020; September 18, 2020; October 07, 2020; December 10, 2020; January 06, 2021; January 18, 2021 and March 23, 2021.

Members	Category of Membership	Meetings Held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	7	7
Rajan B. Raheja	Non-Executive – Promoter	7	4
S. J. Taparia	Non-Executive – Promoter	7	7
Ameeta Parpia	Non-Executive – Independent	7	4



During the year under review, Company received 91 complaints including complaints through the Stock Exchanges and the Securities and Exchange Board of India (SEBI) and were resolved appropriately within due period. There were NIL pending complaints as on March 31, 2021.

6. FINANCE COMMITTEE:

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

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

The composition of Finance Committee is as under:

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

During the year under review the Finance Committee met on 2 occasions i.e. September 19, 2020 and January 18, 2021.

Attendance of Committee Members:

Members	Category of Membership	Meetings held	Meetings Attended
M. P. Taparia	Non-Executive – Promoter / Chairperson	2	2
Rajan B. Raheja	Non-Executive – Promoter	2	2
B. L. Taparia	Non-Executive – Promoter	2	-
S. J. Taparia	Non-Executive – Promoter	2	2
Ameeta Parpia	Non-Executive – Independent	2	1

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Company has constituted a Corporate Social Responsibility Committee on July 18, 2014 pursuant to the provisions of section 135 of Companies Act, 2013, to perform the following functions:

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

The Corporate Social Responsibility Committee functions under the overall supervision of the Board of Directors of the Company. During the year under review the Corporate Social Responsibility Committee comprising of the following Directors met on 2 occasions i.e. May 20, 2020 and January 21, 2021.

Attendance of Committee Members:

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

8. RISK MANAGEMENT COMMITTEE:

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

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

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

The composition of Risk Management Committee is as under:

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

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

During the year under review the Risk Management Committee comprised of the following Directors and Senior Executives met on 1 occasion i.e. July 23, 2020.

Attendance of Committee Members:

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

9. (A) INDEPENDENT DIRECTORS:

Shri R. Kannan, Shri M. S. Ramachandran, Shri Rajeev Pandia, Ms. Ameeta Parpia and Dr. S. Sivaram were the Independent Directors on the Board of Directors of Company as on March 31, 2021. The Independent Directors Shri R. Kannan, Shri M. S. Ramachandran, Ms Ameeta Parpia and Dr. S. Sivaram continue to serve on the Board and will hold office for a consecutive term up to September 21, 2024; however Shri Rajeev Pandia will hold office for a consecutive term up to April 25, 2024, pursuant to the provisions of Section 149(10) of the Companies Act, 2013.

(B) EVALUATION OF DIRECTORS:

The Board conducted evaluation of Independent Directors pursuant to the provisions of Regulation 17(10) of SEBI (LODR) Regulations, 2015 primarily based on their knowledge about overall affairs of the Company, active participation in meetings, quality of suggestions/discussions in meetings and guidance given to Board, attendance at meetings etc. inter alia other criterias as fixed for evaluation purpose, and found them duly functioning with respect to their roles, scopes and functions and suitable to continue as Independent Directors of the Company. The Independent Directors were also found to be fulfilling their independence criteria as stipulated under the provisions of Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

During the year under review, the Independent Directors held their separate meeting on January 21, 2021 and March 12, 2021. Pursuant to the provisions of Section 149(8) of Companies Act, 2013 (read with Schedule IV thereto) and Regulation 25(3) and (4) of SEBI (LODR) Regulations, 2015, in the meeting held on January 21, 2021, Independent Directors carried out the evaluation of performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company



and found them suitable to continue in the Company in their existing roles and capacity. In the meeting held on March 12, 2021, they considered and recommended the scheme of paid up equity share capital reduction to the Board expressing their view that the said scheme is not detrimental to the interest of shareholders.

Attendance of Independent Directors' Meeting:

Members	Category of Membership	Meetings held	Meetings Attended
M. S. Ramachandran	Non-Executive – Independent /Chairperson	2	2
R. Kannan	Non-Executive – Independent	2	2
Ameeta Parpia	Non-Executive – Independent	2	2
Dr. S. Sivaram	Non-Executive – Independent	2	2
Rajeev Pandia	Non-Executive – Independent	2	2

10. PROJECT COMMITTEE:

Company has constituted a Project Committee on January 21, 2021 to perform the following functions, under the overall supervision of the Board of Directors of the Company:

To evaluate capital expenditure schemes in excess of ₹ 50.00 crores to be undertaken by the Company in future in terms of its technical feasibility, selection of technology, if any, and financial viability.

The composition of Project Committee is as under:

Name of the Director / Member	Category of Membership
M. P. Taparia	Non-Executive – Promoter / Chairperson
M. S. Ramachandran	Non-Executive – Independent
R. Kannan	Non-Executive – Independent
Rajeev Pandia	Non-Executive – Independent
N. Gopal	Executive Director & Manager
Rakesh Nayyar	Executive Director & CFO
K. V. Mujumdar	Director (Operations)

The Project Committee will meet as many times as may be required in relation to new projects of the Company as per the aforesaid criteria of functions.

During the year under review, no meeting of the Project Committee was held.

11. CODE OF CONDUCT:

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

Declaration by the Manager:

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

N. Gopal
Manager

12. COMPLIANCE CERTIFICATE TO THE BOARD OF DIRECTORS BY MANAGER & CHIEF FINANCIAL OFFICER:

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year 2020-2021 and believe to the best of our knowledge and belief that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
 - (2) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (3) there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N. GOPAL
Executive Director & Manager

RAKESH NAYYAR
Executive Director & CFO

The above certificate was placed before the Board at its meeting held on April 30, 2021.

13. GENERAL BODY MEETINGS:

Location and time of the last three AGMs held:

Year		Location	Date	Time	Special Resolutions Passed
2017-2018	29th	I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	18.07.2018	4.00 p.m.	Yes
2018-2019	30th	I. M. C., Walchand Hirachand Hall, Mumbai - 400 020	12.07.2019	4.00 p.m.	Yes
2019-2020	31st	Through Video conferencing (VC)/ other Audio Visual Means (OVAM)	18.09.2020	4.00 p.m.	Yes

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

- (i) At the 29th Annual General Meeting held on July 18, 2018- A special resolution was passed under Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 for appointment of Shri N. Gopal, as Manager of the Company for a period of 3 years viz. from May 01, 2018 to March 31, 2021.
- (ii) At the 30th Annual General Meeting held on July 12, 2019- Four special resolutions were passed with respect to the re-appointment of Shri R. Kannan, Shri M. S. Ramachandran, Dr. S. Sivaram and Ms. Ameeta Parpia as Independent Directors of the Company for a further period of 5 years viz. from 22-09-2019 to 21-09-2024 pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and 17(1A) of SEBI (LODR) Regulations, 2015, wherever applicable.
- (iii) At the 31st Annual General Meeting held on September 18, 2020 two Special Resolutions, pursuant to the provisions of 17(1A) of SEBI (LODR) Regulations, 2015, were passed with respect to the re-appointment of Shri M. P. Taparia



and Shri S. J. Taparia as Non-Executive and Non-Independent Promoter Directors of the Company subject to retire by rotation.

In addition to above, a Special Resolution was passed on 17-03-2021 through postal ballot (viz. E-voting), pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, for alteration of the Objects Clause (viz. Clause III of Memorandum of Association of the Company) which was duly passed with 6,26,83,622 valid votes cast by the shareholders in favour of the resolution and 3140 votes cast against the resolution.

The Board of Directors had appointed Shri P. N. Parikh (Membership No. FCS 327 CP 1228) or failing him Ms. Jigyasa Ved (FCS 6488 CP 6018) of Parikh and Associates, Practicing Company Secretaries, as the Scrutinizer to conduct the Postal Ballot exercise (viz. e-voting process) in a fair and transparent manner.

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of any resolution through postal ballot.

14. SUBSIDIARY COMPANY:

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

15. DISCLOSURES:

(a) Basis of Related Party Transactions -

Company places all the details of Related Party Transactions before the Audit Committee periodically, however there was no significant material related party transactions during the financial year 2020-2021. List of related party transactions as required by Ind AS 24 issued by the Institute of Chartered Accountants of India, forms part of the Notes to the Accounts in the Financial Statement of Annual Report (Please refer to Notes to Account No. 48). However these transactions are not likely to have any potential conflict with the interest of the Company at large due to being transacted on an arm's length basis. The policy on dealing with Related Party Transactions is available on the Company's website on the link-<http://supremepetrochem.com/pdf/Policy%20transaction%20and%20on%20dealing%20with%20related%20party%20transaction.pdf>

(b) Disclosure of Accounting Treatment -

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

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

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

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

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

(e) Whistle Blower Policy/Vigil Mechanism -

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

(f) Disclosures as required under Regulation 34(3) and Schedule V(C) (10)(I) of the Listing Regulations in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been made in the Board's Report.

(g) The total fees paid to the Statutory Auditors of the Company during Financial Year 2020-2021 amounts to ₹ 35.33 Lakhs for all the services rendered by them to the Company.

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

For Discretionary Requirements [Regulation 27(1)] of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 and Schedule II (E) thereto, the Company has complied with by having separate post of Chairperson and CEO

viz. Manager and by allowing the Internal Auditors to report directly to the Audit Committee, whenever required.

Clause	Head	Status
17	Board of Directors	Complied
18	Audit Committee	Complied
19	Nomination and Remuneration Committee	Complied
20	Stakeholders Relationship Committee	Complied
21	Risk Management Committee	Complied
22	Vigil Mechanism	Complied
23	Related Party Transaction	Complied
24	Corporate Governance requirements with respect to Subsidiary of listed entity	N/A
25	Obligations with respect to Independent Directors	Complied
26	Obligations with respect to Directors and Senior Management	Complied
27	Other Corporate Governance requirements	Complied
46	2 b Terms and conditions of appointment of Independent Director	Complied
	c Composition of various Committees of Board of Directors	Complied
	d Code of Conduct of Board of Directors and Senior Management personnel	Complied
	e Establishment of Vigil Mechanism and Whistle Blower Policy	Complied
	f Criteria for making payments to non-executive Directors	Complied
	g Policy on dealing with related party transaction	Complied
	h Policy for determining 'material' subsidiaries	N/A
	i Details of familiarization programmes imparted to Independent Directors	Complied
	(i) No. of programmes attended by Independent Director (during the year and on a cumulative basis till date)	During the year 4 Cumulative 23
	(ii) No. of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date)	During the year 6 Cumulative 18.15

(i) Familiarisation Programme for Independent Directors

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

- An overview of demand and supply of all the Company's verticals, their competition, market share and Company's plans for increasing capacity utilization/expansion, quality upgradation and CAPEX etc.
- Sustainability of PS, EPS business, challenges, potentials and opportunities thereof
- Environment issues post consumer waste disposal of plastics and its recycling initiatives at global level and Company's plan in this regard.
- Promotion of PS/EPS in building construction and IEA report related to need for energy efficient buildings.
- Sustainability of operations, safety management system, environment management and zero liquid discharge system (ZLD).
- Mass ABS Expansion Project Roadmap, government approvals, product mix and market potentials etc.
- 5 Year Business Strategy of the Company including plans and scenario of Styrene demands and supply and its impact on the business of the Company.
- Presentation on the Polystyrene, Expandable Polystyrene and XPS markets.
- An overview on the status and future plans of the Specialty Polymers and Compounds division including master batches, alloys and compounds of ABS etc.

The Company is in compliance with the mandatory requirements of Corporate Governance provisions as per SEBI (LODR) Regulations, 2015 and Companies Act, 2013 to the extent of its applicability to the Company. The details of familiarisation programme conducted for the Independent Directors are displayed on Company's website www.supremepetrochem.com



(j) Disclosure under Regulation 34(3) of SEBI (LODR) Regulations, 2015 read with Schedule V (C) thereto & Schedule V of the Companies Act, 2013 related to Directors/Managerial Personnel:

	Particulars of remuneration/other details	(A) Shri N. Gopal, Manager	(B) Shri K. V. Mujumdar, WTD
(i)	All elements of remuneration package such as salary, benefits, bonus, stock options, pension etc. of all the Directors	As mentioned in the Explanatory Statement section of AGM Notice vide item No. 5.	As mentioned in the Explanatory Statement section of AGM Notice vide item No. 7.
(ii)	Details of fixed component and performance linked incentives along with the performance criteria	The aforesaid remuneration is comprised of Fixed component.	The aforesaid remuneration is comprised of Fixed component.
(iii)	Service contracts, notice period, severance fees	Service Contract - 3 Years w.e.f. 01-04-2021, Notice Period - 3 months No severance Fee payable	Service Contract - 5 Years w.e.f. 19-09-2020 Notice Period - 3 Months No Severance Fee Payable
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	No Stock Option given	No Stock Option given

The details w.r.t. Directors being appointed, as per Regulations 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) and as applicable, is provided in the AGM Notice annexed hereto forming part and parcel of Annual Report.

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

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

17. MEANS OF COMMUNICATION:

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

18. MANAGEMENT DISCUSSION AND ANALYSIS:

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

19. CERTIFICATE RELATED TO CORPORATE GOVERNANCE COMPLIANCE DURING FINANCIAL YEAR 2020-2021 AND DIRECTOR'S DISQUALIFICATION / DEBARMENT:

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

A Certificate issued by M/s. Parikh & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is also annexed herewith vide **Annexure B**.

20. GENERAL INFORMATION FOR SHAREHOLDERS:

Annual General Meeting	Thursday, July 01, 2021 at 4.30 p.m. (through VC / OAVM)
Period under review	April 1, 2020 to March 31, 2021
Date of Book Closure	Tuesday, June 29, 2021 to Thursday, July 01, 2021 (both days inclusive)
Dividend Payment Start Date	July 15, 2021 onwards after making adjustments of TDS in the dividend of members as per Income Tax Act 1961, if final dividend is approved by the members.
Listing on Stock Exchanges	(i) BSE Limited, Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai - 400 001 (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Stock Code	(i) BSE Limited – 500405 (ii) The National Stock Exchange of India Ltd. – SUPPETRO
Payment of Listing Fees	Annual listing fees for the F.Y. 2021-2022 has been paid to BSE Limited and The National Stock Exchange of India Ltd.
Payment of Depository Fees	Annual Custody / Issuer Fees for the F.Y. 2021-2022 has been paid to CDSL and NSDL.

Market Price Data:

(In ₹)

Month/Year	BSE Limited		The National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2020	169.35	120.15	169.30	128.25
May 2020	184.80	147.00	170.95	145.00
June 2020	189.95	153.95	186.45	152.00
July 2020	202.55	163.55	202.90	164.00
August 2020	236.00	177.00	236.80	177.05
September 2020	266.00	200.30	266.95	197.50
October 2020	284.00	238.95	286.00	238.10
November 2020	332.20	250.25	332.80	241.00
December 2020	407.00	316.55	406.90	315.00
January 2021	436.00	339.25	435.00	339.00
February 2021	418.70	349.00	419.00	348.40
March 2021	449.00	392.20	448.20	392.00

Comparison with Indices:

	April 2020 Opening	March 2021 Closing	% Rise (Fall)
BSE Sensex	29505.33	49509.15	67.80
NSE Nifty	8584.10	14690.74	71.14
SPL Shares BSE	131.15	418.25	218.91
SPL Shares NSE	134.00	417.95	211.90

Registrar and Share Transfer Agent:

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
HYDERABAD - 500 032, TELANGANA

**Share Transfer System:**

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

DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2021)

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 – 5000	34135	89.81	4662498	4.96
5001 – 10000	1878	4.94	1541924	1.64
10001 – 20000	842	2.22	1291116	1.37
20001 – 30000	321	0.84	832500	0.89
30001 – 40000	168	0.44	603591	0.64
40001 – 50000	147	0.39	692311	0.74
50001 – 100000	232	0.61	1686842	1.79
100001 & above	287	0.76	82709889	87.97
TOTAL	38010	100.00	94020671	100.00

CATEGORIES OF SHAREHOLDERS (AS ON MARCH 31, 2021)

Sr. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
1	Promoters	15	60133600	63.96
2	Mutual Funds	5	1951229	2.08
3	Foreign Portfolio Investors	29	1169012	1.24
4	Foreign Institutional Investors/Banks	7	23752	0.03
5	Foreign Nationals	1	200	0.00
6	Resident Individuals	36037	26790887	28.50
7	Trust	2	21020	0.02
8	NRIs	1280	624625	0.66
9	Clearing Members	65	43701	0.05
10	Non Resident Indians Non Repatriable	285	168972	0.18
11	Body Corporates	283	1496752	1.59
12	IEPF	1	1596891	1.70
	GRAND TOTAL	38010	*94020671	100

*The Company bought back 24,81,287 equity shares under its Buy Back Scheme as per Public Announcement dated 16/03/2020. The Buy Back Scheme commenced on 19/03/2020 and ended on 18/09/2020.

DEMATERIALISATION OF SHARES & LIQUIDITY:

Equity Shares of the Company can be held in the dematerialised form with either National Securities Depository Limited or Central Depository Services Limited. Around 97.78% Equity Shares out of the total 9,40,20,671 paid up equity shares issued by the Company have been dematerialized up to March 31, 2021.

OUTSTANDING ADRS/GDRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company does not have any outstanding ADRs/GDRs/Warrants or any Convertible instruments.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK & HEDGING ACTIVITIES:

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

to raw material prices so that the Company has adequate cushion to protect its margin in the event of any increase/decrease in raw material costs.

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

PLANT LOCATION:

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

ADDRESS FOR CORRESPONDENCE:

Registered Office:

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

CREDIT RATINGS:

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

Crisil Ratings Ltd has assigned long term rating at CRISIL AA-/Stable and short term rating at CRISIL A1+, for Company's working capital facilities from banks including Fund based and Non Fund based facilities for the year 2021.

India Ratings and Research (Ind-RA) upgraded Company's long term rating to IND AA- from IND A+ with stable outlook and confirmed short term rating at IND A1+ for Company's fund and non fund based working capital facilities from banks.

SHAREHOLDERS' ASSISTANCE:

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

Members are further requested to note that, our Registrar and Share Transfer Agents have launched a mobile application - KPRISM and a website <https://kprism.kfintech.com> for our investors. Now you can download the mobile app and see your portfolios serviced by KFINTECH. Check Dividend status, request for annual reports, change of address, change/update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

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

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

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

OR

(2) Shri Ganesh Patro

KFin Technologies Private Limited

Unit: Supreme Petrochem Ltd,
Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal,
HYDERABAD - 500 032, TELANGANA
Toll Free No. : 1-800-309-4001
E-mail : einward.ris@kfintech.com
Web Site : <http://www.kfintech.com> and/or <http://ris.kfintech.com>

**EQUITY SHARES IN SUSPENSE ACCOUNT**

	No. of Shareholders	No. of Shares
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	8	1334
No. of shareholders who approached the Company for transfer of shares from the unclaimed Suspense Account during the year	0	0
No. of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	0	0
No. of shareholders and the outstanding shares which were transferred to IEPF during the year	0	0
No. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	8	1334

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

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

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

The Company uploads full details of such shareholders and shares due for transfer to IEPF Account on its website www.supremepetrochem.com/investorrelations and on the same portal, the details of the shares already transferred to IEPF are also uploaded.

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

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

In the absence of receipt of a valid request form alongwith necessary documents from the respective shareholders, the Company shall, with a view to comply with the requirements set out in the IEPF Rules, transfer the shares to IEPF Account as per procedure stipulated in the respective Rules without further notice and that no claim shall lie against the Company in respect of such unclaimed dividend amounts and shares transferred to IEPF A/c pursuant to the said Rules. Both the unclaimed dividend and the shares transferred to IEPF Authority Account including all benefits accruing on such shares, if any, can be claimed back by the respective shareholder(s) from IEPF Authority directly after following their prescribed procedures and the details/requisite process thereof are available at www.iepf.gov.in.

For further clarification(s), if any, the concerned shareholders may contact KFin Technologies Private Limited, Unit: Supreme Petrochem Ltd, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, TELANGANA, Toll Free No: 1-800-309-4001, Phone No: 040-67161526, or may Email at einward.ris@kfintech.com quoting reference of their folio no./demat account no.

For and on behalf of the Board

Place: Mumbai
Date: April 30, 2021

M. P. Taparia
Chairperson

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

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

To the Members of
Supreme Petrochem Limited

We have examined the compliance of the conditions of Corporate Governance by Supreme Petrochem Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the extent of information provided by the Company and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

For **Parikh & Associates**
Practising Company Secretaries

Shalini Bhat
FCS No: 6484 CP No: 6994
UDIN: F006484C000218861

Place: Mumbai
Date : April 30, 2021

**ANNEXURE B****CERTIFICATE**

To,

The Members of

Supreme Petrochem Limited

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Mahavirprasad Surajmal Taparia	00112461	14/12/1989
2.	Rajan Beharilal Raheja	00037480	14/12/1989
3.	Bajranglal Surajmal Taparia	00112438	22/11/1993
4.	Shivratan Jeetmal Taparia	00112513	22/11/1993
5.	Madras Seshamani Ramachandran	00943629	26/07/2005
6.	Ramanathan Kannan	00380328	17/07/2005
7.	Ameeta Aziz Parpia	02654277	24/04/2013
8.	Sivaram Swaminathan	00009900	23/09/2014
9.	Rajeev Mahendra Pandia	00021730	26/04/2019
10.	Kiran Vasant Mujumdar	08866096	19/09/2020

*The dates of appointment are as per MCA portal.

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

For **Parikh & Associates**
Practising Company Secretaries

Shalini Bhat

FCS No: 6484 CP No: 6994

UDIN: F006484C000218740

Place: Mumbai

Date : April 30, 2021

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L23200MH1989PLC054633
2	Name of the Company	:	Supreme Petrochem Ltd
3	Registered address	:	Solitaire Corporate Park, Building No.11, 5th Floor, 167, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 Tel : +91 22 67091900 Fax : +91 22 40055681
4	Website	:	www.supremepetrochem.com
5	Email id	:	Investorhelpline@spl.co.in
6	Financial Year reported	:	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code wise)	:	Manufacture and Trading of Petrochemicals Industrial Group – 201
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	:	Polystyrene Expandable Polystyrene Master Batch and Polymer Compounds
9	Total number of locations where business activity is undertaken by the Company	:	
	(a) Number of International Locations (Provide details of major 5)	:	NIL
	(b) Number of National Locations	:	02 manufacturing locations and 18 Offices and Depots including Registered Office
10	Markets served by the Company - Local/State / National/International	:	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	9402.07 Lakhs
2	Total Turnover (INR)- Net of GST	:	320645.12 Lakhs
3	Total profit after taxes (INR)	:	47749.17 Lakhs
4	Total Spending on Corporate Social responsibility (CSR) as percentage of profit after tax (%)	:	Total spending done on CSR activities during Financial Year 2020-21 is 1.68 % of the average profits after tax (PAT) of the Company made during three immediately preceding financial years. Detailed CSR Statement is annexed to the Board's Report vide Annexure-4.
5	List of activities in which expenditure in 4 above has been incurred	:	List of CSR activities undertaken by the Company during Financial Year 2020-21 are stated in the CSR Statement annexed to the Board's Report vide Annexure-4.

SECTION C: OTHER DETAILS

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

No

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

Not Applicable

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

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



SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

Shri K. V. Mujumdar, Whole Time Director, has been assigned by the Board of Directors the responsibility of implementing the BR policies of the Company.

(b) Details of BR Head

No.	Particulars	Details
1	DIN Number (if applicable)	08866096
2	Name	K. V. Mujumdar
3	Designation	Director (Operations)
4	Telephone Number	02194-224100
5	E-mail ID	kv_mujumdar@spl.co.in

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

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

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

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

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

* These Internal Company Policies are available on Company's intranet.

@ These Policies are available on the website of Company [www.supremepetrochem.com/investor relations/BRR Policies](http://www.supremepetrochem.com/investor%20relations/BRR%20Policies).

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

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

3. Governance related to BR

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

Shri K. V. Mujumdar, Director (Operations) of the Company, is vested with the responsibility of implementation of the various BR Policies.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

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

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

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

**Principle 2****Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

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

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

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

The Company holds road shows and seminars at various locations, whenever felt required, to educate prospective customers and intermediaries on the end applications of the products and their positive impact on the environment. The Company promotes the use of its products in hot/cold insulation.

Production processes are monitored regularly.

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

Continuous efforts are taken to improve Energy Management by monitoring energy related parameters on a regular basis.

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

Principle 3**Businesses should promote the well-being of all employees**

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

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

The Company had total 361 permanent employees as on 31-03-2021 including 23 women staff. The Company also hired contractual work-force for various ancillary and other activities whenever required and about 204 persons including about 12 women were engaged in such services.

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

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

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

Principle 4

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

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

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

The Company extends its social responsibility by provision of educational and sanitation facilities including e-learning and provision of clean drinking water, lavatory blocks, water conservation etc. in the villages surrounding the Company's plant locations.

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

Principle 5

Businesses should respect and promote human rights

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

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

Principle 6

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

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

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

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

In recognition of the excellence in the field of Health, Safety and Environment, the Company has received "Sarvashreshtha Suraksha Puruskar (Golden Trophy) - 2020" in manufacturing sector Group-B from National Safety Council (NSC), Greentech Environment Award 2020 (winner) for outstanding environment management, Greentech Safety Award 2020 (winner) for outstanding safety management, National Safety Council (NSC) Maharashtra Chapter- Safety Award. The Chennai Plant of the Company has received "Certificate of Appreciation" at national level.

Principle 7

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

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

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

The Company articulates the larger interests of industry and the community at industrial forums. As on March 31, 2021 the Company was the member of following trade associations:-



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

Principle 8**Businesses should support inclusive growth and equitable development**

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

The Company focuses on various areas of engagement like Sanitation, Rural Development, Education, Drinking Water, Health & Hygiene, Cultural & Sports activities and conservation of Natural Resources etc.

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

An amount of ₹ 351.82 Lakhs was spent on various CSR projects during the financial year 2020-21 primarily benefitting the people in the villages surrounding the Company's plant as well as some other deserving sections of the society.

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

Principle 9**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the standalone financial statements of **Supreme Petrochem Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards specified under section 133 of the Act ("Ind AS"), of the state of affairs of the Company as at March 31, 2021 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter description	How the scope of our audit responded the key audit matter
Valuation of inventory:	
Inventory forms a significant part i.e. 18% of the Company's total assets.	We have reviewed the stock records and held discussion with the management. We verified arithmetical accuracy of valuation records / reports.
Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares.	Almost entire inventory, except inventory at third party locations were physically verified by the management during the lockdown period pursuant to Covid 19 pandemic. A very small non material portion of inventory couldn't be verified by the management. We have carried out alternate audit procedures to satisfy ourselves with respect to existence and condition of the inventory at the year-end. This verification was in addition to actual verification of inventory test checked by us during the course of our audit in pre-lockdown period.
Inventories are valued at lower of cost and net realisable value.	
Styrene Monomer is the main raw material for the Company. Styrene Monomer, which is imported, is subject to high price fluctuation risk as well as foreign currency risk.	For a sample of inventory items, we have verified that the weighted average cost calculation by the system and satisfied ourselves.
The volatility in the prices of Styrene Monomer may significantly impact the valuation of not only Raw material but also other items of inventory.	We have reviewed the price movement of Styrene Monomer prices with respect to cost to the Company. Compared such prices with the recent selling prices.
In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.	Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.
We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Styrene Monomer.	

Information Other than the Standalone Financial Statements and Our Report thereon

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



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

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

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

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

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

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

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

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

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

decisions of users taken on the basis of these standalone financial statements.

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure A', a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being

appointed as a director in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

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

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 21048243AAAAC18399

Place: Mumbai

Dated this 30 day of April, 2021



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' of our report on even date to the members of the Company on standalone financial statements for the year ended March 31, 2021

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) As informed to us, the property plant and equipment have been physically verified by the management during the period according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties classified as property plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of verification is reasonable; The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of the clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or under section 185, made any investment, provide any guarantee or security. Accordingly the provisions of the clause 3(iv) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax and Goods and Services Tax. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2021 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of statutory dues that have not been deposited on account of disputes are as under:

Sr. No	Statutes	Nature of Dues	Period	Amount (₹ In lakhs)	Forum where disputes pending
1	Service Tax (Finance Act 1994)	Service Tax and penalty	Sep-2013 – May-2015	117.57	CESTAT
2	Tamil Nadu VAT Act, 2006	VAT and penalty.	2010-2011	7.43	Deputy Commissioner (Commercial tax)
			2009-2010	0.61	Deputy Commissioner (Appeals)
			2010-2011	0.65	Deputy Commissioner (Appeals)
			2011-2012	1.99	Deputy Commissioner (Appeals)
			2012-2013	1.98	Deputy Commissioner (Appeals)
			2013-2014	10.48	Deputy Commissioner (Appeals)
			2014-2015	2.27	Deputy Commissioner (Appeals)
			2015-2016	3.72	Deputy Commissioner (Appeals)
			2014-2015	1.49	Deputy Commissioner (Appeals)
3	GST Act	Refund claim of CVD & SAD	2016-2017	68.96	High Court
					Deputy Commissioner (Appeals)
		ITC disallowed		16.71	Deputy Commissioner (Appeals)

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

compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, the provision of the clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act. Accordingly, the provision of the clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 21048243AAAAC18399

Place: Mumbai

Dated this 30 day of April, 2021



ANNEXURE B

Annexure B - referred to in paragraph 3(g) under "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **Supreme Petrochem Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

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

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

Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility



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

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

Rajen Ashar
Partner
Membership No. 048243
UDIN: 21048243AAAACI8399

Place: Mumbai
Dated this 30 day of April, 2021



BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	2	31,894.80	34,162.57
(b) Capital work-in-progress		906.63	840.25
(c) Right-to-use assets	3	3,925.61	2,847.38
(d) Other Intangible assets	4	63.64	80.23
(e) Financial assets			
(i) Loans	5	85.17	125.06
(ii) Other non-current financial assets	6	532.52	411.98
(f) Other non-current assets	7	1,619.47	308.55
Total non-current assets		39,027.84	38,776.02
2. Current Assets			
(a) Inventories	8	31,780.80	25,842.99
(b) Financial assets			
(i) Investment in mutual funds and bonds	9	47,028.31	13,481.26
(ii) Trade receivables	10	38,333.54	24,808.32
(iii) Cash and cash equivalents	11	6,607.71	17,090.44
(iv) Bank balances other than (iii) above	12	4,067.24	494.81
(v) Loans	13	64.45	89.75
(vi) Other current financial assets	14	5,679.16	719.88
(c) Current tax assets (net)		846.06	1,027.57
(d) Other current assets	15	2,098.66	3,174.46
Total current assets		1,36,505.93	86,729.48
TOTAL ASSETS		1,75,533.77	1,25,505.50
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	9,402.07	9,643.61
(b) Other equity	17	97,082.41	57,684.10
Total equity		1,06,484.48	67,327.71
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease liability	18	2,622.22	1,707.17
(ii) Other financial liabilities	19	333.77	346.49
(b) Provisions	20	363.94	291.06
(c) Deferred tax liabilities (net)	21	3,569.15	3,742.64
Total non-current liabilities		6,889.08	6,087.36

BALANCE SHEET AS AT MARCH 31, 2021 (Contd..)

(₹ in Lakhs)

Particulars	Note No	As at 31-03-2021	As at 31-03-2020
2. Current Liabilities			
(a) Financial Liabilities			
(i) Lease liability	22	1,483.78	1,221.16
(ii) Trade payables	23		
– Total outstanding dues of micro and small enterprises		45.15	63.91
– Total outstanding dues of trade payable other than micro and small enterprises		56,808.97	47,552.57
(iii) Other financial liabilities	24	1,922.60	1,968.19
(b) Current tax liabilities (net)		128.91	26.41
(c) Provisions	25	246.74	213.64
(d) Other current liabilities	26	1,524.06	1,044.55
Total current liabilities		62,160.21	52,090.43
TOTAL EQUITY AND LIABILITIES		1,75,533.77	1,25,505.50
Significant Accounting Policies	1		

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

As per our report of even date.

For and on behalf of the Board

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

N. Gopal
Executive Director (Styrenics) & Manager

M. P. Taparia
Chairperson

Rajen Ashar
Partner
Membership No. 048243

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

S. J. Taparia
Director

D. N. Mishra
Company Secretary

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No	2020-2021	2019-2020
REVENUE			
Revenue from Operations			
Gross Sale		3,17,849.41	2,71,382.77
Other Operating Income		667.83	1,041.76
	27	3,18,517.24	2,72,424.53
Other Income	28	2,127.88	1,192.97
TOTAL REVENUE		3,20,645.12	2,73,617.50
EXPENSES			
Cost of materials consumed	29	1,59,793.67	1,64,003.42
Purchase of stock-in-trade	30	68,985.05	70,384.92
Changes in inventories of finished goods and work-in-process	31	671.66	1,313.44
Employee benefits expenses	32	4,568.37	4,168.87
Finance costs	33	727.03	649.46
Depreciation and amortisation expenses	34	3,914.33	3,603.09
Other expenses	35	17,606.65	17,704.51
TOTAL EXPENSES		2,56,266.76	2,61,827.71
Profit Before Tax		64,378.36	11,789.79
Tax Expenses			
Current tax		16,775.75	2,995.48
Deferred tax		(146.56)	(1,470.97)
Profit After Tax		47,749.17	10,265.28
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of the defined benefit plans		(106.99)	(75.87)
Income tax relating to items that will not be reclassified to profit or loss		26.93	19.44
Total Comprehensive Income for the period		47,669.11	10,208.85
Earning per share (₹) (Refer Note 50)			
Basic		50.63	10.64
Diluted		50.63	10.64
Nominal Value of Share		10.00	10.00
Significant Accounting Policies	1		

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

As per our report of even date.

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

Rajen Ashar
Partner
Membership No. 048243

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

M. P. Taparia
Chairperson

S. J. Taparia
Director

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

A: EQUITY SHARE CAPITAL		Balance as at 01-04-2019	Changes in equity share capital during the year	Balance as at 31-03-2020
Particulars				
For the year ended 31-03-2020		9,650.20	(6.59)	9,643.61
		Balance as at 01-04-2020	Changes in equity share capital during the year	Balance as at 31-03-2021
For the year ended 31-03-2021		9,643.61	(241.54)	9,402.07

B: OTHER EQUITY

Particulars	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
Opening balance as on 01-04-2019	1,563.46	46,758.12	6,416.30	(145.19)	54,592.69
Transfer from General Reserve	6.59	(6.59)			—
Utilised for Equity Shares brought back		(114.30)			(114.30)
Tax on Equity Shares brought back		(22.56)			(22.56)
Total Comprehensive Income for the year			10,265.28	(56.43)	10,208.85
Dividends including tax on dividends			(6,980.58)		(6,980.58)
Transfer to General Reserve		3,000.00	(3,000.00)		—
Balance at 31-03-2020	1,570.05	49,614.67	6,701.00	(201.62)	57,684.10

Particulars	Reserves and Surplus			Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	
Opening balance as on 01-04-2020	1,570.05	49,614.67	6,701.00	(201.62)	57,684.10
Transfer from General Reserve	241.54	(241.54)			—
Utilised for Equity Shares brought back		(3,657.83)			(3,657.83)
Tax on Equity Shares brought back		(841.98)			(841.98)
Expenses towards reduction on Share Capital		(10.17)			(10.17)
Total Comprehensive Income for the year			47,749.17	(80.06)	47,669.11
Dividends paid to Share holder			(3,760.82)		(3,760.82)
Transfer to General Reserve		30,000.00	(30,000.00)		—
Balance at 31-03-2021	1,811.59	74,863.15	20,689.35	(281.68)	97,082.41

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

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

As per our report of even date.

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

Rajen Ashar
Partner
Membership No. 048243

N. Gopal
Executive Director (Styrenics) & Manager

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

D. N. Mishra
Company Secretary

For and on behalf of the Board

M. P. Taparia
Chairperson

S. J. Taparia
Director

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before income tax	64,378.36	11,789.79
Non-cash Adjustment to Profit before tax:		
Depreciation and amortisation expense	3,914.33	3,603.09
Loss/(Gain) on disposal of property, plant and equipment	538.50	(40.15)
Intangible asset written off	–	2.73
IND As adjustment for loan to employees	8.46	25.86
Impairment of other non current assets	179.66	–
Allowance for expected credit loss	13.82	13.04
Income classified under investment activity	(1,316.36)	(919.30)
Unwinding Interest	(41.29)	(32.30)
Finance costs	727.03	649.46
Unrealised loss/(gain) foreign currency transaction exchange differences (Net)	(663.56)	1,188.43
Operating profit before change in operating assets and liabilities	67,738.95	16,280.65
Change in operating assets and liabilities :		
Decrease/(increase) in trade receivables	(13,777.64)	3,910.93
Decrease/(increase) in inventories	(5,937.81)	(1,337.96)
Increase/(decrease) in trade payables	10,687.35	(1,246.96)
Decrease/(Increase) in other financial assets	(5.16)	(507.84)
Decrease/(increase) in other non-current assets	21.82	11.20
Decrease/(increase) in other current assets	774.56	(93.99)
Increase/(decrease) in provisions	105.98	42.88
Increase/(decrease) in Other Non-current financial liability	(11.15)	(15.75)
Increase/(decrease) in other financial liabilities	(113.00)	(377.41)
Increase/(decrease) in other current liabilities	479.51	(813.65)
	(7,775.54)	(428.55)
Cash generated from operations	59,963.41	15,852.10
Direct taxes paid (net of refunds)	(16,492.07)	(3,949.29)
Net cash flow from / (used in) operating activities (A)	43,471.34	11,902.81
Cash flow from investing activities		
Payments for acquisition of property, plant and equipment	(2,608.06)	(1,616.60)
Payments for software development costs	(15.53)	(13.62)
Proceeds from sale of property, plant and equipment	441.09	61.91
Proceeds from sale of software	–	3.00
Sale of liquid investment	2,23,428.19	63,869.88
Purchase of liquid investment	(2,22,372.47)	(63,810.84)
Investment in corporate fixed deposit	(5,500.00)	–



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (Contd...)

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest received	234.65	78.41
Dividends received	—	730.76
Net cash flow from/(used in) investing activities (B)	(6,392.13)	(697.10)
Cash flows from financing activities		
Interest paid	(344.64)	(293.08)
Proceed for capital reduction	(10.17)	—
Dividends and dividend tax paid to equity shareholders	(3,760.83)	(6,980.58)
Proceed for buy back of shares (Including buy back expenses)	(4,590.72)	(294.08)
Repayment of lease liability	(1,736.10)	(1,481.06)
Net cash flow from/(used in) in financing activities (C)	(10,442.46)	(9,048.80)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	26,636.75	2,156.91
Effect of exchange differences on cash & cash equivalent held in foreign currency	—	—
Cash and cash equivalents at the beginning of the year	31,066.51	28,909.60
Cash and cash equivalents at the end of the year	57,703.26	31,066.51
Cash and cash equivalents comprises of :		
(i) Cash and cash equivalents	6,607.71	17,090.44
(ii) Bank balance other than (i) above	4,067.24	494.81
(iii) Investments in mutual fund and bonds	47,028.31	13,481.26
Balance as per the cash flow statement :	57,703.26	31,066.51

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For and on behalf of the Board

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

N. Gopal
Executive Director (Styrenics) & Manager

M. P. Taparia
Chairperson

Rajen Ashar
Partner
Membership No. 048243

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

S. J. Taparia
Director

D. N. Mishra
Company Secretary

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE : 1****Corporate Information**

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

Authorisation of financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on April 30, 2021.

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

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

1.2. Basis of Preparation

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

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

Classification of Assets and Liabilities into current and Non-Current

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when :

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

All other liabilities are classified as non-current.

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

1.3. Use of judgements, estimates and assumptions

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

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

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

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

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

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

1.4. Property, Plant and Equipment

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

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

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



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

An item of Property Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognized. Capital work-in-progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

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

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

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

1.5. Intangible Assets

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

Computer Software is amortised over a period of six years.

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

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

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

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

1.6. Impairment of non-financial assets

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

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

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

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

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

1.7. Inventories

Inventories are valued as under

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

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

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

1.8. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value. For the purpose of statement of cashflows, cash and cash equivalents consist of cash, short-term deposits as defined above, net of outstanding bank overdrafts (if any) and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's cash management.

Cash Flow Statement

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

Bank Balances other than above

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

1.9. Non-current assets Held for Sale

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

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

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

1.10. Financial instruments

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

A. Financial Assets:

(i) Classification:

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

(ii) Initial recognition and measurement.

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

(iii) Financial assets measured at amortised cost:

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



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

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

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

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

(vi) Derecognition of financial assets

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

AA. Impairment of Financial Assets

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

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

B. Financial Liabilities

(i) Classification

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

(ii) Initial recognition and measurement.

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

(iii) Subsequent measurement:

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

(iv) Loans and borrowings

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

(v) Derecognition of financial liabilities

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

(vi) Derivative Financial Instruments

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

C. Offsetting of financial instruments

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

1.11. Fair Value Measurement

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

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

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

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

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

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

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

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

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

1.12. Borrowing Cost

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

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

1.13. Provisions, Contingent Liabilities, Contingent Assets

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

Contingent liabilities are disclosed in the case of :

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

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

1.14. Employee Benefits

A. Short Term Benefits

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



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

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

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

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

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

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

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

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

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

C. Defined Contribution Plans - Superannuation

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

D. Other Long-Term Employee Benefits – Compensated Absences

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

1.15. Revenue Recognition

Revenue is recognized upon transfer of control of promised goods to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also exclude Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

Dividend Income

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

Export benefit

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

Interest Income

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

Insurance Income

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

Others

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

1.16. Taxes on income

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

Current Tax

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

Deferred Tax

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

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

1.17. Earnings per share

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

1.18. Segment Reporting

The operating segments have been identified on the basis of nature of products and same are accordingly evaluated by the Manager and Board of Directors. Company's primary operating segment is Styrenics business which accounts for over 96%



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

1.19. Leases

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

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

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

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

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

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

1.20. Foreign exchange transactions

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 31 2021

NOTE : 2

Property, Plant and Equipment

March 31, 2020

(₹ in Lakhs)

Particulars	GROSS BLOCK*				DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Own Assets										
Land (Freehold)	3,771.18	64.33	—	3,835.51	—	—	—	—	3,835.51	3,771.18
Buildings	11,516.56	212.61	7.13	11,722.04	1,796.54	455.85	0.81	2,251.58	9,470.46	9,720.02
Plant and Machinery	25,039.52	3,220.57	—	28,260.09	5,925.61	1,808.33	—	7,733.94	20,526.15	19,113.91
Office equipments	49.25	9.45	9.17	49.53	31.78	4.96	5.28	31.46	18.07	17.47
Computers	327.68	32.26	49.46	310.48	189.57	48.98	43.01	195.54	114.94	138.11
Air-conditioners	31.15	1.11	0.71	31.55	21.36	4.68	0.59	25.45	6.10	9.79
Vehicles	225.05	0.43	15.04	210.44	73.27	26.76	10.54	89.49	120.95	151.78
Furniture and Fixtures	135.72	—	1.87	133.85	50.28	14.57	1.39	63.46	70.39	85.44
TOTAL	41,096.11	3,540.76	83.38	44,553.49	8,088.41	2,364.13	61.62	10,390.92	34,162.57	33,007.70

Note :

2.1. Buildings include ₹ 252.49 lakhs (previous year ₹ 259.62 lakhs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 4,250 (Previous year ₹ 4,250).

2.2. On July 1, 2015 The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP

* On historical cost basis the gross block as on March 31, 2020 is ₹ 76,697.55 lakhs.

Property, Plant and Equipment

March 31, 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK *				DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Disposal	As at March 31, 2021	Upto April 01, 2020	Provided / Adjustments	Disposal	Upto March 31, 2021	As at March 31, 2021	As at March 31, 2020
Own Assets										
Land (Freehold)	3,835.51	104.19	—	3,939.70	—	—	—	—	3,939.70	3,835.51
Buildings	11,722.04	2.29	585.35	11,138.98	2,251.58	453.78	44.80	2,660.56	8,478.42	9,470.46
Plant and Machinery	28,260.09	930.24	670.72	28,519.61	7,733.94	1,838.31	232.69	9,339.56	19,180.05	20,526.15
Office equipments	49.53	10.52	1.80	58.25	31.46	5.76	1.70	35.52	22.73	18.07
Computers	310.48	18.65	4.21	324.92	195.54	46.35	3.67	238.22	86.70	114.94
Air-conditioners	31.55	3.97	3.03	32.49	25.45	2.16	2.80	24.81	7.68	6.10
Vehicles	210.44	21.75	—	232.19	89.49	24.96	—	114.45	117.74	120.95
Furniture and Fixtures	133.85	5.09	1.38	137.56	63.46	13.55	1.23	75.78	61.78	70.39
TOTAL	44,553.49	1,096.70	1,266.49	44,383.70	10,390.92	2,384.87	286.89	12,488.90	31,894.80	34,162.57

Note :

2.1. Buildings include ₹ 252.49 lakhs (previous year ₹ 252.49 lakhs) being cost of premises in Co-operative Societies including cost of Shares of the face value of ₹ 4,250 (Previous year ₹ 4,250).

2.2. On July 1, 2015 The Company has elected to value its Property, Plant and Equipment at historical cost as per IGAAP

* On historical cost basis the gross block as on March 31, 2021 is ₹ 75,827.57 lakhs.

**NOTE : 3****Right to Use Assets**

(₹ in Lakhs)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
Particulars	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	–	1,114.73	–	1,114.73	–	182.51	–	182.51	932.22	–
Machinery	–	2,939.12	–	2,939.12	–	1,023.96	–	1,023.96	1,915.16	–
TOTAL	–	4,053.85	–	4,053.85	–	1,206.47	–	1,206.47	2,847.38	–

Range of remaining period of amortisation as on March 31, 2020 is as below :

	0 to 1 Year	2 to 5 Years	Above 5 Years	Total WDV
Building	213.78	693.91	24.53	932.22
Machinery	1,034.27	880.89	–	1,915.16

(₹ in Lakhs)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
Particulars	As at April 01, 2020	Additions	Disposal	As at March 31, 2021	Upto April 01, 2020	Provided / Adjustments	Disposal	Upto March 31, 2021	As at March 31, 2021	As at March 31, 2020
Building	1,114.73	–	–	1,114.73	182.51	213.78	–	396.29	718.44	932.22
Machinery	2,939.12	2,990.94	1,246.09	4,683.97	1,023.96	1,283.56	830.72	1,476.80	3,207.17	1,915.16
TOTAL	4,053.85	2,990.94	1,246.09	5,798.70	1,206.47	1,497.34	830.72	1,873.09	3,925.61	2,847.38

Range of remaining period of amortisation as on March 31, 2021 is as below :

	0 to 1 Year	2 to 5 Years	Total WDV
Building	213.78	504.66	718.44
Machinery	1,332.35	1,874.82	3,207.17

NOTE 4 :**Other Intangible Assets**

(₹ in Lakhs)

	GROSS BLOCK*				AMORTISATION				NET BLOCK	
Particulars	As at April 01, 2019	Additions	Disposal	As at March 31, 2020	Upto April 01, 2019	Provided / Adjustments	Disposal	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer software	314.79	13.62	48.61	279.80	209.96	32.49	42.88	199.57	80.23	104.83
TOTAL	314.79	13.62	48.61	279.80	209.96	32.49	42.88	199.57	80.23	104.83

* On historical cost basis the gross block as on March 31, 2020 is ₹ 588.54 lakhs.

Range of remaining period of amortisation as on March 31, 2020 is as below :

	0 to 2 Years	3 to 5 Years	Total WDV
Computer Software	3.04	77.19	80.23

(₹ in Lakhs)

Particulars	GROSS BLOCK*			As at March 31, 2021	AMORTISATION			Upto March 31, 2021	NET BLOCK	
	As at April 01, 2020	Additions	Disposal		Upto April 01, 2020	Provided / Adjustments	Disposal		As at March 31, 2021	As at March 31, 2020
Computer software	279.80	15.53	—	295.33	199.57	32.12	—	231.69	63.64	80.23
TOTAL	279.80	15.53	—	295.33	199.57	32.12	—	231.69	63.64	80.23

* On historical cost basis the gross block as on March 31, 2021 is ₹ 604.07 lakhs.

Range of remaining period of amortisation as on March 31, 2021 is as below :

	0 to 2 Years	3 to 5 Years	Total WDV
Computer Software	33.11	30.53	63.64

NOTE : 5**Loans - Non current**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Unsecured, Considered Good		
Loans to staff	85.17	125.06
	85.17	125.06
The above includes		
Loans to other officers of the Company	—	—
	—	—

NOTE : 6**Other Non-Current Financial Assets**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Security deposit other than utility services	504.61	411.98
Bank fixed deposit with original maturity more than one year	27.91	—
	532.52	411.98

NOTE : 7**Other Non Current Assets**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Capital advance		
Capital advance	1,567.84	55.44
Other than Capital advance		
Deposits with statutory authorities	11.64	82.18
Balance due from MIDC*	—	129.39
Security deposit - utility services	39.99	41.54
	1,619.47	308.55

* Net of provision for impairment of assets.

**NOTE : 8****Inventories**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Raw materials and packing materials	21,874.62	15,314.47
Stock-in-process	189.50	453.03
Finished goods	6,549.04	8,614.13
Finished goods in transit	1,926.21	269.26
Stores and spares	1,203.83	1,161.21
Fuel	37.60	30.89
	31,780.80	25,842.99

8.1. The cost of inventories is after recognising write down of inventory to net realisable value in respect of finished goods ₹ 23.84 lakhs (Previous Year ₹ 95.29 lakhs), raw materials ₹ 59.69 lakhs (Previous Year ₹ 932.20 lakhs) and stores and spares ₹ 8.00 lakhs (Previous Year ₹ 234.89 lakhs).

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

NOTE : 9**Investment in Mutual Funds and bonds**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Investment in Debt Scheme of Mutual Funds Measured at FVTPL		
Kotak Banking and PSU Debt Fund	–	2,155.85
HDFC Overnight Fund	–	5,710.26
TATA Overnight Fund	–	2,501.57
KOTAK Overnight Fund	–	957.76
IDFC Banking and PSU Debt Fund	–	1,004.52
DSP Overnight Fund	–	1,151.30
SBI Magnum ultra short duration fund	6,680.87	–
LIC MF saving fund growth	1,118.52	–
IDFC ultra short fund	1,029.89	–
IDFC Low Duration Fund - Regular - Growth	4,847.47	–
HDFC Ultra Short Term Fund - Regular - Growth	2,758.01	–
HDFC Liquid Fund - Regular Plan - Growth	5,990.36	–
Kotak Liquid Fund - Regular Plan - Growth	3,463.57	–
IDFC Cash fund growth regular plan	4,341.46	–
LIC MF Liquid Fund Growth Plan	1,605.83	–
Axis Overnight Fund	2,000.08	–
DSP Liquid Fund	5,275.38	–
Aditya Birla Sunlife Liquid Fund	1,200.91	–
A	40,312.35	13,481.26

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Investment in arbitrage Scheme of Mutual Funds Measured at FVTPL		
ICICI arbitrage fund	999.95	—
Kotak arbitrage fund	1,003.64	—
TATA arbitrage fund	1,003.57	—
B	3,007.16	—
Investment in Bonds Measured at FVTPL		
7.74% Perpetual Bond of SBI Bank Ltd (50 bonds of ₹ 10,00,000 each)	529.45	—
7.73% Perpetual Bond of SBI Bank Ltd (150 bonds of ₹ 10,00,000 each)	1,555.22	—
8.50% Perpetual Bond of SBI Bank Ltd (50 bonds of ₹ 10,00,000 each)	533.96	—
8.75% Perpetual Bond of SBI Bank Ltd (100 bonds of ₹ 10,00,000 each)	1,090.17	—
C	3,708.80	—
Total (A+B+C)	47,028.31	13,481.26
Aggregate book value of Quoted investment	3,676.59	—
Aggregate book value of unquoted investment	42,930.93	13,467.52
Aggregate market value of investment measured at FVTPL	47,028.31	13,481.26

NOTE : 10**Trade Receivables**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Secured - Considered good	—	—
Unsecured - Considered good	38,375.10	24,836.06
Unsecured credit Impaired	—	—
Less : Provision for Impairment	41.56	27.74
	38,333.54	24,808.32

Note :

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

(₹ in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Total Receivable	38,375.10	24,836.06
Trade Receivables not considered for ECL	20,228.97	15,864.96
Others considered for ECL	18,146.13	8,971.10



(₹ in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Ageing		
Not Due	16,934.00	6,317.78
0-90 days over due	1,116.03	2,534.40
91-180 over due	24.11	64.53
181-270 over due	16.96	31.96
271-365 over due	0.02	0.52
366- 451 over due	1.96	0.30
451- 540 over due	31.41	0.01
541- 630 over due	—	—
> 631 days	21.64	21.60
Movement in the expected credit loss allowance		
Balance at beginning of the year	27.74	14.70
Add : Provisional during year	13.82	13.04
Balance at end of the year	41.56	27.74

Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses

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

NOTE : 11**Cash and Cash Equivalents**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Balances with banks		
– In Current accounts	6,354.10	13,278.60
– Deposits with original maturity less than 3 Months	—	3,798.47
Cheques on hand	245.95	—
Cash on hand	7.66	13.37
	6,607.71	17,090.44

NOTE : 12**Other Balances with Banks**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Earmarked balances with banks(unpaid dividend)*	493.82	494.81
Deposits with original maturity more than 3 Months but less than 12 Months	3,573.42	—
	4,067.24	494.81

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2021.

NOTE : 13**Loans (Unsecured-Considered Good)**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Loans and advances to employees	64.45	89.75
	64.45	89.75
The above includes		
Loans to other officers of the Company	1.00	11.43
	1.00	11.43

NOTE : 14**Other Current Financial Assets**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Insurance claim receivable	–	21.48
Derivative Asset	33.78	582.90
Bank Fixed Deposit with original maturity more than one year	3.89	–
Corporate Fixed Deposit*	5,500.00	–
Interest receivable	141.49	115.50
	5,679.16	719.88

* Corporate Fixed deposit in HDFC LTD ₹ 3,500 lakhs & LIC Housing Finance Ltd ₹ 2,000 lakhs.

NOTE : 15**Other Current Assets**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Advance license benefits and others	5.62	522.13
Prepaid expenses	529.52	503.12
Advance recoverable in cash or in kind	373.78	345.03
Deposits with statutory authorities	7.24	7.24
Balances with statutory authorities	1,106.00	1,099.72
Receivable from statutory authorities	76.50	546.60
Advance for Buy back of Shares	–	150.62
	2,098.66	3,174.46

**NOTE : 16****Share Capital**

		(₹ in Lakhs)	
		As at 31-03-2021	As at 31-03-2020
Authorised			
125000000	(Previous Year 125000000) Equity Shares of ₹ 10 each	12,500.00	12,500.00
25000000	(Previous Year 25000000) Redeemable Cumulative Preference Shares of ₹ 10 each	2,500.00	2,500.00
		15,000.00	15,000.00
Issued, Subscribed And Paid Up			
94020671	(Previous Year 96436047) Equity Shares of ₹ 10 each	9,643.61	9,650.20
Less :	2415376 (Previous Year 65911) Share Purchase under Buyback Scheme	241.54	6.59
		9,402.07	9,643.61

Note :

- 16.1.** In the financial year 2008 - 2009, the Company bought back and extinguished 1537907 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,837.65 lakhs to ₹ 9,683.86 lakhs.
- 16.2.** In the financial year 2013 - 2014, the Company bought back and extinguished 336655 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,683.86 lakhs to ₹ 9,650.20 lakhs.
- 16.3.** In the financial year 2019 - 2020 the Company bought back and extinguished 65911 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,650.20 lakhs to ₹ 9,643.61 lakhs.
- 16.4.** In the financial year 2020 - 2021 the Company bought back and extinguished 2415376 equity shares from which has reduced the paid-up share capital of the Company from ₹ 9,643.61 lakhs to ₹ 9,402.07 lakhs.
- 16.5. The details of Shareholders holding more than 5% Shares :**

Name of the Shareholder	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	% held	No. of Shares	% held
The Supreme Industries Limited	28936400	30.78	28936400	29.99
R. Raheja Investments Private Limited	28936400	30.78	28936400	29.99

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

Particulars	As at 31-03-2021	As at 31-03-2020
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	96436047	96501958
Less : Buy Back of Share	2415376	65911
Equity Shares at the end of the year	94020671	96436047

- 16.7.** The Company has only one class of shares referred to as equity shares having a par value ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.8. Dividend

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the Board meeting held on October 23, 2020 the board declared an amount of ₹ 2.50 per equity shares as a interim dividend (previous Year ₹ 4.00) which was distributed to equity shares holder. The amount of interim dividend distributed to equity shares holder was ₹ 2,350.51 lakhs (previous Year ₹ 4,653.71) including corporate tax.

The Board of Directors, in their meeting on April 30, 2021, have proposed a final dividend of ₹ 12.50 per equity share (Previous year ₹ 1.50 per equity share) for the financial year ended March 31, 2021. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on July 1, 2021 and if approved would result in a cash outflow of approximately ₹ 11,752.58 lakhs (previous year ₹ 1,410.31 lakhs).

NOTE : 17**Other Equity**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Capital reserves	1,811.59	1,570.05
General reserves	74,863.15	49,614.67
Retained earnings	20,689.35	6,701.00
Other comprehensive income - re-measurement of defined benefit plans	(281.68)	(201.62)
	<u>97,082.41</u>	<u>57,684.10</u>

NOTE : 18**Non Current Lease Liability**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Lease liability	2,622.22	1,707.17
	<u>2,622.22</u>	<u>1,707.17</u>

NOTE : 19**Other Non-current Financial Liabilities**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Security deposits from distributors	333.77	346.49
	<u>333.77</u>	<u>346.49</u>

NOTE : 20**Provisions - Non Current**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Provision for leave encashment	255.82	222.43
Provision for gratuity	108.12	68.63
	<u>363.94</u>	<u>291.06</u>

**NOTE : 21****A. Movement In Deferred Tax Balances**

(₹ in Lakhs)

Particulars				March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(3,921.18)	291.41		(3,629.77)		(3,629.77)
Employee benefits	137.54	(0.69)	26.93	163.78	163.78	
Trade receivables	7.10	3.36		10.46	10.46	
Other items	33.90	(147.52)		(113.62)	61.14	(174.76)
Deferred tax assets/(liabilities)	(3,742.64)	146.56	26.93	(3,569.15)	235.38	(3,804.53)

Particulars				March 31, 2020		
	Net balance April 1, 2019	Recognised in profit or (loss)	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, Plant and Equipment and Intangible assets	(5,371.57)	1,450.39		(3,921.18)		(3,921.18)
Employee benefits	146.05	(27.95)	19.44	137.54	137.54	
Trade receivables	5.13	1.97		7.10	7.10	
Other items	(12.66)	46.56		33.90	60.19	(26.29)
Deferred tax assets/(Liabilities)	(5,233.05)	1,470.97	19.44	(3,742.64)	204.83	(3,947.47)

B. Income tax related to items charged or credited directly to profit or loss during the year

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Statement of profit or loss		
Current Income tax	16,820.00	3,115.00
Relating to earlier year assessment (excess)/short provision (Net)	(44.25)	(119.52)
	16,775.75	2,995.48

C. Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the Year ended March 31, 2020
Profit before tax	64,378.36	11,789.79
Applicable tax rate %	25.170%	25.626%
Income tax expenses	16,204.03	3,021.25
Effect of expenses/Income as that is non-deductible in determining taxable profit	247.86	68.17
Temporary changes in recognised deductible differences/Other Adjustment	368.11	25.58
	16,820.00	3,115.00

NOTE : 22**Current Lease Liability**

(₹ in Lakhs)

	As at 31-03-2021	As at 31-03-2020
Lease liability	1,483.78	1,221.16
	1,483.78	1,221.16

NOTE : 23**Trade Payables**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Total outstanding dues of micro and small enterprises	45.15	63.91
Total outstanding dues of trade payable and acceptance other than micro and small enterprises	56,808.97	47,552.57
	<u>56,854.12</u>	<u>47,616.48</u>

NOTE : 24**Other Current Financial Liabilities**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Creditors for capital goods	275.90	343.31
Salary and other benefit payable	43.86	39.87
Derivative liability	–	1.57
Unclaimed dividend	493.82	494.81
Others	1,109.02	1,088.63
	<u>1,922.60</u>	<u>1,968.19</u>

NOTE : 25**Current Provisions**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Employee Benefit		
Provision for leave encashment	112.05	93.92
Provision for gratuity	134.69	119.72
	<u>246.74</u>	<u>213.64</u>

NOTE : 26**Other Current Liabilities**

	(₹ in Lakhs)	
	As at 31-03-2021	As at 31-03-2020
Statutory dues	334.43	186.58
Employee and contractor deduction	52.94	51.78
Advances from customers	1,014.40	806.19
Duty on export obligation	122.29	–
	<u>1,524.06</u>	<u>1,044.55</u>

**NOTE : 27****Revenue From Operations**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Gross Sale (refer note. 41, 42)	3,17,849.41	2,71,382.77
Other Operating Income		
Export benefit	431.92	834.62
Scrap sales	235.91	207.14
	667.83	1,041.76
Revenue from operations (Gross)	3,18,517.24	2,72,424.53

NOTE : 28**Other Income**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Interest Income		
Interest received on trade receivables	129.26	80.50
Interest received on bank fixed deposits	260.64	129.50
Interest received others	45.38	2.18
Unwinding interest	41.29	32.30
	476.57	244.48
Other Non-operating income		
Dividend (gross)	–	730.76
Miscellaneous income	184.11	121.27
	184.11	852.03
Others Gains		
Gain on sale of fixed assets (net)	–	37.42
Gain on discontinue of lease liability	26.53	–
Net Gain on fair valuation of investment	420.79	13.74
Net Gain on foreign currency transaction and translation	372.11	–
Bad debt recovered	12.84	–
Net Gain on redemption of mutual fund	634.93	45.30
	1,467.20	96.46
	2,127.88	1,192.97

NOTE : 29**Cost of Materials Consumed**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Consumption raw materials (including packing materials)	159,793.67	164,003.42

NOTE : 30**Purchases of Stock-In-Trade**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Petrochemicals	66,283.24	67,769.68
Others	2,701.81	2,615.24
	68,985.05	70,384.92

NOTE : 31**Changes in Inventories of Finished Goods and Stock-In-Process**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Inventories (at commencement)		
Finished goods	8,883.38	10,472.60
Stock-in-process	453.03	177.25
	9,336.41	10,649.85
Inventories (at close)		
Finished goods	8,475.25	8,883.38
Stock-in-process	189.50	453.03
	8,664.75	9,336.41
	671.66	1,313.44

NOTE : 32**Employee Benefit Expenses**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Salaries and wages	3,867.76	3,591.50
Contribution to provident and other funds	303.68	244.77
Contribution to gratuity and leave encashment	207.95	140.76
Staff welfare expenses	188.98	191.84
	4,568.37	4,168.87

NOTE : 33**Finance Cost**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Interest		
Interest others	97.79	135.05
Others		
Interest on right of use	382.17	355.55
Unwinding Interest	0.23	0.83
Processing fees paid to banks	246.84	158.03
	727.03	649.46

**NOTE : 34****Depreciation and Amortisation Expenses**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Depreciation of tangible assets	2,384.87	2,364.13
Amortisation of Intangible assets	32.12	32.49
Right of use	1,497.34	1,206.47
	3,914.33	3,603.09

NOTE : 35**Other Expenses**

	(₹ in Lakhs)	
	2020-2021	2019-2020
Consumption of stores and spares	874.24	1,094.25
Power	3,120.45	3,465.73
Fuel	1,052.01	1,188.97
Repairs to building	206.47	210.90
Repairs to machinery	315.44	300.75
Repairs to others	404.10	370.73
Commission on sales	535.29	458.67
Carriage outward	6,890.39	5,388.74
Sabka Vishwas scheme (Legacy Dispute Resolution)	–	320.84
Diminution in value of stores & spares	8.00	234.89
Impairment of Assets	179.66	–
Bad debts written-off	–	77.61
Allowance for expected credit loss	13.82	13.04
Rent, rates and taxes	225.80	262.34
Directors' fees	40.29	36.27
Insurance	658.45	574.18
Loss on sale/scraping of fixed assets (net)	538.50	–
Auditors remuneration	35.33	31.74
Legal & Professional fees	551.37	491.39
Travelling & Conveyance	114.31	309.45
Advertisement, Publicity & Business Promotion	18.23	19.23
Corporate social responsibility expenses	351.83	266.40
Packing & Forwarding expenses	185.36	210.22
Miscellaneous expenditure	1,287.31	1,193.25
Net loss on foreign currency transaction and translation	–	1,184.92
	17,606.65	17,704.51
Breakup of Auditor Remuneration		
For audit fees	20.01	18.00
For taxation matters	9.52	9.34
For other services & Limited review	5.80	4.40
	35.33	31.74

NOTE : 36

As per Ind AS 19 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below

(₹ in Lakhs)

	2020-2021 (12 Months)	2019-2020 (12 Months)
A. Gratuity		
I. Assumptions :		
Discount Rate (Current)	6.82%	6.84%
Rate of return on Plan Assets Current Year	6.82%	6.84%
II. Changes in the defined benefit obligation :		
Liability at the beginning of the year	1,176.25	1,002.35
Interest cost	80.45	77.88
Current Service cost	47.14	46.97
Benefits paid	(11.48)	(17.51)
Actuarial (gains)/losses on obligations due to change in demographic assumption	—	—
Actuarial (gains)/losses on obligations due to change in financial assumption	1.13	43.53
Actuarial (gains)/losses on obligations due to experience	105.85	23.03
Liability at the end of the year (a)	1,399.34	1,176.25
III. Changes in the fair value of plan assets :		
Fair value of plan assets at the beginning of the year	987.90	895.70
Interest Income	67.57	69.60
Employer's contributions	112.55	49.42
Actuarial (gains)/losses on plan assets		
Benefits paid	(11.49)	(17.52)
Return on plan assets, excluding interest income	—	(9.30)
Fair value of plan assets at the end of the year (b)	1,156.53	987.90
IV. Balance Liability (a-b)	242.81	188.35
V. Actual Return on plan Assets :		
Expected return on plan assets	67.57	69.60
Remesurement gains/(losses) on plan assets	—	(9.30)
Actual return on plan assets	67.57	60.30
VI. Expenses Recognised in Statement of Profit and Loss :		
Current service cost	47.14	46.97
Interest cost	12.88	8.28
Expenses recognized in Profit & Loss	60.02	55.25
VII. Expenses Recognised in the Other Comprehensive Income (OCI) :		
Actuarial gains / (losses) on Obligation for the period	106.99	66.57
Return on plan assets, excluding Interest Income	—	9.30
Expenses recognized in Other Comprehensive Income (OCI)	106.99	75.87
VIII. The Categories of plan assets as a percentage of total plan are as follows :		
Insurer managed funds	100%	100%

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

(₹ in Lakhs)

Particulars	2021	2020	2019	2018	2017
Defined benefit obligation	1,399.34	1,176.25	1,002.35	948.40	810.26
Plan assets	1,156.53	987.90	895.71	835.20	642.28
(Surplus)/deficit	242.81	188.35	106.64	113.20	167.98
Experience adjustments on plan liabilities	105.85	23.03	6.04	75.75	51.48
Remesurement gain/(loss) on plan assets	—	(9.30)	2.07	5.18	10.84


B. Leave Encashment

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

C. Provident Fund

The provident fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability based on assumptions listed below and determined that there is no Interest shortfall as at 31st March, 2021.

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

Average holding period of assets	5.57 Years
Guaranteed rate	8.50%

NOTE : 37
Financial Instruments : Accounting classifications, Fair value measurements
March 31, 2021

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial Assets							
Trade receivables	38,333.54	-	-	38,333.54	-	-	-
Loans and Advances							
Security deposits	532.52	-	-	532.52	-	-	532.52
Loans to employees	149.62	-	-	149.62	-	-	149.62
Derivative assets	33.78	33.78	-	-	33.78	-	-
Investments in Mutual Funds	43,319.51	43,319.51	-	-	43,319.51	-	-
Investments in bonds	3,708.80	3,708.80	-	-	-	-	3,708.80
Cash on hand	7.66	-	-	7.66	-	-	-
Bank Balances & cheques on hand	6,600.05	-	-	6,600.05	-	-	-
Other Bank Balance	4,067.24	-	-	4,067.24	-	-	-
Other Financial assets	141.49	-	-	141.49	-	-	-
Corporate fixed deposits	5,500.00	5,500.00	-	-	-	-	-
Bank fixed deposits with original maturity more than 1 year	3.89	-	-	3.89	-	-	-
	<u>1,02,398.10</u>	<u>52,562.09</u>	<u>-</u>	<u>49,836.01</u>	<u>43,353.29</u>	<u>-</u>	<u>4,390.94</u>
Financial Liabilities							
Trade payables	56,854.12	-	-	56,854.12	-	-	-
Other financial liabilities							
Security deposits	333.77	-	-	333.77	-	-	333.77
Derivative liability	-	-	-	-	-	-	-
Lease liability	4,106.00	-	-	4,106.00	-	-	4,106.00
Other financial Liability	1,922.60	-	-	1,922.60	-	-	-
	<u>63,216.49</u>	<u>-</u>	<u>-</u>	<u>63,216.49</u>	<u>-</u>	<u>-</u>	<u>4,439.77</u>

March 31, 2020

(₹ in Lakhs)

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	24,808.32	—	—	24,808.32	—	—	—
Loans and Advances							
Security deposits	411.98	—	—	411.98	—	—	411.98
Loans to employees	214.81	—	—	214.81	—	—	214.81
Derivative assets	582.90	582.90	—	—	582.90	—	—
Investments	13,481.26	13,481.26	—	—	13,481.26	—	—
Cash on hand	13.37	—	—	13.37	—	—	—
Bank Balances & cheques on hand	17,077.07	—	—	17,077.07	—	—	—
Other Bank Balance	494.81	—	—	494.81	—	—	—
Other Financial assets	136.98	—	—	136.98	—	—	—
	<u>57,221.50</u>	<u>14,064.16</u>	<u>—</u>	<u>43,157.34</u>	<u>14,064.16</u>	<u>—</u>	<u>626.79</u>
Financial Liabilities							
Trade payables	47,616.48	—	—	47,616.48	—	—	—
Other financial liabilities							
Security deposits	346.49	—	—	346.49	—	—	346.49
Derivative liability	1.57	1.57	—	—	1.57	—	—
Lease liability	2,928.33	—	—	2,928.33	—	—	2,928.33
Other financial liability	1,966.62	—	—	1,966.62	—	—	—
	<u>52,859.49</u>	<u>1.57</u>	<u>—</u>	<u>52,857.92</u>	<u>1.57</u>	<u>—</u>	<u>3,274.82</u>

Sensitivity Analysis

1. Change in Foreign Exchange

(₹ in Lakhs)

Effect in INR	Impact on profit or (loss) due to % increase / Decrease in currency			
	Increase	Decrease	Increase	Decrease
	31 March 2021		31 March 2020	
1% Increase/decrease in USD	(327.97)	327.97	(108.72)	108.72
1% Increase/decrease in EURO	3.64	(3.64)	0.84	(0.84)
1% Increase/decrease in CHF	0.17	(0.17)	—	—
1% Increase/decrease in SGD	8.44	(8.44)	—	—

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

2. Change in Interest rate

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

**NOTE : 38****Financial Risk Management**

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

Commodity Risk:

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

Credit Risk:

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

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

Liquidity Risk:

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

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Cash, Cash equivalents & bank balances (note 11)	6,607.71	17,090.44
Investments in mutual funds and bond (note 9)	47,028.31	13,481.26
Fixed deposits with Banks (note 6,12,14)	3,605.22	—
Fixed deposits with Corporate (note 14)	5,500.00	—
Undrawn fund based credit facilities from banks	12,700.00	14,600.00
Liquidity buffer	75,441.24	45,171.70
Borrowings from Banks and Financial Institutions	—	—

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

Capital Risk Management:

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

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Net Financial Debt	—	—
Total Equity	1,06,484.48	67,327.71
Total Capital Employed	1,10,053.63	71,070.35
Gearing Ratio	—	—

The Company's total owned funds of ₹ 1,10,053.63 lakhs with zero debt is considered adequate by the management to meet its business interest and any capital risk it may face in future.

Foreign Currency Risk:

The Company is debt free and hence faces no foreign currency risk on account of debt outstanding.

However the Company depends entirely on imports for its requirement of styrene monomer and other raw materials. It also exports its products in significant quantities. All the transactions are exposed to fluctuation in the external value of rupee largely against US dollar. Exposure to other currencies is minimal.

Particulars	March 31, 2021		March 31, 2020	
	Foreign Currency	₹ in Lakhs	Foreign Currency	₹ in Lakhs
Financial Assets				
Receivables in				
US Dollars	1,930,759.22	1,411.58	2,685,624	2,032.08
Euro	488,184.97	418.62	144,000	119.19
CHF	21,997.55	17.06		
GBP	837,795.00	844.10		
Financial Liabilities				
Payables in				
US Dollars	63,021,800.48	46,075.24	57,152,358	43,244.33
Euro	63,854.90	54.76	42,265	34.98
Derivative Contracts				
Forward/Options Contracts for payables in USD	16,231,415.54		40,098,371	—

To overcome these risks of cost and pricing due to foreign exchange volatility, the Company hedges part of open foreign exchange exposure relating to imports so as to lessen the impact of foreign exchange rate fluctuations if any in respect of import of raw materials. The Company also has a natural hedge to the extent of its exports and pricing its products locally on import parity basis. These measures are considered adequate by the management of the Company to safeguard from foreign exchange fluctuation risk. However foreign currency exchange rate being dynamic are monitored constantly to decide on proper response measure.

NOTE : 39

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
(1) Contingent liabilities		
(A) Claims against the Company not acknowledged as debt; (matters pending in court/arbitration. No cash outflow is expected in future).		
Disputed Excise/Service Tax demand.	117.57	117.57
Disputed Sales Tax demand	31.82	31.82
Disputed GST matter	85.68	68.96
(B) Counter guarantees given to banks against guarantees issued by the banks.		
Other bank guarantees.	317.71	311.39
(C) Other money for which the Company is contingently liable		
Letters of Credit opened by Banks and outstanding at the year end.	41,401.18	6,204.04
Bills discounted but not matured.	193.24	526.07
(2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	8,824.00	680.00

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

**NOTE : 40 COVID-19 PANDEMIC**

During the year the Company's business was impacted due to COVID-19 pandemic in the first quarter and the Company had to shut down its manufacturing lines at both Nagothane plant and at Manali Newtown, Chennai except for one line of polystyrene at Nagothane. Company's operations in the remaining quarters of the year remained normal.

However, the impact of covid-19 Pandemic still persists in the country and impact of the same is unknown. The impact assessment of the covid-19 pandemic is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Due to the nature of assets and the care taken by the Company all its assets including plant, machinery remain in prime condition and do not call for any alteration in the useful life or the carrying value. The Company has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively.

NOTE : 41

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

(₹ in Lakhs)		
Description	2020-2021	2019-2020
Styrenics	2,87,088.60	2,50,552.03
Masterbatches, Compounds of other Polymers	17,335.59	11,332.41
Others	13,425.22	9,498.33
Total	3,17,849.41	2,71,382.77

Sales as per geographic areas (IND AS 108 Para 33(a))

(₹ in Lakhs)		
Description	2020-2021	2019-2020
Within India	2,96,340.38	2,34,355.50
Outside India	21,509.03	37,027.27
Total	3,17,849.41	2,71,382.77

Note: (i) Entire non-current assets are located in India.

(ii) None of the Customers individually account for 10% or more sales.

NOTE : 42**Revenue from Contract with Customers as per disclosure requirements under Ind AS 115.**

The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sales invoice is the de-facto contract agreement with the Customers. Any credit notes for discounts issued there after are reduced from Gross Sales and the Net Sales is shown in the Statement of Profit and Loss. Debit note when issued towards interest on delayed payment, are included under Other Income and shown separately. Both debit and credit notes are subject to GST. Details of the revenue from contracts with customers as it appears in the invoices raised on Customers and credit notes issued thereafter are as below:

(₹ in Lakhs)		
Sr. No.	2020-2021	2019-2020
1 Revenue from contracts with customers	3,21,702.29	2,74,335.83
Less:		
2 Performance & Price Discounts as per Memorandum of Understanding.	1,618.76	1,524.33
3 Other Discounts as per Trade practices	2,234.12	1,428.73
4 Gross Sales as per statement of Profit and Loss	3,17,849.41	2,71,382.77

NOTE : 43**Investments**

Investments in the Balance Sheet comprises of short term surplus funds invested in debt and arbitrage schemes of Mutual Funds and Bonds and corporate fixed deposit which are measured at fair value through Profit and Loss.

NOTE : 44

Working capital facilities (including letters of credit) from banks are secured by hypothecation of Company's stock and trade receivables and by second charge by way of mortgage of the Company's immovable properties (including plant and machinery) situated at the Maharashtra & Tamil Nadu plants.

NOTE : 45

The Buy back of shares commenced on 19th March, 2020 and ended on 18th September, 2020. The Company under the scheme, bought back a total of 2481287 shares from the open market. A total sum of ₹ 4,884.80 lakhs was incurred on the shares bought back (including ₹ 926.00 lakhs towards security transaction expenses and Buy Back Distribution Tax etc). Consequently the total number of paid-up equity shares of the of the company (₹ 10/- nominal value of per share) reduced from 96501958 shares to 94020671 shares as at the end 18th September, 2020, The consideration paid towards buy-back of shares is adjusted against share capital by ₹ 248.13 lakhs and the balance in general reserve by ₹ 4,636.67 lakhs.

The Promoters of the Company did not participate in the buy back offer.

NOTE : 46

The Board of Directors of the company in their meeting held on March 12, 2021, approved reduction in paid up share capital in terms of section 66 of Companies Act 2013 and regulation 37 of SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015 from ₹ 10 per share to ₹ 4 per share, without reducing the number of shares, thus reducing the existing paid up share capital from ₹ 9,402.07 lakhs to ₹ 3,760.83 lakhs. Accordingly every share holder of the company will receive ₹ 6 per share held as on the record date. This is subject to approval of shareholders stock exchange/SEBI/NCLT etc. The total outlay of funds involved in this scheme of capital reduction is ₹ 5,641.24 lakhs.

NOTE : 47

The Direct tax "Vivad Se Vishwas Act, 2020" Scheme announced by the government provided one time opportunity to assesses to settle direct tax disputes with Income tax Department. The Company opted to settle disputes of erstwhile SPL Polymer Limited for two assessment years. Accordingly, necessary applications were made to Designated Authority under the said Act and Designated Authority has in principle accepted the applications of the Company. Against a total tax liability of ₹ 63.21 lakhs for said assessment years, the dispute is settled at ₹ 37.74 lakhs. The final order from Designated Authority is awaited.

NOTE : 48

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

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

Sr. No.	Particulars	Name of the Party
1	Entities having significant influence	The Supreme Industries Ltd. R. Raheja Investments Pvt. Ltd.
2	Directors and Key Management Personnel	
	A. Non Executive Directors	Shri M. P. Taparia Shri Rajan B. Raheja Shri B. L. Taparia Shri S.J. Taparia Shri R. Kannan Shri M. S. Ramachandran Miss Ameeta Parpia Dr. S. Sivaram Shri Rajeev Pandya
	B. Wholetime Director	Shri K V Mujumdar \$
	C. Key Management Personnel	
	Manager	Shri N. Gopal
	Chief Finance Officer	Shri Rakesh Nayyar
	Company Secretary	Shri D. N. Mishra

\$ Shri K V Mujumdar : appointed w.e.f. 19th September, 2020.



Related parties transactions

(₹ in Lakhs)

Sr. No.	Nature of transactions	2020 – 2021	2019 – 2020
	Entities having significant influence		
1. *	The Supreme Industries Ltd.		
A.	Sale of Goods (Net)	8,211.23	4,582.72
B.	Purchase of goods	150.25	264.05
C.	Balance receivable (Sales of goods)	1,727.87	539.43
D.	Balance payable (Purchase of goods)	16.25	0.09
	* All Transactions are on commercial basis at market rates.		
2.	R. Raheja Investments Pvt. Ltd.	NIL	NIL
3.	Directors sitting fees		
A.	Shri M. P. Taparia (Non-Executive-Promoter / Chairperson)	3.30	2.80
B.	Shri Rajan B. Raheja (Non-Executive-Promoter)	3.00	3.00
C.	Shri B. L. Taparia (Non-Executive-Promoter)	3.00	2.50
D.	Shri S.J. Taparia (Non-Executive-Promoter)	5.10	4.80
E.	Shri R. Kannan (Non-Executive-Independent)	6.40	5.10
F.	Shri M. S. Ramachandran (Non-Executive-Independent) #	4.30	3.80
G.	Shri Nihalchand Chauhan (Non-Executive-Independent)@	NIL	2.10
H.	Miss Ameeta Parpia (Non-Executive-Independent)	6.10	4.80
I.	Dr. S. Sivaram (Non-Executive-Independent)	3.50	2.00
J.	Shri. Rajeev Pandya (Non-Executive-Independent)##	5.50	3.30
K.	Shri. K V Mujumdar (Whole Time Director) \$	NIL	NIL

Shri M. S. Ramachandran was paid ₹ 5 lakhs (Previous Year ₹ 5 lakhs) during the year under review for rendering services of a professional nature.

@ Shri Nihalchand Chauhan: up to 21st September, 2019.

Shri Rajeev Pandya : appointed w.e.f. 26th April, 2019.

\$ Shri K V Mujumdar : appointed w.e.f. 19th September, 2020.

(₹ in Lakhs)

Sr. No.	Nature of transactions	2020 – 2021	2019 – 2020
	Remuneration paid – Key Managerial personnel		
1	Employment benefits	621.08	498.66
2	Post employment benefit	2.00	1.00

Dividend

(₹ in Lakhs)

Sr. No.	Nature of Transactions	2020 – 2021	2019 – 2020
1	Dividend paid on Equity Shares		
	The Supreme Industries Ltd. Entity having significant influence	1,157.46	1,736.18
	R. Raheja Investments Pvt. Ltd. Entity having significant influence	1,157.46	1,736.18
	Directors		
	Shri M. P. Taparia Director	1.51	2.26
	Shri B. L. Taparia Director	0.19	0.29
	Shri S. J. Taparia Director	1.51	2.26

			(₹ in Lakhs)	
Sr. No.	Nature of Transactions		2020 – 2021	2019 – 2020
	Shri Rajan B. Raheja	Director	0.02	0.02
	Miss. Ameeta Parpia	Director	0.88	1.31
	Shri K .V. Mujumdar	Whole-time Director	0.12	NA
	Key Management Personnel			
	Shri N. Gopal	Manager	0.64	0.96
	Shri Rakesh Nayyar	Chief Financial Officer	0.02	0.03
	Shri D. N. Mishra	Company Secretary	NIL	NIL

NOTE : 49

Disclosures under IND AS 116 : Lease Liabilities

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(₹ in Lakhs)			
Particulars	Category of ROU		
	Building	Plant and Machinery (Shore Tanks)	Total
Balance Sheet as at April 1, 2020			
Reclassified on account of adoption of IND AS 116			
Opening	932.22	1,915.16	2,847.38
Additions	—	2,990.94	2,990.94
Deletions	—	415.37	415.37
Depreciation	213.78	1,283.56	1,497.34
Balance Sheet as at March 31, 2021	718.44	3,207.17	3,925.61

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ in Lakhs)			
Particulars	Category of ROU		
	Building	Plant and Machinery (Shore Tanks)	Total
Balance Sheet as at April 1st, 2019 (includes transaction impact on account of Ind AS 116 "Lease")			
Reclassified on account of adoption of IND AS 116			
Opening	—	—	—
Additions	1,114.73	2,939.12	4,053.85
Deletions	—	—	—
Depreciation	182.51	1,023.96	1,206.47
Balance Sheet as at March 31, 2020	932.22	1,915.16	2,847.38

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

(₹ in Lakhs)		
Particulars	As At March 31, 2021	As At March 31, 2020
Current lease liabilities	1,483.78	1,221.16
Non-Current lease liabilities	2,622.22	1,707.17



The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Lakhs)

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning	2,928.33	—
Additions	2,973.50	3,950.57
Finance costs accrued during the period	382.17	355.55
Deletions	441.90	—
Payment of lease liabilities	1,736.10	1,377.79
Balance at the end	4,106.00	2,928.33

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As At March 31, 2021	As At March 31, 2020
Less than one year	1,829.14	1,484.51
One to five years	2,946.34	2,002.37
More than five years	—	37.43
Total	4,775.48	3,524.31

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE : 50

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Earnings per share (EPS)		
Profit after tax	47,749.17	10,265.28
Number of equity shares at the beginning of the year.	96436047	96501958
Number of equity shares at the end of the year.	94020671	96436047
Weighted average number of shares outstanding for basic EPS during the year.	94305657	96501958
Basic earning per share (Rupees) (Face value – ₹ 10/- per share)	50.63	10.64
Profit after tax for computing Diluted EPS	47,749.17	10,265.28
Weighted average number of shares for computing Diluted EPS during the year.	94305657	96501958
Diluted earning per share (Rupees) (Face value – ₹ 10/- per share)	50.63	10.64

NOTE : 51

According to the information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the said Act as at March 31, 2021 as follows:

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Principal Amount due	45.15	63.91
Interest due on above	—	—
Amount of interest paid in terms of section 16 of the MSME Act, 2006	—	—
Amount of interest due and payable for the period off delay	—	—
Amount of interest accrued and remaining unpaid as at year end	—	—
Amount of further interest remaining due and payable in the succeeding year	—	—

NOTE : 52

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

- 1) Gross amount required to be spent by the Company during the year : ₹ 336.88 lakhs (including ₹ 88.80 lakhs carried forward from previous year) (Previous Year ₹ 355.20 lakhs).
- 2) Amount spent during the year on:

(₹ in Lakhs)

	In cash	Yet to be paid in Cash	Total
(A) Construction/acquisition of any asset	61.19	0.00	61.19
	(100.53)	(59.71)	(160.24)
(B) On purposes other than (A) above	290.64	0.00	290.64
	(106.16)	(0.00)	(106.16)
Total	351.83	0.00	351.83
	(206.69)	(59.71)	(266.40)

- 3) Excess amount spent under Section 135(5) :

(₹ in Lakhs)

Opening Balance	Amount required to be spent during the year	Amount spent / incurred during the year	Closing Balance (Excess amount spent)
88.80	248.08	351.83	14.95

NOTE : 53

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE : 54

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

As per our report of even date.

For and on behalf of the Board

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

N. Gopal
Executive Director (Styrenics) & Manager

M. P. Taparia
Chairperson

Rajen Ashar
Partner
Membership No. 048243

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

S. J. Taparia
Director

D. N. Mishra
Company Secretary

Place : Mumbai
Date : April 30, 2021

Place : Mumbai
Date : April 30, 2021

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NOTES

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FINANCIAL HIGHLIGHTS

Sales Revenue (₹ Cr.)



Book Value Per Share (₹)



EBIDTA (₹ Cr.)



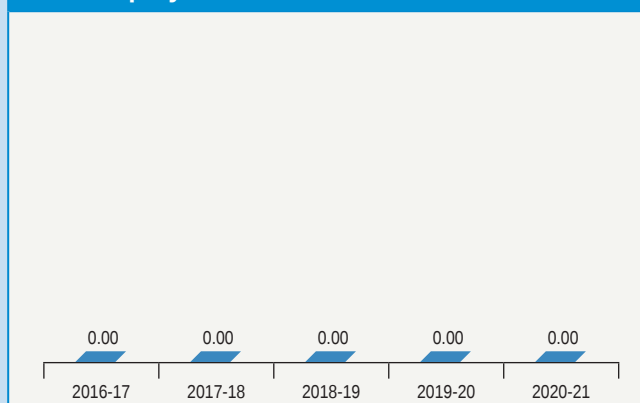
Net Worth (₹ Cr.)



Net Profit (₹ Cr.)



Debt : Equity





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