

Ref. No. SH/13/2019  
3<sup>rd</sup> June, 2019

National Stock Exchange of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> floor,  
Plot No. C/1, G. Block,  
Bandra-Kurla Complex,  
Bandra (East),  
MUMBAI – 400051

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

Ref.: Annual Report for the Financial Year 2018-2019.

Dear Sirs,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find attached Annual Report for the Financial Year 2018-2019 along with the notice of the 77<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Wednesday, the 10<sup>th</sup> July, 2019, at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai- 400020.

The Annual Report for the Financial Year 2018-19 is uploaded on the website of the Company at [www.supreme.co.in](http://www.supreme.co.in)

This is for your information and records.

Thanking you,

Yours faithfully,  
For The Supreme Industries Limited



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



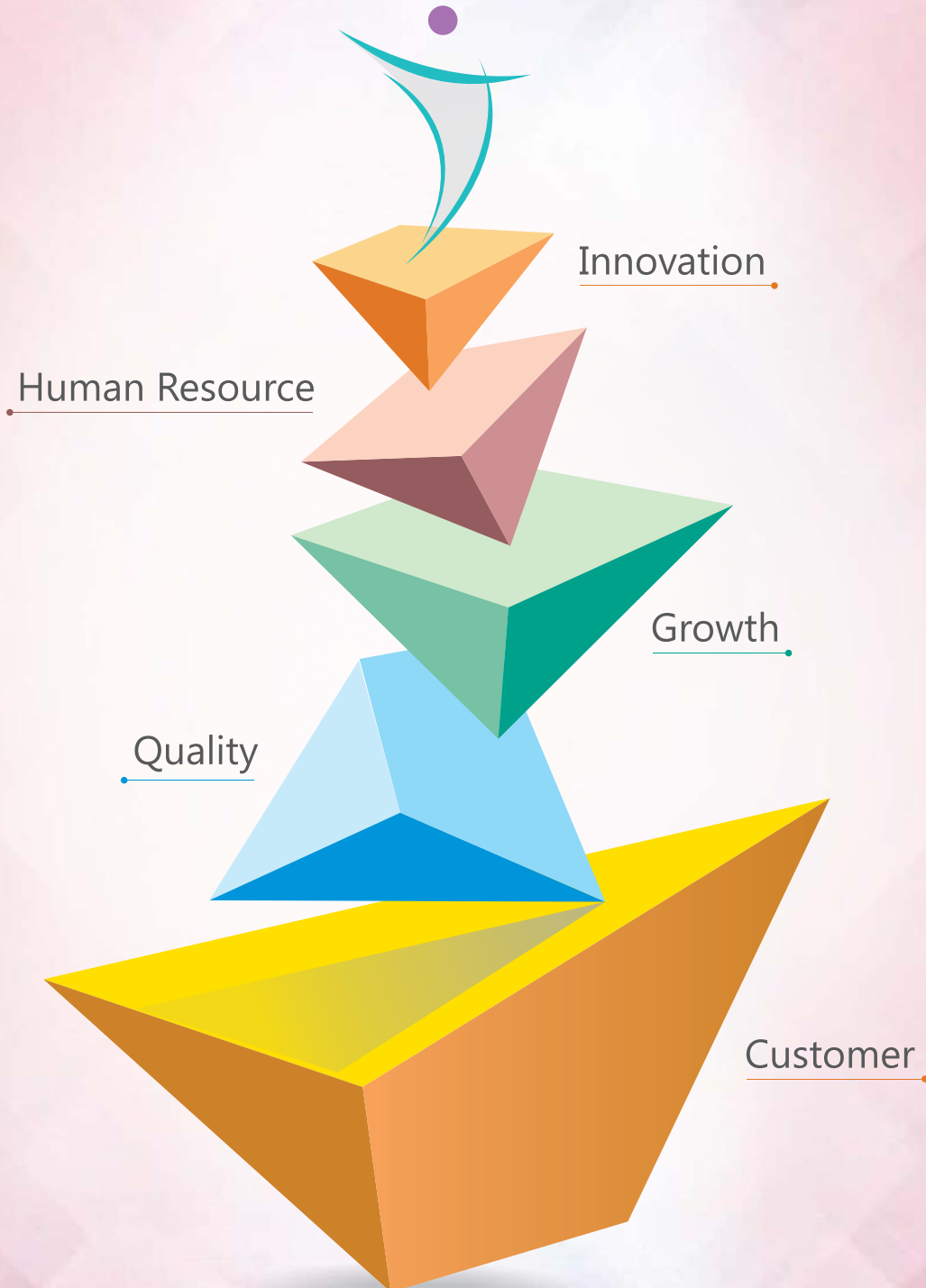
Encl.: a/a.

**The Supreme Industries Limited**

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

+91 (022) 22820072, 22851656  
+91 (022) 22851657, 30925825  
[sil\\_narimanpoint@supreme.co.in](mailto:sil_narimanpoint@supreme.co.in)

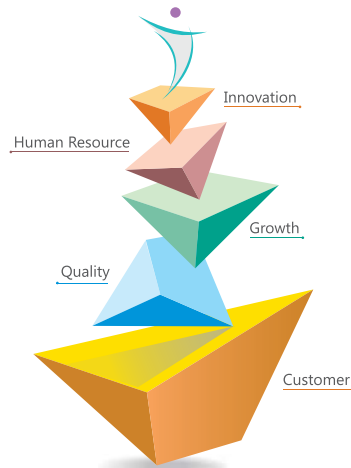
**Corp. Off. :** 1161 & 1162, Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri- Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093. INDIA  
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A 'PENTAFOCUS' APPROACH  
FOR COLLECTIVE & INCLUSIVE GROWTH

# Supreme<sup>®</sup>

People who know plastics best



## A 'PENTAFOCUS' APPROACH

India is evolving at an accelerated pace and so are its needs. For over 75 years Supreme has emerged as a preferred partner in this journey of metamorphosis by offering advanced product solutions to meet the ubiquitously expanding use of plastics in all walks of life and industries. Thereby, actively contributing to the **growth of its customers and the society at large.**

Driven by the constant urge to innovate and deliver customer-centric end-to-end solutions, Supreme, a pioneer and one of the leading names in the Indian plastics industry, has constantly strived to grow sustainably and responsibly, by creating an ecosystem that is helping the collaborators, stakeholders, society and its people, the soul of the company, to thrive progressively.

Supreme's leadership in the world of plastics manifests in its unmatched array of advanced customized products and solutions with a deep understanding of the customer's needs.

The Group complements this insight with its robust cutting edge manufacturing capabilities -- spread across the country, a vast network of offices and distributor/dealer network.

And a highly responsive team that ensures an enhanced customer life-cycle experience.

With this integrated and '**PENTAFOCUS**' approach in mind, Supreme Group is continually getting better and stronger with each passing year. Getting lauded for its various attributes of excellence from product development to quality consciousness and beyond.



## Performance Highlights

(₹ In Lacs)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Market Capitalization	143,261	229,919	283,206	428,144	663,779	857,749	939,554	1,387,959	1,516,764	1,414,889
Polymers Processed (MT)	191,704	224,673	245,700	281,452	285,539	303,812	242,968	359,930	366,714	400,248
Product Sales (MT)	189,787	219,931	245,947	270,650	275,463	301,930	235,306	340,906	371,176	397,983
Sales	217,159	266,553	318,462	374,608	434,333	469,138	332,776	499,896	510,894	561,167
Less: Excise Duty	16,586	22,980	29,532	38,796	43,851	47,239	36,770	53,719	13,914	-
Net Sales	200,574	243,573	288,930	335,812	390,483	421,899	296,006	446,177	496,980	561,167
Other Income	1,622	4,295	4,917	4,884	6,751	4,246	1,082	802	1,651	2,080
Total Income	202,195	247,868	293,847	340,697	397,234	426,145	297,088	446,979	498,631	563,247
Operating Profit	30,556	36,709	48,282	53,940	59,903	67,265	47,171	76,961	80,304	80,457
Interest	3,303	4,250	5,480	5,235	7,614	5,795	2,888	3,024	2,064	2,600
Gross Profit	27,254	32,459	42,802	48,705	52,288	61,470	44,283	73,937	78,240	77,857
Depreciation	5,292	6,285	7,246	8,171	10,154	13,895	10,457	15,429	16,715	18,354
Profit Before Tax & Exceptional Items	21,962	26,175	35,556	40,535	42,135	47,575	33,826	58,508	61,525	59,503
Exceptional Items/(Loss)	-	-	-	-	-	-	(769)	-	-	8,175
Tax	(7,489)	(8,773)	(11,504)	(13,299)	(13,998)	(16,004)	(11,765)	(20,578)	(20,570)	(21,575)
Profit after Tax	14,473	17,401	24,052	27,235	28,137	31,571	21,292	37,930	40,955	46,103
Other Comprehensive Income				-	-	-	(143)	(213)	(62)	(236)
Total Comprehensive Income	14,483	17,497	24,052	27,235	28,137	31,571	21,149	37,717	40,893	45,867
Paid up Equity Capital (FV ₹ 2)	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541	2,541
Reserves and Surplus*	35,137	46,279	61,472	77,581	93,828	120,692	119,673	152,804	170,764	196,724
Shareholders' Funds	37,677	48,819	64,013	80,122	96,369	123,233	122,214	155,345	173,305	199,265
Net Loan (After Adjusted Surplus In CC Account)	37,778	50,167	34,352	45,396	45,188	27,651	41,209	22,836	24,508	14,713
Long Term Loans	18,570	27,487	20,226	29,274	34,998	29,622	24,826	6,406	135	112
Deferred Tax Liability (Net)	6,984	7,954	8,326	9,065	11,675	9,058	10,548	11,626	11,340	12,036
Capital Employed**	63,232	84,260	92,565	118,461	143,042	161,913	157,588	173,377	184,780	211,413
Net Fixed Assets***	56,118	74,027	73,805	102,645	108,790	103,250	118,467	126,330	135,338	152,097
Basic & Diluted Earning Per Share (Before exceptional income/loss)	11	14	19	21	22	25	17.37#	29.86	32.24	31.40
Basic & Diluted Earning Per Share (After exceptional income/loss)	11	14	19	21	22	25	16.76#	29.86	32.24	36.29
Cash Earning Per Equity Share (₹)	16	19	25	28	30	36	25	41.84	45.35	50.56
Book Value (₹)	30	38	50	63	76	97	96	122.29	136.43	156.87
Dividend (%)	180	215	300	375	400	450	375	750	600	650
ROACE (PBIT excluding exceptional items / Average Capital Employed) % **** ^	38.09	39.80	44.69	40.03	34.81	33.15	29.87	36.24	34.70	30.23
ROANW (PAT / Average Net Worth) % ^	43.72	40.24	42.63	37.79	31.88	28.75	23.13	27.33	24.92	24.75
Debt : Equity (Long Term Debt / Total Net worth)	0.49	0.50	0.29	0.36	0.36	0.24	0.20	0.04	0.00	0.00
Debt: Equity (Total Debt / Total Net Worth)	1.03	1.05	0.54	0.58	0.47	0.22	0.34	0.15	0.14	0.08

\* Excluding revaluation reserves

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

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

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

# Figure Not Annualised

^ FY 2015-16 Figures Annualised

Previous years figure have been regrouped where ever required.





**Dun & Bradstreet Corporate Awards 2018- Winner in the 'Plastic & Plastic Products' category.**



**Supreme Export Team – Received Export Excellence awards from PLEXCONCIL in various Plastics product categories.**





*Glimpse of Supreme's participation in various National and International Exhibitions.*





*Glimpse of Supreme's participation in various National and International Exhibitions.*

## Company Information

### BOARD OF DIRECTORS

B. L. Taparia, Chairman  
 M. P. Taparia, Managing Director  
 S. J. Taparia, Executive Director  
 V. K. Taparia, Executive Director  
 B. V. Bhargava, Director  
 N. N. Khandwala, Director  
 Y. P. Trivedi, Director  
 R. Kannan, Director  
 R. M. Pandia, Director  
 Smt. Rashna Khan, Director  
 Ms. Ameeta Parpia, Director (w.e.f. 7th May' 2019)  
 Sarthak Behuria, Director (w.e.f. 7th May' 2019)

### BANKERS

Central Bank of India  
 Axis Bank Ltd.  
 BNP Paribas  
 ICICI Bank Ltd.  
 Standard Chartered Bank  
 State Bank of India  
 Kotak Mahindra Bank Ltd.  
 HDFC Bank Ltd.

### CHIEF FINANCIAL OFFICER

P. C. Somani

### AVP (CORPORATE AFFAIRS) & COMPANY SECRETARY

R.J. Saboo

### AUDITORS

M/s. Lodha & Co.  
 Chartered Accountants

### REGISTERED OFFICE

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

### CORPORATE OFFICE

1161 & 1162 Solitaire Corporate Park,  
 167, Guru Hargovindji Marg, Andheri Ghatkopar Link Road,  
 Andheri (E), Mumbai 400 093  
 Tele: 022-4043 0000 Fax: 022-4043 0099  
 Website: <http://www.supreme.co.in>  
 Email: [supreme@supreme.co.in](mailto:supreme@supreme.co.in)

### WORKS

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

### OFFICES

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

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## Notice

NOTICE is hereby given that the Seventy Seventh Annual General Meeting of the Members of The Supreme Industries Limited will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Wednesday the 10th July, 2019, at 4.00 p.m. to transact with or without modification(s), as may be permissible, the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) The Audited financial statements of the Company for the financial year ended 31st March, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss and cash flow statement for the year ended on that date and reports of the Board of Directors and Auditors thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019.
2. To declare final dividend on Equity Shares for the Financial Year ended 31st March, 2019 and to confirm the payment of interim dividend on Equity Shares declared by the Board of Directors of the Company.
3. To appoint a Director in place of Shri S.J. Taparua (Director Identification No. 00112513), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

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

### SPECIAL BUSINESS:

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

**Re-appointment of Shri Y.P. Trivedi (DIN: 00001879) as an Independent director of the Company for a period of two years from 17th September, 2019 to 16th September 2021.**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for re-appointment of Shri Y.P. Trivedi (DIN: 00001879), aged about 90 years, being eligible, as an Independent Director of the Company, not liable to retire

by rotation, to hold office for a further period of two years from 17th September, 2019 to 16th September, 2021, whose current period of office is expiring on 16th September 2019 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution

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

**Re-appointment of Shri B.V. Bhargava (DIN: 00001823) as an Independent director of the Company for a period of two years from 17th September, 2019 to 16th September 2021.**

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provision, if any, as amended from time to time and based on the recommendation of the Nomination & Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for re-appointment of Shri B.V. Bhargava (DIN: 00001823), aged about 83 years, being eligible, as an Independent Director of the Company, not liable to retire by rotation to hold office for a further period of two years from 17th September, 2019 to 16th September, 2021, whose current period of office is expiring on 16th September 2019 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160(1), of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution

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

**Appointment of Shri Sarthak Behuria (DIN: 03290288) as an Independent director of the Company for a period of five years from 7th May, 2019 to 6th May 2024.**

**RESOLVED THAT** Shri Sarthak Behuria (DIN: 03290288) who was appointed by the Board of Directors as an (Additional) Independent Director of the Company with effect from 7th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 (“Act”) and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the Recommendation of the Nomination & Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Shri Sarthak Behuria (DIN: 03290288), being eligible as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from 7th May, 2019 to 6th May, 2024.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution

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

**Appointment of Ms. Ameeta Parpia (DIN: 02654277) as an Independent director of the Company for a period of five years from 7th May, 2019 to 6th May 2024.**

**RESOLVED THAT** Ms. Ameeta Parpia (DIN: 02654277) who was appointed by the Board of Directors as an (Additional) Independent Director of the Company with effect from 7th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 (1) of the Companies Act, 2013 ("Act") and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and based on the Recommendation of the Nomination & Remuneration Committee and approval of Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for appointment of Ms. Ameeta Parpia (DIN: 02654277) being eligible, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years from 7th May, 2019 to 6th May, 2024.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are 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. To ratify the remuneration payable to Cost Auditors and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies

Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactments thereof for the time being in force), M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), appointed as Cost Auditors by the Board of Directors of the Company to conduct the Audit of the Cost records of the Company for the financial year ending on 31st March, 2020, be paid a remuneration of ₹ 5,30,000/- (Rupees Five Lacs Thirty Thousand Only) per annum plus reimbursement of all out of pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

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

#### NOTES:

1. The Company's Statutory Auditors, M/s LODHA & CO, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 74th Annual General Meeting of the Members held on 28th June, 2016 on a remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent Annual General Meeting held after the AGM held on 28th June, 2016.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this Annual General Meeting is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors as may be determined by the Audit Committee in consultation with Auditors.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Proxies, in order to be effective, must be received at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by appropriate resolution / authority, as applicable.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item No. 5 to 9 of the above Notice is annexed hereto.

5. Register of Members and the Share transfer books of the Company will remain closed from Thursday the 4th July, 2019 to Wednesday the 10th July, 2019 (both days inclusive).
6. The Dividend, if declared, will be payable to those Equity Shareholders whose names stand on the Register of Members as at the close of business on 10th July, 2019, and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business on 3rd July, 2019 as per details furnished by the Depositories for this purpose.
7. Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 30th June, 2012 or any subsequent financial years, are requested to make their claims to the Company at its Registered Office. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the Investor Education and Protection Fund, as stated here-in, no claim with the Company shall lie in respect thereof.
8. Pursuant to provisions of Section 124(6) and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended by time to time, Company has transferred 253870 Nos of Equity Shares to IEPF Accounts.
9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
10. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to M/s. Bigshare Services Pvt. Ltd., for doing the needful.
11. SEBI Regulations has mandated Companies to credit the dividends electronically to the Members' bank account. Members who hold shares in dematerialized form should inform their Depository Participant's (DP) as well as to the Company and such Members holding shares in physical form should inform the Company, their Bank details viz. Bank Account Number, Name of the Bank and Branch details and MICR Code. Those Members who have earlier provided the above information should update the details if required.
12. Members are requested to notify change in address, if any, immediately to M/s. Bigshare Services Pvt. Ltd., quoting their folio numbers.
13. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
14. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Listing Regulations" in respect of the Directors seeking appointment, re-appointment / continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders / Depositories for depositing of dividends.
16. Electronic copy of the Annual Report will be sent to the members whose email IDs are registered with the Company / Depository Participant(s).
17. A route map showing direction to reach the venue of 77th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
18. Members may also note that Annual Report for FY 2018-19 contains the Notice of 77th Annual General Meeting will be available on the Company's website [www.supreme.co.in](http://www.supreme.co.in) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@supreme.co.in](mailto:investor@supreme.co.in).

#### VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their votes through 'remote e-voting (e-voting from a place other than venue of the AGM) and Ballot Form for all the resolutions detailed in the Notice of the 77th Annual General Meeting scheduled to be held on 10th July, 2019 at 4.00 p.m. The Company has engaged the services of CDSL, as the authorized agency to provide the e-voting as per instructions below:

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

The voting right of Shareholders shall be in proportion to their share in the paid up equity capital of the Company as on 3rd July, 2019 (cut-off date).

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

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

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



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

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

In case a Member desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor@supreme.co.in. A member desiring to exercise vote by Ballot Form shall complete the Ballot Form with assent (for) or dissent (against) and send it to Shri V. Laxman, Scrutinizer C/o. The Supreme Industries Limited, 612, Raheja Chambers, Nariman Point, Mumbai - 400021, so as to reach him on or before 9th July, 2019, by 5.00 p.m. Any Ballot form received after the said date shall be treated as if the same from the member has not been received.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members, who are present at the AGM, but have not cast their votes by availing remote e-voting facility.

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

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

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

- (i) The voting period begins on Saturday 6th July, 2019 at 9.00 A.M and ends on Tuesday the 9th July, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 3rd July, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Log on to the e-voting website www.evotingindia.com
  - (iii) Click on Shareholders / Members
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:
- |  | <b>For Members holding shares in Demat Form and Physical Form</b>   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>  |
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
  - (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for the relevant The Supreme Industries Limited on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change

your vote, click on “CANCEL” and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Saturday 6th July, 2019 at 9.00 A.M and ends on Tuesday the 9th July, 2019 at 5.00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 3rd July, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Notice of AGM is placed on website of the Company viz. [www.supreme.co.in](http://www.supreme.co.in) and also on the website of CDSL viz. [www.evotingindia.com](http://www.evotingindia.com).

By order of the Board

**R. J. Saboo**

AVP (Corporate Affairs) &  
Company Secretary

**Registered Office**

612, Raheja Chambers,  
Nariman Point,  
Mumbai 400 021

Dated : 7th May, 2019

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

### Item No. 5 and 6

The Members of the Company at their Seventy Second Annual General Meeting of the Company held on Wednesday the 17th September, 2014, had approved the appointment of Shri Y.P. Trivedi (DIN: 00001879), and Shri B.V. Bhargava (DIN: 00001823) as Independent Directors of the Company for a period of five years from 17th September, 2014 to 16th September, 2019, pursuant to provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreements with the Stock Exchanges. They hold office as Independent Directors of the Company upto the close of business hours on 16th September, 2019 in their present first term.

Pursuant to the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution by the Company. Further, a new sub-regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandates that no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years, unless a Special Resolution is passed to that effect.

The Company has received individual notices in writing from Members of the Company under the provisions of Section 160(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, proposing the candidature of Shri Y.P. Trivedi and Shri B.V. Bhargava for the office of Directors of the Company.

Shri Y.P. Trivedi and Shri B.V. Bhargava, Non-Executive Independent Directors of the Company, being eligible for re-appointment, have given their consents as well as requisite disclosures along with a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. In the opinion of the Board of Directors of the Company, each of the said Directors fulfil the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for re-appointment of Independent Director.

The Board of Directors of the Company, based on the performance evaluation of Independent Directors and as per recommendation of the Nomination & Remuneration Committee, at its meeting held on 7th May, 2019, approved the re-appointment of Shri Y.P. Trivedi and Shri B.V. Bhargava, as Non-Executive Independent Directors of the Company for the further period of two years from 17th September, 2019 to 16th September, 2021, as mentioned in the Resolutions set out under item no. 5 and 6.

The Board of Directors considers that Shri Y. P. Trivedi and Shri B.V. Bhargava have requisite expertise, versatility, extensive and enriched experience that will be of benefit to the Company.

Shri. Y. P. Trivedi is a Senior Tax Consultant and has vast experience in finance and taxation. He has also served as a director in various companies and brings rich experience to the Board and guidance in matters of finance and taxation. Shri Y. P. Trivedi holds 20010 number of Shares in the Company.

Shri. B. V. Bhargava has a distinguished career in development banking and project finance. He has served as a Non-Executive Independent Director in various companies and brings rich experience to the Board. Shri. B. V. Bhargava holds 13000 number of shares in the Company.

Shri Y. P. Trivedi and Shri B.V. Bhargava are interested in their respective Resolution as set out in Item No 5 and 6.

None of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested in the said Resolutions.

The Board recommends the Special Resolution set out at Item No. 5 and 6 of the Ballot Notice for approval by the members.

### Item No. 7

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, appointed Shri Sarthak Behuria (DIN: 03290288), as an Additional Director and also an Independent Director of the Company for a term of 5 ( five) consecutive years from 7th May, 2019 to 6th May, 2024, subject to approval of Members.

In terms of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Sarthak Behuria, is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.

The Company has received an individual notice in writing from a Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, proposing the candidature of said Director for the office of Director of the Company.

Shri Sarthak Behuria being eligible for appointment as an Independent Director of the Company, has given his consent as well as requisite disclosures along with a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In the opinion of the Board of Directors of the Company, Shri Sarthak Behuria fulfils the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for appointment of Independent Director. The terms and conditions of his appointment shall be open for inspection by the Members, without any fee at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

A brief profile of Shri Sarthak Behuria and names of the Companies in which he is a Director is given in the Corporate Governance, which forms part of the Annual Report.

Shri Sarthak Behuria holds Nil Equity Shares of R 2/- (F.V.) each in the Company.



Except Shri Sarthak Behuria and his relatives, None of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested in the said Resolutions

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members

#### **Item No. 8**

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, appointed Ms. Ameeta Parpia (DIN: 02654277) as an Additional Director and also an Independent Director of the Company for a term of 5 (five) consecutive years from 7th May, 2019 to 6th May, 2024, subject to approval of Members.

In terms of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms. Ameeta Parpia is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation.

The Company has received an individual notice in writing from a Member of the Company under the provisions of Section 160(1) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, proposing the candidature of said Director for the office of Director of the Company.

Ms. Ameeta Parpia being eligible for appointment as an Independent Director of the Company, has given her consent as well as requisite disclosures along with a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. In the opinion of the Board of Directors of the Company, Ms. Ameeta Parpia fulfils the conditions specified in the Companies Act, 2013 & Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for appointment of Independent Director. The terms and conditions of her appointment shall be open for inspection by the Members, without any fee at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

A brief profile of Ms. Ameeta Parpia and names of the Companies in which she is a Director is given in the Corporate Governance, which forms part of the Annual Report.

Ms. Ameeta Parpia holds 1500 Equity Shares of ₹ 2/- (F.V.) each in the Company.

Except Ms. Ameeta Parpia and her relatives, None of the other Directors, Key Managerial Personnel or their relatives are in any way, concerned or interested in the said Resolutions

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members

#### **Item No. 9**

The Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Member of the Company. Accordingly consent of the Members is sought by way of an Ordinary Resolution as set at Item no. 9 of the Notice for ratification of the remuneration amounting to ₹ 5,30,000/- (Rupees Five Lacs Thirty Thousand Only) per annum, plus reimbursement of out of pocket expenses as may be incurred during course of audit.

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

The Board recommends the resolution for your approval.

By order of the Board

**R. J. Saboo**

AVP (Corporate Affairs) &  
Company Secretary

#### **Registered Office**

612, Raheja Chambers,  
Nariman Point,  
Mumbai 400 021

Dated : 7th May, 2019

## Boards' Report

The Directors have great pleasure in presenting the 77th Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2019.

(₹ In Crores)

Particulars	FY 2018-19	FY 2017-18
Total Income	5633	4986
Profit Before Interest, Depreciation & Tax	805	803
Interest & Financial Charges	26	21
Depreciation, Amortization and Impairment	184	167
<b>Profit Before Tax &amp; Exceptional Items</b>	<b>595</b>	<b>615</b>
Exceptional Items Gain/(Loss)	82	-
<b>Profit Before Tax</b>	<b>677</b>	<b>615</b>
Tax Expenses	216	205
<b>Profit After Tax</b>	<b>461</b>	<b>410</b>
Other Comprehensive Income (Net of Taxes)	(2)	(1)
<b>Total Comprehensive Income</b>	<b>459</b>	<b>409</b>

## DIVIDEND

₹ in Crores

(i) Dividend on 12,70,26,870 Equity Shares of ₹ 2/- each @ 650% i.e. ₹ 13/- per share as under:-		
(Previous year @ 600% i.e. ₹ 12/- per equity share)		
(a) Interim Dividend @200% i.e. ₹ 4/- per share (already paid in November 2018),	51	
(b) Final Dividend recommended @ 450% i.e. ₹ 9/- per share	114	165
(ii) Corporate Dividend Tax as applicable (including ₹ 10 crores paid on Interim Dividend)		34
		199

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

## OVERVIEW OF THE FINANCIAL PERFORMANCE

The financial performance highlights for the year ended 31st March, 2019, are as follows -

The Company sold 397983 MT of Plastic goods and achieved net product turnover of ₹ 5437 Crores during the year under review against sales of 371176 MT and net product turnover of ₹ 4826 crores in the previous year achieving volume and product value growth of about 7 % and 13 %, respectively.

Total Income and Operating Profit for the year under review amounted to ₹ 5633 crores and ₹ 805 crores respectively as compared to ₹ 4986 crores and ₹ 803 crores, in the previous financial year.

The Profit before Tax and Profit after Tax for the year under review amounted to ₹ 677 crores and ₹ 461 crores respectively as compared to ₹ 615 crores and ₹ 410 crores, in the previous financial year .

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## CREDIT RATING

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

Total Bank Loan Facilities Rated	₹ 1760.80 crores
Long-Term Rating	CRISIL AA/Positive (Outlook Upgraded from "Stable" and Rating Reaffirmed)
Short-Term Rating	CRISIL A1+ (Reaffirmed)

## FIXED DEPOSITS

In accordance with the terms and conditions governing the Fixed Deposit Scheme, the Company has exercised the option to repay on 1st April, 2014, all the Fixed Deposits with accrued interest as at the end of 31st March, 2014. Accordingly, the Company is not having any Fixed Deposit as on 31st March, 2019 except 7 deposits amounting to ₹ 1 lacs which remained unclaimed as on 31st March, 2019.

## DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2019 and state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures from the same;
- the Directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date ;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

### **CORPORATE GOVERNANCE**

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

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

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO**

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

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The prescribed particulars of Employees required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure-II** to this Report.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Boards' Report for the year ended 31st March, 2019 is given in the separate Annexure of this Report.

The Annual Report excluding the aforesaid Annexure is being sent to the Members of the Company in terms with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 77th Annual General Meeting

and up to the date of the ensuing Annual General Meeting during the business hours on working days.

### **CONSOLIDATED FINANCIAL STATEMENT**

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

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

The Consolidated net profit of the company and its subsidiary amounted to ₹ 446 crores for the financial year ended 31st March 2019 as compared to ₹ 431 crores for the previous financial year ended 31st March 2018.

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

### **ASSOCIATE COMPANY - SUPREME PETROCHEM LIMITED (SPL)**

During the year the Company received an aggregate Dividend of ₹ 4.50 per Equity Share from Supreme Petrochem Ltd (SPL) - promoted jointly by your Company and the R Raheja Group. Net revenues and net profit for the year ended 31st March, 2019 were ₹ 3204 crores and ₹ 49 crores, respectively.

### **ASSOCIATE COMPANY-KUMI SUPREME INDIA PRIVATE LIMITED**

Kumi Supreme India Private Ltd. (KSIPL) is a joint venture between Kumi Kasei Co Ltd, Japan and the Company for the business of manufacture and sale of injection moulded plastic components for automotive application at its manufacturing unit at Khushkhera in Rajasthan. Net revenues and net loss for the year ended 31st March, 2019 were ₹ 91 crores and ₹ 1 crores, respectively

### **SUBSIDIARY COMPANY**

Supreme Overseas FZE , 100% subsidiary of the Company at Sharjah entered into the 13th years of its operation by achieving a coveted US\$ 10 Million export sales mark during the financial year 2018-19.

During the year under review it achieved exports sales of US\$ 10.87 Million weighing 6565 MT in Plastics Piping Division by establishing foot holds in thirty countries across the globe. Trade Sales has increased by almost 25% and project sales has doubled compared to previous year. It achieved unprecedented growth of about 48 % in US\$ value terms and about 61 % in volume terms.

Company exhibited highest quality standards during project deliveries by subjecting 100% products to pre-shipment quality inspection by the third parties as per stringent international standards. These 'over the board' quality performances will



eventually fetch the Company high value project orders in coming years.

The Company is upbeat in regard to current business scenario and targeting to achieve export sales of over US\$ 13.00 million during the current year by pitching for high value project orders and expanding trade horizon within the existing territorial domain and beyond.

The Company will continue to show case Supreme brand and exhaustive product range across the globe by participating into various international exhibitions or trade missions."

### MATERIAL SUBSIDIARY

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri S J Taparia, Executive Director, (DIN: 00112513) of the Company retires by rotation at the forthcoming Annual General Meeting in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company and being eligible, offers himself for re-appointment.

Shri Y.P. Trivedi, Independent Director, (DIN: 00001879), is proposed for re-appointment as an Independent Director of the Company for a period of two years from 17th September, 2019 to 16th September, 2021 who hold office as an Independent Director of the Company upto the close of business hours on 16th September, 2019 in his present first term.

Shri B.V. Bhargava, Independent Director, (DIN: 00001823), is proposed for re-appointment as an Independent Director of the Company for a period of two years from 17th September, 2019 to 16th September, 2021 who hold office as an Independent Director of the Company upto the close of business hours on 16th September, 2019 in his present first term.

Shri Sarthak Behuria (DIN:03290288) is proposed for appointment as an Independent Director of the Company for a period of five years from 7th May, 2019 to 6th May, 2024.

Ms. Ameeta Parpia (DIN: 02654277) is proposed for appointment as an Independent Director of the Company for a period of five years from 7th May, 2019 to 6th May, 2024.

Shri N N Khandwala Independent Non Executive Director's term is expiring on 16th September, 2019. He does not wish to continue beyond the present term. The Company expresses its appreciation for valuable contribution made by him during the tenure of his office.

Smt Rashna Khan Independent Non Executive Director's term is expiring on 16th September, 2019. She does not wish to continue beyond the present term. The Company expresses its appreciation for valuable contribution made by her during the tenure of her office.

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

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

### KEY MANAGERIAL PERSONNEL

Shri M P Taparia, Managing Director, Shri P C Somani, Chief Financial Officer and Shri R J Saboo, AVP (Corporate Affairs) & Company Secretary were appointed as Key Managerial Personnel of your Company, in accordance with the provisions of Section 203 of the Companies Act 2013 and there is no change in the same during the year under review.

### DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

#### a. Board Meetings:

The Board of Directors met 5 times during the year ended 31st March, 2019 in accordance with the provisions of the Companies Act, 2013 and rules made there under. The details thereof are given in the Corporate Governance Report.

#### b. Board Performance Evaluation:

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

Pursuant to amendment in section 178 by the Companies (Amendment) Act, 2017, which is effective from 7th May, 2018, the Nomination and Remuneration Committee noted the amendment and decided to carryout evaluation of performance of Board, its Committees and individual Director by the Nomination and Remuneration committee. Accordingly Nomination and Remuneration Committee conducted the performance evaluation of Board, its Committees and individual Director in its meeting held on 24th January, 2019

The performance evaluation of the Independent Directors was also carried by the entire Board. The performance evaluation of the Chairman, Managing Director & Executive Directors was carried out by the independent Directors at its separate meeting held on 24th January, 2019.

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

### AUDITORS

#### Statutory Auditors:-

The Statutory Auditors M/s Lodha & Co., Chartered Accountants having Registration No 301051E, was appointed in 74th Annual General Meeting to hold office from the conclusion of 74th Annual General meeting for a term of consecutive five years till conclusion

of 79th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting). The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

### AUDITORS' REPORT

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

### COST AUDITORS

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Kishore Bhatia & Associates, Cost Accountants (Registration No: 00294) as Cost Auditor of the Company, for the financial year ending 31st March 2020, on a remuneration as mentioned in the Notice convening the 77th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Kishore Bhatia & Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' approval for remuneration payable to Cost Auditor forms part of the Notice of the 77th Annual General Meeting of the Company and same is recommended for your consideration.

Cost Audit Report for the year 31st March 2018 were filed with the Registrar of Companies, within the prescribed time limit.

The Company is required to maintain Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Accordingly, the Company has made and maintained such accounts and records.

### SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s V. Laxman & Co., Company Secretaries (C.P No. 744), to conduct Secretarial Audit for the financial year ended on 31st March, 2019.

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

### AUDIT COMMITTEE

The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this Report.

### REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder

### MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes or commitments occurring after 31st March 2019, which may affect the financial position of the company or may require disclosure.

### IMPLEMENTATION OF SAP

The Company has successfully implemented SAP a leading ERP solution with effect from 1st April 2018. After facing initial teething trouble, the SAP System has since been stabilised across all the units of the company. All the Units of the Company are using the SAP application to enhance the productivity and efficiency of the Organisation in the entire gamut of activities.

### INTERNAL FINANCIAL CONTROLS

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

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

### PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

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

All transactions entered into with related parties during the year were on arm's length basis, in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions & are in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder & Regulation 23 of (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015. During the financial year ended on 31st March, 2019, there were no transactions with related parties which qualify as material transactions.

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

## ANNUAL REPORT 2018-19

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

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

### PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

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

### VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

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

### RISK MANAGEMENT POLICY

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

A Risk Management Committee is constituted which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise risk management framework; and (b) Overseeing that all the risk that the organization faces.

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

### CORPORATE SOCIAL RESPONSIBILITY POLICY

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

The Policy is available on the website of the Company.

### BUSINESS RESPONSIBILITY REPORT

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

### DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and have a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### ANNUAL RETURN:

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

### GENERAL DISCLOSURE

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (sweat equity shares) to employees of the Company under ESOS.
4. Neither the Managing Director nor the Whole Time Directors of the Company received any remuneration or commission from any of its subsidiary.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company operations in future.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019



## Annexure to the Boards' Report

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

#### 1. CONSERVATION OF ENERGY

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

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

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

- 1 Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2 Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- 3 Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4 To enhance utilization of Renewable Energy Resources.
- 5 Achieving the power factor near to unity in all plants by the effective reactive energy management.
- 6 To reduce the Green House Emission by improving energy efficiency at all plants.
- 7 Conducting Power Quality Audit at several locations.
- 8 Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- 9 Exploring the feasibility of utilization of Solar Power at Plant locations wherever possible.
- 10 Installed roof-top solar power plant at Jalgaon, Khopoli, Gadegaon (situated in Maharashtra) & all the three plants viz. Plastics Piping, Protective Packaging & Roto moulding situated in Madhya Pradesh. Company had also installed 1.53 Mw ground mounted capex solar power plant in Gadegaon (MH) which had commissioned in Dec-17. Company is also further exploring the feasibility of utilization of Solar Power at its other locations.
- 11 Noida plant is certified for ISO-50001 Energy Management System.
- 12 Executed Wind Power purchase agreement for 20 lacs units/annum for Hosur unit & 24 lacs units for Chennai Moulding.

- Evaluation of the alternative materials or additives to reduce the cost of raw material.
- Improving the output / input ratio to gain maximum finished products from per kg. Raw material.
- Wastage management is highly focused and monitored through corporate management and recycling the product by using good waste management process
- Modify the mould and dies to improve the cycle time to get higher production from the same machine.
- To modify the process parameters to improve the quality.
- Expenditure on R & D: Not significant.

#### B. TECHNOLOGY ABSORPTION

The Company has taken technical know how for manufacture of Nitrile PVC Rubber Foam Sheet and Tube from Zhejing Baina Rubber Plastic Equipment Co Ltd, China in the year 2018. The technology is fully absorbed.

**Efforts made towards Technology Absorption** – The PPD division has set up the infrastructure and organization effectively to adopt the new technology of the above product. The division has redesigned the equipment in such way to facilitate ease of operation with higher operating band. Special focus was given on mixing equipment which was decided to import from Taiwan and also the oven design to suits the product specifications as required for the local market. Many of the imported ingredients have been replaced by local ingredients. By adding an adhesive lamination line, a large number of variants have been added.

**The benefits derived like product improvement, cost reduction, product development or import substitution.**

The division is offering a wide range of Insulation products such as NBR sheets & large diameter tubes which are generally specified by HVAC consultants. The Insulation vertical grew significantly in the current year vis a vis previous year. The vertical is expecting good business growth in the current year.

#### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	₹ in Lakhs
Foreign Exchange Earned	15324
Foreign Exchange Used	218189

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019

#### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

##### A. RESEARCH & DEVELOPMENT (R&D)

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

**Annexure to the Boards' Report**

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

Sr. No.	Requirement under Rule 5(1)	Details
1.	Ratio of the remuneration of Managing Director, Executive Directors & other Non-Executive Directors to the median remuneration of the Company for the Financial Year	Shri M. P. Taparia, Managing Director : 287.26 Shri S. J. Taparia, Executive Director : 286.48 Shri V. K. Taparia, Executive Director : 286.48 Shri B.L. Taparia : 4.125 Shri B.V.Bhargava : 4.125 Shri Y.P.Trivedi : 5.941 Shri N.N.Khandwala : 7.096 Smt Rashna Khan : 4.455 Shri R.Kannan : 4.620 Shri Rajeev M Pandia : 5.611
2.	Percentage increase in remuneration of Managing Director, each Executive Director, Chief Financial Officer, & Company Secretary (Salary of 2018-19 v/s Salary of 2017-18).	Shri M. P. Taparia, Managing Director : 0.49% Shri S. J. Taparia, Executive Director : 0.49% Shri V. K. Taparia, Executive Director : 0.34% Shri P. C. Somani, CFO : 18.23% Shri R. J. Saboo, Company Secretary : 11.69%
3.	Percentage increase in the median remuneration of employees in the financial year (2018-19 v/s 2017-18)	Median Increase : 12.27%
4.	Number of Employees as on 31st March, 2019 on rolls of Company	4691
5.	* Average percentile increase made in the salaries of employees other than the managerial personnel in last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	10.80%
	* Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees	The increase in the managerial remuneration was as per the Industry benchmarks.
6.	Key parameters for any variable component of remuneration availed by the Directors.	Commission: 1% of the net profits of the year as approved by the members at the AGM held on 29th June 2018.
7.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration is as per the Nomination and Remuneration Policy of the Company.
8.	Percentage increase or decrease in the market quotations of the shares of the Company	The closing price of the Company's Equity Shares on the NSE and BSE as of 31st March, 2019 was ₹ 1117.35 and ₹ 1113.85 respectively.

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019

## Annexure to the Boards' Report

### FORM AOC-I

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

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

##### Part A Subsidiary

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate as on 31st March, 2019	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) Before Tax	Provision For Tax	Profit (Loss)	Proposed Dividend	% of holding
1	The Supreme Industries Overseas (FZE)	AED	18.83	18	259	351	351	NIL	420	80	NIL	80	NIL	100

##### Part B Associates

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

##### Supreme Petrochem Limited

(₹ in lacs)

Sr. No.	Name of Associate	Latest Audited Balance Sheet Date	Shares of Associate			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Nos.	Amount of investment in Associates	Extend of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Supreme Petrochem Ltd.	31st March, 2019	28936400	3337	29.99	There is significant influence due to (%) of share capital	N.A.	19263	1464	3457

##### Kumi Supreme India Pvt Ltd.

(₹ in lacs)

Sr. No.	Name of Associate	Latest Audited Balance Sheet Date	Shares of Associate			Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Nos.	Amount of investment in Associates	Extend of Holding %				Considered in Consolidation	Not considered in Consolidation
1	Kumi Supreme India Pvt Ltd.	31st March, 2019	25025611	2503	20.67	There is significant influence due to (%) of share capital	N.A.	2450	(26)	(125)

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019



## Annexure to the Boards' Report

### NOMINATION AND REMUNERATION POLICY

#### I. PREAMBLE

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

#### II. OBJECTIVE

The Key Objectives of the Committee would be:

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

#### III. DEFINITIONS

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

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

#### IV. INTERPRETATION

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

#### V. GUIDING PRINCIPLES

The Policy ensures that

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

#### VI. ROLE OF THE COMMITTEE

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

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

## VII. MEMBERSHIP

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

## VIII. CHAIRMAN

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

## IX. FREQUENCY OF MEETINGS

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

## X. COMMITTEE MEMBERS' INTERESTS.

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

## XI. SECRETARY

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

## XII. VOTING

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

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

### • Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

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

### • Term / Tenure:

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

### • Evaluation:

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

### • Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may

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

- **Retirement:**

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

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

- **General:**

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

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

1. **Fixed pay:**  
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
2. **Minimum Remuneration:**  
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay

remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. **Provisions for excess remuneration:**

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

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

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

3. **Limit of Remuneration /Commission:**

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

4. **Stock Options:**

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

#### XV. MINUTES OF COMMITTEE MEETING

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

#### XVI. DEVIATIONS FROM THIS POLICY

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019



## Annexure to the Boards' Report

### CRITERIA FOR :

#### 1. SELECTION OF DIRECTORS AND

#### 2. SENIOR MANAGEMENT PERSONNEL

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

### CRITERIA FOR SELECTION OF DIRECTORS

The Nomination and Remuneration Committee shall consider the following for identifying and recommending persons for appointment as Directors on the Board of the Company:

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

### CRITERIA FOR SELECTION OF SENIOR MANAGEMENT PERSONNEL

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

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

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019

## Annexure to the Boards' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not applicable to the Company during the audit period];
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Not applicable to the Company during the audit period];
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable to the Company during the audit period];
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable to the Company during the audit period]; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable to the Company during the audit period];
- (vi) The Company has identified the laws specifically applicable to the Company:
  - (a) Water (Prevention & Control of Pollution) Act, 1974;
  - (b) The Air (Prevention & Control of Pollution) Act, 1981;
  - (c) The Legal Metrology Act, 2009.

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

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

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

**We further report that**

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

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

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

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

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

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

Place : Mumbai  
Date : 6th May, 2019

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

**ANNEXURE 'A'**

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed proved a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : Mumbai  
Date : 6th May, 2019



## Annexure to the Boards' Report

## FORM NO. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered in to by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

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

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

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

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts / arrangements / transactions	(c) Duration of contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any
Supreme Industries Overseas (FZE)	Sale of goods including compensation for rendering of services	On-going	In normal course of business & in line with Market Parameters. Sale of goods ₹ 96 lacs. Rendering of services ₹ 307 lacs.
Supreme Petrochem Ltd.	Purchase/Sale of goods or materials & provision of any services in connection with the sale or purchase of goods or materials including storage thereof.	On-going	In normal course of business & in line with Market Parameters. Purchase of goods ₹ 4878 lacs. Sale of goods ₹ 74 lacs.
M/S Devvrat Impex (P) Ltd	Sales of Plastic Piping System	On-going	In normal course of business & in line with Market Parameters. Sale of Goods amount ₹ 3562 lacs. Rendering of services ₹ 12 lacs
Kumi Supreme India Private Limited Joint Venture between Kumi Kasei Co Ltd, Japan and The Supreme Industries Limited	The Company holds 20.67% of the paid-up equity share capital of the JVC. The Company has the right to subscribe to any further issues of equity securities by the Company to maintain its proportionate shareholding in the Company.	On-going till the Joint Venture Agreement is carried on.	In normal course of business & in line with Market Parameters. Sale of Goods ₹ 56 lacs. Rendering of Services ₹ 14 lacs.

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
Chairman

Place: Mumbai  
Date: 7th May, 2019

## Annexure to the Boards' Report

### CORPORATE SOCIAL RESPONSIBILITY REPORT

#### 1. Brief outline of the Company's CSR Policy:

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

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

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

The CSR Committee met on 6th May 2019 and it has taken on record the activities undertaken by the Company from 1st April, 2018 to 31st March, 2019 and the expenditure incurred during the financial year 2018-19.

#### 3. Focus Areas:

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

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

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

#### 4. Supreme Foundation

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

##### Purpose

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

These two divisions & colleges have more than 500 schools & colleges and more than 40000 students in aggregate where many posts of teachers & lecturers were vacant and availability of basic facilities for students were lacking. Supreme Foundation has taken a task to provide teachers & lecturers and other required facilities and continuously increasing its efforts and commitment to cover more and more of these schools and colleges.

##### Activities

During the Financial Year 2018-2019, Supreme foundation deputed 411 teachers in 203 schools in both the divisions put together. It has also provided 50 lecturers in 20 sanskrit colleges across the state in Rajasthan. Supreme foundation has formed committee consisting of coordinators to monitor and review all activities of teachers & lecturers deputed by it in close coordination with respective School's principle/ headmaster to ensure that prime objective of education standard improvement is being achieved. Some of the achievements of Supreme Foundation are mentioned as under:-

##### Achievements

1. In view of the dedicated hard work of the teachers & lecturers deputed by Supreme Foundation there has been increase of 3906 nos. of students enrolled for school admission in 2018-2019 vis-à-vis 2017-2018.
2. Due to filling up the vacancy of the teachers in schools there were remarkable improvement in the level of education in these schools which has resulted better examination results in terms of higher success ratio amongst the number of students and also good scoring by the students.

3. The meritorious students who have been recognised for the award informed that their above achievements were possible only because of the time to time guidance & support provided by the teachers of Supreme Foundation.
4. In view of giving more focus to the Primary Education, Supreme Foundation has distributed CDs consisting course contents for various primary and middle classes. This has helped in improving literacy level, recognising the alphabetical letters & vocabulary language of the students.
5. Organising Summer Camp & Winter Camp for the teachers have contributed in their training & educational capabilities. Several teachers out of them got selected for the service in the Government schools.
6. Under the Guidance of the teachers, the students have marvellously performed in Sports & Cultural activities at State level.
7. Created social awareness about "Beti Bachao-Beti Padhao" & cleanliness. Various rallies were organised at the Schools.
8. Created awareness about the environment and tree plantations activities were organised in the schools.
9. Schools have organised programmes for "Addict Free Society" wherein large numbers of students have been swear to keep them self away from alcohol and drugs in their life time. Students have also been made aware of how harmful effects they cause in their life mentally, physically & economically.
10. Various cultural activities are being organised regularly on National Holidays, viz 15th August, 26th January & 2nd October where students are being made aware about the importance of these national festivals in Indian history.
11. Supreme Foundation has also actively participated in distribution of medicines & other relief material during heavy damages caused by the Natural Calamities in Kerala in August, 2018.

Supreme Foundation has spent about ₹ 478 lacs on various CSR activities during 2018-19.

### Future Plans

In coming year, Supreme Foundation would continue its focus to provide more and more resources to improve education level in Govt. schools in Bikaner and Ajmer Divisions & colleges in Rajasthan. Further it has planned to depute similar resources in various schools of Ladnu Tahsil of Nagore District of Rajasthan.

Supreme Foundation has also committed a sum of ₹ 25 lacs to make entire village Jamner under CCTV surveillance under the guidance of local body/gram panchayat. It plans to spend about ₹ 900 lacs on various existing and proposed activities being undertaken for the year 2019-20.

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

#### (I) Village Health improvement Initiative:

This initiative has entered its 10th year of successful operation since its inception in the year 2008. The health center's main camp is located at Dhadgaon in the district of Nandurbar, Maharashtra.

This facility comprises of a mobile medical van equipped with necessary diagnostic equipment's, medicines etc. This mobile van manned by team of 5 persons which includes a Doctor, a Nurse, a Kishori co-ordinator, a driver & and a project co-ordinator. In the year 2018-2019, this facility has benefited as many as 3906 villagers mostly coming from tribal population residing in remote villages of Nandurbar District.

#### (II) Public Sanitation:

A public toilet block was built & was made operational w.e f 1st Dec 2018

This facility is located in the heart of the city in the vicinity of a police station, Government offices, Educational Institutions, Central Market & Commercial Establishments.

The amount of ₹ 40 lacs was approximately spent during the year.

#### (III) Drinking water supply:

During summer season, clean drinking water was supplied to water stressed villages in the Taluka of Jamner. The river water from artificial pond was filtered & disinfected & supplied to these villages by deploying water tanker. These initiative have benefited approximately 14500 human population.

Company is supplying appx 1,40,000 litres of water every day to the village of Gadegaon who are facing acute shortage of Drinking water throughout the year.

The company has also provided the Water Tanks to the village of Pahur in Jamner who was facing shortage of water.

- (IV) (a) The company has started giving scholarship to deserving students for pursuing their studies at Graduate & post Graduate level.
- (b) Given dormitory space to "Navdurga Mahila Bachat Gat" for one year's agreement for uses who have slowly started their activities & making Vermi-Compost with the help of group members.



- (c) Company is also participating in various social events conducted by local bodies/ organisations and helping create awareness in the fields of Swaccha Bharat Abhiyan, Beti Padhao- Beti Bachao & women empowerment, social integrity etc.
- (d) In general assisting local NGOs by way of financial assistance and participation in their various programmes for upliftment of underprivileged/ Divyang in and around Company's plant location in Jalgaon/Gadegaon.

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

₹ 50320 lacs

**6. Prescribed CSR expenditure:**

₹ 1006 lacs (2% of the average net profit of last three financial years)

**7. Manner in which amount spent in financial year :**

During the year under review, company has spent a sum of ₹ 1050 lacs. These includes donations to several registered trusts apart from direct spending for Educational purpose to schools & universities, Basic Living facilities & Health Care, Natural Disaster relief, cleanliness, self- employment initiative, & cultural activities and providing company's goods at special prices to Philanthropic NGOs and Trusts. These Trusts are providing education, vocational training at a very low cost and grants for medical help & education.

For and on behalf of the Board of Directors

**B. L. Taparua**  
Chairman

Place: Mumbai  
Date: 7th May, 2019

## Annexure to the Boards' Report

FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Plastic Products	222	97.73

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Supreme Petrochem Limited Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai 400 093.	L23200MH1989PLC054633	Associate Company	29.99	Section 2(6)
2	Kumi Supreme India Private Limited Plot No. E-36 (D1,E,F,G & H), Industrial Area Khushkhera, Near Bhiwadi Khushkhera Alwar RJ 301707	U25190RJ2018FTC060652	Associates Company	20.67	Section 2(6)
3	The Supreme Industries Overseas (FZE) Reg. no 01-01-03490 Q-1-08-47/B, SAIF Zone, P.O Box 9158, Sharjah, United Arab Emirates.	-	Subsidiary	100	Section 2(87)

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

## (i) Category-wise Share Holding

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year: 31/03/2019				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual / HUF	3235590	-	3235590	2.55	3235590	-	3235590	2.55	-
(b)	Central / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	59897155	-	59897155	47.15	59897155	-	59897155	47.15	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others (Specify)									

	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2018				No. of Shares held at the end of the year: 31/03/2019				% Change during the year
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(f)	Trusts	–	–	–	–	–	–	–	–	–
	<b>Sub Total (A)(1) :</b>	<b>63132745</b>	<b>–</b>	<b>63132745</b>	<b>49.70</b>	<b>63132745</b>	<b>–</b>	<b>63132745</b>	<b>49.70</b>	<b>–</b>
	<b>(2) Foreign</b>									
(a)	NRI-Individual	–	–	–	–	–	–	–	–	–
(b)	Other- Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(d)	Banks/FI	–	–	–	–	–	–	–	–	–
(e)	Any Others (Specify)	–	–	–	–	–	–	–	–	–
	<b>Sub Total (A)(2) :</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>Total holding for promoters (A) = (A)(1) + (A)(2)</b>	<b>63132745</b>	<b>–</b>	<b>63132745</b>	<b>49.70</b>	<b>63132745</b>	<b>–</b>	<b>63132745</b>	<b>49.70</b>	<b>0.00</b>
	<b>B. Public Shareholding</b>									
	<b>1 Institutions</b>									
(a)	Mutual Funds	9391560	–	9391560	7.39	15509369	–	15509369	12.21	4.82
(b)	Banks/Financial Institutions	43986	2765	46751	0.04	59370	2765	62135	0.05	0.01
(c)	Central Government(s)	233900	–	233900	0.18	253870	–	253870	0.20	0.02
(d)	State Government(s)	–	–	–	–	–	–	–	–	–
(e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f)	Insurance Companies	–	–	–	–	–	–	–	–	–
(g)	FII's	13931407	1500	13932907	10.97	10737551	–	10737551	8.45	(2.52)
(h)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
(i)	Foreign Financial Institutions / Banks	500	–	500	–	500	–	500	–	–
(j)	Foreign Portfolio Investors	13048304	–	13048304	10.27	10746596	–	10746596	8.46	(1.81)
(k)	Alternate Investment Funds	603588	–	603588	0.48	1292611	–	1292611	1.02	0.54
(l)	Any Others (Specify)	–	–	–	–	–	–	–	–	–
	<b>Sub Total (B)(1) :</b>	<b>37253245</b>	<b>4265</b>	<b>37257510</b>	<b>29.33</b>	<b>38599867</b>	<b>2765</b>	<b>38602632</b>	<b>30.39</b>	<b>1.06</b>
	<b>2 Non-Institutions</b>									
(a)	Bodies Corporate	4680239	13535	4693774	3.70	3617151	12705	3629856	2.86	(0.84)
(b)	Individual									
(i)	Individual shareholders holding nominal share capital up to R 1 lakh	15302116	1769530	17071646	13.44	15514430	1468695	16983125	13.37	(0.07)
(ii)	Individual shareholders holding nominal share capital in excess of R 1 lakh	4170741	–	4170741	3.28	3927978	–	3927978	3.09	(0.19)
(c)	Any Others (Specify)									
(i)	Trusts	3220	–	3220	–	1437	–	1437	0.00	(0.00)
(ii)	Clearing Member	86387	–	86387	0.07	50521	–	50521	0.04	(0.03)
(iii)	Non Resident Indians (NRI)	292083	84835	376918	0.30	54368	79265	133633	0.11	0.02
(iv)	Non Resident Indians (Repat)	45595	–	45595	0.01	327625	0	327625	0.26	0.01
(v)	Non Resident Indians (Non Repat)	185162	–	185162	0.15	232658	0	232658	0.18	0.04
(vi)	Overseas Bodies Corporate	–	–	–	–	–	–	–	–	–
(vii)	Corporate Body NBFC	3172	–	3172	0.00	4660	–	4660	0.00	(0.00)
	<b>Sub Total (B)(2) :</b>	<b>24768715</b>	<b>1867900</b>	<b>26636615</b>	<b>20.97</b>	<b>23730828</b>	<b>1560665</b>	<b>25291493</b>	<b>19.91</b>	<b>(1.05)</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>62021960</b>	<b>1872165</b>	<b>63894125</b>	<b>50.30</b>	<b>62330695</b>	<b>1563430</b>	<b>63894125</b>	<b>50.30</b>	<b>0.00</b>
	<b>C. Shares Held By Custodians For GDRS &amp; ADRS</b>	–	–	–	–	–	–	–	–	–
	<b>Grand Total (A) + (B) + (C)</b>	<b>125154705</b>	<b>1872165</b>	<b>127026870</b>	<b>100.00</b>	<b>125463440</b>	<b>1563430</b>	<b>127026870</b>	<b>100.00</b>	<b>0.00</b>



## (ii) Shareholding of Promoters

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

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

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

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

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2018)/End of the year(31.03.2019)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
1	Nalanda India Fund Limited	7544002	5.94	01/04/2018				
				04/01/2019	(1577)	Transfer	7542425	5.94
				11/01/2019	(1200000)	Transfer	6342425	4.99
				25/01/2019	(237000)	Transfer	6105425	4.81
		6105425	4.81	31/03/2019			6105425	4.81
2	Smallcap World Fund, INC	4577939	3.60	01/04/2018				
				06/04/2018	(1365116)	Transfer	3212823	2.53
				13/04/2018	(1871823)	Transfer	1341000	1.06
				15/06/2018	(1341000)	Transfer	0	0.00
				31/03/2019			0	0.00

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2018)/End of the year(31.03.2019)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
3	Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/c Axis Growth Opportunities Fund	1575560	1.24	01/04/2018				
				04/05/2018	70000	Transfer	1645560	1.30
				15/06/2018	100000	Transfer	1745560	1.37
				06/07/2018	39115	Transfer	1784675	1.41
				10/08/2018	16942	Transfer	1801617	1.42
				31/08/2018	200000	Transfer	2001617	1.58
				14/12/2018	10000	Transfer	2011617	1.58
				21/12/2018	181212	Transfer	2192829	1.73
				28/12/2018	15000	Transfer	2207829	1.74
				31/12/2018	225000	Transfer	2432829	1.92
				04/01/2019	90000	Transfer	2522829	1.99
				18/01/2019	25000	Transfer	2547829	2.01
				22/02/2019	116979	Transfer	2664808	2.10
				01/03/2019	448205	Transfer	3113013	2.45
				08/03/2019	13	Transfer	3113026	2.45
		29/03/2019	(120000)	Transfer	2993026	2.36		
		2993026	2.36	31/03/2019		2993026	2.36	
4	HDFC Trustee Company Ltd.- A/C HDFC Children's Gift Fund- Investment Plan	2140500	1.69	01/04/2018				
				12/10/2018	5000	Transfer	2145500	1.69
				26/10/2018	42481	Transfer	2187981	1.72
				02/11/2018	92100	Transfer	2280081	1.80
				14/12/2018	264600	Transfer	2544681	2.00
				21/12/2018	82000	Transfer	2626681	2.07
		2626681	2.07	31/03/2019		2626681	2.07	
5	Kotak Funds – India Midcap Fund	1229231	0.97	01/04/2018				
				13/04/2018	300000	Transfer	1529231	1.20
				15/06/2018	300000	Transfer	1829231	1.44
				20/07/2018	2026	Transfer	1831257	1.44
				1831257	1.44	31/03/2019		1831257
6	Government Pension Fund Global	54920	0.04	01/04/2018				
				11/01/2019	1200000	Transfer	1254920	0.99
				25/01/2019	180707	Transfer	1435627	1.13
				15/02/2019	91748	Transfer	1527375	1.20
				15/03/2019	64445	Transfer	1591820	1.25
				29/03/2019	129390	Transfer	1721210	1.36
		1721210	1.36	31/03/2019		1721210	1.36	
7	DSP Equity Opportunities Fund	1490942	1.17	01/04/2018				
				05/10/2018	170237	Transfer	1661179	1.31
				12/10/2018	32947	Transfer	1694126	1.33
				1694126	1.33	31/03/2019		1694126
8	J P Morgan Funds	1491820	1.17	01/04/2018				
				25/05/2018	(18470)	Transfer	1473350	1.16
				29/03/2019	(8090)	Transfer	1465260	1.15
				1465260	1.15	31/03/2019		1465260

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2018)/End of the year(31.03.2019)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
9	JPMorgan Emerging Markets Investment Trust PLC.	1479890	1.17	01/04/2018		Nil movement during the year		
		1479890	1.17	31/03/2019			1479890	1.17
10	Kotak Infrastructure & Economic Reform Fund	632858	0.50	01/04/2018				
				06/04/2018	1547	Transfer	634405	0.50
				13/04/2018	75582	Transfer	709987	0.56
				25/05/2018	23000	Transfer	732987	0.58
				15/06/2018	10000	Transfer	742987	0.58
				29/06/2018	10930	Transfer	753917	0.59
				06/07/2018	1067	Transfer	754984	0.59
				13/07/2018	8254	Transfer	763238	0.60
				27/07/2018	5204	Transfer	768442	0.60
				03/08/2018	37577	Transfer	806019	0.63
				10/08/2018	35000	Transfer	841019	0.66
				24/08/2018	9650	Transfer	850669	0.67
				31/08/2018	4895	Transfer	855564	0.67
				28/09/2018	34760	Transfer	890324	0.70
				05/10/2018	20000	Transfer	910324	0.72
				02/11/2018	25000	Transfer	935324	0.74
				30/11/2018	50668	Transfer	985992	0.78
				14/12/2018	21322	Transfer	1007314	0.79
				31/12/2018	(19137)	Transfer	988177	0.78
				01/02/2019	7811	Transfer	995988	0.78
		08/02/2019	10000	Transfer	1005988	0.79		
		22/02/2019	15089	Transfer	1021077	0.80		
		01/03/2019	(10000)	Transfer	1011077	0.80		
		15/03/2019	(20000)	Transfer	991077	0.78		
		29/03/2019	37555	Transfer	1028632	0.81		
		1028632	0.81	31/03/2019			1028632	0.81
11	L & T Mutual Fund Trustee Limited – L&T Emerging Opportunities Fund- Series I	0	0.00	01/04/2018				
				13/04/2018	697000	Transfer	697000	0.55
				20/04/2018	29555	Transfer	726555	0.57
				04/05/2018	15376	Transfer	741931	0.58
				18/05/2018	3000	Transfer	744931	0.59
				25/05/2018	41277	Transfer	786208	0.62
				01/06/2018	17278	Transfer	803486	0.63
				15/06/2018	57314	Transfer	860800	0.68
				13/07/2018	98456	Transfer	959256	0.76
		959256	0.76	31/03/2019			959256	0.76
12	Shankar Resources Private Limited	889940	0.70	01/04/2018				
				31/08/2018	(196016)	Transfer	693924	0.55
				07/09/2018	(66487)	Transfer	627437	0.49
				21/09/2018	(3432)	Transfer	624005	0.49
				12/10/2018	(2400)	Transfer	621605	0.49
				19/10/2018	(27500)	Transfer	594105	0.47



Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2018)/End of the year(31.03.2019)	% of Total Shares of the Company				Number of Shares	Percentage of total shares of the company
				30/11/2018	(151271)	Transfer	442834	0.35
				07/12/2018	(84126)	Transfer	358708	0.28
				14/12/2018	(358023)	Transfer	685	0.00
				21/12/2018	(685)	Transfer	0	0.00
		0	0.00	31/03/2019	0		0	0.00
13	Matthews India Fund	871961	0.69	01/04/2018				
				20/04/2018	(50382)	Transfer	821579	0.65
				29/06/2018	(43983)	Transfer	777596	0.61
				06/07/2018	(11620)	Transfer	765976	0.60
				14/09/2018	(24240)	Transfer	741736	0.58
				21/09/2018	(23740)	Transfer	717996	0.57
				28/09/2018	(45488)	Transfer	672508	0.53
				05/10/2018	(29357)	Transfer	643151	0.51
				02/11/2018	(261355)	Transfer	381796	0.30
				06/11/2018	(45768)	Transfer	336028	0.26
				16/11/2018	(78840)	Transfer	257188	0.20
				23/11/2018	(36594)	Transfer	220594	0.17
				30/11/2018	(177598)	Transfer	42996	0.03
				15/02/2019	(42996)	Transfer	0	0.00
		0	0.00	31/03/2019			0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1)	<b>Shri B.L. Taparia, Chairman</b>				
	At the beginning of the year	317398	0.25	317398	0.25
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):				
	At the end of the year	317398	0.25	317398	0.25
2)	<b>Shri M.P. Taparia, Managing Director</b>				
	At the beginning of the year	749186	0.59	749186	0.59
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	749186	0.59	749186	0.59
3)	<b>Shri S.J. Taparia, Executive Director</b>				
	At the beginning of the year	703816	0.55	703816	0.55
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	703816	0.55	703816	0.55
4)	<b>Shri V.K. Taparia, Executive Director</b>				
	At the beginning of the year	344890	0.27	344890	0.27
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	344890	0.27	344890	0.27

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01.04.2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5)	<b>Shri B.V. Bhargava, Director</b>				
	At the beginning of the year	13000	0.01	13000	0.01
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	13000	0.01	13000	0.01
6)	<b>Shri Y.P. Trivedi, Director</b>				
	At the beginning of the year	20010	0.02	20010	0.02
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	20010	0.02	20010	0.02
7)	<b>Shri N.N. Khandwala, Director</b>				
	At the beginning of the year	314500	0.25	314500	0.25
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	(63750)	0.05	–	–
	At the End of the year	250750	0.20	250750	0.20
8)	<b>Shri Rajeev M. Pandia, Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL
9)	<b>Shri Ramanathan Kannan, Director</b>				
	At the beginning of the year	7410	0.00	7410	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	7410	0.00	7410	0.00
10)	<b>Smt. Rashna Khan, Director</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL
11)	<b>Shri P. C. Somani, Chief Financial Officer</b>				
	At the beginning of the year	4000	0.00	4000	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	4000	0.00	4000	0.00
12)	<b>Shri R. J. Saboo, AVP (Corporate Affairs) &amp; Company Secretary</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	–	–	–	–
	At the End of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

(₹ In Lacs)

	Secured Loans	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount	8246	16528	24774
ii) Interest due but not paid			
iii) Interest accrued but not due		55	55
<b>Total (i+ii+iii)</b>	<b>8246</b>	<b>16583</b>	<b>24829</b>
<b>Change in Indebtedness during the financial year</b>			
• Addition			
• Reduction	2901	5472	8373
<b>Net Change</b>	<b>(2901)</b>	<b>(5472)</b>	<b>(8373)</b>
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	5345	10897	16242
ii) Interest due but not paid			
iii) Interest accrued but not due		214	214
<b>Total (i+ii+iii)</b>	<b>5345</b>	<b>11111</b>	<b>16456</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Shri M.P. Taparia	Shri S. J. Taparia	Shri V. K. Taparia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	251	249	249	749
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act	-	-	-	-
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA
4.	Commission – As % of profit – others, specify...	620	620	620	1860
5.	Others, please specify				
	<b>Total (A)</b>	<b>871</b>	<b>869</b>	<b>869</b>	<b>2609</b>
	Ceiling as per the Act				<b>6197</b>

### B. Remuneration to other directors:

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri B. V. Bhargava	Shri Y. P. Trivedi	Shri N. N. Khandwala	Smt. Rashna Khan	Shri Ramanathan Kannan	Shri Rajeev M. Pandia	
1.	Independent Directors							
	• Fee for attending board, committee meetings	5.00	10.50	14.00	6.00	6.50	9.50	51.50
	• Commission	7.50	7.50	7.50	7.50	7.50	7.50	45.00
	• Others, please specify							
	<b>Total(1)</b>	<b>12.50</b>	<b>18.00</b>	<b>21.50</b>	<b>13.50</b>	<b>14.00</b>	<b>17.00</b>	<b>96.50</b>
		<b>Shri B. L. Taparia</b>						
2.	Other Non-Executive Directors							
	• Fee for attending board, Committee meetings	5.00						5.00
	• Commission	7.50						7.50
	• Others, please specify							
	<b>Total(2)</b>	<b>12.50</b>						<b>12.50</b>
	<b>Total(B)=(1+2)</b>	<b>25.00</b>	<b>18.00</b>	<b>21.50</b>	<b>13.50</b>	<b>14.00</b>	<b>17.00</b>	<b>109.00</b>
	Ceiling for Commission as per the Act							<b>620</b>



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

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59	144	203
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	– as % of profit	–	–	–
	– others, specify...	–	–	–
5.	Others, please specify	–	–	–
	<b>Total</b>	<b>59</b>	<b>144</b>	<b>203</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

**B. L. Taparia**  
ChairmanPlace: Mumbai  
Date: 7th May, 2019

## Management Discussion and Analysis

### 1. OVERVIEW

The various initiatives taken by the Central and State Governments have started showing fruitful outcome in the year. The focus on construction of affordable houses, effective implementation of RERA, Swachha Bharat Mission, Amrut Yojana and other infrastructure building activities are enabling the Company to grow its Plastics Piping System Business.

The Government announcement to build 100 smart cities is also taking shape. It has started in certain cities. It is expected that the whole scheme will have bigger role to play to boost business in the years to come.

The initiatives taken up-to-date by the Government are gathering momentum. With an expected growth in the businesses of several verticals, the Company took steps to put new production units and also expand capacity in several of its existing units. All the investment plans have fructified or are fructifying by June 2019 within the planned investment and time frame.

The Company had plans to put new units at Andhra Pradesh (AP) and Assam in the beginning of the year 2019. As the land negotiation dragged for a long period, the company has prioritised to put a Greenfield plant at Orissa. The effective actions will be taken in this year on this initiative. The plans to put up units at A.P and Assam will follow thereafter.

The raw material availability was adequate and affordable. The PVC prices in the first ten months maintained upward bias. Suddenly the prices dropped in March by 12.5% in five week times. This resulted in steep inventory loss in the working of the Company for the year eroding its operating margin to some extent.

The Company is a large convertor of PVC resin. Company currently expects that this lower price regime of PVC may continue for some time. It will broaden the Company's business volume and also reduce working capital requirements.

The prices of other Polymers have improved to some extent from their lowest level. The Company converts mostly commodity plastics where prices have tendency to remain volatile. However, for the current year, the Company expects Polymer prices to remain affordable. Availability of raw material is also going to remain adequate.

The Government has committed to revisit the GST rates. Its pronounced aim to reduce the number of GST rate slabs triggers hope that Company's product which mostly fall in 18% slab of GST may go down to a lower level whenever the slabs of GST rates are compressed.

When the GST was introduced it was expected that informal sector may graduate faster to move to formal sector. However, pace of moving to formal sector by informal players is quite slow.

The Company remains committed to boost its value added business and to increase its export turnover. To boost export business, Company participates last year in 20 international Exhibitions for its various products. This has boosted its export turnover from \$ 16.93 million to \$ 23.05 million. Company continues to work aggressively to boost its export business by intensive marketing and making investments in products which can generate larger growth in export business.

In absolute quantum, the value added product turnover has also shown quantum jump. The turnover of such products have grown to ₹ 1944 crores compared to the turnover of ₹ 1734 Crores in the year 2017-18.

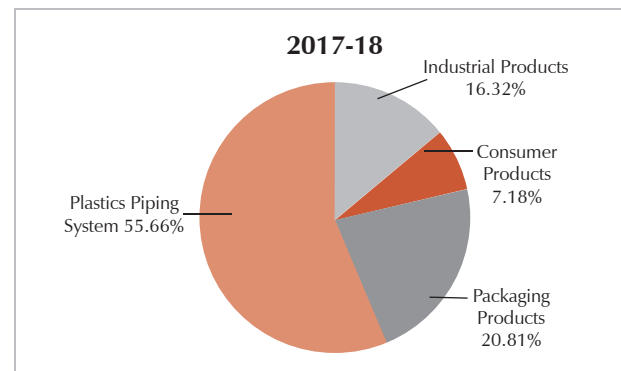
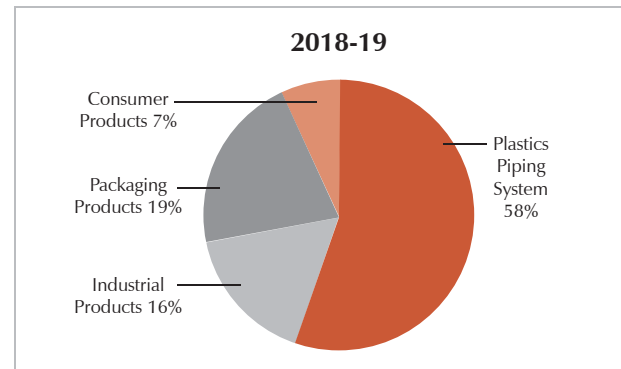
In most of its divisions the focus remains to grow the value added businesses. Several investments were made and also planned in the current year in this target to go on growing value added business turnover.

### 2. PRODUCT GROUPS:

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

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

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



The net turnover (including other income) of the Company for the year under review was ₹ 5632.47 Crores (including ₹ 46.36 Crores by way of trading in other related products

and ₹ 80.85 crores from sale of Premises) as against ₹ 4986.31 crores (including ₹ 65.77 Crores by way of trading in other related products and ₹ 24.28 crores from sale of premises) during the previous year.

The Company has sold 3,97,983 tons of Plastic products as against 3,71,176 tons of Plastic products in the corresponding period of previous year, reflecting a growth of 7% in product turnover by volume.

Profit before interest, depreciation and exceptional items and taxes during the period under review have been at ₹ 804.57 crores as against ₹ 803.04 crores during the previous year.

### 3. COMPANY'S STRENGTH AND GROWTH DRIVERS

#### 3.1 Manufacturing Sites

The Company is operating from 25 manufacturing sites operating across 12 States and Union Territories. During the year under review, Company has put up two new facilities at Giloth (Rajasthan) and Jadcherla (Telangana). Company has divested Khushkhera Unit to a newly formed Joint Venture Company namely Kumi Supreme India Private Limited. Company also shifted its existing property, plant and equipment of Hosur Unit I to newly expanded Hosur Unit II in order to achieve better synergies and cost optimization. Land & Building of Hosur Unit I has been divested resulting into gain of ₹ 11.31 crores. The Company intends to start working on further new sites to put up new plants and considering Orissa, Assam & A.P. as probable destinations to expand its geographical spread.

#### 3.2 Distribution network

Your Company is committed to increase its reach throughout the country. Company is continuously working on strengthening its distribution network. The distributors strength has gone up to 3778 Nos. by the end of March 2019 compared to 3303 Nos. by March 2018.

Company has also started selling products directly to big retailers in selected areas. Selectively, the Company has strengthened its supply system to service those retailers in a cost efficient manner. Company is also expanding its reach through opening more Depot wherever it is unable to rope in strong and resourceful channel partner.

#### 3.3 Growth Drivers

Your Company is strengthening its brand in multiple ways. Company is increasing its spend on Advertisement through Electronic & Print media and participating in several Exhibitions in India and abroad along with large meets of plumbers, Dealers, Retailers and Architects. Company is also taking legal recourse to contain counterfeit products in Plastics pipe System, XF Products and Furniture. Company assiduously works to address this menace. Further Company is opening more knowledge centers in various parts of the country to showcase its product range, guide on correct installation techniques and continuously upgrade the knowledge of architects, contractors, farmers and other fraternities of the society related to Company's products.

## 4. OPERATIONAL PERFORMANCE

### 4.1 Plastics Piping Systems

The Company continues its objective to grow Plastic Pipe System business. The Company is leader in this segment as it has the largest portfolio of products, which is being

continuously increased, to offer more systems as required in the economy.

The Company during the year under review registered an over all revenue growth of 16% in Plastic Piping System made from different plastic materials. Overall the Company sold 2,79,748 Tons of Pipe System compared to 2,56,330 Tons in the same period of last year.

The Government at the Centre and States has put the priority focus on Swatch Bharat Abhiyan, Sanitation and affordable houses to all and development of 100 smart cities on all India basis. Real Estate Regulation Act (RERA) has created a major transformation the way housing construction for sale was in vogue in the Country. Many prominent Business Houses have made ambitious plans in this sector to grow geometrically with launch of their projects at multiple locations. The growth tempo has now started and the Company expects good demand coming from the segment this year onwards.

The Company incurred Capex of ₹ 127 crore in this year in its various plants to build more capacities and increase range. Majority of them has been put to use.

The Company with objective of making its footprint for manufacturing at South Zone, for Plastic Piping Division, has got 50 acres of land allotted at Jadcherla-District Mahaboobnagar at Telangana. The production of Water & Septic Tanks at that location has started. The Company will launch other Piping System products at this location in this year. The Company also intends to launch new specialty systems from Jadcherla plant for Piping System to cater to high end applications.

The plant at Kharagpur is fully operational. The capacity increase for PVC, HDPE & CPVC Pipes is now in place and operational. The Company is also exploring further increasing the capacity of HDPE Pipe at Kharagpur plant to cater to increased demand. The Company has also decided to start manufacturing of Moulded Fittings at Kharagpur to service Eastern market effectively which should go in production during 2019-20.

To meet the increasing demand of HDPE Pipes in North India, the Company has put up the capacity in Malanpur Unit No.3. The commercial production of it has started.

The enhanced capacity for Roto Moulded Products is made operational at Kanpur & Malanpur plants. The Company launched Roto Moulded temporary Toilet and multi-station Urinal basically for construction sites, Melas and exhibitions during the year. Both these products are well accepted by the market supporting cleanliness and environment. The Company plans to substantially increase the business of Water Tanks through different market strategy of servicing directly to retailers from the respective factories. The actions for same are being initiated on all India basis for retailers appointment. The Company also intends to launch Premium range of Water Tanks with added features.

The production of Double Wall Corrugated HDPE Pipes has started from Gadegaon and Kharagpur plants with BIS Certification. The Company is in process to educate various departments the benefits of putting in place a good quality DWC Pipes with latest technology and using virgin certified raw materials in terms of performance and longer life.

The Company introduced 63 nos. of variety of Injection Moulded Pipe fittings during 2018-19. They all have been well received in the market. The sale of moulded fittings increased

by 15% in volume terms during the year under review. The Company has plan of introducing further new items during the year as per system requirement. The total product portfolio in Plastic Pipe System has reached 8085 nos., thus adding 355 products to the range of various Plastic Piping System compared to previous year.

The Company manufactures the cPVC Pipes at three of its manufacturing location and cPVC Fittings at two of its manufacturing locations. The Company has planned further expansion of cPVC Pipe manufacturing at it's Malanpur Plant and plans to set up facility to make these pipes at Jadcherla plant. The cPVC system sales during last year grew by 28% in value over previous year.

The AQUAKRAFT Bath Fittings introduced by the Company is well established now including newly launched Chrome Plated range. There were 13 new items introduced during the year. The portfolio in Bath Fittings has reached to 108 items. Company continues to import some variety of Bath Fittings to service local market. The Company plans to further complement the range during 2019-20 by introducing large varieties of products in Bath fittings. The Company also plans to enhance its manufacturing facility at Pondicherry at adjacent plot. The Bath Fittings sales during last year grew by 42% over previous year.

The Company's business to Export market during the year saw a growth of 47.8% in US \$ terms. The Company is continuously trying to boost its export business of Piping Systems.

The Division's Value Added Products sale was 39% compared to 38% in the previous year. The Company has also added further 87 direct business Channel partners during the year taking the total to 1071 Nos. The Company continues to expand its reach by appointing Distributors in areas where there is a gap. The Company has also started directly servicing retailers in selected markets for certain specific products of this division.

The Company has multiple Knowledge Centres across the country to train Plumbers and interact with Farmers, Architects and Plumbing consultants in respective zones. Currently, they are functioning at Gadegaon, Kochi, Malanpur and Kharagpur. Company expects to start such centres at more locations in near future.

With the help of specialists the Company has embarked upon a new activity with nomenclature as "Plumbing Workshop" which is a full day session to educate Plumbers and Plumbing Contractors. Here the sharing is of latest Plumbing techniques along with applications of new products introduced by Company in the recent past in the range. The markets have very well appreciated it and there is pressure on Company to increase the Plumbing Workshop number substantially. The Company organized 276 Plumbing workshops in the year 2018-19 throughout the year. Company plans to organize close to 500 Plumbing Workshop during the year 2019-20. There are now more than 99,000 Plumbers connected with the Company.

Company has started monitoring data of retailers who buy regularly through it's distribution channels. An action plan to increase the number of such retailers on all India basis has been worked out and will be tracked.

Company's FlameGuard fire sprinkler system is moving slowly but steadily in the Indian market. Many leading developers in Mumbai accepted the concept and started using the system.

At present there are 10-12 on-going projects of prestigious builders in Mumbai. Apart from Mumbai, the system is supplied to projects in Himachal Pradesh, Goa, Gujarat and Telangana. Apart from residential projects, Company expects good business from the Hotel Industry all over India. In last financial year, Company exported the system to Srilanka and Philippines and export base will be further broadened in current financial year.

Company achieved license from Bureau of Indian Standards (BIS) to manufacture such pipes. Apart from BIS, FlameGuard pipes are also UL listed. The BIS standard for FlameGuard fittings has been published and the Company is doing the needful for approval. Company has also sent the samples of fittings for UL listing at USA and expect UL listing within 2-3 months. To reduce the dependency on imports some more fittings are being developed indigenously. Thereafter Company will be in position to supply majorly indigenously manufactured products and will become more competitive in business.

BIS Standard for the installation of the sprinkler system is not yet revised. However, the CPVC as an alternate material is in consideration in the draft. After the standard gets published, the business will be boosted.

As far as the approval part is considered, the system being new to the Indian Market, multiple approvals are required. There is no fixed format and it changes from state to state and even city to city. At present Company has approvals from Chief Fire Officer (CFO) Mumbai, Director Fire Services Maharashtra, Gujarat, Karnataka and Uttar Pradesh. Recently the system was also approved by Dy. Director Uttar Pradesh which will facilitate business in NCR market.

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

## 4.2 Consumer Products

### 4.2.1 Furniture

The Company's furniture business during the year grew by 14 % in value terms and 5% in volume terms reaching ₹ 400 Crore mark during the year. The growth of the Company has been higher than other leading brands of Plastic Furniture among plastic furniture segment. However, the sales of unorganized players continued to gather momentum due to high acceptance of brown colour and matt finish products where the use of reprocessed polymers makes little difference in the overall appeal of the product.

The Company successfully completed the process of setting up a Green Field project for manufacture of Injection Moulded Furniture at Jadcherla near Hyderabad in Telangana. The plant has gone into operation from first week of April 2019 and will help the Company in improving its market share in Southern States. In fact, the new plant will serve as a feeder unit for all other zones also due to its location & connectivity. The additional capacity of this green field project will enable the Company to grow rapidly during the year. Apart from Jadcherla plant, the Company currently manufactures Injection Moulded Furniture at Puducherry (UT), Durgapur (West Bengal), Derabassi (Punjab), Gadegaon (Maharashtra) & Guwahati (Assam) to cater effectively different regions of the country.



The Company also manufactures Blow Moulded Tables at its Kharagpur (West Bengal) plant which has now stabilized and showing good growth over last year. However, the plant is still operating at less than 50 % of its capacity. Looking at wide acceptance of Blow Moulded Tables and increase in range, the Company expects to utilize 70-75 % capacity utilization by end of this year. The Company currently manufactures 11 products made with Blow Moulded technology which have been well appreciated by the market. The Company will commercially launch six new products in the first quarter to cater different market segments and increase acceptance of Blow Moulded products. The Company is optimistic about future growth from this segment and would look forward to expand its capacity for achieving economies of scale. The export potential of this segment is yet to be realized due to high cost of metal fabrication.

The Company has already committed investment on various new furniture models which will go into production by 2nd & 3rd Quarter of the year and help in growth of business during the year. The Company introduced twelve new furniture models during the year. The Company's two seater rattan finish Love Seat Sofa which made an ideal combination with its fast selling model Cambridge Chair and Vegas Center Table was well appreciated during the year in domestic as well as International Market. All the new models introduced during the year were well appreciated and the Company hopes to get good growth from its new introductions.

The Company plans to start manufacture of Roto Moulded Furniture and expect to launch Four models of Roto Moulded Furniture in 1st Quarter of this year.

The Company's furniture is currently available to its customers through nationwide network of 12,000 retailers. The Company plans to add another 1400 retailers during the year. The Company increased its strength of channel partners from 900 to 1045 Nos and continues to increase its presence in unrepresented areas. The Company has established itself as a premium brand amongst its trade channel and customers due to its continuous focus on Quality, innovation and wide range of products. It is perceived as Premium Furniture Manufacturer by trade partners and consumers.

The Company continues to focus on developing its export market and has received good acceptance by various customers. The Company participated in Three International Furniture Exhibition in the year. This initiative enabled it to show case its wide range of Furniture in various International markets.

The Company achieved breakthrough with some of the leading retailers in international market. This has resulted in value growth to ₹ 5.50 crores in the year under review compared to an export of ₹ 1.90 crores in the 2017-18 year. This augurs well for future high growth in Furniture export business.

The Company has now been awarded SA 8000 certification for its Lalru plant reinforcing the practices adopted of international standards for social accountability which would help in adding more large retailers as its customers in future.

### 4.3 Industrial Products

#### 4.3.1 Industrial Components

The year started against the backdrop of improved business sentiments resulting from gradual economic recovery and various steady reforms initiated by the government. Demand revival took momentum both in Automotive and Consumer

Durable sector being catered by the Division. At the beginning of the year, the Division had projected growth of 16% and 18% in Value and Volume terms in both the sectors put together. The trend was quite encouraging until November'18 but took severe beating thereafter. This was because market didn't pick up as expected during festive season resulting in inventory pile up with most of Automobile and Appliances manufacturers followed by sluggish demand thereafter. However, Company acquired sizable order for supply of sub-assemblies for EVMs and VVPATs which helped to cover deficit in sales occurred during last 4 months of the year. Division grew by 20% and 12% respectively in Value and Volume terms over previous year.

As informed earlier, Khushkhera Unit of the division was transferred to newly formed joint venture company namely Kumi Supreme India Pvt Limited promoted jointly with Kumi Kasai Co of Japan on 30th June, 2018 as a going concern. This JV Company grew 14% and 6% in value and volume terms over previous year when this plant was part of Supreme Entity. This JV has been continuously acquiring good business from Maruti Suzuki, Honda Motors and other tier 1 customers in many of its new models. Company expects good long-term prospects of that JV Company with these customers.

In order to meet improved demand of one of the Company's major AC customer the Company had decided to put up a new plant at Ghiloth near Nimarana, Rajasthan and is operative since September'18. This plant is equipped with the most modern manufacturing facilities. Scope is kept for future expansion as company expects good growth from this facility during years to come. **Noida Plant** revenue together with Ghiloth Plant grew by over 9%. Demand for AC and Coolers is steadily improving indicating healthy growth in future. Noida and Ghiloth plant together are poised to be focused entities for White Goods Business. Both the plants together embarked on Operational Excellence Program to become Future Ready.

Auto Business in the western India improved further during FY18-19 first half revenue steadily improving from our major customer Tata Motors being mainly serviced from **Talegaon Plant**. Company acquired a major non-recurring order of EVM and VVPATs sub assemblies, which kept the plant busy for more than 2 quarters improving the plant capacity utilization. Company is aggressively focusing to improve ROI by various BPR measures.

**Chennai Plant** registered Revenue growth of over 27% buoyed by good demand from Appliances Sector Customers. Company has embarked on expanding this plant to exploit future Business opportunities here. The facility will be operational by second quarter of the current year. This expansion should help company to improve plant revenue significantly during next couple of years. **Pondy Plant** achieved a good Revenue growth of 16% driven by good demand for Washing Machines. The drive was taken to improve the operations further to enhance productivity, Quality, Cost Optimization, and Skills Up-gradation to meet increased expectations from customers and stay competitive. Both Chennai and Pondy plant would work to establish high level of synergy to become major Industrial Plastic Parts and Assembly Source of South.

**Durgapur Plant** also achieved healthy value and volume growth of 28% and 25% respectively due to maturation of the new businesses acquired during previous years. Company has planned Operational Excellence initiatives and major re-layout of the plant to improve Overall Operations.

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

Overall rating of the company by its customers meets or exceeds their expectations. Company is considered a highly dependable and valuable supplier. The Journey towards excellence is being cultivated as a culture and will be continuous.

#### 4.3.2 Material Handling Products

The Material Handling Products Division (MHD) has performed with good results in few sectors and below expectations in few sectors. Overall the Division has performed reasonably well during the year under review.

The Division caters diverse Industry needs with following products lines

- 1) Crates:- for Industrial, Engineering, Automobiles, Retail
- 2) Fisheries, Fruit & Vegetable and Dairy.
- 3) Pallet for Warehousing, storage and Transit of material.
- 4) Bottle crates- For soft drink and beverages industries
- 5) Roto moulded crates, Pallet, Dustbins and customized products

The Industrial crates which services to Sector like, Automobile, Engineering, Appliances , FMCG and Retails has grown over by 9%, Considering the flat results of Automobile and Engineering, Appliances sectors which are the main customers for industrial crates the growth is good .New crates models introduced during the year have been well accepted by the customers and are expected to give good growth next year as well.

Your Company continues to provide customized fabricated crates solution for the major Automobile and Appliances customers even when these industries had very sluggish year, our business has shown steady growth and retention of major customers.

In Dairy business your Company has developed a patented design model with good initial successes, The Company is confident that during the current year the model will be a game changer in Dairy Industry.

In Pallet the Division has posted excellent result with growth of over 34%, both injection and roto pallets have shown good results achieved through Industrial customers only. None of the Govt. Agencies have purchased any significant quantities during the year under review. Company will soon introduce few more models to serve more numbers of customers which are not served presently. Your company has also planned to enhance the capacity for Pallet production during the current

year considering the momentum of sales and is hopeful of even better results with its pallet range.

The division has introduced a new product line "PP Corrugated Sheet" manufacturing at Lalru, Punjab unit. This product line is aimed to provide high quality customized, value added products to its customers. After initial teething troubles during first few months, this product line has started showing progressive results. Division is hopeful of running full capacity during the current year and fulfill its' customer aspirations of consistent top quality product which is presently not available to them with smaller & unorganised players

Roto products of Division have shown positive trends with over 13% growth. With locational advantage of geographically manufacturing spread, Division shall be introducing many customized solutions in this category also during the year for even better growth.

The Company has introduced one model in Injection moulded dustbin with high acceptance. Looking at the success of this model, other models are in pipeline for the current year to ensure the market participation and be a part of Swachha Bharat Mission.

The Bottle Crates business of the Division languished due to poor demand from major soft drink players.

Your Company follows strict quality norms and refrains from using recycled plastic particularly demanded in Fruit and Vegetable crates category. Fruits and vegetable crates are sold only to selected quality conscious customers.

Division is continuously growing its distribution network with over 210 channel partner all over India. Division still need to strengthen its network and increase its distribution spread specially in eastern and southern India.

#### 4.3.3 Composite LPG Cylinder

The Company received order for 80,000 cylinders for supplies to Bangladesh in the beginning of this financial year. Company started executing the order in time bound manner. The Company received some complaints which had arisen due to non-conformity of some bought out components. The Company stopped supplies beyond 63,000 cylinders after knowing quality problem on these components.

The Company's technical team in consultation with it's associate in The Czech Republic has found a workable solution to address the issue at Bangladesh. It will take few months to resolve the issue. Based on that, the Company is addressing the quality issues in certain quantities among the cylinders supplied.

The Company has made necessary provision of cost involved in addressing this issue, in the working of the year 2018-19.

Supplies of 20 kg. cylinders to Korea is being used successfully. The Company hopes to get good orders from it's customers in Korea.

The Company has also supplied initial quantities in the African Continent. Company expects to supply further quantities in this financial year.

The Company has received indications from Oil Marketing Companies to get more orders from Government Oil Companies in this year.

The Company was hopeful of turnaround of this Division in the financial year 2018-19 but due to quality issue of Bought out component, it turned out to be a tough year. The Company expects improved performance from 3rd quarter onwards in the current financial year in this division.

#### 4.4 Packaging Products

##### 4.4.1 Packaging Films

Performance Films Division (PFD)

The Performance Films Division has achieved expansion in capacity at the Company's existing location in Khopoli. The division has acquired a new 7 layer film extrusion unit as well as an 8 colour CI Flexographic Printing press. Both of the new equipments will help the Company to deliver better quality of product and will improve our lead times due to the increase in flexibility of production capabilities.

The Company has also added one lamination unit to cater to demand from its existing customers. This will also help the Company in creating value added products to its portfolio.

The division has a slow-down in business owing to competitive pressure and increase in manufacturing capacity in the industry in the year under review.

Overall sale was 6703 tons as against 7454 tons in the previous year due to intense competition. Consequently the sales value was also lower from ₹ 125.31 crores to ₹ 109.63 crores. Exports were also lower at 1316 tons as against 1659 tons in the previous year. Here also the prices were under pressure due to stiff competition from Indian manufacturers.

The Company remains optimistic in the current year. Even though the prices are under pressure, the customers base is sustained due to the Company's quality commitment and service.

The Company expects to achieve substantial volume and value growth in this business in the current year due to increase in customer base in India and Abroad. This has been made possible due to increase in the production capacity with improved product mix.

##### 4.4.2 Protective packaging division (PPD)

PPD has recorded 10.18 % growth in value and 11.50 % in volume during the year under review. The total sale achieved is 26018 MT as against 23335 MT of last year.

EPE requirement has been growing in mattress application.

The division has installed additional foam production capacity of 4000 MTPA at Hosur to meet the increasing demand for south market. The division is also working to enhance the productivity of existing extruders at all places to cater to the increasing demand.

The division is also starting a new facility at the Jadcherla complex with an EPE capacity of 3200 tons of epe alongwith 1440 tons of ABF, to cater to the increasing demand in Telangana & Andhra Pradesh alongwith some neighboring states which are logistically cost effective. Due to civil delays the plant is expected to go on stream by 2nd quarter of this financial year.

The division is also now on the verge of offering a premium range of foam variants to all institutional mattress customers.

New NBR sheet plant at Malanpur has started commercial production during the month of September 2018. The

Company's products have been appreciated in the market. Within two months of operation the new plant has been stabilized with the targeted density of 45 kg/m<sup>3</sup>. Also many of the imported ingredients have been replaced by local ingredients. By adding an adhesive lamination line, a large numbers of variants have now been added. A few more new variants will be added in the coming year. The division will be offering a comprehensive list of thermal insulating products.

The Two units at Hosur were merged into a single unit. This unit now has a total built up area of over 350000 sq ft. The modern layout ensures a smooth flow of material ensuring movement efficiencies. The vacated premise of Unit 1 has been sold. The overall production capacity stands at 15000 tons against 10000 tons in the previous year. The division expects significant growth of business in South zone

Kharagpur capacity of EPE foam was also increased by 2600 tons in the year under review. Production of single stage, crosslinked block foam has also commenced in the month of March 2019 to better service the East Zone customers

Due to introduction of new pollution control norms in Maharashtra, production of Air bubble film line and lower thickness foam was stopped at Urse for two months which has affected the business of west zone to some extent.

#### Packaging

Packaging vertical has grown by 5.91 % in value and 8.66 % in volume as against last year. Major growth has come from polyethylene foam business due to superior quality of low density against other local competitors. The Tandem Foam Extruder which had been developed by the Engineering team is one of the key factors for growth of this business.

The division has successfully developed many items for Decathlon which were earlier imported by them. The division expects few more products to be introduced this year. Talks are on to enroll Supreme as a global supplier by Decathlon.

Several new products have been added to our range of single stage block Cross linked foam products for the footwear and packaging industries. The overall installed production capacity has also increased from 5000 MTPA to 6300 MTPA at Hosur and Malanpur.

The business of Two stage block foam which was sluggish for the past few years has now picked up. Production capacity has been doubled from 203 MTPA to around 324 MTPA with marginal investment during the year to cater to the increased demand.

#### Civil

Civil business has grown by 14.16% in value and 13.95 % in volume in the current year. Increased infrastructure development in the country has increased business opportunity in Government projects. DURA floor protector – XF which is a composite product of Silpaulin and EPE foam used as a re-usable floor protection for interior works is now gaining popularity in the market and is expected to grow further in the current year.

#### Insulation

The growth of Insulation vertical has shown significant growth of 49.46% in value and 68.27% in volume against the previous year. This is on account of introduction of NBR sheets & large diameter tubes in the year under review. Business of PE crosslink foam had taken a beating in the previous years



on account of multiple manufacturers entering the field, & continued offering inferior products at low prices. To counter the same, the Company has developed several low cost products, with better properties, duly certified. Business is improving due to wider range of product portfolio & the Company expects further improvement in the coming year.

This vertical has initiated several steps to reduce cost of products without compromising quality against declared specification duly certified. The R&D team is also working on several International certifications for Insu range of products. With the introduction of NBR sheets, the division is now offering a wide range of Insulation products which are generally specified by HVAC consultants. The vertical is expecting good business growth in the current year.

The division is working on developing several acoustic insulation products. What started as a Two product offering a couple of years ago is now a multi product offering. As the Company learns the business of acoustics better, it hopes to grow this into a full fledged vertical.

### Exports

The division has participated for the first time in two International Foam Exhibitions. New markets need different certifications. The process is on and the division expects positive results. Exports during the year were ₹ 770 lacs against ₹ 218 lacs in the previous year.

### Technology

In last two years, the division had developed 2 nos. of 400 kg/hr capacity Tandem Extruder through a Korean vendor. Now the division has developed 500 kg / hr Tandem Extruder which is running successfully at Hosur unit. These extruders are generally used for making low density foam, which creates an advantage against competitors.

### Product - Recognition

The Company's INSU ranges of products are certified as GREEN by CII – Sohrabji Godrej Green Business Centre on behalf of IGBC. The INSU range of products are also certified with International standards UL VO (Taiwan), NZ 1530 (New Zealand). NBR sheets and tubes have also been certified by FM USA for its superior fire resistance. The division is working on getting few more International certifications which will create further export opportunities in the forthcoming period.

#### 4.4.3 Cross Laminated Film

The Business of Cross Laminated Film & Products had a positive growth in volume during the year despite stiff competition from several players who have entered this business in last two years.

The Company's main products are Tarpaulins, bags, fumigation covers, vermi bed, rainwater harvesting sheets & pond liners. With most parts of India facing water crisis the Government is focusing on harvesting water. The Government of India has doled out many schemes for conservation of water including subsidies to farmers for building water ponds. This has resulted in increase in demand for Company's pond liners which is available with warranty.

The new fabricated products developed by the Company have been well accepted by the market. The Company has developed many products by laminating the XF film with other substrates. The Company expects the sale of these fabricated / laminated products to grow manifolds during the coming year.

The Company was earlier selling Reprocess Granules which it was unable to reuse. During the year Company has manufactured & sold tarpaulins made from own generated Reprocess Granules to target the low cost Tarpaulin Segment. This product is well accepted in the Market & will give better realization, than selling such granules.

The quality of the product offered by several new players who have entered this business is not comparable. To distinguish Company's products from those of competitors the Company is promoting products made from Cross Line Bonded Film. This film is now available in all the thicknesses & has patent protection. The Company is aiming to substantially increase the capacity to manufacture these products. The Company now owns the patents worldwide & hence there is lot of savings in royalties which would have been payable otherwise.

In USA the Company has tied up with some local players to sell the product online on Amazon & through some store chains online and offline. The Company is now receiving repeat orders from USA customers. The Company is planning to showcase its product in exhibitions to be held in South East Asia, Latin America, Africa & USA. This will open up new markets besides strengthening the existing markets. The Company's Exports have grown by 14% in volume over the previous year.

The Company's bags are finding more acceptance from industrial product makers. The business of bags has gone up by 21% in volume in the year compared to previous year.

The Company's technical collaborator has now perfected the Cross Plastic Film Technology & is in the process of preparing drawings of the equipment's for manufacturing this film. The Company intends to place orders for the equipment's in the coming year. The Company has now acquired worldwide rights in the patents of newly developed Cross Plastics Technology from it's Collaborator which will bring in lots of savings in the years to come.

#### 4.5 Construction Business

The company has developed Commercial Premises viz "Supreme Chambers" with a view to monetize the land parcel it held on shifting of its manufacturing activities out of Mumbai. The aesthetically designed green building having many eco-friendly features & infrastructure facilities was completed in 2010-2011 with all permissions including Occupation Certificate in place.

At the beginning of the year total 51258 sq ft of saleable area was available for Sale at the said premises. During the year under review the Company sold 38718 sq ft saleable area at an aggregate consideration of ₹ 80.85 crores. Now only 12540 sq ft remaining area is available for sale.

The Company is hopeful to monetize the same during the current year.

#### 5. FINANCE

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

Particulars	Measure	F.Y. 2018-19	F.Y. 2017-18
Net borrowing level at the end of the year	₹ In crores	160.94	246.40



Particulars	Measure	F.Y. 2018-19	F.Y. 2017-18
Average Monthly Borrowings	₹ in crores	265.58	335.95
Interest & finance charges	₹ In crores	26.00	20.64
Average cost of borrowings at the end of the year	% p. a	8.23	7.12
Financial cost as a % of Turnover	%	0.46	0.41
Total Debt : Equity Ratio		0.08	0.14

RBI kept the Key policy rates at elevated levels during majority period of the year under review. The Repo rate, was at 6.00% at the start of the year touched a high of 6.50% in the December, 2018 Thereafter the RBI has reduced the Repo Rate by 25 bps each in February 2019 & in April 2019 aggregating to the reduction of 50 bps in their respective monetary review meetings. Thus the Repo Rate has been gradually brought down to 6.00% presently. The higher rates generally resulted in relatively higher cost of borrowing for the working capital requirements of the Company.

## 2. Working Capital Borrowing

### 2.1. Foreign Currency Borrowing

After the discontinuation of Letter of Undertakings (LOUs) by RBI, availability of low cost Working capital Credit in foreign currency (Buyer's credits) became scarce initially. However, the Company has managed to restart availing of Buyer's credit funding, directly from overseas lenders at competitive rates.

### 2.2. Commercial Papers

During the year under review, the Company continued to place cost effective Commercial Papers (CPs) in the market to avail low cost INR funding. However, with the latest guidelines from RBI, w.e.f. 1st April, 2019, borrowers will have to avail 40% (60% w.e.f. 1st July, 2019) of Fund based limits by way of Working capital demand loans (WCDL) from Banks. As a result the Company's cost of borrowing is expected to go up, as it will have to reduce its exposure to CPs and Buyer's Credits, in favour of costlier WCDLs.)

### 2.3. Dealers' financing & Vendor Management.

The Dealers' finance facilities extended to the selected Channel Partners of the Company has progressed well with more & more Channel Partners are interested to get enrolled on the Channel Finance Scheme. The total sanctioned limit under the scheme was around ₹ 87 crores & the utilization was around ₹ 61 crores at the end of the year.

The company continues to negotiate favourable credit terms with its suppliers for effectively managing its working capital requirements.

## 3. Term Debt

During the year under review, the Company has repaid its entire term debt component amounting to ₹ 15.38 crores and

has become debt free Company (except for its Working capital facilities).

## 4. CRISIL Rating

During the year, the Rating for Company's Short term bank facilities was reaffirmed at "CRISIL A1+" by CRISIL (which is highest rating for the Short term instruments).

CRISIL vide its letter dated 2nd April 2019 has upgraded the Rating for Long Term Bank facilities from "CRISIL AA Stable" to "CRISIL AA Positive (Outlook Revised from stable and rating reaffirmed)".

The outlook revision is driven by improvement in the company's business risk profile led by strengthening presence in the domestic market backed by wider distribution network and expected increase in number of manufacturing facilities. The company has a strong market position across multiple segments in the plastic products industry, and high-margin, value-added products make a healthy contribution of around 35% to revenue.

## 5. Capital Expenditure

5.1. Considering optimistic business growth potential, the Company has incurred Capital Expenditure (Capex) of ₹ 384 crores, during the year under review. The highlights of the Capex incurred are as follows.

- Increase in capacity of Plastics Pipe and Fittings at Khargapur, Jalgaon and Malanpur.
- Increase in capacity of Roto moulded products at Malanpur, Kanpur and Jadcherla.
- Increase in capacity of Protective Packaging Products at Malanpur, Kharagpur, Hosur and Jadcherla.
- Increase in capacity of Plastic moulded furniture/Material Handling crates at Jadcherla, Lalru and Durgapur.
- Increase in capacity of Industrial Components at Ghiloth and Talegaon.
- Increase in capacity of Multilayer performance Packaging film at Khopoli.
- Addition of new moulds to increase product range and introduce new products in Plastics pipe and fittings, Furniture and Material handling products.

5.2. During the current year i.e. 2019-20, the Company envisages Capex in the range of about ₹ 300-350 crores, mainly on the following.

- Putting Moulding shop at Kharagpur complex
- Establishing capacity to manufacture PVC Pipe System/ HDPE Pipe System/CPVC Pipe System/PEX Piping system at Jadcherla
- Expanding Roto Moulding Capacity at Jadcherla
- Putting another Unit at Pondy's new site to increase Bath fitting capacity
- Adding several varieties of Injection Moulding and Blow moulded furniture in the Company's range of furniture
- Installing additional equipment to increase production of XL Bonded XF film at It's Silvassa and Get Muvala Units.
- Increasing PVC Pipe manufacturing capacity at Kanpur Dehat Unit

- h) To add innovative fabricating machines to produce several varieties of new fabricated products from XF film.
- i) To add end of the line fabrication machines for performance packaging films.
- j) To install balancing machines in Protective Packaging Division
- k) To increase capacity at Gadegaon and replace certain old machines at Lalru plant and to invest in moulds for increased product range in Material Handling Products
- l) To expand capacities in Industrial Product Division at Ghiloth and Chennai moulding unit

During the year under review (1) the company has divested its Khushkheda unit to a newly formed joint venture company viz Kumi Supreme India Pvt Ltd and realized net gain of ₹ 70.44 crores from the proceeds thereof (2) Relocated all its Plant & Machineries from Hosur unit 1 to Hosur unit 2 & sold land & buildings at Hosur unit 1 & realized ₹ 17.41 crores therefrom.

Moreover the company has also realized ₹ 80.85 crores from the Sale of commercial premises at Supreme Chambers.

In view of the receipt of the above proceeds coupled with internal accruals from its operational performance, company's Cash flows average monthly borrowings have been reduced by ₹ 70.37 crores inspite of large capital expenditure and increased working capital requirement.

With the steady growth in cash accruals in the medium term with moderate Capex of around ₹ 350 to ₹ 400 crores annually financial risk profile of the company should remain robust in coming years.

## 6. INTERNAL CONTROL SYSTEM

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units/ locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical

meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements.

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

## 7. HUMAN RESOURCES

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

Continuous focus on employee engagement initiatives is helping company to enhance its Human Capital. Company is envisaging certain fast track initiatives under HR Umbrella to enhance skilling of its human resource to improve its capability to meet future needs of Digital Manufacturing. Whenever required, Company is employing manpower under various programs of Skill Development Ministry to support National Cause.

## Cautionary Statement

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

## Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019.

### 1. PHILOSOPHY OF COMPANY ON CORPORATE GOVERNANCE

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

### 2. GOVERNANCE STRUCTURE

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

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

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

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

### 3. CORPORATE GOVERNANCE PRACTICE

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

### 4. ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

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

### 5. BOARD OF DIRECTORS

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

As on 31st March, 2019 the Board comprised of 10 Directors viz Managing Director, Two Executive Directors and Seven Non-Executive Directors out of which six Directors are Independent Directors. The Chairman of the Board is Non -Executive Director.

#### a) Composition and Categories of Board of Directors:

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

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

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

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

**b) Attendance of Directors at the Board Meetings held during 2018-2019 and the last Annual General Meeting held on 29th June, 2018.**

During the Financial Year 2018-2019 the Board met on five occasions i.e. 26th April, 2018, 29th June, 2018, 31st July, 2018, 29th October, 2018 and 24th January, 2019. The gap between any two meetings is not more than 120 days.

Name of the Directors	Category	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM
Shri B L Taparia	Promoter / Non-Executive Chairman	5	5	Yes
Shri M. P. Taparia	Promoter / Managing Director	5	5	Yes
Shri S. J. Taparia	Promoter / Executive Director	5	5	Yes
Shri V. K. Taparia	Promoter / Executive Director	5	5	Yes
Shri B. V. Bhargava	Independent / Non-Executive Director	5	3	No
Shri Y. P. Trivedi	Independent / Non-Executive Director	5	5	Yes
Shri N. N. Khandwala	Independent / Non-Executive Director	5	5	Yes
Smt Rashna Khan	Independent / Non-Executive Director	5	5	Yes
Shri R Kannan	Independent / Non-Executive Director	5	5	Yes
Shri Rajeev M. Pandia	Independent / Non-Executive Director	5	4	Yes

**c) Details of Directorship in other Listed Entities and category of Directorship**

Name of the Directors	Name of other Listed Entities	Category of Directorship
Shri B L Taparia	Supreme Petrochem Limited	Non-Executive- Non Independent Director
Shri M. P. Taparia	Supreme Petrochem Limited	Non-Executive- Non Independent Director, Chairperson
	Kabra Extrusion Technik Limited	Non-Executive - Independent Director
	West Coast Papers Mills Limited.	Non-Executive - Independent Director
Shri S. J. Taparia	Supreme Petrochem Limited	Non-Executive - Non Independent Director
Shri V. K. Taparia	NIL	NA
Shri B. V. Bhargava	Excel Crop Care Ltd.	Non-Executive - Independent Director
	Grasim Industries Ltd	Non-Executive - Independent Director
	J.K Lakshmi Cement Ltd	Non-Executive - Independent Director
Shri Y. P. Trivedi	Reliance Industries Ltd	Non-Executive - Independent Director
	Zodiac Clothing Co. Ltd	Non-Executive - Independent Director
	Emami Ltd	Non-Executive - Independent Director
Shri N. N. Khandwala	NIL	NA-
Smt Rashna Khan	Reliance Power limited	Non-Executive - Independent Director
Shri R Kannan	Supreme Petrochem Limited	Non-Executive - Independent Director
Shri Rajeev M. Pandia	GRP Limited	Non-Executive - Independent Director
	Excel Industries Limited	Non-Executive - Independent Director
	Thirumalai Chemicals Limited	Non-Executive - Non Independent Director
	Ultramarine & Pigments Limited	Non-Executive - Non Independent Director



**6. RELATIONSHIP BETWEEN DIRECTORS**

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

**7. EQUITY SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS IN THE COMPANY AS ON 31ST MARCH, 2019:**

Sr. No.	Name of the Non-Executive Director	No. of Shares
1)	Shri B. L. Taparia	317398
2)	Shri B. V. Bhargava	13000
3)	Shri Y. P. Trivedi	20010
4)	Shri N. N. Khandwala	250750
5)	Smt Rashna Khan	Nil
6)	Shri R Kannan	7410
7)	Shri Rajeev M. Pandia	Nil

**8. THE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:****Brief Terms of reference:**

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

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

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

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

**9. MATRIX/TABLE CONTAINING SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD OF DIRECTORS:**

The Board Members are from diversified areas having the required knowledge. Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Plastics, Petrochemicals, Banking & Finance, Taxation and Legal.

The broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberation between the Board Members which consists of Managing Director, Executive Directors, Non-Executive Director and, Independent Directors

The Company has identified and broadly categorised its Core Skills, Expertise and Competencies as mentioned hereunder:

Matrix/Table of Core Skills, Expertise and Competencies of Board of Directors as Whole;

Particulars	Detailed List of Core Skills, Expertise and Competencies
Core Skills	Strategic policy formulation and advising , Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements,
Expertise	Knowledge of Petrochemicals, Commercial acumen and able to guide in building the right environment for Human Assets Development
Competencies	Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business in India and outside India and advising on Business Risks & environment.

**10. CONFIRMATION OF BOARD REGARDING INDEPENDENT DIRECTORS**

Board of Directors confirms that the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are Independent of the Management.

**11. INDEPENDENT DIRECTORS MEETING:**

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors Meeting of the Company was held on 24th January, 2019. Independent Directors Meeting considered the performance of Non-Independent Directors and Board as whole, reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

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

### Attendance of Independent Directors in Independent Directors Meeting.

Directors	Meetings held during Year	Meetings Attended
Shri Y.P. Trivedi	1	1
Shri B.V. Bhargava	1	1
Shri N.N. Khandwala	1	1
Smt Rashna Khan	1	1
Shri R. Kannan	1	1
Shri Rajeev M. Pandia	1	1

### 12. AUDIT COMMITTEE:

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

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

### Composition and Attendance of Members at the Meetings of the Audit Committee held during 2018-2019

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Shri Y. P. Trivedi- Chairman	Independent / Non-Executive Director	7	7
Shri N. N. Khandwala	Independent / Non-Executive Director	7	7
Shri Rajeev M. Pandia	Independent / Non-Executive Director	7	6

### 13. NOMINATION AND REMUNERATION COMMITTEE

#### (i) Brief Terms of reference:

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

#### (ii) Composition

Members	Category	Meetings held	Meetings attended
Shri Y. P. Trivedi– Chairman	Independent / Non-Executive Director	2	2
Shri B. V. Bhargava	Independent / Non-Executive Director	2	2
Shri N. N. Khandwala	Independent / Non-Executive Director	2	2

**(iii) Performance evaluation criteria for Independent Directors:**

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

**(iv) Nomination and Remuneration Policy:**

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

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

**(v) Remuneration Paid/Provided to Directors during 2018-19**

(₹ in lacs)

Sr No.	Names	Category	Sitting Fees	Salary & Perquisites	Commission	Total
1	Shri B L Taparia	Promoter / Non-Executive Chairman	5.00	–	7.50	12.50
2	Shri M P Taparia	Promoter / Managing Director	–	251.00	620.00	871.00
3	Shri S J Taparia	Promoter / Executive Director	–	249.00	620.00	869.00
4	Shri V K Taparia	Promoter / Executive Director	–	249.00	620.00	869.00
5	Shri B V Bhargava	Independent / Non-Executive Director	5.00	–	7.50	12.50
6	Shri Y P Trivedi	Independent / Non-Executive Director	10.50	–	7.50	18.00
7	Shri N N Khandwala	Independent / Non-Executive Director	14.00	–	7.50	21.50
8	Smt Rashna Khan	Independent / Non-Executive Director	6.00	–	7.50	13.50
9	Shri R Kannan	Independent / Non-Executive Director	6.50	–	7.50	14.00
10	Shri Rajeev M. Pandia	Independent / Non-Executive Director	9.50	–	7.50	17.00
	<b>Total</b>		<b>56.50</b>	<b>749.00</b>	<b>1912.50</b>	<b>2718.00</b>

**14. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**a) Composition:**

Members	Category	Meetings held	Meetings attended
Shri N. N. Khandwala - Chairman	Independent / Non-Executive Director	7	7
Shri M. P. Taparia	Promoter / Managing Director	7	6
Shri Rajeev M Pandia*	Independent / Non-Executive Director	7	2

\* Shri Rajeev M Pandia inducted as member of stakeholders relationship committee w.e.f. 24th January, 2019

**b) Compliance Officer:**

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

- c) During the year, the company received 170 complaints / correspondence from Shareholders regarding non-receipt of Share Certificates / issuance of Duplicate Share Certificates / Dividend Warrants etc. all of which except 4 have been duly resolved in time.

## 15. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the financial year 2018-19 Corporate Social Responsibility Committee meeting was held on 25th April, 2018.

Name	Meetings held	Meetings attended
Shri N. N. Khandwala- Chairman	1	1
Shri B. L. Taparia	1	1
Shri M. P. Taparia	1	1

### Terms of reference:

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

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

## 16. RISK MANAGEMENT COMMITTEE

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

During the financial year 2018-19 Risk Management Committee was held on 24th January, 2019.

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

## 17. BUSINESS RESPONSIBILITY COMMITTEE

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

During the financial year 2018-19 Business Responsibility Committee was held on 25th April, 2018

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

## 18. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2016 - 74th AGM	WalchandHirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	28th June,2016	4.00 p.m.
2017 - 75th AGM	WalchandHirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	3rd July, 2017	4.00 p.m
2018 -76th AGM	WalchandHirachand Hall, I.M.C., Near Churchgate Station, Mumbai -400 020	29th June. 2018	4.00 p.m.

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

Year	Date	Time	Special Resolutions passed
2017-18	29.06.2018	4.00 pm	<ul style="list-style-type: none"> <li>• To approve re-appointment and remuneration of Shri M.P. Taparia ( DIN: 00112461) as a Managing Director of the Company</li> <li>• To approve re-appointment and remuneration of Shri S.J. Taparia (DIN: 00112513) as a Executive Director of the Company</li> <li>• To approve re-appointment and remuneration of Shri V.K. Taparia (DIN: 00112567) as a Executive Director of the Company.</li> </ul>



Year	Date	Time	Special Resolutions passed
2016-17	03.07.2017	4.00 pm	<ul style="list-style-type: none"> <li>Alteration of Articles of Association</li> <li>Approving the re-appointment of Shri S.J. Taparia (Director Identification No. 00112513) as an Executive Director liable to retire by rotation</li> </ul>
2015-16	28.06.2016	4.00 pm	Nil

**(iii) Details of Special Resolution Passed by Postal Ballot during FY 2018-19 through Postal Ballot**

During the year 2018-2019 Company has conducted the Postal Ballot procedure to obtained consent of the members of the Company for continuation of Directorship of Non- Executive Directors of the Company in Compliance with the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has appointed M/s V. Laxman & Co., Company Secretaries, as a Scrutinizer to conduct the voting process including postal ballot exercise in a fair and transparent manner.

Details of Special Resolution passed through Postal Ballot are as under;

- a) Approval for continuation of Directorship of Shri B.L. Taparia (DIN: 00112438) as a Non-Executive Director of the Company.

Details of Voting Pattern:

Resolution required (Ordinary / Special)				Special Resolution			
Category	No. of Shares held (1)	No. of Votes Polled (2)	% of votes polled on outstanding shares (3) = $[(2)/(1)]*100$	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = $[(4)/(2)]*100$	% of Votes against on votes cast (7) = $[(5)/(2)]*100$
Promoter & Promoter Group	63132745	61017455	96.65	61017455	0	100	0.00
Public – Institutions	37834082	29923110	79.09	29921010	2100	99.99	0.01
Public – Non Institutions	26060043	2574402	9.88	2573469	933	99.96	0.04
<b>Total</b>	<b>127026870</b>	<b>93514967</b>	<b>73.62</b>	<b>93511934</b>	<b>3033</b>	<b>100.00</b>	<b>0.00</b>

- b) Approval for continuation of Directorship of Shri Y.P. Trivedi (DIN : 00001879) as a Non-Executive Independent Director of the Company till completion of his present term i.e. 16th September, 2019.

Details of Voting Pattern:

Resolution required (Ordinary / Special)				Special Resolution			
Category	No. of Shares held (1)	No. of Votes Polled (2)	% of votes polled on outstanding shares (3) = $[(2)/(1)]*100$	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = $[(4)/(2)]*100$	% of Votes against on votes cast (7) = $[(5)/(2)]*100$
Promoter & Promoter Group	63132745	63132745	100.00	63132745	0	100.00	0.00
Public – Institutions	37834082	30267514	80.00	26359962	3907552	87.09	12.91
Public – Non Institutions	26060043	2573842	9.88	2571698	2144	99.92	0.08
<b>Total</b>	<b>127026870</b>	<b>95974101</b>	<b>75.55</b>	<b>92064405</b>	<b>3909696</b>	<b>95.93</b>	<b>4.07</b>

- c) Approval for continuation of Directorship of Shri B.V. Bhargava (DIN : 00001823) as a Non-Executive Independent Director of the Company till completion of his present term i.e. 16th September, 2019.

**Details of Voting Pattern:**

Resolution required (Ordinary / Special)				Special Resolution			
Category	No. of Shares held (1)	No. of Votes Polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)]*100	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = [(4)/(2)]*100	% of Votes against on votes cast (7) = [(5)/(2)]*100
Promoter & Promoter Group	63132745	63132745	100.00	63132745	0	100.00	0.00
Public – Institutions	37834082	30267514	80.00	26554162	3713352	87.73	12.27
Public – Non Institutions	26060043	2573792	9.88	2573168	624	99.98	0.02
<b>Total</b>	<b>127026870</b>	<b>95974051</b>	<b>75.55</b>	<b>92260075</b>	<b>3713976</b>	<b>96.13</b>	<b>3.87</b>

- d) Approval for continuation of Directorship of Shri N.N. Khandwala (DIN : 00112603), as a Non-Executive Independent Director of the Company till completion of his present term i.e. 16th September, 2019.

**Details of Voting Pattern:**

Resolution required (Ordinary / Special)				Special Resolution			
Category	No. of Shares held (1)	No. of Votes Polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)]*100	No. of Votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes cast (6) = [(4)/(2)]*100	% of Votes against on votes cast (7) = [(5)/(2)]*100
Promoter & Promoter Group	63132745	63132745	100.00	63132745	0	100.00	0.00
Public – Institutions	37834082	30267514	80.00	26493322	3774192	87.53	12.47
Public – Non Institutions	26060043	2573292	9.87	2571664	1628	99.94	0.06
<b>Total</b>	<b>127026870</b>	<b>95973551</b>	<b>75.55</b>	<b>92197731</b>	<b>3775820</b>	<b>96.07</b>	<b>3.93</b>

**19. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES:**

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

**20. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**21. DISCLOSURE REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS:**

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

Name of the Directors	Date of Birth	Date of Appointment	Expertise in specific functional area	Qualifications	Chairman / Director of other companies	No of Equity Shares held in the Company
Shri S.J. Taparia	07/08/1945	15/06/1977	Industrialist Having rich Business experience.	B.E	1. Supreme Petrochem Limited 2. Supreme Capital Management Ltd. 3. Kumi Supreme India Private Limited 4. Boon Investment and Trading Co. Pvt. Ltd.	703816

Name of the Directors	Date of Birth	Date of Appointment	Expertise in specific functional area	Qualifications	Chairman / Director of other companies	No of Equity Shares held in the Company
Shri Y.P. Trivedi	06/01/1929	30/08/2003	Legal and Tax Expert	B.com, LLB	1. Reliance Industries Ltd 2. Zodiac Clothing Co. Ltd 3. Emami Ltd 4. Sai Service Private Ltd. 5. Federation of Indian Automobile Association	20010
Shri B.V. Bhargava	16/04/1936	25/09/1996	Overall guidance in framing Business Policies	M.com., L.L.B	1. Excel Crop Care Ltd. 2. Grasim Industries Ltd 3. J.K Lakshmi Cement Ltd	13000
Shri Sathak Behuria	02/03/1952	07/05/2019	Having rich experience in Business development.	BA, MBA	1. SPML Infra Limited 2. RSB Transmission (I) Ltd 3. Gandhar Oil Refinery (India) Limited 4. GSPC LNG Limited 5. BLS International Services Limited 6. Syenergy Environics Ltd	Nil
Ms. Ameeta Parpia	22/02/1965	07/05/2019	Senior Solicitor and Advocate with long experience in legal field.	B.A. LLB	1. Prism Johnson Ltd 2. Raheja QBE General Insurance Company Ltd 3. Hathway Cable & Datacom Ltd 4. Hathway Digital Private Limited 5. Supreme Petrochem Limited	1500

## 22. MEANS OF COMMUNICATION:

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

### (ii) Official News Releases:-

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

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

### (iii) Presentation made to Institutional Investor / Analysts:

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

## 23. GENERAL SHAREHOLDER INFORMATION

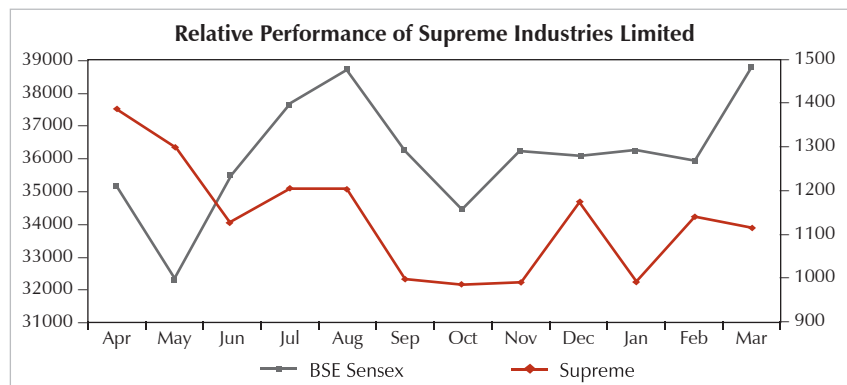
(i)	AGM (Date, Time and Venue)	:	On Wednesday the 10th July, 2019 at 4.00 pm. At Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400 020.
(ii)	Financial Year	:	1st April, 2018 to 31st March, 2019

(iii)	Key Financial Reporting Dates F.Y. 2019-2020	
	Unaudited Results for the First Quarter ended June 30, 2019	: On or before 15th August, 2019
	Unaudited Results for the Second Quarter ended September 30, 2019	: On or before 15th November, 2019
	Unaudited Results for the Third Quarter ended December 31, 2019	: On or before 15th February, 2020
	Audited Results for the F.Y. 2019-2020	: On or before 31st May, 2020
(iv)	Date of Book Closure	: From Thursday, 4th July, 2019 to Wednesday 10th July, 2019 (Both days inclusive)
(v)	Registered Office	: 612, Raheja Chambers, Nariman Point, Mumbai 400 021.
(vi)	Dividend Payment Date	: Within the Statutory time limit
(vii)	Listing on Stock Exchanges (to include address)	: (i) BSE Limited (ii) National Stock Exchange of India Ltd., (NSE)
(viii)	Listing Fees	: Annual Listing Fees for the year upto 2019-20 have been paid to both the Stock Exchanges.
(ix)	Stock Codes	: (i) BSE : 509930 (ii) NSE : SUPREMEIND
(x)	Trading Group	: (i) BSE : "A" Group, (ii) NSE : "Other Securities"

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

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April-2018	1390.00	1184.25	1383.00	1393.45	1173.00	1385.60
May-2018	1434.00	1232.00	1300.55	1448.40	1239.40	1301.90
June-2018	1320.00	1120.00	1128.35	1322.00	1120.00	1131.75
July-2018	1239.05	1085.00	1204.35	1240.05	1081.90	1203.95
August -2018	1269.75	1125.00	1203.55	1275.00	1128.00	1201.60
September-2018	1240.90	980.00	1002.70	1225.00	975.00	1006.30
October-2018	1150.00	945.90	987.45	1041.00	944.30	984.90
November-2018	1041.50	960.00	994.30	1043.90	957.00	993.85
December-2018	1200.45	935.85	1173.95	1204.70	937.60	1174.75
January-2019	1174.00	972.00	996.35	1181.40	970.00	994.50
February-2019	1170.00	968.00	1139.85	1172.00	983.25	1142.05
March-2019	1154.00	1050.00	1113.85	1160.00	1051.85	1117.35

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





xiii)	Registrar & Transfer Agent (For Physical & Demat Shares)	:	M/s. Bigshare Services Pvt. Ltd. Bharat Tin Works Building 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road Andheri – East, Mumbai – 400059. Tel 022- 62638200 Fax No- 022 -62638299 Weblink to raise queries: <a href="http://www.bigshareonline.com/Contact.aspx">http://www.bigshareonline.com/Contact.aspx</a>
(xiv)	Share Transfer System	:	Share Transfer are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects.

## (xv) Distribution of Shareholding (As on 31st March, 2019)

No. of Equity Shares held	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentages of Shareholdings
Upto 500	34592	85.90	3008003	2.37
501 - 1000	2062	5.12	1646585	1.30
1001 - 2000	1602	3.98	2367597	1.86
2001 - 3000	603	1.50	1513886	1.19
3001 - 4000	312	0.78	1094602	0.86
4001 - 5000	233	0.58	1089945	0.86
5001 - 10000	395	0.98	2789636	2.20
Over 10001	469	1.16	113516616	89.36
<b>Total</b>	<b>40268</b>	<b>100.00</b>	<b>127026870</b>	<b>100.00</b>

(xvi)	Dematerialization of Shares	:	125463440 Shares are Dematerialized (as on 31.03.2019) 98.77% of total Shares viz 127026870 shares)
(xvii)	Outstanding GDRs/ADRS/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity	:	The Company has not issued any GDRs/ADRS/Warrants or any convertible instruments in past and hence as on 31st March, 2019, the Company does not have any outstanding GDRs/ADRS/Warrants or any convertible instruments.
(xviii)	<p>Foreign Exchange Risk &amp; Hedging Activity</p> <ol style="list-style-type: none"> <li>1. Long term liabilities Long term liabilities by way of loans including ECB loans are fully hedged ab initio by way of a currency and interest rate swap.</li> <li>2. Trade exposure <ol style="list-style-type: none"> <li>2.1. Imports/ buyer's credit finance This exposure is hedged to the extent of at least 50% on a regular basis;</li> <li>2.2. Exports Since the quantum of exports is nominal in comparison to Company's imports/ buyer's credit exposure, the same is kept open.</li> </ol> </li> <li>3. Derivatives The Company follows a very conservative policy with regard to derivatives. The derivatives are used only to cover/hedge the underlying liabilities in the nature of Long Term Loans.</li> <li>4. The foreign exchange policy is in line with the mandate received from the Board. The same is closely followed by Chief Financial Officer, under the overall supervision of the Managing Director and Executive Directors.</li> </ol>		

(xix)	Plant Locations	: 1. Derabassi (Lalru, Punjab) 2. Durgapur (West Bengal) 3. Gadegaon (Maharashtra) 4. Guwahati (Assam) 5. Ghilot (Rajasthan) 6. Halol - Unit I (Gujarat) 7. Halol - Unit II (Gujarat) 8. Halol - Unit III (Gujarat) 9. Halol - Unit IV (Gujarat) 10. Hosur (Tamil Nadu) 11. Jalgaon - Unit I (Maharashtra) 12. Jalgaon - Unit II (Maharashtra) 13. Jadcherla- (Telangana) 14. Kanhe (Talegaon, Maharashtra) 15. Kanpur (Uttar Pradesh) 16. Kharagpur (West Bengal) 17. Khopoli (Maharashtra) 18. Malanpur - Unit I (Madhya Pradesh) 19. Malanpur - Unit II (Madhya Pradesh) 20. Malanpur - Unit III (Madhya Pradesh) 21. Noida (Uttar Pradesh) 22. Puducherry (Union Territory) 23. Silvassa (Union Territory) 24. Sriperumbudur (Chennai, Tamil Nadu) 25. Urse (Maharashtra)
(xx)	Address for Correspondence Investor Correspondence	: <b>For shares held in Physical form:</b> M/s. Bigshare Services Pvt. Ltd. Bharat Tin Works Building 1st Floor, Opp. Vasant Oasis Next to Keys Hotel Makwana Road Andheri – East Mumbai – 400059 Tel No. : 62638200 Fax No. : 62638299 Weblink to raise queries: <a href="http://www.bigshareonline.com/Contact.aspx">http://www.bigshareonline.com/Contact.aspx</a> <b>For Shares held in Demat form:</b> Investor's concerned Depository Participant's and / or M/s Bigshare Services Pvt Ltd.
(xxi)	Shareholders Assistance Investors Service Department	: Shares Department The Supreme Industries Limited, Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai 400 021. Phone Nos. : 22820072, 22851656, 22851159-60 Fax No.:22851657 E-mail : investor@supreme.co.in

(xxii) Credit Rating obtained for Bank Loan Facilities

<b>Total Bank Loan Facilities Rated</b>	₹ 1760.80 Crore	No revision
<b>Long -Term Rating</b>	CRISIL AA/Stable (Reaffirmed)	CRISIL AA/Positive (Outlook Revised from "Stable" and Rating Reaffirmed)
<b>Short -Term Rating</b>	CRISIL A1+ (Reaffirmed)	No revision

(xxiii) Categories of Shareholders (As on 31st March, 2019)

Sr. No.	Category	No. of Shareholders	Voting%	Number of Shares held
1	Promoters	17	49.70	63132745
2	Resident Individuals	37844	17.74	22545426
3	Corporate Bodies	614	2.87	3629856
4	Financial Institutions	1	0.02	27736

Sr. No.	Category	No. of Shareholders	Voting%	Number of Shares held
5	Nationalised Banks and Mutual Funds	69	12.20	15512544
6	FIs & Foreign Portfolio Investors	126	16.91	21484147
7	Foreign Bank	1	0.00	500
8	NRIs	1596	0.56	693916
	<b>Total</b>	<b>40268</b>	<b>100.00</b>	<b>127026870</b>

**24. DISCLOSURES:****(i) Materially Significant Related Party Transactions:**

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

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

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

**(iii) Vigil Mechanism Policy**

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

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

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

The Positions of Chairman and Managing Director are separate.

**(v) The Policy for determination of Material Subsidiary and Related Party Transactions is available on company's website: www.supreme.co.in.****(vi) Compliance Certificate from the V. Laxman and Company, Practising Company Secretary, confirming that None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority is attached as annexure to this Corporate Governance Report.****(vii) During the Financial Year Board of Director has accepted all recommendations of committees, which are mandatory by law.****(viii) Statutory Audit fees of ₹ 21,00,000 has been paid by the Company to M/s Lodha & Company (FRN-301051E) for agreed services between the Company and M/s Lodha & Company.****(ix) Your Company has complied with all the requirements of Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 except regulations 24(1) which is not applicable to the Company.**

(x)	Additional Information Regarding the Company is also available on the Company's Website at	:	<a href="http://www.supreme.co.in">http://www.supreme.co.in</a>
(xi)	CEO / CFO Certification	:	<p>Shri M. P. Taparia, Managing Director and Shri P. C. Somani, CFO heading the finance function have certified to the Board that :</p> <p>(A) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:</p> <p>(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>(2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.</p>

		<p>(B) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.</p> <p>(C) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.</p> <p>(D) They have indicated to the Auditors and the Audit Committee</p> <ol style="list-style-type: none"> <li>(1) significant changes in internal control over financial reporting during the year;</li> <li>(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</li> <li>(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.</li> </ol> <p>The above Certificate was placed before the Board Meeting held on 7th May, 2019.</p>
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## CODE OF CONDUCT

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

## Declaration

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and Senior Management Personnel have affirmed compliance with The Supreme Industries Limited Code of Conduct for the year ended 31st March, 2019.

For **The Supreme Industries Limited**

**M. P. Taparia**  
Managing Director

Mumbai : 7th May, 2019



## Certificate

Based on our verification of books, papers, forms and returns filed and other records maintained by The Supreme Industries Limited ("The Company"), and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such authority as on 31st March, 2019.

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

Date: 07th May, 2019  
Place: Mumbai

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

## Auditors' Certificate on Corporate Governance

To the Members of  
The Supreme Industries Limited

1. This certificate is issued in accordance with our engagement letter dated July 11, 2018.
2. This certificate contains details of compliance of conditions of corporate governance by **THE SUPREME INDUSTRIES LIMITED** ('the Company') for the year ended 31st March 2019 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

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

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on the procedures performed by us and to the best of our information and according to explanations given to us, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

### Restriction on Use

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

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

**R. P. Baradiya**  
Partner  
Membership No. 44101

Place: Mumbai  
Date: May 07, 2019

## Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L35920MH1942PLC003554
2. Name of the Company	The Supreme Industries Limited
3. Registered address	612, Raheja Chambers, Nariman Point, Mumbai – 400 021
4. Website	www.supreme.co.in
5. E-mail id	investor@supreme.co.in
6. Financial Year reported	2018-2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Plastic Products, NIC Code -222
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)	Plastic Piping, Packaging Products, Industrial Products, Consumer Products.
9. Total number of locations where business activity is undertaken by the Company	25 Manufacturing Locations, 12 Offices including Registered Office, One Subsidiary Company at Sharjah, UAE and Joint Venture Company named as Kumi Supreme India Private Limited at Khushkhera (Rajasthan)
(a) Number of International Locations (Provide details of major 5)	One-The Supreme Industries Overseas FZE, Sharjah, UAE, a wholly owned subsidiary. The principal activity is to promote globally Plastics piping Products
(b) Number of National Locations	<ol style="list-style-type: none"> <li>1. Derabassi (Lalru, Punjab)</li> <li>2. Durgapur (West Bengal)</li> <li>3. Gadegaon (Maharashtra)</li> <li>4. Guwahati (Assam)</li> <li>5. Ghilot (Rajasthan)</li> <li>6. Halol - Unit I (Gujarat)</li> <li>7. Halol - Unit II (Gujarat)</li> <li>8. Halol - Unit III (Gujarat)</li> <li>9. Halol - Unit IV (Gujarat)</li> <li>10. Hosur (Tamil Nadu)</li> <li>11. Jalgaon - Unit I (Maharashtra)</li> <li>12. Jalgaon - Unit II (Maharashtra)</li> <li>13. Jadcherla- (Telangana)</li> <li>14. Kanhe (Talegaon, Maharashtra)</li> <li>15. Kanpur (Uttar Pradesh)</li> <li>16. Kharagpur (West Bengal)</li> <li>17. Khopoli (Maharashtra)</li> <li>18. Malanpur - Unit I (Madhya Pradesh)</li> <li>19. Malanpur - Unit II (Madhya Pradesh)</li> <li>20. Malanpur - Unit III (Madhya Pradesh)</li> <li>21. Noida (Uttar Pradesh)</li> <li>22. Puducherry (Union Territory)</li> <li>23. Silvassa (Union Territory)</li> <li>24. Sriperumbudur (Chennai, Tamil Nadu)</li> <li>25. Urse (Maharashtra)</li> </ol>
10. Markets served by the Company	Local/State/National/International

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

₹ in lacs

1. Paid up Capital (INR)	2541
2. Total Turnover (INR)	561167
3. Total profit after taxes (INR)	₹ 45868
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.29%
5. List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> <li>• Health Care, Hygiene and Sanitation</li> <li>• Drinking Water</li> <li>• Education</li> <li>• Benefit to the under privileged.</li> </ul>

**SECTION C: OTHER DETAILS**

- Your Company as on 31st March, 2019 has one wholly owned Subsidiary Company.
- The subsidiary company does not participate in Business Responsibility (BR) Initiatives of the Company.
- The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practice and follow the concept of being a responsible business.

**SECTION D: BR INFORMATION**

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

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

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

**(b) Details of the BR head**

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

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

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

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



No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y Part of policy on Ethics and Code	Y Part of Company's Environmental Policy, Health Safety and Policy on Ethics and Code.	Y Part of Ethics and Code. Human Resource Policy, Employee Safety Policy	Y Part of CSR Policy.	Y Part of policy on Ethics and Code	Y Part of Company's Environmental Policy and Health Safety & Environmental Policy.	N	Y Part of CSR Policy	Y Part of Policy on Ethics and Code
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y The spirit and content of the Ethics & Code and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and National Standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	NA	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>	<a href="http://www.supreme.co.in/policies.php">http://www.supreme.co.in/policies.php</a>
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	Yes-on the Website of the Company	NA	Yes-on the Website of the Company	Yes-on the Website of the Company
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task.	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months.	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year.	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	The Company has always remained at forefront and represented the industry in a responsible manner at various level with in the Government and various industry associations from time to time. However no need for a formal policy has been felt.	-	-

**3. Governance related to Business Responsibility (BR)**

The Board of Directors of your Company constituted the Business Responsibility Committee consisting of

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

The Company includes the information on BR in this Annual Report of the Company. The Annual Report is also uploaded on the website of the Company at [www.supreme.co.in](http://www.supreme.co.in)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

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

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

We have an established Policy on Ethics and Code, Whistle Blower Policy, Insider Trading Prohibition Code containing (a) Code of Conduct to regulate, monitor and report Trading in Securities of the company. (b) Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information. (c) Code of Practices and procedure for fair Disclosure of Unpublished Price Sensitive Information. The Code, policies and standards communicate our zero tolerance approach to ethical and legal violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

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

The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders' viz. shareholders, customers, employees, vendors etc. The Company responds to the complaints within a time bound manner. During the year, Company received 170 complaints from shareholders out of which 166 have been resolved and 4 are pending.

**Principle 2**

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

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

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

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

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

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

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

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

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

The production costs are continuously monitored. The latest machines for production of the products are used which results in scrap percentage coming down. Automation is used extensively. The water consumption requirements at the various plants has been reduced significantly due to reduction of water consumed in utilities by process improvements in cooling tower operations, re-use and recycle of waste water back into the manufacturing process.

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

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

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

- 1 Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- 2 Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- 3 Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- 4 To enhance utilization of Renewable Energy Resources.
- 5 Achieving the power factor near to unity in all plants by the effective reactive energy management.
- 6 To reduce the Green House Emission by improving energy efficiency at all plants.
- 7 Conducting Power Quality Audit at several locations.
- 8 Reduction of Fuel consumption of boiler by efficient maintenance thereof.
- 9 Exploring the feasibility of utilization of Solar Power at Plant locations wherever possible.
- 10 Installed roof-top solar power plant at Jalgaon, Khopoli, Gadegaon (situated in Maharashtra) & all the three plants viz. Plastics Piping, Protective Packaging & Roto moulding situated in Madhya Pradesh. Company had also installed 1.53 Mw ground mounted capex solar power plant in Gadegaon (MH) which had commissioned in Dec-17. Company is also looking further exploring the feasibility of utilization of Solar Power at its other locations.
- 11 Noida plant is certified for ISO-50001 Energy Management System.
- 12 Executed Wind Power purchase agreement for 20 lacs units/annum for Hosur unit & 24 lacs units for Chennai Moulding.
- 13 Fire safety audit is done of all the units by an outside consultant periodically to ensure adequate fire safety monitoring to remain in place.

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

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

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

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

### **Principle 3**

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

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

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

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

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

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

Your Company has total number of 4691 permanent employees (including 112 permanent women employees. Company also deploys contracted workforce for various ancillary and non-core activities and about 8077 number of people including about 600 women are engaged in such services.

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

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

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

### **Principle 4**

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

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

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

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

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



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

### Principle 5

#### **Businesses should respect and promote human rights.**

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

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

### Principle 6

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

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

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

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

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

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

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

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

ISO 9001, 14001 and OHSAS as per BS 18001 standards are adopted at Units as the quality and environment management system standards. All plants are upgraded their ISO 9001, ENV 14001 certifications to latest 2015 versions and upgrading our OHSAS from BS 18001 to IS 45001 as per IATF norms. The Company has consistently managed and improved the environmental performance. The Company is sensitive to its role as user of natural resources. The efforts to manage water, energy and material resources have yielded positive results.

One of our Insulation product INSUFLEX certified by globally reputed M/S FM Approvals at their website as GREEN and confirmed on this product reduces the water usage for a building.

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

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

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

All the Units in the country are having consents from CPCB/SPCB as required and are renewed when required. All the units have been certified for ISO 14001:2015 Environmental Management System and also BS OHSAS 18001:2007 standards as per accredited certification bodies currently available and upgrading our OHSAS as per ISO 45001 accordingly. The compliance obligations are fulfilled. The Status of evaluation of environmental monitoring measurement analysis and results of evaluation are discussed twice in a year with the top management.

Adequate tree plantation has been done and maintained in all the units. In Gadegaon unit which is spread over 132 acres, There are no show cause /Legal notices from CPCB/SPCB which are pending as at the end of the financial year.

## Principle 7

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

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums. As on 31st March, 2019 your Company is a member of following trade associations:

1. Plastindia Foundation
2. Organisation of Plastic Processors of India (OPPI)
3. Confederation of Indian Industries (CII)
4. Automotive Component manufacturers Association of India (ACMA)
5. Indian Plastic Federation (IPF)
6. Indian Institute of Packaging (IIP)
7. Tool & Gauge Mfgs. Association of India (TGMA)
8. Federation of Indian Export Organisation (FIEO)
9. Bureau of Indian standards (BIS)
10. Indian Green building council (IGBC)
11. Deccan Chamber of Commerce, Industries and Agriculture, Pune (DCCIA)

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

## Principle 8

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

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

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

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

An amount of ₹ 1050 lakhs was spent towards various CSR projects during the financial year 2018-19 and people in nearby villages surrounding the plant locations in rural areas were benefitted.

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

## Principle 9

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

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

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

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

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

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

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

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

## Independent Auditors' Report

To The Members of  
The Supreme Industries Limited

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of The Supreme Industries Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the standalone financial statements for the year ended on that date audited by the branch auditors of the Company's 27 manufacturing units located in the India.

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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profits (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 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 Code of Ethics.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant 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.

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Information Technology (IT) Systems and Controls</b></p> <p>During the year the Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p> <p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this as a focus area in the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <p>Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit.</p> <p>We have performed the test of details for areas where the Management has implemented manual controls during the year including the continuing manual controls as at the year end.</p> <p>We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</p> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the financial statements.</p>

Sr. No	Key Audit Matters	Auditor's response
2.	<p><b>Industrial Promotion Scheme (IPS) receivables</b></p> <p>Other current assets include government grant in the form of refund of Sales tax/GST under IPS Scheme of ₹ 6,242 lacs as at March 31, 2019 from the states of Maharashtra, Madhya Pradesh, West Bengal and Rajasthan as the respective scheme notifications were issued by the aforesaid State Governments.</p> <p>Post GST, the state of west Bengal is yet to notify the IPS scheme and accordingly, the Company has not recognized grant, since July 2017, in this regard. The amount whereof is presently not ascertainable.</p> <p>Management judgement is involved in assessing the accounting for grants and particularly in considering the probability of a grant being released and we have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit Procedure performed:</b></p> <p>In response to the risk of completeness of the accruals in the financial statements:</p> <p>We have examined the eligibility certificates and obtained a list of year wise break- up of the IPS receivables by the Company for all the financial years. We had discussed the status of the assessment of grants receivable for all the financial years and the Management view on the expected time frame by which the grants will be released. Additionally, we have considered the status of the previous assessments and the adjustments, if any, done by the respective concerned authorities.</p> <p>Based on the procedures performed, those gave us a sufficient evidence to conclude that the grants have been accounted in terms of the schemes announced by various state governments.</p>

### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements, the 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 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) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the 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 entity'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 entity 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 misstatements 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 in evaluating the results of our work and (ii) To evaluate the effect of ant 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.

#### Other Matters:

We did not audit the financial statements of 27 branches included in the standalone financial statements of the Company whose financial statements reflect the total assets of ₹ 283,816 lacs as at March 31, 2019 and total revenue of ₹ 551,657 lacs for the year ended on that date. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 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 and records.
  - (c) The reports on the financial statements of branches of the Company audited under section 143(8) of the Act by nine firms of independent auditors have been sent to us and properly dealt with by us in preparing this report.
  - (d) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (f) On the basis of the written representation received from the directors as on March 31, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a Directors in terms of Section 164(2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 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.
- (i) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial performance in its standalone financial statements. [Refer note no 36 to standalone financial statements]
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**  
*Chartered Accountants*  
Firm registration No. – 301051E

**R. P. Baradiya**  
*Partner*  
Membership No. 44101

Place : Mumbai  
Date : May 07, 2019

## Annexure A to the Independent Auditor's Report

### ANNEXURE "A" REFERRED TO IN "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE SUPREME INDUSTRIES LIMITED OF EVEN DATE:

- i. a. The Company has maintained proper records, showing full including quantitative details and situation of fixed assets.
- b. As explained to us the Company has a phased program for physical verification of the fixed assets for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. Pursuant to the program of the physical verification of fixed assets, physical verification of the assets has been carried out during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except certain freehold land and building having carrying value of ₹ 43 lacs as at March 31, 2019 (₹ 47 lacs as at March 31, 2018) are held in the name of 2 directors on behalf of the Company, due to technical reasons.
- ii. The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit and those lying with third parties. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of it's business. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made.
- v. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. According to the information and explanations given to us, cost records were maintained by the Company pursuant to the Order of the Central Government under Section 148(1) of the Act.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, goods and service tax, value added tax, and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have been not deposited on account of any dispute except the following:

Name of the statute	Nature of dues	Amount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty and Penalty	222	2012 -13 to 2015-16	Commissioner (Appeals), Large Tax Payer Unit
		4,085	2000-01 to 2016-17	Custom Excise & Service Tax Appellate tribunal (CESTAT)
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax- Acts of various states	Sales Tax / VAT and Entry Tax	66	Various years from 2004-05 to 2015-16	Joint / Deputy Commissioner / Commissioner (Appeals)
		2,559	Various Years from 2002-03 to 2015-16	Sales tax Appellate Tribunal
		2,163	Various Years from 2000-01 to 2015-16	High Courts

- viii. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and government. The Company did not have any outstanding dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year or in the recent past.
- 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, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

- xi. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard (Refer Note 38 to the standalone financial statements).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **LODHA & COMPANY**  
*Chartered Accountants*  
Firm registration No. – 301051E

**R. P. Baradiya**  
*Partner*  
Membership No. 44101  
Place : Mumbai  
Date : May 07, 2019



## Annexure B to the Independent Auditor's Report

ANNEXURE "B" REFERRED TO IN "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF OUR REPORT TO THE MEMBERS OF THE SUPREME INDUSTRIES LIMITED OF EVEN DATE:

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

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

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & COMPANY**

Chartered Accountants

Firm registration No. – 301051E

**R. P. Baradiya**

Partner

Membership No. 44101

Place : Mumbai

Date : May 07, 2019

## Balance Sheet as at 31<sup>st</sup> March, 2019

PARTICULARS	Note	As at 31-Mar-19	As at 31-Mar-18
₹ in lacs			
<b>ASSETS</b>			
<b>(1) NON - CURRENT ASSETS</b>			
(a) Property, plant & equipment	2	<b>150138</b>	134731
(b) Capital work-in-progress	3.A	<b>9004</b>	6262
(c) Intangible assets	4	<b>1959</b>	608
(d) Intangible assets under development	3.B	-	1240
(e) Financial assets			
(i) Investment in associates & subsidiary	5.A	<b>5859</b>	3356
(ii) Other investments	5.B	<b>521</b>	10
(iii) Deposits	6	<b>1676</b>	1791
(iv) Loans	7	<b>114</b>	769
(v) Other financial assets	8	<b>11</b>	11
(f) Other non-current assets	9	<b>4015</b>	2816
<b>TOTAL NON - CURRENT ASSETS</b>		<b><u>173297</u></b>	<u>151594</u>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	10	<b>75044</b>	69698
(b) Financial assets			
(i) Trade receivables	11	<b>38741</b>	38303
(ii) Cash & cash equivalents	12	<b>3061</b>	2915
(iii) Other bank balances	13	<b>523</b>	434
(iv) Deposits	6	<b>478</b>	540
(v) Loans	7	<b>183</b>	126
(vi) Other financial assets	8	<b>47</b>	70
(c) Income tax assets (net)	22.B	<b>3606</b>	-
(d) Other current assets	9	<b>11869</b>	13684
(e) Assets held for disposal		<b>73</b>	70
<b>TOTAL CURRENT ASSETS</b>		<b><u>133625</u></b>	<u>125840</u>
<b>TOTAL ASSETS</b>		<b><u>306922</u></b>	<u>277434</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	<b>2541</b>	2541
Other equity	15	<b>196724</b>	170764
<b>TOTAL EQUITY</b>		<b><u>199265</u></b>	<u>173305</u>
<b>LIABILITIES</b>			
<b>(1) NON - CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	16	<b>112</b>	135
(ii) Deposits	17	<b>187</b>	93
(b) Provisions	18	<b>1617</b>	1328
(c) Deferred tax liabilities (net)	30.C	<b>12036</b>	11340
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b><u>13952</u></b>	<u>12896</u>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	16	<b>16094</b>	23101
(ii) Trade payables	19		
Micro, Small and Medium Enterprises		<b>1544</b>	1404
Others		<b>54321</b>	47585
(iii) Deposits	17	<b>284</b>	140
(iv) Other financial liabilities	20	<b>8340</b>	4850
(b) Other current liabilities	21	<b>12338</b>	12237
(c) Provisions	18	<b>784</b>	707
(d) Income tax liabilities (net)	22.A	-	1209
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>93705</u></b>	<u>91233</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>306922</u></b>	<u>277434</u>

Significant Accounting Policies. 1

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

As per our report of even date

For and on behalf of the board

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

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

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

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

**R. Kannan**  
Director  
(DIN No. 00380328)

**R. P. Baradiya**  
Partner

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

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

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

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

Mumbai, 7th May 2019

**P. C. Somani**  
Chief Financial Officer

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

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

**Statement of Profit and Loss for the year ended on 31<sup>st</sup> March, 2019**

		₹ in lacs			
PARTICULARS	Note	2018 - 2019		2017 - 2018	
<b>INCOME</b>					
Revenue from operations	23	561167		496980	
Other income	24	2080	563247	1651	498631
<b>EXPENDITURE</b>					
Cost of materials consumed	25	374467		317744	
Purchase of traded Goods		8423		7692	
Changes in inventories of finished goods, Semi finished goods and traded goods	26	(914)		3749	
Employee benefits expenses	27	25354		24151	
Finance costs	28	2600		2064	
Depreciation and amortisation expense	2, 4	18354		16715	
Other expenses	29	75460	503744	64991	437106
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>			59503		61525
Exceptional Items	41		8175		-
<b>PROFIT BEFORE TAX</b>			67678		61525
<b>TAX EXPENSES</b>		30			
Current tax		20878		20856	
Deferred tax		697	21575	(286)	20570
<b>PROFIT AFTER TAX</b>			46103		40955
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of net defined benefit plans		(363)		(95)	
Income tax relating to net defined benefit plans		127	(236)	33	(62)
<b>TOTAL COMPREHENSIVE INCOME</b>			45867		40893
<b>EARNINGS PER SHARE</b>					
	35				
Basic & diluted earning per share before exceptional items			31.40		32.24
Basic & diluted earning per share after exceptional items (Face value of ₹ 2 each)			36.29		32.24

**Significant Accounting Policies**

1

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

As per our report of even date

For and on behalf of the board

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

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

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

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

**R. Kannan**  
 Director  
 (DIN No. 00380328)

**R. P. Baradiya**  
 Partner

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

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

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

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

Mumbai, 7th May 2019

**P. C. Somani**  
 Chief Financial Officer

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

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

**Smt. Rashna Khan**  
 Director  
 (DIN No. 06928148)

## Cash flow Statement for the year ended on 31<sup>st</sup> March, 2019

PARTICULARS	2018 - 2019	2017 - 2018
₹ in Lacs		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and exceptional items	59503	61525
Adjustments to reconcile profit before tax to cashflows : Add :		
Depreciation	18354	16715
Interest expenses	3342	2683
Unwinding of discount on deferred sales tax	13	11
Fair value loss on investments through profit or loss	2	2
Bad debts	1	5
Provision for doubtful debts	62	55
Leasehold amortisation	19	19
	<u>21793</u>	<u>19</u>
	81296	19490
		<u>81015</u>
Less :		
Dividend received	1302	1302
Interest income	485	453
Unwinding of discount on security deposits	54	50
Excess liabilities written back	336	304
Profit /(Loss) on sale of investments	216	127
Foreign currency exchange fluctuation	676	532
Profit /(Loss) on sale of assets	342	66
	<u>3411</u>	<u>66</u>
	77885	78181
Operating profit before working capital changes		
Adjustments for :		
Change in working capital		
(Increase)/decrease in inventories	(5345)	7916
(Increase)/decrease in trade receivable	(501)	(10799)
(Increase)/decrease in other financial assets	739	(9)
(Increase)/decrease in other current assets	(71)	(1098)
Increase/(decrease) in trade payables	8190	3884
Increase/(decrease) in other financial liabilities	270	(1004)
Increase/(decrease) in provisions	2	301
Increase/(decrease) in other current liabilities	101	(5174)
	<u>3383</u>	<u>(5983)</u>
Cash generated from operations	81268	72198
Direct taxes paid (net of refund)	(25566)	(21724)
	<u>55702</u>	<u>50474</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipments	(34723)	(28481)
Sale of property, plant & equipments	2115	324
Sale proceeds from Khushkhera unit (net of transaction cost)	9644	-
Investment in Associate	(2503)	-
Investment in Partnership firm	(513)	(200)
Profit on redemption of liquid mutual funds	216	128
Interest received	509	242
Dividend received	1302	1302
	<u>(23953)</u>	<u>(26685)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings (Refer Note 43)	(1538)	(4744)
Increase/(Decrease) in short term borrowings (Refer Note 43)	(7285)	1883
Interest paid	(2872)	(2590)
Dividend & corporate dividend tax paid	(19908)	(22933)
	<u>(31603)</u>	<u>(28384)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>		
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<u>146</u>	<u>(4595)</u>
Opening balance at beginning of the year	2915	7510
Closing balance at end of the year	3061	2915

Significant Accounting Policies 1  
The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For and on behalf of the board

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

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

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

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

**R. Kannan**  
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**R. P. Baradiya**  
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**B. V. Bhargava**  
Director  
(DIN No. 00001823)

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

Mumbai, 7th May 2019

**P. C. Somani**  
Chief Financial Officer

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

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)



Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2019

₹ In lacs

<b>EQUITY SHARE CAPITAL :</b>	Balance as at 1st April' 2017	Changes in equity share capital during the year	Balance as at 1st April' 2018'	Changes in equity share capital during the year	Balance as at 31st March' 2019
Paid up capital (Refer Note 14)	2541	–	2541	–	2541

<b>OTHER EQUITY :</b>	Reserves and Surplus					Accumulated Other Comprehensive Income	Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Actuarial gains/(losses)	
Balance as at 1st April' 2017	245	4749	222	129598	18346	(356)	152804
Profit for the year					40955		40955
Remeasurements of net defined benefit plans (Net of Taxes)						(62)	(62)
Final dividend paid including corporate dividend tax for FY 2016-17					(18346)		(18346)
Interim dividend paid including corporate dividend tax for FY 2017-18					(4587)		(4587)
Transfer to general reserve					(22586)		(22586)
Transfer from Statement of profit & loss				22586			22586
<b>Balance as at 31st March' 2018</b>	<b>245</b>	<b>4749</b>	<b>222</b>	<b>152184</b>	<b>13782</b>	<b>(418)</b>	<b>170764</b>
Profit for the year					46103		46103
Remeasurements of net defined benefit plans (Net of Taxes)						(236)	(236)
Final dividend paid including corporate dividend tax for FY 2017-18					(13782)		(13782)
Interim dividend paid including corporate dividend tax for FY 2018-19					(6125)		(6125)
Transfer to general reserve					(26195)		(26195)
Transfer from Statement of profit & loss				26195			26195
<b>Balance as at 31st March' 2019</b>	<b>245</b>	<b>4749</b>	<b>222</b>	<b>178379</b>	<b>13783</b>	<b>(654)</b>	<b>196724</b>

## Significant Accounting Policies 1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**  
FRN – 301051E  
Chartered Accountants**B. L. Taparia**  
Chairman  
(DIN No. 00112438)**M. P. Taparia**  
Managing Director  
(DIN No. 00112461)**N. N. Khandwala**  
Director  
(DIN No. 00112603)**R. Kannan**  
Director  
(DIN No. 00380328)**R. P. Baradiya**  
Partner**S. J. Taparia**  
Executive Director  
(DIN No. 00112513)**V. K. Taparia**  
Executive Director  
(DIN No. 00112567)**B. V. Bhargava**  
Director  
(DIN No. 00001823)**R. M. Pandia**  
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(DIN No. 00021730)

Mumbai, 7th May 2019

**P. C. Somani**  
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AVP (Corporate Affairs) &  
Company Secretary**Y. P. Trivedi**  
Director  
(DIN No. 00001879)**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation and Measurement

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

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

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

These standalone financial statements are approved for issue by the Company's Board of Directors on May 07, 2019.

#### 1.2 Use of Estimates and Judgements

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

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

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

Areas involving critical estimates and Judgements are:

- Estimation of Defined benefit obligations
- Estimation of Current tax expenses

#### 1.3 Property, Plant and Equipment & Intangible Assets

##### Property, Plant and Equipment

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

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

##### Intangible Assets

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

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

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

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

##### Depreciation/amortisation:

Depreciation is provided on the straight-line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013. The range of estimated useful lives of Property, Plant & Equipment are as under:

Category	Useful Life
Buildings (including roads)	10- 60 Years
Plant & Equipment*	7- 25 Years

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019**

Category	Useful Life
Moulds & Dies*	2- 6 Years
Furniture & Fixture	10 Years
Office Equipment	3 - 5 Years
Vehicles	8 - 10 Years

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

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

Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded. Leasehold Land is amortized over the period of lease.

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

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

**Assets held for sale**

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) Decision has been made to sell.
- (ii) The assets are available for immediate sale in its present condition.
- (iii) The assets are being actively marketed and
- (iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

**1.4 Impairment of Non-Financial Assets**

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

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

**1.5 Revenue from Contracts with Customers**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

**Sale of goods:** Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

**Revenues from services:** Revenues are recognized over time on a straight-line basis or, if the performance pattern is other than straight-line, as services are provided/rendered.

### Other Income

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

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

### 1.6 Contract balances:

#### Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required before payment of the consideration is due).

#### Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

### 1.7 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

### 1.8 Inventories

Inventories includes Raw Material, Work-in-Progress, finished goods, Stores & spares, Consumables, Packing Materials, Goods for resale and commercial premises are valued at lower of cost and net realizable value. Materials in transit is valued at cost incurred till date.

**Raw Material and Components** – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using moving average and, in some cases, identified lot basis / First in first out (FIFO) basis.

**Finished/Semi-Finished Goods** – cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis/moving average cost

**Stores, Spare Parts, Consumables, Packing Materials etc.** – cost is determined on FIFO basis.

**Goods for Resale** – cost is determined on FIFO basis.

**Commercial Premises** – Cost includes cost of land, premium for development rights, construction cost, materials, services and allocated interest and expenses incidental to the construction business.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow moving items.

### 1.9 Financial Instruments

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.

#### Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

#### (a) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

#### (b) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

#### (c) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

#### Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

#### Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

The Company's trade receivables or contract revenue receivables do not contain significant financing Branch and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance. It recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

Impairment loss allowance including ECL or reversal recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The impairment loss is presented as an allowance in the balance sheet as a reduction from the net carrying amount of the trade- receivable, loan, deposits and lease receivable respectively.

### De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Financial Liabilities

#### Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

#### Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

#### De-recognition

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

#### Derivative financial instruments & hedge accounting

The Company uses derivative financial instruments, such as forward foreign exchange contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

The Company documents at the inception of hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset cash flow of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transaction at the inception of each hedge relationship.

### Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate Branch of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

### Offsetting of financial instruments

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

#### 1.10 Fair Value Measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 1.11 Employee Benefits

The Company has provides following post-employment plans such as:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund & Superannuation fund

##### a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

Re-measurement comprising of actuarial gains and losses arising from:

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

### b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

### c) Other employee benefits:

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.
- d) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.
- e) Other benefits comprising of discretionary long service awards are recognized as and when determined.

## 1.12 Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss

Other leases are treated as operating leases, with payments are recognised as expense in the statement of profit & loss on a straight-line basis over the lease term.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

## 1.13 Foreign Currency Transactions

### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

### b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Non-monetary items that are measured at fair value in a foreign

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

### 1.14 Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, as the case may be.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items, that are never taxable or tax deductible. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

### 1.15 Research and Development Expenditure

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, further economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

### 1.16 Provisions and Contingencies

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

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 increase in the provision due to the passage of time is recognised as a finance cost.

### 1.17 Cash and Cash Equivalents

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 1.18 Cash Flow Statement

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

### 1.19 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

### 1.20 Earnings Per Share

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

### 1.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM who is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

### 1.22 Exceptional Items

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

### 1.23 Cash Dividend

The Company recognizes a liability to pay dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company i.e. when the dividend distribution is being approved by the shareholders. A corresponding amount is recognized directly in equity.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

### 2 PROPERTY, PLANT AND EQUIPMENT

₹ In lacs

	Land Freehold	Land Leasehold	Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>Gross carrying amount</b>									
<b>Balance as at 1st April 2017</b>	4372	1592	53665	126090	34552	2616	821	3133	226841
Additions	2511	21	3199	14561	4532	347	34	602	25807
Deductions/ Adjustment	–	–	152	1101	2	61	47	364	1727
Assets held for disposal	–	–	–	70	–	–	–	–	70
Amortisation	–	19	–	–	–	–	–	–	19
<b>Balance as at 31st March 2018</b>	<b>6883</b>	<b>1594</b>	<b>56712</b>	<b>139480</b>	<b>39082</b>	<b>2902</b>	<b>808</b>	<b>3371</b>	<b>250832</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April 2017</b>	–	–	12263	61258	23286	1824	568	2231	101430
Additions	–	–	2060	10131	3234	182	50	501	16158
Deductions/ Adjustment	–	–	11	1005	0	61	47	363	1487
Assets held for disposal	–	–	–	–	–	–	–	–	–
<b>Balance as at 31st March 2018</b>	<b>–</b>	<b>–</b>	<b>14312</b>	<b>70383</b>	<b>26520</b>	<b>1946</b>	<b>571</b>	<b>2369</b>	<b>116101</b>
<b>Net carrying amount as at 1st April 2017</b>	<b>4372</b>	<b>1592</b>	<b>41402</b>	<b>64832</b>	<b>11266</b>	<b>792</b>	<b>253</b>	<b>902</b>	<b>125411</b>
<b>Net carrying amount as at 31st March 2018</b>	<b>6883</b>	<b>1594</b>	<b>42400</b>	<b>69097</b>	<b>12562</b>	<b>956</b>	<b>237</b>	<b>1002</b>	<b>134731</b>
<b>Gross carrying amount</b>									
<b>Balance as at 1st April 2018</b>	<b>6883</b>	<b>1594</b>	<b>56712</b>	<b>139480</b>	<b>39082</b>	<b>2902</b>	<b>808</b>	<b>3371</b>	<b>250832</b>
Additions	2	455	8475	22025	4109	438	25	749	36278
Deductions/ Adjustment	28	–	916	1112	27	34	147	108	2372
Assets held for disposal	–	8	140	–	–	–	–	–	148
Transfer*	–	129	1209	5531	883	48	–	71	7871
Amortisation	–	21	–	–	–	–	–	–	21
<b>Balance as at 31st March 2019</b>	<b>6857</b>	<b>1891</b>	<b>62922</b>	<b>154862</b>	<b>42281</b>	<b>3258</b>	<b>686</b>	<b>3941</b>	<b>276698</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April 2018</b>	<b>–</b>	<b>–</b>	<b>14312</b>	<b>70383</b>	<b>26520</b>	<b>1946</b>	<b>571</b>	<b>2369</b>	<b>116101</b>
Additions	–	–	2142	10701	3870	174	48	670	17605
Deductions/ Adjustment	–	–	404	1086	27	33	143	107	1800
Assets held for disposal	–	–	75	–	–	–	–	–	75
Transfer*	–	–	335	3952	883	39	–	62	5271
<b>Balance as at 31st March 2019</b>	<b>–</b>	<b>–</b>	<b>15640</b>	<b>76046</b>	<b>29480</b>	<b>2048</b>	<b>476</b>	<b>2870</b>	<b>126560</b>
<b>Net carrying amount as at 1st April 2018</b>	<b>6883</b>	<b>1594</b>	<b>42400</b>	<b>69097</b>	<b>12562</b>	<b>956</b>	<b>237</b>	<b>1002</b>	<b>134731</b>
<b>Net carrying amount as at 31st March 2019</b>	<b>6857</b>	<b>1891</b>	<b>47282</b>	<b>78816</b>	<b>12801</b>	<b>1210</b>	<b>210</b>	<b>1071</b>	<b>150138</b>

\*Transfer of Assets of Khushkhara unit to Kumi Supreme India Pvt Ltd (Associate), Also Refer note. No. 41(a)

#### NOTES

1. Leasehold land under varying lease arrangement for period ranging from 30-99 years.
2. Refer Note 40 for assets provided as security.
3. Land and Buildings include amount of ₹ 43 lakhs (Previous year ₹ 47 lakhs) in respect of which title deeds are yet to be registered in the name of the Company.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ In lacs

### 3 A. CAPITAL WORK-IN-PROGRESS

Assets under installation	As at 31st March 2019	As at 31st March 2018
Buildings	4766	3646
Plant and equipment	2983	2545
Moulds & dies and other assets	779	17
Project expenses pending capitalisation	476	54
<b>TOTAL CAPITAL WORK-IN-PROGRESS</b>	<b>9004</b>	<b>6262</b>

### B. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31st March 2019	As at 31st March 2018
Computer software	–	1111
Know how, Right to use & Patents	–	129
<b>TOTAL INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	<b>–</b>	<b>1240</b>

### 4 INTANGIBLE ASSETS

	Computer software	Know how, Right to use & Patents	Total
<b><u>Gross carrying amount</u></b>			
Balance as at 1st April 2017	939	2045	2984
Additions	100	145	245
Deductions/ Adjustment	–	–	–
<b>Balance as at 31st March 2018</b>	<b>1039</b>	<b>2190</b>	<b>3229</b>
<b><u>Accumulated Depreciation</u></b>			
Balance as at 1st April 2017	858	1207	2065
Additions	68	488	556
Deductions/ Adjustment	–	–	–
<b>Balance as at 31st March 2018</b>	<b>926</b>	<b>1695</b>	<b>2621</b>
<b>Net carrying amount as at 1st April 2017</b>	<b>81</b>	<b>838</b>	<b>919</b>
<b>Net carrying amount as at 31st March 2018</b>	<b>113</b>	<b>495</b>	<b>608</b>
<b><u>Gross carrying amount</u></b>			
Balance as at 1st April 2018	1039	2190	3229
Additions	1238	863	2101
Deductions/ Adjustment	521	586	1107
Transfer*	21	–	21
<b>Balance as at 31st March 2019</b>	<b>1735</b>	<b>2467</b>	<b>4202</b>
<b><u>Accumulated Depreciation</u></b>			
Balance as at 1st April 2018	926	1695	2621
Additions	247	502	749
Deductions/ Adjustment	520	586	1106
Transfer*	21	–	21
<b>Balance as at 31st March 2019</b>	<b>632</b>	<b>1611</b>	<b>2243</b>
<b>Net carrying amount as at 1st April 2018</b>	<b>113</b>	<b>495</b>	<b>608</b>
<b>Net carrying amount as at 31st March 2019</b>	<b>1103</b>	<b>856</b>	<b>1959</b>

\*Transfer of Assets of Khushkhara unit to Kumi Supreme India Pvt Ltd (Associate), Also Refer note. No. 41(a)

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in lacs

## 5 NON CURRENT INVESTMENTS

	Quantity		Amount	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>EQUITY SHARES FULLY PAID UP</b>				
<b>A. INVESTMENT IN ASSOCIATES &amp; SUBSIDIARY</b>				
<b>QUOTED (At Cost)</b>				
Supreme Petrochem Ltd. (an associate Company - 29.99% equity stake held) (Face value @₹ 10 each)	28936400	28936400	3337	3337
<b>UNQUOTED (At Cost)</b>				
Supreme Industries Overseas (FZE), a wholly owned subsidiary incorporated in UAE (Face value @ AED 150,000 each)	1	1	19	19
Kumi Supreme India Pvt Ltd (an associate Company - 20.67% equity stake held) (Face value @₹ 10 each)	25025611	–	2503	–
<b>TOTAL INVESTMENT IN ASSOCIATES &amp; SUBSIDIARY</b>			<b>5859</b>	<b>3356</b>
<b>B. OTHER INVESTMENTS</b>				
<b>QUOTED (Fair value through Profit &amp; Loss Account)</b>				
Bank of Baroda (Previously known as Vijaya Bank)	1286	3200	2	2
Central Bank of India	5874	5874	2	4
Unimers India Ltd.	37	37	–	–
<b>UNQUOTED (Fair value through Profit &amp; Loss Account)</b>				
Saraswat Co-op. Bank Ltd.	1000	1000	0	0
OPGS Power Gujarat Pvt. Ltd.*	0	1259000	–	2
Windage Power Company Private Ltd.*	17300	17300	2	2
Nu Power Wind Farms Limited*	4769	4769	0	0
<b>INVESTMENT IN PARTNERSHIP</b>				
HPC Research s.r.o. (LLC)**			515	–
<b>TOTAL OTHER INVESTMENTS</b>			<b>521</b>	<b>10</b>
<b>TOTAL NON CURRENT INVESTMENTS [A+B]</b>			<b>6380</b>	<b>3366</b>

\*Lying in escrow account

Aggregate market value of quoted investments	64836	92863
Aggregate carrying value of unquoted investments	3038	24
Aggregate carrying value of quoted investments	3341	3343

\*\* Name of Partners and shares

1. Special engineering s.r.o. (45%)
2. Andriy Zakharchuk (45%)
3. The Supreme Industries Limited (10%)

## 6 DEPOSITS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sundry deposits considered good - Unsecured	1676	1791	478	540
<b>TOTAL DEPOSITS</b>	<b>1676</b>	<b>1791</b>	<b>478</b>	<b>540</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in lacs

### 7 LOANS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Loans Receivables considered good - Unsecured	114	769	183	126
<b>TOTAL LOANS</b>	<b>114</b>	<b>769</b>	<b>183</b>	<b>126</b>

### 8 OTHER FINANCIAL ASSETS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest accrued and due on fixed deposits	11	11	47	70
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>11</b>	<b>11</b>	<b>47</b>	<b>70</b>

### 9 OTHER ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Capital advances	1704	2390	-	-
Advances to Supplier	-	-	1873	3253
Advances/claims recoverable	198	3	1435	2019
Prepaid expenses	161	112	713	673
Refunds due/balances from/with government authorities	1952	311	7848	7739
<b>TOTAL OTHER ASSETS</b>	<b>4015</b>	<b>2816</b>	<b>11869</b>	<b>13684</b>

### 10 INVENTORIES

(Cost or Net realisable value whichever is lower)

	As at 31-Mar-19	As at 31-Mar-18
Raw materials and components [(including goods in transit ₹ 169 lacs (As at 31st March' 2018 ₹ 448 lacs)]	36268	29983
Finished goods [(including goods in transit ₹ 35 lacs (As at 31st March' 2018 ₹ 218 lacs)]	31212	31195
Semi-finished goods	3670	2644
Traded goods	667	930
Stores, spare parts, and consumable	1599	1394
Packing materials	956	920
Commercial premises	672	2632
<b>TOTAL INVENTORIES</b>	<b>75044</b>	<b>69698</b>

**Note:** Written down of Inventories to Net Realisable Value by ₹ 42 lacs (Previous year ₹ 65 lacs) based on management inventory policy-Non & slow moving inventory. The same has been recognised as an expense during the year and included in "Changes in value of Inventory of "semi finished goods"and "finished goods" in statement of Profit and Loss.

### 11 TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables considered good - Unsecured	37389	37518
Trade Receivables which have significant increase in Credit Risk	1435	804
Trade Receivables - credit impaired	305	306
	<b>39129</b>	<b>38628</b>
Less: Provision for doubtful trade receivables	388	325
<b>TOTAL TRADE RECEIVABLES</b>	<b>38741</b>	<b>38303</b>

Note: Refer note 32 and 38.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 12 CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18
Balance with banks in current accounts	1446	2244
Balance with banks in cash credit accounts	1528	266
Cash on hand	34	36
Remittances in transit	53	-
Cheques on hand	-	369
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>3061</b>	<b>2915</b>

### 13 OTHER BANK BALANCES

	As at 31-Mar-19	As at 31-Mar-18
Deposit with banks (Earmarked for electricity/sales tax/margin money)	65	62
Unclaimed dividend	458	372
<b>TOTAL OTHER BANK BALANCES</b>	<b>523</b>	<b>434</b>

### 14 EQUITY SHARE CAPITAL

	As at 31-Mar-19	As at 31-Mar-18
<b>AUTHORISED</b>		
15,00,00,000 Nos. Equity Shares of ₹ 2 each	3000	3000
1,12,00,000 Nos. Preference Shares of ₹ 10 each	1120	1120
3,38,00,000 Nos. Unclassified Shares of ₹ 10 each	3380	3380
	<b>7500</b>	<b>7500</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each Fully Paid Up	2541	2541
<b>TOTAL SHARE CAPITAL</b>	<b>2541</b>	<b>2541</b>

The reconciliation of the number of equity shares outstanding	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2541	127026870	2541
Equity Shares at the end of the year	127026870	2541	127026870	2541

#### Terms/rights attached to Equity shares :

The Company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	31-Mar-19		31-Mar-18	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	6105425	4.81%	7544002	5.94%

#### In the Period of five years immediately preceding March, 2019:

The Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### Proposed Dividend:

The Board of directors have recommended the payment of a final dividend of ₹ 9 per fully paid up equity share (March 31, 2018 - ₹ 9), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

### 15 OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18
Capital reserve	245	245
Securities premium	4749	4749
Capital redemption reserve	222	222
General reserve	178379	152184
Retained earnings	13783	13782
Accumulated other comprehensive income	(654)	(418)
	<u>196724</u>	<u>170764</u>

### Nature & Purpose of the Reserve:

**Capital Reserves:** Capital reserve represents the capital subsidy received by the Company. The reserve will be utilised in accordance with the provisions of the Act.

**Securities premium:** Securities premium reserve is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Act.

**Capital Redemption Reserves:** Capital redemption reserve is being created by transfer from Retained earnings at the time of buy back of equity shares in accordance with the Act. The reserve will be utilised in accordance with the provisions of the Act.

**General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

### 16 BORROWINGS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>SECURED</b>				
Working Capital Loans:				
From Banks:				
From Banks (Cash credit accounts)	-	-	2296	6708
Foreign currency loans - Buyer's credit	-	-	3014	-
	<u>-</u>	<u>-</u>	<u>5310</u>	<u>6708</u>
<b>UNSECURED</b>				
Deferred payment liabilities (under sales tax deferral scheme)	112	135	-	-
From Banks:				
Foreign Currency loans - Buyer's credit	-	-	10784	8893
Commercial paper	-	-	-	7500
	<u>112</u>	<u>135</u>	<u>10784</u>	<u>16393</u>
<b>TOTAL BORROWINGS</b>	<u>112</u>	<u>135</u>	<u>16094</u>	<u>23101</u>

(Refer Note 32, 33 and 40)

### 17 DEPOSITS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Trade / security deposits	187	93	284	140
<b>TOTAL DEPOSITS</b>	<u>187</u>	<u>93</u>	<u>284</u>	<u>140</u>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 18 PROVISIONS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Provision for employee benefits:</b>				
Compensated absences	1617	1328	445	362
Gratuity (Refer Note 34)	–	–	339	345
<b>TOTAL PROVISIONS</b>	<b>1617</b>	<b>1328</b>	<b>784</b>	<b>707</b>

### 19 TRADE PAYABLES

	As at 31-Mar-19	As at 31-Mar-18
<b>Due to:</b>		
Micro, small and medium enterprises	1544	1404
Others	54321	47585
<b>TOTAL TRADE PAYABLES</b>	<b>55865</b>	<b>48989</b>

#### Notes:

- Refer note 38 for related party balances.
- The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act, to the extent information available to the Company are as follows:

	As at 31-Mar-2019	As at 31-Mar-2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1544	1404
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	–	–
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	–	–
Further interest remaining due and payable for earlier years	–	–

### 20 OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18
Current maturities of long-term debt	35	1538
Interest accrued but not due on borrowings	214	55
Payables towards property, plant & equipment	7199	2729
Unclaimed dividend	455	368
Unpaid matured deposits & interest accrued thereon	3	5
Derivative financial liabilities	331	53
Others	103	102
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>8340</b>	<b>4850</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 21 OTHER CURRENT LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18
Advances from customers	4419	4906
Statutory dues	7657	7326
Other payables	262	5
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>12338</b>	<b>12237</b>

### 22 INCOME TAX LIABILITIES/ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18
A. Provision for income tax (net of advance tax paid)	-	1209
<b>TOTAL INCOME TAX LIABILITIES (NET)</b>	<b>-</b>	<b>1209</b>
B. Income tax assets (net of income tax provision)	3606	-
<b>TOTAL INCOME TAX ASSETS (NET)</b>	<b>3606</b>	<b>-</b>

### 23 REVENUE FROM OPERATIONS

	2018 - 2019	2017 - 2018
<b>Sale of Goods</b>		
Plastics Products	537727	493559
Construction Business	8085	2428
<b>Traded Goods</b>		
Plastics Products	5320	2064
Others	4636	6576
	555768	504627
Less: Excise Duty Paid	-	13914
	555768	490713
<b>Sale of services</b>		
Income from processing	610	935
Others	31	-
	556409	491648
<b>Other operating income</b>		
Government grants/subsidy	2397	2964
Export incentives	549	377
Sale of empty bags and other scrap etc.	1427	1371
Insurance and other claims	49	316
Liabilities no longer required written back	336	304
	4758	5332
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>561167</b>	<b>496980</b>

### 24 OTHER INCOME

	2018 - 2019	2017 - 2018
Dividend received on investments in associates carried at cost	1302	1302
Profit on sale/discard of fixed assets (net)	342	66
Lease rent	18	25
Foreign currency exchange fluctuation (net)	418	258
<b>TOTAL OTHER INCOME</b>	<b>2080</b>	<b>1651</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 25 COST OF MATERIALS CONSUMED

	2018 - 2019	2017 - 2018
Cost of raw materials consumed	362591	308237
Cost of packing materials consumed	9677	8701
Cost of commercial premises sold	2199	806
<b>TOTAL COST OF MATERIALS</b>	<b>374467</b>	<b>317744</b>

### 26 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI FINISHED GOODS & STOCK-IN-TRADE

	2018 - 2019	2017 - 2018
<b>Inventories at the beginning of the year</b>		
Finished goods / Semi finished goods	33840	43227
Traded goods	930	497
	<u>34770</u>	<u>43724</u>
<b>Inventories at the end of the year</b>		
Finished goods / Semi finished goods	34881	33840
Traded goods	667	930
	<u>35548</u>	<u>34770</u>
<b>Change in inventories</b>	<b>(778)</b>	<b>8954</b>
Transfer of Finished goods of Khushkhera unit to Kumi Supreme India Pvt Ltd (Associate) Refer note. No. 41(a)	(136)	-
<b>Increase/(Decrease) in excise duty on finished goods</b>	<b>-</b>	<b>(5205)</b>
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<b>(914)</b>	<b>3749</b>

### 27 EMPLOYEE BENEFITS EXPENSES

	2018 - 2019	2017 - 2018
Salaries and wages	20074	19191
Contribution to provident & other fund	1126	1061
Managerial remuneration	2661	2597
Staff welfare expenses	1493	1302
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<b>25354</b>	<b>24151</b>

### 28 FINANCE COSTS

	2018 - 2019	2017 - 2018
Interest expenses	3109	2467
Unwinding of discount on deferred sales tax	13	11
Other borrowing costs	233	216
	<u>3355</u>	<u>2694</u>
Less:		
Interest received	485	453
Unwinding of discount on security deposits	54	50
Profit on redemption of liquid mutual funds on current investments designated at FVTPL	216	127
	<u>755</u>	<u>630</u>
<b>TOTAL FINANCE COSTS</b>	<b>2600</b>	<b>2064</b>



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 29 OTHER EXPENSES

	2018 - 2019	2017 - 2018
Stores & spare parts consumed	3762	3145
Labour charges	16147	14082
Power & fuel	20547	17360
Water charges	117	143
Repairs & maintenance of building	470	558
Repairs & maintenance of plant & machinery	1300	1548
Repairs & maintenance (others)	701	467
Directors' fees	57	58
Rent, rates & taxes	1842	1696
Insurance	266	216
Corporate social responsibility	1050	686
Legal & professional fees	1808	1169
Travelling & conveyance	2764	2486
Vehicle expenses	513	431
Advertisement, publicity & business promotion	7698	5992
Freight and forwarding charges	10775	8949
Printing, stationery & communication	870	957
Royalty	14	235
Commission	2174	2488
Sales tax	71	92
Bad debts (net of bad debts recovered)	1	5
Provision for doubtful debts	62	55
Plant security services	1085	993
Inspection, testing, registration and marking fees	654	504
Fair value loss on investments through profit or loss	2	2
Miscellaneous expenses	710	674
<b>TOTAL OTHER EXPENSES</b>	<b>75460</b>	<b>64991</b>

### 30 INCOME TAXES

#### A. Tax expense recognised in the statement of Profit and Loss:

Particulars	2018 - 2019	2017 - 2018
Current tax	20878	20856
Current tax on other comprehensive income	127	33
Deferred income tax expense/(credit)	697	(286)
<b>Total income tax expense/(credit)</b>	<b>21702</b>	<b>20603</b>

#### B. A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :

Particulars	2018 - 2019	2017 - 2018
Enacted income tax rate in India	34.99	34.94
Profit before tax	67315	61430
Income tax as per above rate	23556	21464
Adjustments:		
Tax on LTCC / Slump sale	(977)	–
Income exempt from Income taxes	(456)	(451)
Amounts not allowable under income tax act	198	138
Others including tax rate change	(619)	(548)
<b>Income tax as per profit and loss statement</b>	<b>21702</b>	<b>20603</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### C. The movement in deferred tax assets and liabilities during the year ended March 31, 2019:

Deferred tax (assets)/liabilities	As at 1st April, 2017	(Credit)/ charge in statement of Profit and Loss	As at 31st March, 2018	(Credit)/ charge in statement of Profit and Loss	As at 31st March, 2019
Depreciation	11936	(35)	11901	2115	14016
Amount allowable on payment basis & others	(253)	(360)	(613)	(1381)	(1994)
Fair valuation of financial assets and financial liabilities	(57)	109	52	(38)	14
<b>Total</b>	<b>11626</b>	<b>(286)</b>	<b>11340</b>	<b>697</b>	<b>12036</b>

### 31 FINANCIAL INSTRUMENTS

The Management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

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

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

#### a. Financial assets

	Note	Instruments carried at			Total carrying amount	Total fair value
		Fair value		Amortized cost		
		At Cost	FVTPL	Carrying amount		
<b>As at 31st March, 2019</b>						
Investment in associates and subsidiary	5	5859	–	–	5859	5859
Other investments	5	–	521	–	521	521
Deposits	6	–	–	2154	2154	2154
Loans	7	–	–	297	297	297
Trade receivables	11	–	–	38741	38741	38741
Cash & cash equivalents	12	–	–	3061	3061	3061
Other bank balances	13	–	–	523	523	523
Other financial assets	8	–	–	58	58	58
<b>Total</b>		<b>5859</b>	<b>521</b>	<b>44834</b>	<b>51214</b>	<b>51214</b>
<b>As at 31st March, 2018</b>						
Investment in associates and subsidiary	5	3356	–	–	3356	3356
Other investments	5	–	10	–	10	10
Deposits	6	–	–	2281	2281	2281
Loans	7	–	–	894	894	894
Trade receivables	11	–	–	38303	38303	38303
Cash & cash equivalents	12	–	–	2920	2920	2920
Other bank balances	13	–	–	429	429	429
Other financial assets	8	–	–	82	82	82
<b>Total</b>		<b>3356</b>	<b>10</b>	<b>44909</b>	<b>48275</b>	<b>48275</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### b. Financial liabilities

	Note	Instruments carried at			Fair value
		Fair value	Amortized cost		
		FVTPL	Carrying amount	Total carrying amount	
<b>As at 31st March, 2019</b>					
Borrowings	16	13798	2409	16207	16207
Deposits	17		471	471	471
Trade payables	19	23111	32754	55865	55865
Other financial liabilities	20		8340	8340	8340
<b>Total</b>		<b>36909</b>	<b>43973</b>	<b>80883</b>	<b>80883</b>
<b>As at 31st March, 2018</b>					
Borrowings	16	8736	14500	23236	23236
Deposits	17	–	233	233	233
Trade payables	19	8057	40932	48989	48989
Other financial liabilities	20	–	4850	4850	4850
<b>Total</b>		<b>16793</b>	<b>60514</b>	<b>77307</b>	<b>77307</b>

#### Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

	Level 1	Level 2	Level 3
<b>As at 31st March, 2019</b>			
<b>Assets at fair value</b>			
Investments	2	–	519
<b>Liabilities at fair value</b>			
Derivative financial instruments	–	331	–
<b>As at 31st March, 2018</b>			
<b>Assets at fair value</b>			
Investments	6		4
<b>Liabilities at fair value</b>			
Derivative financial instruments	–	53	–

The fair value of investments in equity is based on the price quotation at the reporting date derived from quoted market prices in active market. The Company enters into derivative financial instruments with various counterparties, principally financial institutions. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations.

## 32 RISK MANAGEMENT

### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity exposes it to market risk, liquidity risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency and interest rate swaps are entered to hedge certain foreign currency risk exposures to hedge variable interest rate exposures. Derivatives

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

are used exclusively for hedging purposes and not as trading or speculative instruments. The Company's financial risk management policy is set by the Managing Director and governed by overall direction of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

S.No.	Risk	Exposure arising from	Measurement	Risk Management
A	Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Ageing analysis. Credit ratings	Credit limits and letters of credit and Performance guarantees.
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
C	Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
D	Market risk – foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
E	Commodity risk	Purchase of Raw Material	Fluctuation of Crude Price and Currency rates	Procurement and inventory strategy

**A. CREDIT RISK**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business
- Actual or expected significant changes in the operating results of the counterparty
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of the same counterparty

The company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

**Provision for expected credit losses:**

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	High-quality assets, negligible credit risk	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	Quality assets, low credit risk			
Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Standard assets, moderate credit risk			

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

Description of category	Category	Basis for recognition of expected credit loss provision		
		Investments	Loans and deposits	Trade Receivables
Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 180 days past due	Substandard assets, relatively high credit risk	Life-time expected credit losses	Life-time expected credit losses	Life time expected credit losses (simplified approach)
Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due	Low quality assets, very high credit risk			
Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where loans or receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Doubtful assets, credit-impaired	Asset is written off		

### Expected credit loss for loans, security deposits and investments:

#### As at 31st March' 2019

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	297	–	–	297
		Security deposits	2154	–	–	2154
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	–	–	–	–

#### As at 31st March' 2018

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	894	–	–	894
		Security deposits	2331	–	–	2331
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired or credit impaired	NA	–	–	–	–



Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

## a. Expected credit loss for trade receivables under simplified approach

Due from the date of invoice	As at 31st March '19	As at 31st March '18
0-3 months	36060	36665
3-6 months	1645	757
6 months to 12 months	315	331
beyond 12 months	721	550
<b>Total</b>	<b>38741</b>	<b>38303</b>

## b. Reconciliation of loss allowance provision - Trade receivables

	As at 31st March '19	As at 31st March '18
<b>Opening provision</b>	<b>325</b>	<b>271</b>
Additional provision made	62	54
<b>Closing provisions</b>	<b>387</b>	<b>325</b>

## B. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

## Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period:

	As at 31st March '19	As at 31st March '18
Borrowings including working capital	22704	10792

## Contractual maturity patterns of borrowings

	As at 31st March '19		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	35	112	147
Short term borrowings	16094	–	16094
<b>Total</b>	<b>16129</b>	<b>112</b>	<b>16241</b>

	As at 31st March '18		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	1538	135	1673
Short term borrowings	23101	–	23101
<b>Total</b>	<b>24639</b>	<b>135</b>	<b>24774</b>

## Contractual maturity patterns of Financial Liabilities

	As at 31st March '19	As at 31st March '18
	<b>0-12 Months</b>	0-12 Months
Trade Payable	55865	48989
Payable related to Capital goods	7199	2729
Other Financial liabilities including derivative financial liabilities	1106	583
<b>Total</b>	<b>64170</b>	<b>52301</b>

## C. MARKET RISK - INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### Exposure to interest rate risk

The Company is not exposed to significant interest rate risk as at the respective reporting date.

### D. MARKET RISK- FOREIGN CURRENCY RISK.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the company are significantly lower in comparison to its imports. Foreign currency exchange rate exposure is partly balanced by exports of goods and prudent hedging policy.

#### Foreign Currency Exposure

Name of the Instrument	2018 - 2019		2017 - 2018	
	In Million US\$	₹ in Lacs	In Million US\$	₹ in Lacs
Open Foreign Exchange Exposures - Receivable	2.61	1805	2.43	1584
Open Foreign Exchange Exposures - Payable	23.42	16196	33.70	21963

#### Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax:

Particulars	2018 - 2019		2017 - 2018	
	1% appreciation in US\$	1% depreciation in US\$	1% appreciation in US\$	1% depreciation in US\$
Increase / (decrease) in profit or loss (₹ in Lacs)	(144)	144	(204)	204

#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Name of the Instrument	2018 - 2019		2017 - 2018	
	In Million US\$	₹ in Lacs	In Million US\$	₹ in Lacs
Forward Purchase	52	36909	26	16974

The Company enjoys natural hedge to the extent of: a) Exports effected and b) Inventory held (being sensitive to exchange rate fluctuations). Although the Company believes that these derivatives constitute hedges from a economic prospective, they might not qualify for hedge accounting under Ind AS 109.

### E. COMMODITY RISK

Principal Raw Material for Company's products is variety of plastic polymers which are primarily Derivatives of Crude Oil. Company sources its raw material requirement from across the globe. Domestic market prices are also generally remains in sync with international market price scenario.

Volatility in Crude Oil prices, Currency fluctuation of Rupee vis-à-vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price and availability of polymers for the Company. Company effectively manages deals with availability of material as well as price volatility through:

1. Widening its sourcing base
2. Appropriate contracts and commitments
3. Well planned procurement & inventory strategy and
4. Prudent hedging policy on foreign currency exposure

Risk committee of the Company comprising members from Board of Directors and operations has developed and enacted a risk management strategy regarding commodity Price risk and its mitigation.

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

## 33 CAPITAL RISK MANAGEMENT

## A The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following debt equity ratio:

	31 March, 2019	31 March, 2018
Total Debt	16241	24774
Total Equity	199265	173305
<b>Total Debt to Total Equity</b>	<b>0.08</b>	0.14

Company believes in conservative leverage policy. Its debt equity ratio is lower than the industry average.

Company's capex plan over the medium term shall be largely funded through internal accruals and suppliers credit. The Company plans to remain virtual debt free company. The Company also expects monetization of the remaining unsold area of Supreme Chamber in near future which shall further strengthen the cash flow of the Company.

- B The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy. As per the dividend policy, generally the Company maintains a dividend pay-out ratio (including Dividend Distribution tax) in the range of 35 % to 55% of net profit (PAT).

## 34 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

- i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined Gratuity Plan are given below:

## A. Balance Sheet

	Defined benefit plans	
	As at 31st March, 2019	As at 31st March, 2018
Present value of plan liabilities	4302	3689
Fair value of plan assets	3963	3344
<b>Asset/(Liability) recognised</b>	<b>(339)</b>	(345)

## B. Movements in plan assets and plan liabilities

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2018</b>	<b>3689</b>	<b>3344</b>
Current service cost	248	-
Interest Cost	287	-
Interest Income	-	262
Return on plan assets excluding amounts included in net finance income/cost	-	(8)
Liability/Assets transferred out/Divestments	(41)	(41)
Actuarial (gain)/loss arising from changes in financial assumptions	20	-
Actuarial (gain)/loss arising from experience adjustments	335	-
Employer contributions	-	641
Benefit payments	(235)	(235)
<b>As at 31st March 2019</b>	<b>4302</b>	<b>3963</b>

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

	₹ in Lacs	
	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2017</b>	3460	3363
Current service cost	244	–
Interest Cost	254	–
Interest Income	–	247
Return on plan assets excluding amounts included in net finance income/cost	–	(52)
Actuarial (gain)/loss arising from changes in financial assumptions	(156)	–
Actuarial (gain)/loss arising from experience adjustments	200	–
Employer contributions	–	97
Benefit payments	(312)	(312)
<b>As at 31st March 2018</b>	<u>3689</u>	<u>3344</u>

The liabilities are split between different categories of plan participants as follows:

- active members - 100% (2017-18: 100%)

The Company expects to contribute ₹ 617 lacs to the funded plans in financial year 2019-20

### C. Statement of Profit and Loss

	2018 - 2019	2017 - 2018
<b>Employee Benefit Expenses:</b>		
Current service cost	248	244
Interest cost/(income)	24	7
<b>Total amount recognised in Statement of profit &amp; loss</b>	<u>272</u>	<u>251</u>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	(8)	(52)
Experience gains/(losses)	(355)	(43)
<b>Total amount recognised in Other Comprehensive Income</b>	<u>(363)</u>	<u>(95)</u>

### D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at 31st March, 2019	As at 31st March, 2018
<b>Financial Assumptions</b>		
Discount rate	7.79%	7.85%
Expected Rate of Return on plan assets	7.79%	7.85%
Salary Escalation Rate	6.00%	6.00%
Attrition Rate	2.00%	2.00%
<b>Demographic Assumptions</b>		
Mortality in Service : Indian Assured Lives Mortality (2006-08)		

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

**E. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	As at 31st March, 2019	As at 31st March, 2018
<b>Impact on defined benefit obligation</b>	<b>Increase/Decrease in liability</b>	<b>Increase/Decrease in liability</b>
+0.50% Change in rate of discounting	(162)	(142)
-0.50% Change in rate of discounting	175	153
+1.00% Change in rate of Salary increase	366	321
-1.00% Change in rate of Salary increase	(321)	(281)
+0.50% Change in Attrition Rate	25	23
-0.50% Change in Attrition Rate	(26)	(24)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**F. The major categories of plan asset are as follows:**

	As at 31st March, 2019	As at 31st March, 2018
Equities	-	-
Bonds	-	-
Gilts	-	-
Pooled assets with an insurance company	100%	100%
Other	-	-
	<u>100%</u>	<u>100%</u>

**G. The defined benefit obligations shall mature as follows:**

<b>Particulars</b>	As at 31st March, 2019	As at 31st March, 2018
Within 1 year	534	484
1-2 year	233	157
2-3 year	341	251
3-4 year	324	310
4-5 year	354	288
5-10 year	1966	1745
More than 10 year	5909	5290

ii) **Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

iii) **Notes:**

Liability for post employment benefits, other long term benefits, termination benefits and certain short term benefits such as compensated absences is provided on an actuarial basis for the Company as a whole. Accordingly the amount for above pertaining to key management personnel is not ascertainable and, therefore, not included above.



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 35 EARNINGS PER SHARE (EPS)

	2018 - 2019	2017 - 2018
Profit after tax(PAT) before exceptional items	39881	40955
Profit after tax(PAT) after exceptional items	46103	40955
Weighted average number of equity Shares (In Nos.)	127026870	127026870
Nominal value of equity Shares (In ₹)	2.00	2.00
Basic & diluted earning per share before exceptional items	31.40	32.24
Basic & diluted earning per share after exceptional items	36.29	32.24

### 36 CONTINGENT LIABILITIES

	2018 - 2019	2017 - 2018
Bills/Cheque's discounted	232	1493
Claim against the Company including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as debts	4484	1341
Disputed Income Tax demands	885	1160
Disputed Sales Tax / Entry Tax demands	1422	615
Other claims against the Company not acknowledged as debts	893	573

#### Notes:

- Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Company is envisaged.
- Sales Tax and Entry Tax related litigation/demand primarily pertains to non- receipt of declaration forms from customers and mismatch of input tax credit or some interpretation related issues w.r.t. applicability of schemes. Counsel of the Company opined positive outcome based on merits of the cases under litigation. In most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

### 37 COMMITMENTS

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 11152 lacs (Previous year ₹ 13376 lacs).
- The Company has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Company in accordance with Ind AS-17 on lease transactions.

The Company has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 544 lacs (previous year ₹ 525 lacs) and for the period later than one year & not later than five years is ₹ 2151 lacs (previous year ₹ 513 lacs) and for the period later than five years is ₹ 106 lacs (previous year ₹ 78 lacs).

### 38 DISCLOSURE ON RELATED PARTY TRANSACTIONS

#### Names of related parties and description of relationship and Nature of Transactions:

#### Parties where controls exists :

The Supreme Industries Overseas FZE, Dubai - Subsidiary

Nature of Transactions	2018 - 2019	2017 - 2018
Sale of goods	96	86
Receiving of services - excluding taxes	307	201
Outstanding at year-end - Receivable	0	112
Outstanding at year-end - Payable	200	74

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### Associate and other related parties with whom transaction have been entered during the course of business:

Supreme Petrochem Limited (associate), Kumi Supreme India Pvt Ltd (associate)

Nature of Transactions	Supreme Petrochem Limited		Kumi Supreme India Pvt Ltd	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
Purchase of goods	4878	2952	–	–
Sale of goods	74	116	56	–
Rendering of services - excluding taxes	–	–	14	–
Dividend Received	1302	1302	–	–
Investment in Equity Shares	–	–	2503	–
Sale of Khuskhera unit	–	–	9718	–
Outstanding at year-end - Receivable	4	1	4	–
Outstanding at year-end - Payable	146	175	–	–

### Key Managerial Personnel:

Mr. M P Taparia, Managing Director ; Mr. S J Taparia, Executive Director ; Mr. V K Taparia, Executive Director ; Mr. P.C. Somani, Chief Financial Officer ; Mr. R.J. Saboo, AVP (Corporate Affairs) &amp; Company Secretary.

Nature of Transactions	Mr. M P Taparia, Managing Director		Mr. S J Taparia, Executive Director	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
Managerial Remuneration paid	871	867	869	864
Outstanding at year-end - Payable	628	648	628	646
Nature of Transactions	Mr. V K Taparia, Executive Director		Others	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
Managerial Remuneration paid	869	866	203	171
Outstanding at year-end - Payable	623	643	52	34

### Enterprises in which Directors have significant influence:

Devrat Impex Private Limited

Nature of Transactions	2018 - 2019	2017 - 2018
Sale of goods	3562	3278
Receiving of services - excluding taxes	12	1
Outstanding at year-end - Receivable	42	26
Outstanding at year-end - Payable	0	2

### Other Related Parties:

Non Executive Directors

Mr. B. L. Taparia, Chairman; Mr. N. N. Khandwala, Director; Mr. B. V. Bhargava, Director; Mr. Y. P. Trivedi, Director; Mr. R. Kannan, Director; Mr. R. M. Pandia, Director; Smt. Rashna Khan, Director

Mr. Vivek Taparia, Business Development Manager (Relative of Director)

Nature of Transactions	2018 - 2019	2017 - 2018
Remuneration paid	43	43
Sitting Fees & Commission to Non Executive Directors	109	58
Outstanding at year-end - Payable	99	39

### Notes:

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amounts in respect of related parties have been written off/ written back during the year or has not made any provision for doubtful debts/ receivable.
- Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.

## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

d) Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2019, the Company has not recorded any loss allowances for transactions between the related parties.

39 In terms of para 4 of Ind As 108 "Operating Segments", segment information has been provided in the notes to Consolidated Financial Statements.

### 40 ASSETS PROVIDED AS SECURITY

The carrying amounts of assets provided as security for current and non-current borrowings are:

	As at 31 March, 2019	As at 31 March, 2018
<b>Current Assets</b>		
<b>Financial Assets</b>		
Trade receivables	38741	38303
<b>Non Financial Assets</b>		
Inventories (excluding commercial premises)	74371	67066
<b>Total Current assets provided as security</b>	<u>113112</u>	<u>105369</u>
<b>Non Current Assets</b>		
Plant and Equipment	78816	69097
Moulds & Dies	12801	12562
<b>Total non-current assets provided as security</b>	<u>91617</u>	<u>81659</u>
<b>Total assets provided as security</b>	<u>204729</u>	<u>187028</u>

#### Notes:

1. Term Loans from banks are secured as first pari passu charge basis on movable properties of the Company viz. plant and equipment & moulds, both present and future, situated at all the locations of the Company.

2. Working Capital Loans from banks are secured against:

First pari passu charge by way of hypothecation of stocks and book debts, both present and future

Second / subservient charge on all movable properties of the Company viz. plant and equipment & moulds, both present and future, situated at all the locations of the Company.

41 a) Consequent to the approvals received from Shareholders on 19th May'2018 and in pursuance to Business Transfer Agreement dated 4th April' 2018, the Company has at the close of the quarter ended 30th June'2018 transferred its Khushkhhera Unit engaged in manufacture of Plastic Automotive Components as a going concern to a newly formed Joint Venture Company viz. Kumi Supreme India Pvt Ltd on a slump sale basis. Accordingly, gain on sale of the said undertaking amounting to ₹ 7044 lacs has been recognised and disclosed as Exceptional Items.

b) Gain of ₹ 1131 lacs on sale of land and building at Hosur unit - I is disclosed as Exceptional Items.

42 Post GST, pending notification from the West Bengal Government, the Company has not recognized (Amount not ascertainable) benefit of Industrial Promotion Assistance Scheme pertaining to its Kharagpur Unit since July'2017. The Company is hopeful of continuance of the Scheme and benefits accruing therefrom.

### 43 NET - DEBT RECONCILIATION

Particulars	As at March 31, 2019		As at March 31, 2018	
	Term Loans	Working Capital Loans	Term Loans	Working Capital Loans
Opening Net Debt	1673	23101	6406	21492
Proceeds from Borrowings		42500		25600
Repayment of Borrowings	(1538)	(49785)	(4744)	(23717)
Foreign Exchange (Gain)/loss		278		(274)
Unwinding of discount on deferred sales tax	13		11	
Closing Net Debt	147	16094	1673	23101

Notes to the financial statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

## 44 PAYMENT TO AUDITORS

	2018 - 2019	2017 - 2018
(Including Branch auditors excluding GST )		
Audit fees	60	52
Tax audit fees	18	15
Limited review and certification fees	11	12
Reimbursement of expenses	4	3
<b>TOTAL PAYMENT TO AUDITORS</b>	<b>93</b>	<b>83</b>

## 45 CORPORATE SOCIAL RESPONSIBILITY:

	2018 - 2019	2017 - 2018
Amount required to be spent as per Section 135 of Companies Act, 2013	1006	927
Amount Spent during the year		
(a) Construction/Acquisition of assets	–	–
(b) On purpose other than above	1050	686

## 46 RECENT ACCOUNTING PRONOUNCEMENTS

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**Ind AS 12 –“Income taxes” - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.”

- 47 a) The previous year’s figures have been re-grouped / re-classified wherever required to conform to current year’s classification. All figures of financials has been rounded off to nearest lacs rupees.
- b) In view of exceptional items mentioned in Note no. 41 above, the current year’s figures are strictly not comparable with those of the previous year.

Signature to Notes 1-47

For and on behalf of the board

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

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

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

**R. Kannan**  
Director  
(DIN No. 00380328)

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

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

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

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

**P. C. Somani**  
Chief Financial Officer

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

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

Mumbai, 7th May 2019

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of  
The Supreme Industries Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the accompanying financial statements of The Supreme Industries Limited ("the Parent Company"), its foreign subsidiary and its associates (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2019, the consolidated statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the financial statements for the year ended on that date audited by the branch auditors of the parent company's 27 manufacturing units located in the India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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, of the state of affairs of the Group as at 31st March 2019, its profits (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 Consolidated 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 consolidated 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 Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Information Technology (IT) Systems and Controls</b></p> <p>During the year the parent company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system.</p> <p>The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.</p> <p>We have accordingly designated this as a focus area in the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed procedures to ensure the migration of financial data between old system and new system.</p> <p>Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit.</p> <p>We have performed the test of details for areas where the Management has implemented manual controls during the year including the continuing manual controls as at the year end.</p> <p>We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.</p> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the consolidated financial statements.</p>
2.	<p><b>Industrial Promotion Scheme (IPS) receivables</b></p> <p>Other current assets include government grant in the form of refund of Sales tax/GST under IPS Scheme of ₹ 6,242 lacs as at March 31, 2019 from the states of Maharashtra, Madhya Pradesh, West Bengal and Rajasthan as the respective scheme notifications were issued by the aforesaid State Governments.</p> <p>Post GST, the state of West Bengal is yet to notify the IPS scheme and accordingly, the Company has not been recognized grant, since July 2017, in this regard. The amount whereof is presently not ascertainable.</p>	<p><b>Audit Procedure performed:</b></p> <p>In response to the risk of completeness of the accruals in the consolidated financial statements:</p> <p>We have examined the eligibility certificates and obtained a list of year wise break- up of the IPS receivables by the Company for all the financial years. We had discussed the status of the assessment of grants receivable for all the financial years and the Management view on the expected time frame by which the grants will be released. Additionally, we have considered the status of the previous assessments and the adjustments, if any, done by the respective concerned authorities.</p>



Sr. No	Key Audit Matters	Auditor's response
	Management judgement is involved in assessing the accounting for grants and particularly in considering the probability of a grant being released and we have accordingly designated this as a focus area of the audit.	Based on the procedures performed, those gave us a sufficient evidence to conclude that the grants have been accounted in terms of the schemes announced by various state governments.

### Information Other than the Consolidated Financial Statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the 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 entity'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 consolidated 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 consolidated 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.

#### **Other Matters:**

- (a) We did not audit the financial statements of 27 branches included in the consolidated financial statements of the group whose financial statements reflect total assets of ₹ 283,816 lacs as at March 31, 2019 and total revenue of ₹ 551,657 lacs for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.
- (b) We did not audit the financial statements of a subsidiary included in the consolidated financial statements of the Group whose financial statements reflect total assets of ₹ 351 lacs as at March 31, 2019 (as at 31 March, 2018 ₹ 361 lacs); total revenue of ₹ 420 lacs, net profit of ₹ 80 lacs and net cash outflow of ₹ 153 lacs for the year ended 31 March, 2019 (revenue of ₹ 313 lacs, net profit of ₹ 56 lacs and net cash inflows of ₹ 59 lacs for the year ended March 31, 2018), as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1,438 lacs for the year ended 31 March, 2019 (₹ 3,466 lacs for the year ended 31 March, 2018), as considered in the consolidated financial statements, in respect of two associates (an associate in case of previous year), whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. 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 maintained by the Group have been kept so far as it appears from our examination of those books and records.
- (c) The reports on the financial statements of branches of the Company audited under section 143(8) of the Act by nine firms of independent auditors have been sent to us and properly dealt with by us in preparing this report.

- (d) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, please refer Annexure B of the standalone audit report attached with the standalone financial statements included in this annual report.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 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 Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. [Refer note no. 36 to the standalone financial statements]
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**  
Chartered Accountants  
Firm registration No. – 301051E

**R. P. Baradiya**  
Partner  
Membership No. 44101  
Place : Mumbai  
Date : May 07, 2019

## Consolidated Balance Sheet as on 31<sup>st</sup> March, 2019

PARTICULARS	Note	₹ in lacs	
		As at 31-Mar-19	As at 31-Mar-18
<b>ASSETS</b>			
<b>(1) NON - CURRENT ASSETS</b>			
(a) Property, plant & equipment	2	150138	134731
(b) Capital work-in-progress	3.A	9004	6262
(c) Intangible assets	4	1959	608
(d) Intangible assets under development	3.B	-	1240
(e) Investment in associates	5.A	21713	19358
(f) Financial assets			
(i) Other investments	5.B	521	10
(ii) Deposits	6	1676	1791
(iii) Loans	7	114	769
(iv) Other financial assets	8	11	11
(g) Other non-current assets	9	4015	2816
<b>TOTAL NON - CURRENT ASSETS</b>		<b>189151</b>	<b>167596</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	10	75044	69698
(b) Financial assets			
(i) Trade receivables	11	38742	38194
(ii) Cash & cash equivalents	12	3207	3197
(iii) Other bank balances	13	523	434
(iv) Deposits	6	481	542
(v) Loans	7	183	126
(vi) Other financial assets	8	47	70
(c) Income tax assets (net)	22.B	3606	-
(d) Other current assets	9	11870	13684
(e) Assets held for disposal		73	70
<b>TOTAL CURRENT ASSETS</b>		<b>133776</b>	<b>126015</b>
<b>TOTAL ASSETS</b>		<b>322927</b>	<b>293611</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	2541	2541
Other equity	15	212856	186949
<b>TOTAL EQUITY</b>		<b>215397</b>	<b>189490</b>
<b>LIABILITIES</b>			
<b>(1) NON - CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	16	112	135
(ii) Deposits	17	187	93
(b) Provisions	18	1617	1328
(c) Deferred tax liabilities (net)		12036	11340
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>13952</b>	<b>12896</b>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	16	16094	23101
(ii) Trade payables	19		
Micro, Small and Medium Enterprises		1544	1404
Others		54195	47576
(iii) Deposits	17	284	140
(iv) Other financial liabilities	20	8340	4850
(b) Other current liabilities	21	12337	12238
(c) Provisions	18	784	707
(d) Income tax liabilities (net)	22.A	-	1209
<b>TOTAL CURRENT LIABILITIES</b>		<b>93578</b>	<b>91225</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>322927</b>	<b>293611</b>

### Significant Accounting Policies

1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**

FRN – 301051E  
Chartered Accountants

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

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

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

**R. Kannan**  
Director  
(DIN No. 00380328)

**R. P. Baradiya**  
Partner

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

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

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

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

Mumbai, 7th May 2019

**P. C. Somani**  
Chief Financial Officer

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

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

Statement of Consolidated Profit and Loss for the year ended on 31<sup>st</sup> March, 2019

₹ in lacs

	Note	2018 - 2019		2017 - 2018	
<b>INCOME</b>					
Revenue from operations	23	561199		497006	
Other income	24	778	561977	348	497354
<b>EXPENDITURE</b>					
Cost of materials consumed	25	374467		317744	
Purchase of traded Goods		8434		7713	
Changes in inventories of finished goods, Semi finished goods and traded goods	26	(914)		3749	
Employee benefits expenses	27	25463		24212	
Finance costs	28	2600		2064	
Depreciation and amortisation expense	2, 4	18354		16715	
Other expenses	29	75292	503696	64878	437075
<b>PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF AN ASSOCIATE &amp; EXCEPTIONAL ITEMS</b>			58281		60279
Share of profit of associates			1438		3466
<b>PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX</b>			59719		63745
Exceptional Items	36		6719		-
<b>PROFIT BEFORE TAX</b>			66438		63745
<b>TAX EXPENSES</b>					
Current tax		20878		20856	
Deferred tax		697	21575	(286)	20570
<b>PROFIT AFTER TAX</b>			44863		43175
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be reclassified to profit or loss					
Re measurements of net defined benefit plans		(363)		(95)	
Income tax relating to net defined benefit plans		127		33	
		(236)		(62)	
Share of other comprehensive income in associates (net of tax)		(0)	(236)	(11)	(73)
<b>TOTAL COMPREHENSIVE INCOME</b>			44627		43102
Attributable to:					
<b>Total Profit for the year</b>					
Owners of the parent			44863		43175
Non-controlling interests			-		-
<b>Total Other Comprehensive Income</b>					
Owners of the parent			(236)		(73)
Non-controlling interests			-		-
<b>Total Comprehensive Income</b>					
Owners of the parent			44627		43102
Non-controlling interests			-		-
<b>EARNINGS PER SHARE</b>					
Basic & diluted earning per share before exceptional items	32		31.57		33.99
Basic & diluted earning per share after exceptional items (Face value of ₹ 2 each)			35.32		33.99

**Significant Accounting Policies**

1

**The accompanying notes are an integral part of the Consolidated financial statements**

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**

FRN – 301051E

Chartered Accountants

**B. L. Taparia**  
Chairman  
(DIN No. 00112438)**M. P. Taparia**  
Managing Director  
(DIN No. 00112461)**N. N. Khandwala**  
Director  
(DIN No. 00112603)**R. Kannan**  
Director  
(DIN No. 00380328)**R. P. Baradiya**  
Partner**S. J. Taparia**  
Executive Director  
(DIN No. 00112513)**V. K. Taparia**  
Executive Director  
(DIN No. 00112567)**B. V. Bhargava**  
Director  
(DIN No. 00001823)**R. M. Pandia**  
Director  
(DIN No. 00021730)

Mumbai, 7th May 2019

**P. C. Somani**  
Chief Financial Officer**R. J. Saboo**  
AVP (Corporate Affairs) &  
Company Secretary**Y. P. Trivedi**  
Director  
(DIN No. 00001879)**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)



## Consolidated Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2019

	2018 - 2019		2017 - 2018	
	₹ in Lacs			
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax and exceptional items		59719		63745
Adjustments to reconcile profit before tax to cashflows :				
Add :				
Depreciation	18354		16715	
Interest expenses	3342		2683	
Unwinding of discount on deferred sales tax	13		11	
Fair value loss on investments through profit or loss	2		2	
Bad debts	3		5	
Provision for doubtful debts	62		55	
Leasehold amortisation	19	21795	19	19490
		<u>81514</u>		<u>83235</u>
Less :				
Share of net profit/(loss) of associates	1438		3466	
Interest income	485		453	
Unwinding of discount on security deposits	54		50	
Excess liabilities written back	336		304	
Profit/(Loss) on sale of investments	216		127	
Foreign currency exchange fluctuation	676		532	
Profit/(Loss) on sale of assets	342	3547	66	4998
Operating profit before working capital changes		<u>77967</u>		<u>78237</u>
Adjustments for :				
Change in working capital				
(Increase)/decrease in inventories	(5345)		7922	
(Increase)/decrease in trade receivable	(614)		(10721)	
(Increase)/decrease in other financial assets	738		(10)	
(Increase)/decrease in other current assets	(71)		(1091)	
Increase/(decrease) in trade payables	8216		3912	
Increase/(decrease) in other financial liabilities	148		(1003)	
Increase/(decrease) in provisions	2		301	
Increase/(decrease) in other current liabilities	99	3173	(5065)	(5755)
Cash generated from operations		<u>81140</u>		<u>72482</u>
Direct taxes paid (net of refund)		<u>(25566)</u>		<u>(21724)</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<u>55574</u>		<u>50758</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant & equipments		(34724)		(28482)
Sale of property, plant & equipments		2115		324
Sale proceeds from Khushkhera unit (net of transaction cost)		9637		-
Investment in non current investments		(2503)		-
Investment in HPC Research s.r.o.		(513)		(200)
Profit on redemption of liquid mutual funds		216		128
Dividend Received		1302		1302
Interest received		509		242
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<u>(23961)</u>		<u>(26687)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings (Refer Note 43)		(1538)		(4744)
Increase/(Decrease) in short term borrowings (Refer Note 43)		(7285)		1883
Interest paid		(2873)		(2590)
Dividend & corporate dividend tax paid		(19907)		(22933)
<b>NET CASH USED IN FINANCING ACTIVITIES ( C )</b>		<u>(31603)</u>		<u>(28384)</u>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<u>10</u>		<u>(4313)</u>
<b>Opening balance at beginning of the year</b>		<u>3197</u>		<u>7510</u>
<b>Closing balance at end of the year</b>		<u>3207</u>		<u>3197</u>
<b>Significant Accounting Policies</b>	<b>1</b>			
<b>The accompanying notes are an integral part of the Consolidated financial statements</b>				

As per our report of even date

For and on behalf of the board

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

**B. L. Taparia**  
Chairman  
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Mumbai, 7th May 2019

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Chief Financial Officer

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AVP (Corporate Affairs) &  
Company Secretary

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2019

₹ In lacs

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 1st April' 2017</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 1st April' 2018'</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March' 2019</b>
Paid up capital (Refer Note 14)	2541	-	2541	-	2541

<b>OTHER EQUITY :</b>	<b>Reserves and Surplus</b>						<b>Accumulated Other Comprehensive Income</b>		<b>Total</b>
	<b>Capital reserve</b>	<b>Capital reserve on acquisition</b>	<b>Securities premium</b>	<b>Capital redemption reserve</b>	<b>General reserve</b>	<b>Retained earnings</b>	<b>Foreign exchange translation reserve</b>	<b>Actuarial gains/(losses)</b>	
<b>Balance as at 1st April, 2017</b>	249	-	4749	222	143837	18346	17	(389)	167031
Profit for the year						43175			43175
Adjustment in respect of Dividend distribution tax and Others					(259)				(259)
Recognised during the year							8		8
Remeasurements of net defined benefit plans (Net of Taxes)								(73)	(73)
Final dividend paid including corporate dividend tax for FY 2016-17						(18346)			(18346)
Interim dividend paid including corporate dividend tax for FY 2017-18						(4587)			(4587)
Transfer to general reserve						(24806)			(24806)
Transfer from Statement of profit & loss					24806				24806
<b>Balance as at 31st March, 2018</b>	<b>249</b>	<b>-</b>	<b>4749</b>	<b>222</b>	<b>168384</b>	<b>13782</b>	<b>25</b>	<b>(462)</b>	<b>186949</b>
Profit for the year						44863			44863
Added during the year in respect of Kumi Supreme India Pvt. Limited		1456							1456
Adjustment in respect of Share in equity related cost, Dividend distribution tax and Others		(27)			(263)				(290)
Recognised during the year							21		21
Remeasurements of net defined benefit plans (Net of Taxes)								(236)	(236)
Final dividend paid including corporate dividend tax for FY 2017-18						(13782)			(13782)
Interim dividend paid including corporate dividend tax for FY 2018-19						(6125)			(6125)
Transfer to general reserve						(24955)			(24955)
Transfer from Statement of profit & loss					24955				24955
<b>Balance as at 31st March, 2019</b>	<b>249</b>	<b>1429</b>	<b>4749</b>	<b>222</b>	<b>193076</b>	<b>13783</b>	<b>46</b>	<b>(698)</b>	<b>212856</b>

## Significant Accounting Policies

1

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

As per our report of even date

For and on behalf of the board

For **LODHA & COMPANY**  
FRN – 301051E  
Chartered Accountants**B. L. Taparia**  
Chairman  
(DIN No. 00112438)**M. P. Taparia**  
Managing Director  
(DIN No. 00112461)**N. N. Khandwala**  
Director  
(DIN No. 00112603)**R. Kannan**  
Director  
(DIN No. 00380328)**R. P. Baradiya**  
Partner**S. J. Taparia**  
Executive Director  
(DIN No. 00112513)**V. K. Taparia**  
Executive Director  
(DIN No. 00112567)**B. V. Bhargava**  
Director  
(DIN No. 00001823)**R. M. Pandia**  
Director  
(DIN No. 00021730)

Mumbai, 7th May 2019

**P. C. Somani**  
Chief Financial Officer**R. J. Saboo**  
AVP (Corporate Affairs) &  
Company Secretary**Y. P. Trivedi**  
Director  
(DIN No. 00001879)**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### 1.1 Group Overview

The consolidated financial statements comprise financial statements of Supreme Industries Limited, Parent Company and its subsidiary (hereinafter referred as “the Group”).

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

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

#### Group Structure:

Name of Company	Country of incorporation	Shareholding as at	
		As at March 31, 2019	As at March 31, 2018
<b>Subsidiary</b>			
The Supreme industries Overseas (FZE)	UAE	100%	100%
<b>Associate:</b>			
Supreme Petrochem Limited	India	29.99%	29.99%
Kumi Supreme India Private Limited	India	20.67%	–

### BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.2 Basis of Preparation and Measurement

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

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

- Certain financial assets and liabilities are measured at Fair value
- Defined Benefit and other Long-term Employee Benefits
- Derivative Financial instruments

These consolidated financial statements are approved for issue by the Company’s Board of Directors on May 07, 2019.

#### 1.3 Use of Estimates and Judgements

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

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

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

#### 1.4 Basis of Preparation of Consolidation Financial Statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associates as at 31 March 2019. The Parent Company prepares and report its consolidated financial statements in INR (₹).

#### Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary.

### Consolidation procedure:

#### Subsidiaries:

- a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### 1.5 Goodwill

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

### 1.6 Investments in Associates

Associates are all entities over which the group has significant influences but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights or the group has power to participate in the financial and operating policy decision of the investee. Investments in associate are accounted for using equity method accounting.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

Distributions received from an associate reduce the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the assets transferred.

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

### 1.7 Foreign Currency Transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 1.8 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Group has identified its Managing Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions.

1.9 For other accounting policies - Refer significant accounting policies mentioned in the standalone financial statement.

## 2 PROPERTY, PLANT AND EQUIPMENT

	₹ In lacs								
	Land		Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold							
<b>Gross carrying amount</b>									
<b>Balance as at 1st April 2017</b>	4372	1592	53665	126090	34552	2616	821	3133	226841
Additions	2511	21	3199	14561	4532	347	34	602	25807
Deductions/ Adjustment	–	–	152	1101	2	61	47	364	1727
Assets held for disposal	–	–	–	70	–	–	–	–	70
Amortisation	–	19	–	–	–	–	–	–	19
<b>Balance as at 31st March 2018</b>	<b>6883</b>	<b>1594</b>	<b>56712</b>	<b>139480</b>	<b>39082</b>	<b>2902</b>	<b>808</b>	<b>3371</b>	<b>250832</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April 2017</b>	–	–	12263	61258	23286	1824	568	2231	101430
Additions	–	–	2060	10131	3234	182	50	501	16158
Deductions/ Adjustment	–	–	11	1005	0	61	47	363	1487
Assets held for disposal	–	–	–	–	–	–	–	–	–
<b>Balance as at 31st March 2018</b>	<b>–</b>	<b>–</b>	<b>14312</b>	<b>70383</b>	<b>26520</b>	<b>1946</b>	<b>571</b>	<b>2369</b>	<b>116101</b>
<b>Net carrying amount as at 1st April 2017</b>	<b>4372</b>	<b>1592</b>	<b>41402</b>	<b>64832</b>	<b>11266</b>	<b>792</b>	<b>253</b>	<b>902</b>	<b>125411</b>
<b>Net carrying amount as at 31st March 2018</b>	<b>6883</b>	<b>1594</b>	<b>42400</b>	<b>69097</b>	<b>12562</b>	<b>956</b>	<b>237</b>	<b>1002</b>	<b>134731</b>



**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019**

₹ In lacs

	Land		Buildings	Plant and Equipment	Moulds and Dies	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold							
<b>Gross carrying amount</b>									
<b>Balance as at 1st April 2018</b>	<b>6883</b>	<b>1594</b>	<b>56712</b>	<b>139480</b>	<b>39082</b>	<b>2902</b>	<b>808</b>	<b>3371</b>	<b>250832</b>
Additions	2	455	8475	22025	4109	438	25	749	36278
Deductions/ Adjustment	28	–	916	1112	27	34	147	108	2372
Assets held for disposal	–	8	140	–	–	–	–	–	148
Transfer*	–	129	1209	5531	883	48	–	71	7871
Amortisation	–	21	–	–	–	–	–	–	21
<b>Balance as at 31st March 2019</b>	<b>6857</b>	<b>1891</b>	<b>62922</b>	<b>154862</b>	<b>42281</b>	<b>3258</b>	<b>686</b>	<b>3941</b>	<b>276698</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April 2018</b>	<b>–</b>	<b>–</b>	<b>14312</b>	<b>70383</b>	<b>26520</b>	<b>1946</b>	<b>571</b>	<b>2369</b>	<b>116101</b>
Additions	–	–	2142	10701	3870	174	48	670	17605
Deductions/ Adjustment	–	–	404	1086	27	33	143	107	1800
Assets held for disposal	–	–	75	–	–	–	–	–	75
Transfer*	–	–	335	3952	883	39	–	62	5271
<b>Balance as at 31st March 2019</b>	<b>–</b>	<b>–</b>	<b>15640</b>	<b>76046</b>	<b>29480</b>	<b>2048</b>	<b>476</b>	<b>2870</b>	<b>126560</b>
<b>Net carrying amount as at 1st April 2018</b>	<b>6883</b>	<b>1594</b>	<b>42400</b>	<b>69097</b>	<b>12562</b>	<b>956</b>	<b>237</b>	<b>1002</b>	<b>134731</b>
<b>Net carrying amount as at 31st March 2019</b>	<b>6857</b>	<b>1891</b>	<b>47282</b>	<b>78816</b>	<b>12801</b>	<b>1210</b>	<b>210</b>	<b>1071</b>	<b>150138</b>

\*Transfer of Assets of Khushkhera unit to Kumi Supreme India Pvt Ltd (Associate), Also Refer note. No. 36(a)

**NOTES**

1. Leasehold land under varying lease arrangement for period ranging from 30-99 years.
2. Land and Buildings include amount of ₹ 43 lakhs (Previous year ₹ 47 lacs) in respect of which title deeds are yet to be registered in the name of the Company.

**3 A. CAPITAL WORK-IN-PROGRESS**

Assets under installation	As at 31st March 2019	As at 31st March 2018
Buildings	4766	3646
Plant and equipment	2983	2545
Moulds & dies and other assets	779	17
Project expenses pending capitalisation	476	54
<b>TOTAL CAPITAL WORK-IN-PROGRESS</b>	<b>9004</b>	<b>6262</b>

**B. INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at 31st March 2019	As at 31st March 2018
Computer software	–	1111
Know how, Right to use & Patents	–	129
<b>TOTAL INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	<b>–</b>	<b>1240</b>

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 4 INTANGIBLE ASSETS

	Computer software	Know how, Right to use & Patents	Total
<b>Gross carrying amount</b>			
Balance as at 1st April 2017	939	2045	2984
Additions	100	145	245
Deductions/ Adjustment	–	–	–
<b>Balance as at 31st March 2018</b>	<b>1039</b>	<b>2190</b>	<b>3229</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April 2017	858	1207	2065
Additions	68	488	556
Deductions/ Adjustment	–	–	–
<b>Balance as at 31st March 2018</b>	<b>926</b>	<b>1695</b>	<b>2621</b>
Net carrying amount as at 1st April 2017	<b>81</b>	<b>838</b>	<b>919</b>
Net carrying amount as at 31st March 2018	<b>113</b>	<b>495</b>	<b>608</b>
<b>Gross carrying amount</b>			
Balance as at 1st April 2018	<b>1039</b>	<b>2190</b>	<b>3229</b>
Additions	1238	863	2101
Deductions/ Adjustment	521	586	1107
Transfer*	21	–	21
<b>Balance as at 31st March 2019</b>	<b>1735</b>	<b>2467</b>	<b>4202</b>
<b>Accumulated Depreciation</b>			
Balance as at 1st April 2018	<b>926</b>	<b>1695</b>	<b>2621</b>
Additions	247	502	749
Deductions/ Adjustment	520	586	1106
Transfer*	21	–	21
<b>Balance as at 31st March 2019</b>	<b>632</b>	<b>1611</b>	<b>2243</b>
Net carrying amount as at 1st April 2018	<b>113</b>	<b>495</b>	<b>608</b>
Net carrying amount as at 31st March 2019	<b>1103</b>	<b>856</b>	<b>1959</b>

\* Transfer of Assets of Khushkhera unit to Kumi Supreme India Pvt Ltd (Associate), Also Refer note. No. 36(a)

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

## 5 NON CURRENT INVESTMENTS

	Quantity		Amount	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>EQUITY SHARES FULLY PAID UP</b>				
<b>A. IN ASSOCIATES</b>				
<b>QUOTED</b>				
Supreme Petrochem Ltd. (an associate Company - 29.99% equity stake held) (Face value @ ₹ 10 each)	28936400	28936400	2835	2835
Goodwill on acquisition			503	503
Accumulated share in profit at the beginning of the year			16020	14116
Share in profit - current year			1464	3455
Dividend received during the year including share of dividend distribution tax			(1570)	(1567)
Adjustments for unrealised profit on stock in hand			11	16
			<b>19263</b>	<b>19358</b>
<b>UNQUOTED</b>				
Kumi Supreme India Pvt Ltd (an associate Company - 20.67% equity stake held) (Face value @ ₹ 10 each)	25025611	—	1047	—
Goodwill on acquisition			1456	—
Share in equity related cost			(27)	—
Share in profit / (loss) - current year			(26)	—
			<b>2450</b>	<b>—</b>
<b>TOTAL</b>			<b>21713</b>	<b>19358</b>
<b>B. OTHER INVESTMENTS</b>				
<b>QUOTED (Fair value through Profit &amp; Loss Account)</b>				
Bank of Baroda (Previously known as Vijaya Bank)	1286	3200	2	2
Central Bank of India	5874	5874	2	4
Unimers India Ltd.	37	37	—	—
<b>UNQUOTED (Fair value through Profit &amp; Loss Account)</b>				
Saraswat Co-op. Bank Ltd.	1000	1000	0	0
OPGS Power Gujarat Pvt. Ltd.*	0	1259000	—	2
Windage Power Company Private Ltd.*	17300	17300	2	2
Nu Power Wind Farms Limited*	4769	4769	0	0
<b>INVESTMENT IN PARTNERSHIP</b>				
HPC Research s.r.o. (LLC)**			515	—
<b>TOTAL</b>			<b>521</b>	<b>10</b>
<b>TOTAL NON CURRENT INVESTMENTS [A+B]</b>			<b>22234</b>	<b>19368</b>
* Lying in escrow account				
Aggregate market value of quoted investments			64836	92863
Aggregate carrying value of unquoted investments			2966	5
Aggregate carrying value of quoted investments			19267	19364

\*\* Name of Partners and shares

1. Special engineering s.r.o. (45%)
2. Andriy Zakharchuk (45%)
3. The Supreme Industries Limited (10%)

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 6 DEPOSITS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sundry deposits considered good - Unsecured	1676	1791	481	542
<b>TOTAL DEPOSITS</b>	<b>1676</b>	<b>1791</b>	<b>481</b>	<b>542</b>

### 7 LOANS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Loans Receivables considered good - Unsecured	114	769	183	126
<b>TOTAL LOANS</b>	<b>114</b>	<b>769</b>	<b>183</b>	<b>126</b>

### 8 OTHER FINANCIAL ASSETS

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest accrued and due on fixed deposits	11	11	47	70
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>11</b>	<b>11</b>	<b>47</b>	<b>70</b>

### 9 OTHER ASSETS

(Unsecured, Considered good unless otherwise stated)

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Capital advances	1704	2390	–	–
Advances to Supplier	–	–	1873	3253
Advances/claims recoverable	198	3	1435	2019
Prepaid expenses	161	112	713	673
Refunds due/balances from/with government authorities	1952	311	7849	7739
<b>TOTAL OTHER ASSETS</b>	<b>4015</b>	<b>2816</b>	<b>11870</b>	<b>13684</b>

### 10 INVENTORIES

(Cost or Net realisable value whichever is lower)

	As at 31-Mar-19	As at 31-Mar-18
Raw materials and components [(including goods in transit ₹ 169 lacs (As at 31st March' 2018 ₹ 448 lacs)]	36268	29983
Finished goods [(including goods in transit ₹ 35 lacs (As at 31st March' 2018 ₹ 218 lacs)]	31212	31195
Semi-finished goods	3670	2644
Traded goods	667	930
Stores, spare parts, and consumables	1599	1394
Packing materials	956	920
Commercial premises	672	2632
<b>TOTAL INVENTORIES</b>	<b>75044</b>	<b>69698</b>

**Note:** Written down of Inventories to Net Realisable Value by ₹ 42 lacs (Previous year ₹ 65 lacs) based on management inventory policy -Non & slow moving inventory. The same has been recognised as an expense during the year and included in "Changes in value of Inventory of "semi finished goods"and "finished goods" in statement of Profit and Loss.

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 11 TRADE RECEIVABLES

	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables considered good - Unsecured	37390	37409
Trade Receivables which have significant increase in Credit Risk	1435	804
Trade Receivables - credit impaired	305	306
	<u>39130</u>	<u>38519</u>
Less: Provision for doubtful trade receivables	388	325
<b>TOTAL TRADE RECEIVABLES</b>	<u><u>38742</u></u>	<u><u>38194</u></u>

### 12 CASH AND CASH EQUIVALENTS

	As at 31-Mar-19	As at 31-Mar-18
Balance with banks in current accounts	1592	2526
Balance with banks in cash credit accounts	1528	266
Cash on hand	34	36
Remittances in transit	53	-
Cheques on hand	-	369
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><u>3207</u></u>	<u><u>3197</u></u>

### 13 OTHER BANK BALANCES

	As at 31-Mar-19	As at 31-Mar-18
Deposit with banks (Earmarked for electricity/sales tax/margin money)	65	62
Unclaimed dividend	458	372
<b>TOTAL OTHER BANK BALANCES</b>	<u><u>523</u></u>	<u><u>434</u></u>

### 14 EQUITY SHARE CAPITAL

	As at 31-Mar-19	As at 31-Mar-18
<b>AUTHORISED</b>		
15,00,00,000 Nos. Equity Shares of ₹ 2 each	3000	3000
1,12,00,000 Nos. Preference Shares of ₹ 10 each	1120	1120
3,38,00,000 Nos. Unclassified Shares of ₹ 10 each	3380	3380
	<u>7500</u>	<u>7500</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,70,26,870 Nos. Equity Shares of ₹ 2 each Fully Paid Up	2541	2541
<b>TOTAL SHARE CAPITAL</b>	<u><u>2541</u></u>	<u><u>2541</u></u>

The reconciliation of the number of equity shares outstanding	As at 31-Mar-19		As at 31-Mar-18	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	127026870	2541	127026870	2541
Equity Shares at the end of the year	127026870	2541	127026870	2541

#### Terms/rights attached to Equity shares :

The Parent Company has only one class of issued Equity Shares having a par value of ₹ 2 per share. Each Shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	31-Mar-19		31-Mar-18	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Boon Investment and Trading Company Pvt Ltd	20206592	15.91%	20206592	15.91%
Jovial Investment and Trading Company Pvt Ltd	19912082	15.68%	19912082	15.68%
Venkatesh Investment and Trading Company Pvt Ltd	19693081	15.50%	19693081	15.50%
Nalanda India Fund Limited	6105425	4.81%	7544002	5.94%

### In the Period of five years immediately preceding March, 2019:

The Parent Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

### Proposed Dividend:

The Board of directors have recommended the payment of a final dividend of ₹ 9 per fully paid up equity share (March 31, 2018 - ₹ 9), The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## 15 OTHER EQUITY

	As at 31-Mar-19	As at 31-Mar-18
Capital reserve	249	249
Capital reserve on acquisition	1429	–
Securities premium	4749	4749
Capital redemption reserve	222	222
Foreign exchange translation reserve	46	25
General reserve	193076	168384
Retained earnings	13783	13782
Accumulated other comprehensive income	(698)	(462)
	<u>212856</u>	<u>186949</u>

### Nature & Purpose of the Reserve:

**Capital Reserve:** Capital reserve represents the capital subsidy received by the Company. The reserve will be utilised in accordance with the provisions of the Act.

**Capital reserve on acquisition:** Capital reserve on acquisition represents price difference between consideration and net assets on acquisition of a joint venture.

**Securities premium:** Securities premium reserve is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Act.

**Capital Redemption Reserves:** Capital redemption reserve is being created by transfer from Retained earnings at the time of buy back of equity shares in accordance with the Act. The reserve will be utilised in accordance with the provisions of the Act.

**General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019**

₹ in Lacs

**16 BORROWINGS**

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>SECURED</b>				
Working Capital Loans:				
From Banks:				
Cash credit accounts	–	–	2296	6708
Foreign currency loans - Buyer's credit	–	–	3014	–
	–	–	5310	6708
<b>UNSECURED</b>				
Deferred payment liabilities (under sales tax deferral scheme)	112	135	–	–
From Banks:				
Foreign Currency loans - Buyer's credit	–	–	10784	8893
Commercial paper	–	–	–	7500
	112	135	10784	16393
<b>TOTAL BORROWINGS</b>	<b>112</b>	<b>135</b>	<b>16094</b>	<b>23101</b>

**17 DEPOSITS**

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Trade / security deposits	187	93	284	140
<b>TOTAL DEPOSITS</b>	<b>187</b>	<b>93</b>	<b>284</b>	<b>140</b>

**18 PROVISIONS**

	Non-Current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Provision for employee benefits:</b>				
Compensated absences	1617	1328	445	362
Gratuity	–	–	339	345
<b>TOTAL PROVISIONS</b>	<b>1617</b>	<b>1328</b>	<b>784</b>	<b>707</b>

**19 TRADE PAYABLES**

	As at	
	31-Mar-19	31-Mar-18
<b>Due to:</b>		
Micro, small and medium enterprises	1544	1404
Others	54195	47576
<b>TOTAL TRADE PAYABLES</b>	<b>55739</b>	<b>48980</b>

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

**Note:**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act, to the extent information available to the Company are as follows:

	As at 31-Mar-2019	As at 31-Mar-2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1544	1404
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	–	–
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	–	–
Further interest remaining due and payable for earlier years	–	–

### 20 OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18
Current maturities of long-term debt	35	1538
Interest accrued but not due on borrowings	214	55
Payables towards property, plant & equipment	7199	2729
Unclaimed dividend	455	368
Unpaid matured deposits & interest accrued thereon	3	5
Derivative financial liabilities	331	53
Others	103	102
<b>TOTAL OTHER FINANCIALS LIABILITIES</b>	<b>8340</b>	<b>4850</b>

### 21 OTHER CURRENT LIABILITIES

	As at 31-Mar-19	As at 31-Mar-18
Advances from customers	4419	4906
Statutory dues	7657	7326
Other payables	261	6
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>12337</b>	<b>12238</b>

### 22 INCOME TAX LIABILITIES/ASSETS (NET)

	As at 31-Mar-19	As at 31-Mar-18
A. Provision for income tax (net of advance tax paid)	–	1209
<b>TOTAL INCOME TAX LIABILITIES (NET)</b>	<b>–</b>	<b>1209</b>
B. Income tax assets (net of income tax provision)	3606	–
<b>TOTAL INCOME TAX ASSETS (NET)</b>	<b>3606</b>	<b>–</b>

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 23 REVENUE FROM OPERATIONS

	2018 - 2019	2017 - 2018
<b>Sale of Goods</b>		
Plastics Products	537727	493559
Construction Business	8085	2428
<b>Traded Goods</b>		
Plastics Products	5350	2092
Others	4636	6576
	<u>555798</u>	<u>504655</u>
Less: Excise Duty Paid	-	13914
	<u>555798</u>	<u>490741</u>
<b>Sale of services</b>		
Income from processing	610	935
Others	31	-
	<u>556439</u>	<u>491676</u>
<b>Other operating income</b>		
Government grants/subsidy	2397	2964
Export incentives	549	376
Sale of empty bags and other scrap etc.	1429	1370
Insurance and other claims	49	316
Liabilities no longer required written back	336	304
	<u>4760</u>	<u>5330</u>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<u><u>561199</u></u>	<u><u>497006</u></u>

### 24 OTHER INCOME

	2018 - 2019	2017 - 2018
Profit on sale/discard of fixed assets (net)	342	66
Lease rent	18	25
Foreign currency exchange fluctuation (net)	418	257
<b>TOTAL OTHER INCOME</b>	<u><u>778</u></u>	<u><u>348</u></u>

### 25 COST OF MATERIALS CONSUMED

	2018 - 2019	2017 - 2018
Cost of raw materials consumed	362591	308237
Cost of packing materials consumed	9677	8701
Cost of commercial premises sold	2199	806
<b>TOTAL COST OF MATERIALS</b>	<u><u>374467</u></u>	<u><u>317744</u></u>

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 26 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI FINISHED GOODS & STOCK-IN-TRADE

	2018 - 2019		2017 - 2018
<b>Inventories at the beginning of the year</b>			
Finished goods / Semi finished goods	33840		43227
Traded goods	930		497
	<u>34770</u>		<u>43724</u>
<b>Inventories at the end of the year</b>			
Finished goods / Semi finished goods	34881		33840
Traded goods	667		930
	<u>35548</u>		<u>34770</u>
<b>Change in inventories</b>	(778)		8954
Transfer of Finished goods of Khushkhera unit to Kumi Supreme India Pvt Ltd (Associate) Refer note. No. 36(a)	(136)		-
<b>Increase/(Decrease) in excise duty on finished goods</b>	-		(5205)
<b>TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS &amp; STOCK-IN-TRADE</b>	<u>(914)</u>		<u>3749</u>

### 27 EMPLOYEE BENEFITS EXPENSES

	2018 - 2019	2017 - 2018
Salaries and wages	20183	19252
Contribution to provident & other fund	1126	1061
Managerial remuneration	2661	2597
Staff welfare expenses	1493	1302
<b>TOTAL EMPLOYEE BENEFITS EXPENSES</b>	<u>25463</u>	<u>24212</u>

### 28 FINANCE COSTS

	2018 - 2019		2017 - 2018	
Interest expenses	3109		2467	
Unwinding of discount on deferred sales tax	13		11	
Other borrowing costs	233	3355	216	2694
Less:				
Interest received	485		453	
Unwinding of discount on security deposits	54		50	
Profit on redemption of liquid mutual funds on current investments designated at FVTPL	216	755	127	630
<b>TOTAL FINANCE COSTS</b>	<u>2600</u>		<u>2064</u>	



## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### 29 OTHER EXPENSES

	2018 - 2019	2017 - 2018
Stores & spare parts consumed	3762	3145
Labour charges	16147	14082
Power & fuel	20547	17360
Water charges	117	143
Repairs & maintenance of building	470	558
Repairs & maintenance of plant & machinery	1300	1548
Repairs & maintenance (others)	701	467
Directors' fees	57	58
Rent, rates & taxes	1851	1705
Insurance	266	216
Corporate social responsibility	1050	686
Legal & professional fees	1812	1173
Travelling & conveyance	2779	2497
Vehicle expenses	518	436
Advertisement, publicity & business promotion	7748	6001
Freight and forwarding charges	10775	8921
Printing, stationery & communication	885	974
Royalty	14	235
Commission	1895	2312
Sales tax	71	92
Bad debts (net of bad debts recovered)	3	5
Provision for doubtful debts	62	55
Plant security services	1085	993
Inspection, testing, registration and marking fees	654	504
Fair value loss on investments through profit or loss	2	2
Miscellaneous expenses	721	710
<b>TOTAL OTHER EXPENSES</b>	<b>75292</b>	<b>64878</b>

### 30 INVESTMENT IN ASSOCIATES :

#### Details and material financial information of Associates:

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

#### a) Supreme Petrochem Limited

Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group	
		As at 31-Mar-2019	As at 31-Mar-2018
Business of Styrenics and Manufactures of Polystyrene and Masterbatches	India	29.99%	29.99%

The above associate is accounted for using the equity method in these consolidated financial statements.

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

### Summarised financial information of Associate:

Particulars	As at 31-Mar-2019	As at 31-Mar-2018
Non-current assets	36791	35705
Current assets	85295	93870
Non-current liabilities	5820	5371
Current liabilities	52023	59645
Contingent liabilities	7752	8152
Commitments	196	142

Particulars	2018 - 2019	2017 - 2018
Revenue	320380	311213
Profit/(loss) for the year	4921	11612
Other comprehensive income for the year (net of taxes)	(1)	(36)
Total comprehensive income for the year	4919	11576
Dividends received from the associate during the year	1302	1302

### b) Kumi Supreme India Pvt Ltd

Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group
		As at 31-Mar-2019
Business of Manufactures of Auto componants plastics products	India	20.67%

The above associate is accounted for using the equity method in these consolidated financial statements.

### Summarised financial information of Associate:

Particulars	As at 31-Mar-2019
Non-current assets	10333
Current assets	3655
Non-current liabilities	113
Current liabilities	2023
Contingent liabilities	-
Commitments	7

Particulars	2018 - 2019
Revenue	9074
Profit/(loss) for the year	(125)
Other comprehensive income for the year (net of taxes)	(0)
Total comprehensive income for the year	(126)

Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

₹ in Lacs

## 31 SEGMENT REPORTING :

Particulars	2018 - 2019	2017 - 2018
<b>1) Segment revenue</b>		
Plastics piping products	317276	272852
Industrial products	88502	80145
Packaging products	104181	102182
Consumer products	39939	35186
Others	11302	6642
<b>Net Revenue from operations</b>	<b>561199</b>	<b>497007</b>
<b>2) Segment results</b>		
Plastics piping products	31283	31363
Industrial products	6357	6538
Packaging products	12783	17458
Consumer products	5595	5777
Others	5368	1562
<b>Total segment profit before interest and tax</b>	<b>61386</b>	<b>62698</b>
Add: Share of profit/(loss) of associate	1438	3466
Add: Exceptional Income	6719	–
Less: Finance cost	2600	2064
Less: Other unallocable expenditure (net of unallocable income)	504	355
<b>Profit before tax</b>	<b>66438</b>	<b>63745</b>
Less: Provision for tax	21575	20570
Add: Other comprehensive income (net of tax)	(236)	(73)
<b>Profit after tax</b>	<b>44627</b>	<b>43102</b>

**Business segments**

Based on the “management approach” as defined in Ind-AS 108 - Operating Segments, the Managing Director/Decision Maker evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

**Segment assets and liabilities**

The Group is engaged mainly in production of plastic products. Most of the assets, liabilities and depreciation/amortisation of the aforesaid reportable segments are interchangeable or not practically allocable. Accordingly, segment assets, liabilities and depreciation/amortisation have not been presented.

## 32 EARNINGS PER SHARE (EPS)

	2018 - 2019	2017 - 2018
Profit after tax(PAT) before exceptional items	40097	43175
Profit after tax(PAT) after exceptional items	44863	43175
Weighted average number of equity Shares (In Nos.)	127026870	127026870
Nominal value of equity Shares (In ₹)	2	2
Basic & diluted earning per share before exceptional items	31.57	33.99
Basic & diluted earning per share after exceptional items	35.32	33.99

## 33 CONTINGENT LIABILITIES

	2018 - 2019	2017 - 2018
Bills/Cheque’s discounted	232	1493
Claim against the Group including Show-cause-cum- demand Notices in relation to Central Excise and Service Tax not acknowledged as debts	4484	1341
Disputed Income Tax demands	885	1160
Disputed Sales Tax / Entry Tax demands	1422	615
Other claims against the Group not acknowledged as debts	893	573

## Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019

### Notes:

- a) Most of the issues of litigation pertaining to Central Excise/Service Tax/Income Tax are based on interpretation of the respective Law & Rules thereunder. Management has been opined by its counsel that many of the issues raised by revenue will not be sustainable in law as they are covered by judgments of respective judicial authorities which supports its contention. As such no material impact on the financials of the Group is envisaged.
- b) Sales Tax and Entry Tax related litigation/demand primarily pertains to non-receipt of declaration forms from customers and mismatch of input tax credit or some interpretation related issues w.r.t. applicability of schemes. Counsel of the Company opined positive outcome based on merits of the cases under litigation. In most of the cases, required documents are being filed and minor impact if any, shall be given in the year of final outcome of respective matter in appeal.
- c) Other issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

### 34 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) is ₹ 11152 lacs (Previous year ₹ 13376 lacs).
- b) The Group has taken premises under cancellable operating lease. These lease agreements are normally renewed on expiry. The rental expenditure is accounted for in statement of profit and loss of the Group in accordance with Ind AS-17 on lease transactions.

The Company has also taken office premises under non-cancellable operating lease. The total of future minimum lease payments under this lease for the period not later than one year is ₹ 544 lacs (previous year ₹ 525 lacs) and for the period later than one year & not later than five years is ₹ 2151 lacs (previous year ₹ 513 lacs) and for the period later than five years is ₹ 106 lacs (previous year ₹ 78 lacs).

- 35 Post GST, pending notification from the West Bengal Government, the Company has not recognized (Amount not ascertainable) benefit of Industrial Promotion Assistance Scheme pertaining to its Kharagpur Unit since July'2017. The Company is hopeful of continuance of the Scheme and benefits accruing therefrom.
- 36 a) Consequent to the approvals received from Shareholders on 19th May'2018 and in pursuance to Business Transfer Agreement dated 4th April' 2018, the Company has at the close of the quarter ended 30th June'2018 transferred its Khushkhera Unit engaged in manufacture of Plastic Automotive Components as a going concern to a newly formed Joint Venture Company viz. Kumi Supreme India Pvt Ltd on a slump sale basis. Accordingly, gain on sale of the said undertaking amounting to ₹ 5588 lacs has been recognised and disclosed as Exceptional Items.
- b) Gain of ₹ 1131 lacs on sale of land and building at Hosur unit - I is disclosed as Exceptional Items.
- 37 There is only one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.
- 38 a) The previous period's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials has been rounded off to nearest lacs rupees.
- b) In view of exceptional items mentioned in Note no. 36 above, the current year's figures are strictly not comparable with those of the previous year.

Signature to Notes 1-38

For and on behalf of the board

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

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

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

**R. Kannan**  
Director  
(DIN No. 00380328)

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

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

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

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

**P. C. Somani**  
Chief Financial Officer

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

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

**Smt. Rashna Khan**  
Director  
(DIN No. 06928148)

Mumbai, 7th May 2019

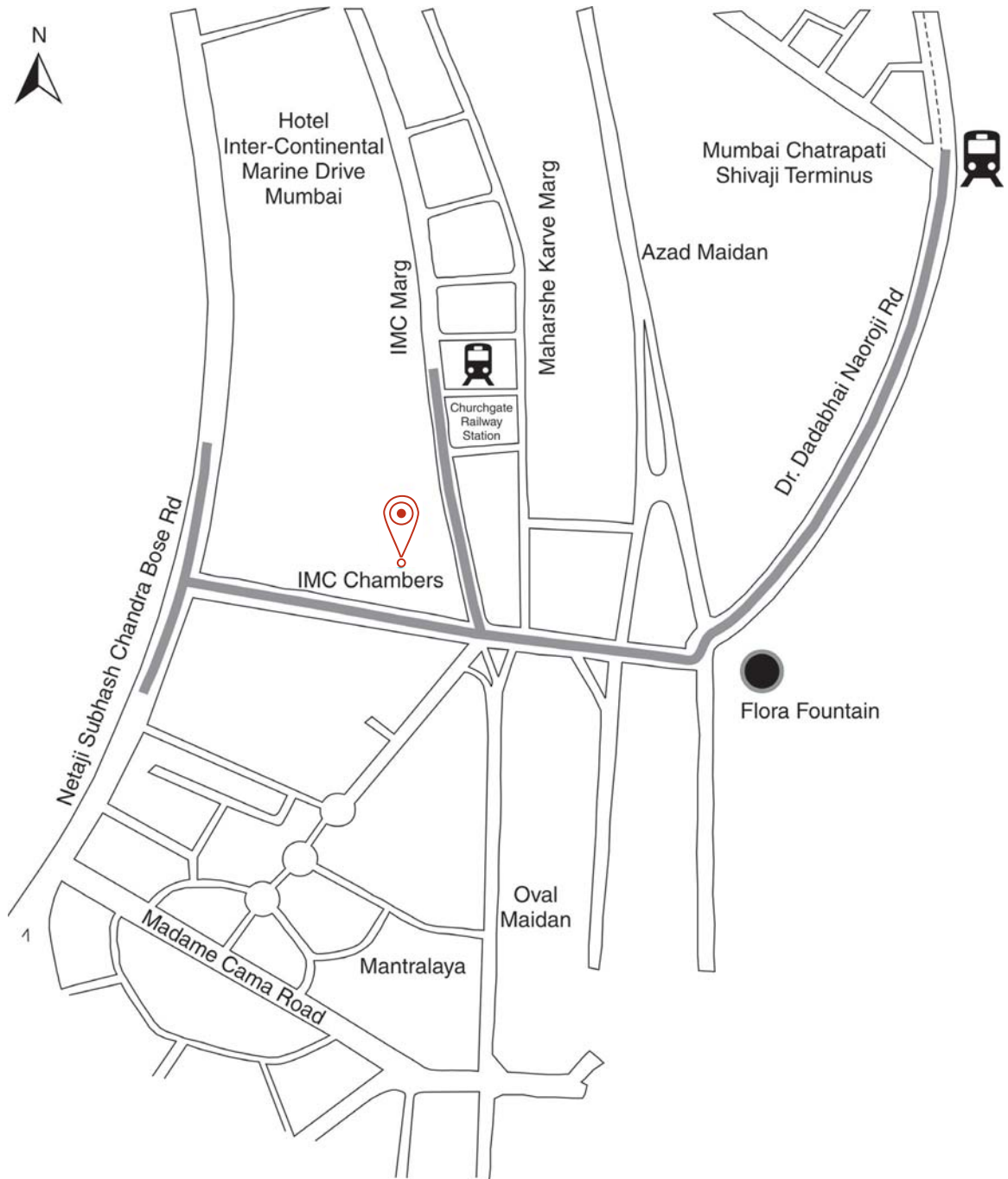
## Works Locations

S. No.	Locations	States	Works Locations Address	GST Nos.
1	Derabassi	Punjab	The Supreme Industries Limited Village Sersani, Near Lalru, Ambala Chandigarh Highway, Dist. SAS Nagar, Punjab-140501, India	03AAACT1344F1ZY
2	Durgapur	West Bengal	The Supreme Industries Limited Export Promotion Indl. Park (E.P.I.P.), No. 3017-19, 3183-87,29-35,39,40,42,43,49-54,56 Banskopa, Bidhan Nagar, Durgapur, Dist.Burdwan, West Bengal-713212, India	19AAACT1344F1ZL
3	Gadegaon	Maharashtra	The Supreme Industries Limited Factory at Unit no. III, Plot No. 47,47/2, 48-50,55-66,69,70,72,73,77 to 83/1, 83/2, 84 & 85, Gadegaon, Jalgaon to Aurangabad Road, Taluka - Jamner, Dist.- Jalgaon-425114, Maharashtra, India	27AAACT1344F1ZO
4	Chiloth	Rajasthan	The Supreme Industries Limited Plot No.: A-211, Ghiloth Industrial Area, Rajasthan-301705, India	08AAACT1344F1ZO
5	Guwahati	Assam	DAG No. 275 & 306, EPIP Zone, Post Amingaon, Village Numalijolahko Mouza, Silasundari Gopa, North Guwahati Dist. Kamrup, Assam-781031, India	18AAACT1344F1ZN
6	Halol Unit-I	Gujarat	The Supreme Industries Limited Factory at Plot No. 1307 & Plot No. 216, GIDC Industrial Estate Halol Dist. Panchmahals, Gujarat- 389 350, India	24AAACT1344F1ZU
7	Halol Unit-II	Gujarat	The Supreme Industries Limited Survey No. 123/1 & 123/2 PAIKY -1 Village - Muvala, Khakharia Madhvas Raod, Get Muvala, Taluka : Halol Dist. GODHRA (PMS)-389350 Gujrat, India	24AAACT1344F1ZU
8	Halol Unit-III	Gujarat	The Supreme Industries Limited Survey No. 188/1 & 189 (part) Chandrapura Dist. PANCHMAHAL, Halol-389350 Gujrat, India	24AAACT1344F1ZU
9	Halol Unit-IV	Gujarat	The Supreme Industries Limited 703 GIDC Halol – Dist. Panchmahals-389350, Gujrat, India	24AAACT1344F1ZU
10	Hosur	Tamilnadu	The Supreme Industries Limited S.F. No. 22/3, 22/2B, 23/1B, 24/1A, & 593/1B1 Biramangalam village Denkanikotta Taluka, Dist. Krishnagiri, Hosur-635109, India	33AAACT1344F1ZV
11	Jalgaon Unit-I	Maharashtra	The Supreme Industries Limited Factory at D101/102, MIDC & Survey(ghat) No 242/ 1 & 2, 245/03 and Survey No 244/2,3,4 & 5, Jalgaon-425003 Maharashtra, India	27AAACT1344F1ZO
12	Jalgaon Unit-II	Maharashtra	The Supreme Industries Limited Unit No 2,Plot No H-20 MIDC,Ajanta Road Jalgaon-425003 Maharashtra, India	27AAACT1344F1ZO
13	Jadcherla	Telangana	The Supreme Industries Limited 408 to 412, 418 to 435, 437 to 445, 452 to 459, Telangana State Ind. Infra Corp Limited, Jadcherla Mandal, Polepally Village, Mahabubnagar, Telangana-509301	36AAACT1344F1ZP
14	Kanhe	Maharashtra	The Supreme Industries Limited Factory at Post Kanhe, Tal Maval,Talegaon, Pune-412106, Maharashtra, India	27AAACT1344F1ZO
15	Kanpur	Uttar Pradesh	The Supreme Industries Limited H1-H8, H1/A, H9/1 and Khasra No. 135,136,137 & 141 UPSIDC Ind. Area Jainpur, Kanpur Dehat- UP 209311, India	09AAACT1344F1ZM
16	Kharagpur	West Bengal	The Supreme Industries Limited Vill.-Bagabhera & Imampatna, Katai Khal P.O.-Loha Baran Chak, P.S.-Narayan Garh, Near NarayanGarh Power Station Dist.-Paschim Midnapur, Pin-721437 West Bengal, India	19AAACT1344F1ZL
17	Khopoli	Maharashtra	The Supreme Industries Limited Factory at Takai Adoshi Road Village Honad, Khopoli-410203, Maharashtra India	27AAACT1344F1ZO
18	Malanpur Unit-I	Madhya Pradesh	The Supreme Industries Limited Factory at Plot no.N 1 to N 12 Ghirongi Indl Area, Malanpur, Madhya Pradesh-477116, India	23AAACT1344F4ZT
19	Malanpur Unit-II	Madhya Pradesh	The Supreme Industries Limited Factory at Plot no. K-1 to K-4 K-8 K-9 Ghirongi Indl Area, Malanpur, Madhya Pradesh-477116, India	23AAACT1344F3ZU
20	Malanpur Unit-III	Madhya Pradesh	The Supreme Industries Limited Roto Moulding Division GAG-14 Ghironghi Industrial Area, Malanpur, Dist. Bhand- Madhya Pradesh-477116 India	23AAACT1344F6ZR
21	Noida	UttarPradesh	The Supreme Industries Limited Factory at C 30 to 31 Phase II Noida District, Gautam Budh Nagar, Uttar Pradesh-201305, India	09AAACT1344F1ZM
22	Puducherry	Puducherry	The Supreme Industries Limited R.S.No.90 & 91 Sanyasikuppam Village, Thirubhuvani Post, Pondy-605107, India	34AAACT1344F1ZT
23	Silvassa	Silvassa	The Supreme Industries Limited Factory at Survey No.175/1 and 175/2, Via Athal Tin Rasta Near Luhari Phatal, Village Kharadpada, Dadra & Nagar Haveli, Silvassa-396230, India	26AAACT1344F1ZQ
24	Sriperumbudur	Tamilnadu	The Supreme Industries Ltd. Plot G -14 & 15 SIPCOT Indl. Park, Sripermbudur, Dist. Kancheepuram, Chennai-602105, India	33AAACT1344F1ZV
25	Urse	Maharashtra	The Supreme Industries Limited Gut No. 420 to 424, Urse Maval Talegaon Dabhade, Pune-410506, Maharashtra, India	27AAACT1344F1ZO



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

The Supreme Industries Limited  
77th Annual General Meeting,  
Wednesday, 10th July, 2019  
at 4.00 p.m.



**Venue:**

Walchand Hirachand Hall,  
Indian Merchant's Chamber,  
Near Churchgate Station,  
76, Veer Nariman Road,  
Mumbai - 400020

## THE SUPREME INDUSTRIES LIMITED

Regd. Office: 612, Raheja Chambers, Nariman Point, Mumbai - 400 021  
CIN: L35920MH1942PLC003554

### ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D. P. ID*	L.F. No.
Client ID*	No. of Shares held

I/We hereby record my/our presence at the 77th Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 on Wednesday, 10th July, 2019 at 4.00 p.m.

Name of Shareholder(s)  
(in Block Letters)      1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Shareholder(s)    1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Name of Proxyholder(s)  
(in Block Letters)      1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Proxy holder    1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

**Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.**



## THE SUPREME INDUSTRIES LIMITED

Regd. Office : 612, Raheja Chambers, Nariman Point, Mumbai - 400 021  
CIN : L35920MH1942PLC003554

### PROXY FORM

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

CIN : L35920MH1942PLC003554  
Name of the Company : The Supreme Industries Limited  
Registered office : 612, Raheja Chambers, Nariman Point, Mumbai 400021

Name of the member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of above named Company, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 77th Annual General Meeting of the company, to be held on Wednesday, 10th July, 2019 at 4.00 p.m., at Walchand Hirachand Hall, Indian Merchant's Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Optional *	
		For	Against
1	To receive, consider and adopt: a) The Audited financial statements of the Company for the financial year ended 31st March, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss and cash flow statement for the year ended on that date and reports of the Board of Directors and Auditors thereon. b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019. (Ordinary Resolution)		

Resolutions		Optional *	
		For	Against
2	To declare final dividend on Equity Shares for the Financial Year ended 31st March, 2019 and to confirm the payment of interim dividend on Equity Shares declared by the Board of Directors of the Company. (Ordinary Resolution)		
3	To appoint a Director in place of Shri S. J. Taparia (Director Identification No. 00112513), who retires by rotation and being eligible, offers himself for reappointment. (Ordinary Resolution)		
4	Appointment of Branch Auditors. (Ordinary resolution)		
5	To approve re-appointment of Shri Y. P. Trivedi (DIN: 00001879) as an Independent director of the Company for a period of two years from 17th September, 2019 to 16th September, 2021. (Special Resolution)		
6	To approve re-appointment of Shri B. V. Bhargava (DIN: 00001823) as an Independent director of the Company for a period of two years from 17th September, 2019 to 16th September, 2021. (Special Resolution)		
7	To approve appointment of Shri Sarthak Behuria (DIN: 03290288) as an Independent director of the Company for a period of five years from 7th May, 2019 to 6th May, 2024. (Ordinary resolution)		
8	To approve appointment of Ms. Ameeta Parpia (DIN: 02654277) as an Independent director of the Company for a period of five years from 7th May, 2019 to 6th May, 2024. (Ordinary resolution)		
9	Ratification of remuneration of Cost Auditors (Ordinary Resolution)		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature of Shareholder

Affix  
₹. 1/-  
Revenue  
Stamp

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

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

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

**Notes :**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) \* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- (5) In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.

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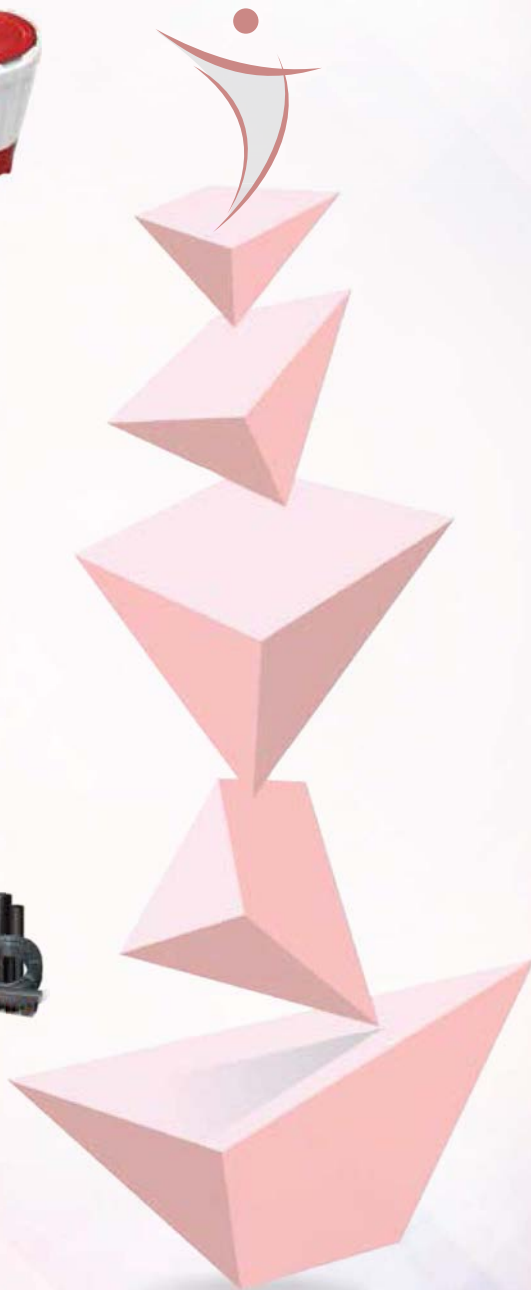
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**THE SUPREME INDUSTRIES LIMITED**

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Website : [www.supreme.co.in](http://www.supreme.co.in) E-mail : [supreme@supreme.co.in](mailto:supreme@supreme.co.in)  
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Tel.: (022) 22851656, 22820072 Fax : (91-22) 22851657