

# ANNUAL REPORT 2021 - 22

## SUPREME

### Engineering Limited

*(Formerly known as Supreme Heatreaters Pvt. Ltd.)*

*Engineered for you.*



**BOARD OF DIRECTORS**

Mr. Sanjay Chowdhri

Chairman and Managing Director

Mr. Abhinav Chowdhri

Executive Director

Mrs. Lalita Chowdhri

Non-Executive Director

Mr. Prakash Deshmukh

Non-Executive Independent Director

Mr. Sanjeev Khandelwal

Non-Executive Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Krupali Thakkar

Resigned on 14.01.2022

**CHIEF FINANCIAL OFFICER**

Mr. Amol Dhuldhule

**CHIEF EXECUTIVE OFFICER**

Mr. Pranav Chowdhri

**STATUTORY AUDITORS**

R.T. Jain & Co., LLP.

Chartered Accountants,

Mumbai

**ANNUAL GENERAL MEETING****DAY, DATE & TIME**

Friday, 30<sup>th</sup> September, 2022 at 11:30 A.M

**SECRETARIAL AUDITORS**

SARK & ASSOCIATES

Practicing Company Secretaries,

Mumbai

**INTERNAL AUDITORS**

NandKishore & Co.

Chartered Accountants

Mumbai

**BANKERS**

Bank of India

Thane Bharat Sahakari Bank Ltd.

**REGISTERED OFFICE – RABALE UNIT**

R-223, MIDC Complex, Thane Belapur Road,

Rabale, Navi Mumbai – 400 701

**SPECIAL STEEL DIVISION- KHOPOLI UNIT**

R.P. Chowdhri Marg, village Vihari, Opp.

Khopoli Railway Station, Khopoli- 410 203

**REGISTRAR & TRANSFER AGENTS**

Bigshare Services Pvt. Ltd

E-3 ANSA INDUSTRIAL ESTATESAKI

VIHAR ROAD SAKINAKA

MUMBAI 400072

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## LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of directors, it is my privilege and honour to welcome you all to the Thirty Fifth Annual General Meeting of our Company.

FY 2021-22 has been a challenging year for most businesses. The pandemic taught us new ways of working and tested every business. During this time, we realized the importance of various aspects of life that we usually took for granted.

The Company closed the year with a turnover of 7277.79 Lakhs and an NPBT -1107.48 lakhs.

There has been immense increase in the demand for the strategic sectors owing to the commitment of “Atma Nirbhar Bharat” by the government of India. As import substitutes in a technologically challenging area, we see a huge opportunity for the business.

The Company continues to make endeavor to indigenize more and more special alloys to restrict imports and make our country self-reliant.

Before I conclude, I would like to thank the shareholders, customers and vendors for their continued support. We continue to work in the best interest of all our stakeholders and strive for the highest levels of corporate governance.

**Yours Sincerely,**

**Sd/-**  
**Sanjay Chowdhri**  
**Chairman and Managing Director**

## NOTICE

Notice is hereby given that 35<sup>th</sup> Annual General Meeting of the members of the Company will be held on Friday, 30<sup>th</sup> September, 2022 at 11:00 A.M. at R-223, MIDC Complex, Thane- Belapur Road, Rabale, Navi Mumbai: 400701 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2022 which includes the statement of Profit & Loss and Cash Flow statement for the year ended 31st March, 2022, the Balance Sheet as at that date, the Auditor's Report thereon, and the Board's Report.
2. To appoint the Director in place of Mr. Lalita Chowdhri (DIN 00096419), who retire by rotation and being eligible offers herself for Re-appointment.

### **SPECIAL BUSINESS:**

3. **To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of the Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board And its Power), 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and the Articles of Associations of the Company and subject to such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.300 crore i.e. Rs. 3 Billion (Rupees Three Hundred Crore Only)."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required

4. **To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of the Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meeting of Board And its Power), 2014 (including any statutory modification(s) or re-enactment(s) thereof for time being in force) and the Articles of Associations of the Company and subject to such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and other monies payable by the Company or to create the charge to secure any loan taken by any other entities/body corporate on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgage shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required

5.To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to make loan to any person or other body corporate to give guarantee or provide security in connection with a loan taken by subsidiaries / associates or any person or other body corporate; and to acquire by way of subscription, purchase or otherwise securities of anybody corporate on such terms and conditions as the Board, may, in its absolute discretion deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan/guarantee so far given by the Company along with the proposed investments which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investment made or loan/ guarantee given / security provided by the Company shall not exceed the sum of **Rs. 500 Crores (Rupees Five Hundred Crores only)**.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to execute all such documents, instruments and writings as may be required and to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard.”

**Registered Office:**  
**R-223, MIDC Complex,**  
**Thane Belapur Road,**  
**Rabale, Navi Mumbai – 400 701**

**By order of the Board**  
**For and on behalf of Supreme Engineering Limited**

**Date: 08/09/2022**  
**Place: Rabale, Navi Mumbai**

**sd/-**  
**Sanjay Chowdhri**  
**Managing Director**



**Notes:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID MUST BE DULY COMPETED, STAMPED AND SHOULD BE DEPOSITED AT THE REGISTERD OFFICE OF THE COMPNAY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than ten percent of the total issued and paid up share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.**
- 2. The Statement pursuant to the Section 102 of the Companies Act, 2013, in respect to the Special Business is annexed hereto and forms part of the Notice.**
- 3. The Register of Members and share Transfer Books of the company will remain closed from Friday, 23<sup>rd</sup> September, 2022 to Friday, 30<sup>th</sup> September, 2022 (both days inclusive) in term of the provision of section of the Companies Act, 2013.**
- 4. Shareholders are requested to forward their queries on the proposed resolutions and accounts for the financial year ended March 31, 2022 to the Company at least 10 days in advance, to enable the management to keep the required information available at Annual General Meeting.**
- 5. Members are requested to:**
  - i. Bring their copies of the annual report and the attendance slip duly completed and signed at the meeting.**
  - ii. Quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.**
6. Bodies Corporate, who are the members of the Company, are requested to send in advance duly certified copy of Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the annual general meeting.
7. The Register of the Directors Shareholding maintained under Section 170 and Register of Contract or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are open for inspection during the Annual General Meeting also.
8. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (M/s. Adroit Corporate Services Private Limited) of the Company.
9. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: M/s. Bigshare Services Private Limited, E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai: 400072
10. Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for financial year 2021-22 is being sent to those members whose email IDs are registered with their respective Depository Participant(s) (DPs), the company or M/s. Bigshare Services Private Limited. unless any member has requested for a hard copy of the same. For members who have not registered their

email address so far, are requested to promptly intimate the same to their respective DPs or to the Company/ Bigshare Services Private Limited., as the case maybe. Physical copies of the Annual Report for the year 2021-22 will be sent in the permitted mode in cases where the email addresses are not available with the Company.

11. Electronic copy of the Notice convening the 35<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
12. Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for 2021-2022 will also be available on the Company's website [www.supremesteels.com](http://www.supremesteels.com), which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on all the working days except Saturdays.
13. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the Listing regulation, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 35<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
  - II. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - III. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.



**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Tuesday, 27<sup>th</sup> September, 2022 at 9:00 A.M. ends on 29<sup>th</sup> Sepetmber, 2022 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 (record date) of 23<sup>rd</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders 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>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> 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</li> </ul>

mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cs@supremesteels.com](mailto:cs@supremesteels.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@supremesteels.com](mailto:cs@supremesteels.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Registered Office:**  
**R-223, MIDC Complex,**  
**Thane Belapur Road,**  
**Rabale, Navi Mumbai – 400 701**

**By order of the Board**  
**For and on behalf of Supreme Engineering Limited**

**sd/-**  
**Sanjay Chowdhri**  
**Managing Director**

**Date: 08.09.2022**  
**Place: Rabale, Navi Mumbai**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

The following statement sets out all material facts relating to the Special business mentioned in the accompanying notice:

**Item No. 3& 4:**

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the Company may require further loans/borrowings from time to time from financial institutions, banks, and other entities. Further, to secure such borrowings, the Company may be required to create charge/mortgage/hypothecation on all or any of its movable and/or immovable assets, both present and future as may be required from time to time.

In terms of the provisions of Section 180(1)(c) & 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure such borrowings from financial institutions, banks, and other entities from time to time, Hence it is proposed to take your approval for a limit upto Rs. 300 Crores.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the passing of the Resolution.

**Item No.5:**

As per the provisions of Section 186 of the Companies Act, 2013, a Company, without approval of the shareholders by passing a Special Resolution, cannot give any loan to any person or other body corporate/give any guarantee or provide security in connection with a loan taken by it or other body corporate or person or acquire by way of subscription, purchase or otherwise, securities of anybody corporate exceeding)

Sixty per cent of its paid up capital, free reserves and securities premium account; or

One hundred per cent of its free reserves and securities premium account, whichever is more.

Your Company has embarked upon a growth path and is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries / joint ventures / associate companies and therefore it may require to provide financial support to meet long term and working capital requirements by way of loan(s) and/or guarantee(s) and/or security(ies) / investment in securities of such subsidiaries / joint ventures / associate companies / other bodies corporate.

It is, therefore, proposed that the Board of Directors of the Company be authorized to invest by way of subscription and/or purchase of securities, grant of loan(s), giving of guarantee(s) and/or providing of security (ies) for an amount not exceeding Rs. 500 Crores from time to time in/to one or more of the persons/entities i.e. subsidiaries / joint ventures / associate companies / other bodies corporate. The source of funds for making these investments would be surplus funds generated by the Company through operations or from such other sources as the Board may deem appropriate. Since the above investments, loans, guarantees and/or securities proposed together with the loans and investments already made, guarantee and securities already given may exceed the limit as specified in Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board & its Powers) Rules, 2014 and Rule 22 of Companies (Management and Administration) Rules, 2014, approval of the members is required for the same.

The Board of Directors accordingly recommends the Special Resolution as set out at Item No. 06 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**Registered Office:**  
**R-223, MIDC Complex,**  
**Thane Belapur Road,**  
**Rabale, Navi Mumbai – 400 701**

**Date: 08.09.2022**  
**Place: Rabale, Navi Mumbai**

**By order of the Board**  
**For and on behalf of Supreme Engineering Limited**

**sd/-**  
**Sanjay Chowdhri**  
**Managing Director**

### ANNEXURE TO NOTICE

**Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of the directors seeking appointment/re-appointment as per Item No. 2 of the notice at the ensuing Annual General Meeting as per SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.**

Name of Director	Mrs. Lalita Chowdhri
Designation	Non- Executive Director
Date of Birth	20 <sup>th</sup> April, 1967
Date of Appointment	December 07, 2017
Expertise/Experience in specific functional areas/ Brief Resume	Mrs. Lalita Chowdhri is the Non-Executive Director of our Company. She has been re-designated as such since 2017. She has done her Bachelor of Arts in Economics from Chennai. She ensures efficient administration and reviews accounts of our Company.
Qualification	Bachelor of Arts in Economics
No. of shares held	17,12,000 Equity shares
List of Directorship held in other Companies	A.S.C Engineers Private Limited
Inter se relations with other directors	Mrs. Lalita Chowdhri is spouse of Mr. Sanjay Chowdhri and mother of Mr. Abhinav Chowdhri and Mr. Pranav Chowdhri.
Remuneration last drawn by such person, if any	NIL (For the F.Y. 2021-2022)
Chairman/member of the board committee of other companies	She is member of Nomination and Remuneration Committee and Chairperson of Stakeholders Relationship Committee.



## **BOARD'S REPORT**

**SUPREME ENGINEERING LIMITED**  
**(Formerly Known as: Supreme Engineering Private Limited**  
**Supreme Heatreaters Private Limited)**

**REGD. OFFICE:** R-223 MIDC Complex, Thane Belapur Road, Rabale,  
Navi Mumbai – 400 701, Maharashtra **(Wire Division)**

**Supreme Special Steels (Special Steels Division)**  
R.P. Chowdhri Marg, Village Vihari, Opp Khopoli Railway Station,  
Khopoli, Tal. Khalapur, District Raigad, Maharashtra – 410203

**Contact No.: 022-27648700 FAX: 022-27690341**

**EMAIL: cs@supremesteels.com**

**WEBSITE: [www.supremesteels.com](http://www.supremesteels.com)**

**CIN: L99999MH1987PLC043205**

**To,**  
**The Members of**  
**SUPREME ENGINEERING LIMITED**  
**R-223, MIDC Complex,**  
**Thane Belapur,**  
**Rabale, Navi Mumbai – 400 701**

Your Directors are pleased to present their Thirty Fifth Board's Report together with the Audited Financial statements for the year ended 31<sup>st</sup> March, 2022.

### **1. EXTRACT OF ANNUAL RETURN {SECTION 92(3)}**

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of companies (Management and Administration) Rules, 2014, the extract of Annual Return in the prescribed form i.e. Form MGT-9 is annexed herewith as **"Annexure – I"**, which forms part of annual report. Members may note that the copy of Annual Return will also be made available on the Company's website: <https://www.supremesteels.com/mgt9.php>

### **2. NUMBER OF BOARD MEETINGS**

The Board of Directors duly met 5 times during financial year 2021-2022 i.e on 30.06.2021, 14.08.2021, 14.11.2021, 13.01.2022 and 22.01.2022

### **3. DIRECTOR RESPONSIBILITY STATEMENT**

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, the Director's here by confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for that period.

- III. The Directors had 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 the fraud and irregularities.
- IV. The Directors had prepared the annual accounts on a going concern basis.
- V. The Directors, in case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. The Directors had devised the proper system to ensure the compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **4. SHARE CAPITAL**

As on 31<sup>st</sup> March, 2022, The Authorized Capital is Rs. 25,10,00,000 comprising of 2,51,00,000 Equity Shares of Rs. 10 each.

The Paid-up Equity Share Capital of your Company as on 31<sup>st</sup> March, 2021 was Rs. 24,99,50,000 comprising of 2,49,95,000 Equity Shares of Rs. 10 each.

#### **5. DEPOSITS**

Except the exempted deposits, the Company has neither accepted nor renewed any deposits within the meaning of Companies (Acceptance of Deposits) Rules, 2014.

#### **6. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has an adequate Internal Control System, commensurate with size, scale and complexity of its operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensure compliance of corporate policies. It has continued its efforts to align all its processes and controls with global best practices.

All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the Books of Accounts and preparation of Financial Statements.

#### **7. STATEMENT OF DECLARATION BY INDEPENDENT DIRECTOR: (Section 134)**

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in section 149(6) as well as under regulation 25 of (LODR) Regulation, 2015. There has been no change in the circumstances which may affect their status as Independent Director during the year.

#### **8. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Nomination and Remuneration Committee has laid down the criteria for Directors Appointment and Remuneration including criteria for determining qualification, positive attributes and Independence of Director. The following attribute/criteria for selection have been laid by the board on the recommendation of committee:

- The candidate should possess the positive attributes such as leadership, entrepreneurship or such other attributes which in the opinion of the committee are in the interest of the Company.
- The candidate should be free from any disqualification as provided under sections 164 and 167 of Companies Act, 2013

- The candidate should meet the conditions of being independent as stipulated under the companies act, 2013
- The appointment or re- appointment of a Director is made pursuant to an established procedure which includes assessment of managerial skills, professional behavior, technical skills and other requirements as may be required by the post.
- The Executive and Whole-time Directors of the Company are paid remuneration as per their terms and conditions which are approved by the Board after taking into consideration the recommendations made by Nomination and Remuneration Committee.

## 9. AUDITORS

### **Statutory Auditor:**

R.T. Jain & Co. LLP, Chartered Accountants, bearing FRN: 103961W/W100182, the Company's Statutory Auditors of the Company, in accordance with the provisions of the act to hold the office from the 31<sup>st</sup> Annual General Meeting till the conclusion of 36<sup>th</sup> Annual General Meeting, for a single tenure of 5 (five) years.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The qualification, reservation and adverse remarks are mentioned in the Auditor's Report.

### **Internal Auditors:**

Pursuant to the provision of section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s NandKishore & Co., Chartered Accountants, Mumbai (FRN-139699W) as an Internal Auditor of the Company for the year under review by the Board of Directors, upon recommendation of the Audit committee.

### **Cost Auditors:**

Pursuant to section 148 (3) of the Companies Act, 2013 and Rule 6(2) of the Companies (Cost records and Audit Rules) 2014, Dinesh Jain & Company, Cost Accountants, (Registration No. 100583) are appointed as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company for Financial year commencing on 1st April, 2021 and ending on 31st March, 2022 at a remuneration of Rs. 62,500 (Rupees Sixty Two Thousand Five Hundred only) p.a. plus Service Tax & re-imbursement of out-of-pocket expenses.

### **Secretarial Auditor:**

Pursuant to the provision of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SARK & Associates, Practicing Company Secretary, Mumbai bearing C.P No. - 22135 to undertake the Secretarial Audit of the Company for the Financial Year 2021-2022.

The Secretarial Auditor has submitted his report on Secretarial Audit conducted by him which is annexed to this report as "**Annexure IV**". The Secretarial Audit report contains qualification, reservation or adverse remark as follows:

1. ***The Company was required to conduct cost audit as per the provisions of section 148 of the Companies Act, 2013 however the same has not been complied with.***

***Management's reply:*** Due to outbreak of COVID 19 pandemic and owing to the disruption of operations in the factory at both units, the Company was unable to provide the data for Cost Audit. The Company is in process of conducting the Cost Audit shortly.

Pursuant to the requirements under Section 134(3) (g) of the Companies Act, 2013, Details of loans, Guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements forming part of this Annual Report.

#### 10. RELATED PARTIES TRANSACTION

During the year under review, all the related party transactions were in the ordinary course of the business and on arm's length basis. Those transactions were placed before the Audit committee of Directors for prior approval in the form of omnibus approval.

During the year under review, the Company had not entered into any arrangement/ transaction/ contract with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions under Section 188(1) of the Companies Act, 2013 in Form AOC-2 is not applicable.

Necessary disclosures as required by the Indian Accounting Standards have been made in the notes to the financial statements forming part of this Annual Report.

#### 11. FINANCIAL RESULTS:

Particulars	(Amt. in lacs)	
	For the F.Y. ended 31 <sup>st</sup> March, 2022	For the F.Y. ended 31 <sup>st</sup> March, 2021
Revenue from Operations	7277.79	6999.08
Other Income	81.77	300.78
Total Revenue	7359.57	7299.85
Expenses excluding Depreciation & Amortization Expenses	8225.46	7359.49
<b>Less:</b> Depreciation & Amortization Expenses	241.58	253.24
Profit/ (Loss) Before Prior Period Items and Taxes	(1107.48)	(312.88)
Exceptional and Extra Ordinary Items	0.00	0.00
Profit/( Loss) Before Tax (PBT)	(1107.48)	(312.88)
<b>Less:</b> Provision for Tax	0.00	0.00
<b>Less:</b> Deferred Tax	(192.87)	(17.44)
Profit/ (Loss) After Tax	(914.60)	(295.44)
Other Comprehensive Income	6.15	0.69

#### 12. RESERVES:

There is no amount proposed to be transferred to reserves.

#### 13. STATE OF COMPANY'S AFFAIRS:

Your Company has achieved the Total Turnover of Rs. 72.78 Crores during Financial Year 2021-2022 as against the Turnover of 2020-2021 Rs. 66.69 Crores showing increment from the Previous Year. The management puts continuous efforts to increase the operational efficiency and turnover. Similarly, the Net loss of your Company during Financial Year 2021-2022 is Rs. 9.15 Crores as against the Net Profit of 2020-2021 Rs. 2.95 Crores.

#### 14. DIVIDEND:

In view the losses incurred by the Company, the Directors do not recommend dividend for this year.

## **15. IMPACT OF COVID -19 ON BUSINESS:**

In view of the nationwide lockdown and restrictions due to COVID-19 Pandemic, the business has been hit severely and it has posed challenges to the operations of the business of the Company. The Operations at both the units Rabale and Khopoli were suspended since 1<sup>st</sup> Week of April 2021 till August 2021. Various restrictions related to operations and mobility have impacted the Company's business and resulting effect on revenue and profitability. Hence, the pandemic has impacted production and business operations during lockdown period and thereafter. The dispatches were badly hit in the end of April, 2021. The Company has adopted the provisions of the Standard Operating Procedure (SOP) in line with announcement of the Ministry of Home Affairs, Government of India and was cautiously planning its operations in line with the directives issued by the Government and the regulatory bodies from time to time.

## **16. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY AS ON DATE OF BALANCESHEET:**

### **1. The Board approved the following resolution in Board Meeting dated 30<sup>th</sup> June, 2021:**

- Approval of Audited Financial for quarter and year ended 31<sup>st</sup> March 2021
- Approval of Increase in Authorised Share Capital of the Company
- Approval for raising fund through issuance of equity shares on preferential basis

### **2. The Board approved the following resolution in Board Meeting dated 14<sup>th</sup> August, 2021:**

- Approval of Unaudited Financial Result of Company for the quarter ended 30<sup>th</sup> June, 2021

### **3. The Board approved the following resolution in Board Meeting dated 14<sup>th</sup> November, 2021:**

- Approval of Unaudited Financial Result of Company for the quarter ended 30<sup>th</sup> September, 2021

### **4. The Board approved the following resolution in Board Meeting dated 13<sup>th</sup> January, 2022:**

- Proposal for sub division/ split of Equity shares of Rs. 10 each of the Company in such manner as the Board may determine including matters related/ incidental thereto subject to such regulatory/ statutory approval as may be required, including the approval of shareholders of the Company.

### **5. The Board approved the following resolution in Board Meeting dated 22<sup>nd</sup> February, 2022:**

- Approval of Unaudited Financial Result of Company for the quarter ended 31<sup>st</sup> December, 2021

## **19. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;**

### **1. The Board approved the following resolution in Board Meeting dated 13<sup>th</sup> January, 2022:**

- Proposal for sub division/ split of Equity shares of Rs. 10 each of the Company in such manner as the Board may determine including matters related/ incidental thereto subject to such regulatory/ statutory approval as may be required, including the approval of shareholders of the Company.

## **20. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### **(A) Conservation of energy:**

Steps taken/ impact on Conservation of energy, with special reference to the following:

#### **(i) Steps taken by the Company for optimizing electrical consumption:**

- Steps taken by company for optimising electrical consumption: Installation of capacitors for reduction of PF thereby saving electricity consumption.

#### **(ii) Capital Investment on energy conversion equipment's – N.A.**

### **(B) Technology Absorption:**

#### **1. Efforts in brief made towards technology absorption –N.A.**

2. Benefits derived as a result of the above efforts, for e.g., products improvement, cost reduction, product development, import substitution, etc, – N.A.
3. No technology was imported during the last 3 years – N.A.
4. Expenditure incurred on Research and Development – N.A.

**(C) Foreign exchange Earnings and Outgo: NA**

**21. RISK MANAGEMENT POLICY:**

The Management has put in place adequate and effective system and man power for the purpose of Risk Management. In the opinion of the Board, there are no risks which would threaten the existence of the Company.

**22. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has formulated Corporate Social Responsibility (CSR) Policy and the Annual Report on CSR activities for the financial year 2021-2022 is enclosed as “Annexure II”

**23. FORMAL ANNUAL EVALUATION:**

The formal annual evaluation of Directors is made depending upon Companies Evaluation Policy.

**24. DISCLOSURE IN RESPECT OF SCHEME FORMULATED UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013**

Since the Company has not formulated any scheme in terms of Section 67(3) of the Companies Act, 2013 no disclosures are required to be made.

**25. REVISION OF FINANCIAL STATEMENTS OR BOARD’S REPORT {SECTION 131(1)S}**

The Company has not made any modification or alteration in its Financial Statement / Board Report in respect of last Four Years.

**26. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNELS:**

**APPOINTMENT/RE-APPOINTMENT OF DIRECTORS:**

In accordance with the requirements of Companies Act, 2013 Mrs. Lalita Chowdhri, Non- Executive Director of the Company will retire by rotation at the ensuing Annual General meeting and being eligible, offers herself for re-appointment. Your Board recommends re-appointment Mrs. Lalita Chowdhri (**DIN: 00096419**) at the ensuing Annual General Meeting. A brief resume, nature of expertise, details of directorships held in other companies and other information of Mrs. Lalita Chowdhri (**DIN:00096419**) proposing re-appointment pursuant to the provisions of the Companies Act, 2013 and Listing Obligations & Disclosure Requirement Regulations 2015 is appended as an annexure to the notice of ensuing Annual General Meeting.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise (including the proficiency) required for their appointment and they hold highest standards of integrity. The Board hereby confirms that all the Independent Directors of the Company have given declaration and have confirmed that they met the criteria of Independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

During the year under review, there were no changes in Directors and Key Managerial Personnel (KMPs).

**27. DETAILS OF COMMITTEES:**

As per the requirements under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, and Corporate Social Responsibility Committee. The details of composition and terms of reference of these Committees are mentioned in the Corporate Governance Report.

**28. DISCLOSURE PURSUANT TO SECTION 197(14) OF THE COMPANIES ACT, 2013**

No Managing Director or Whole- Time Director of the Company was in receipt of any remuneration or commission from the Company's Holding or Subsidiary companies during the financial year.

**29. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

There are no Subsidiaries, Associates and Joint Venture Companies of the Company.

**30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an anti-harassment policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairperson of the committee.

**31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, form



part of this report. It deals with the business operations and Financial performance, Research and Development Expansion & Diversification, Risk Management, etc, is enclosed as per “Annexure IV”.

### 32. CORPORATE GOVERNANCE REPORT

Your Company will continue to uphold the true spirit of Corporate Governance and implement the best governance practices. A report on Corporate Governance pursuant to the provisions of Corporate Governance Code stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed. Full details of the various board committees are also provided therein along with Secretarial Auditors’ Certificate regarding compliance of conditions of corporate governance.

### 33. PARTICULAR OF EMPLOYEES

The Company has no employees, who is in receipt of remuneration of Rs. 8,50,000 per month/-or Rs. 1,02,00,000 per annum and hence, the company is not required to give their information under Sub Rule 2 and 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 34. DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

Name	Particulars	Remuneration (Rs.)	
		2021-2022	2020-2021
Mr. Sanjay Chowdhri	Managing Director	60,00,000	60,00,000
Mr. Abhinav Chowdhri	Executive Director	24,00,000	24,00,000
Mr. Pranav Chowdhri	Chief Executive Officer	23,50,000	23,50,000
Mrs. Krupali Thakkar	CS & Compliance Officer	*3,86,869	*3,86,869

### 35. ANNUAL GENERAL MEETINGS:

Details of last three AGM of the Company are as under:

Sr. No.	AGM No.	Date	Place
1.	31	28 <sup>th</sup> September, 2019	Registered Office: Rabale, Navi Mumbai
2.	32	27 <sup>th</sup> September, 2020	Hotel Ramada, 156, Millennium Business Park, MIDC, Mahape, Navi Mumbai, Maharashtra 400 710
3.	33	14 <sup>th</sup> November, 2021	Registered Office: Rabale, Navi Mumbai

### 36. EXTRA-ORDINARY GENERAL MEETINGS:

Details of Extra-Ordinary General meetings of the Company for the F.Y. 2021-2022 are as under: No extra Ordinary General Meetings held in F.Y. 2021-2022

### **37. ACKNOWLEDGEMENT:**

The Board of Directors gratefully acknowledges the assistance and co-operation received from the Bank of India and all other statutory and non-statutory agencies for their co-operation. The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company. The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

**By order of the Board  
For Supreme Engineering Limited**

**Sd/-  
Sanjay Chowdhri  
Managing Director  
00095990**

**Sd/-  
Abhinav Chowdhri  
Executive Director  
07121484**

**Place: Navi Mumbai  
Date: 10<sup>th</sup> August 2022**

**Annexure-I to Board's Report**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended 31.03.2022**

**[Pursuant to Section 92(3) of the Companies act, 2013 read with [The Companies (Management and Administration) Rules, 2014]**

**FORM NO. MGT-9**

<b>A. REGISTRATION AND OTHER DETAILS:</b>				
CIN:-	L99999MH1987PLC043205			
Registration Date:	21.04.1987			
Name of the Company:	Supreme Engineering Limited			
Category / Sub-Category of the Company	Public Company Limited By Shares Non-Government Company			
Address of the Registered office and contact details:	R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai – 400 701 (T): 022- 27648700/27692232			
Whether listed company	Yes			
Name, Address and Contact details of Registrar and Transfer Agent, if any	Big share Services Private Limited E-3 ANSA INDUSTRIAL ESTATESAKI VIHAR ROAD SAKINAKA MUMBAI MH 400072 IN			
<b>B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>				
Sr. No	Name and Description of main products / services	NIC Code of the Product/ service % to total turnover of the company	% to total turnover of the company	
a.	(For Wire Division- Rabale) Manufacture of wire of steel by cold drawing or stretching. Manufacture of hot-rolled and cold-rolled products of steel.	24108	90%	
	Manufacture of ferro-alloys.	24105		
b.	(For Special Steel Division- Khopoli) Manufacture of steel in ingots or other primary forms, and other semi finished products of steel	24103		
<b>C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>				
Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
A	N.A	N.A.	N.A.	N.A.
<b>D. SHARE HOLDING PATTERN</b>				
<b>i) Category-wise Share Holding</b>				
Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2021	No. of Shares held at the end of the year 31-03-2022	% Change during the year	

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1) INDIAN</b>									
<b>(a) Individual/ HUF</b>	14130061	0	14130061	59.26	113156510	0	113156510	56.53	(2.73)
<b>(b) Central Govt.</b>	0	0	0	0	0	0	0	0	0
<b>(c) State Govt(s)</b>	0	0	0	0	0	0	0	0	0
<b>(d) Bodies Corp.</b>	0	0	0	0	0	0	0	0	0
<b>(e) FIINS / BANKS</b>	0	0	0	0	0	0	0	0	0
<b>(f) Any Other- Director Relatives</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	14130061	0	14130061	59.26	113156510	0	113156510	56.53	(2.73)
<b>(2) FOREIGN</b>									
<b>(a) Individual NRI / For Ind</b>	0	0	0	0	0	0	0	0	0
<b>(b) Other Individual</b>	0	0	0	0	0	0	0	0	0
<b>(c) Bodies Corporate</b>	0	0	0	0	0	0	0	0	0
<b>(d) Banks / FII</b>	0	0	0	0	0	0	0	0	0
<b>(e) Qualified Foreign Investor</b>	0	0	0	0	0	0	0	0	0
<b>(f) Any Other Specify</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>(3) NON-INSTITUTIONS:</b>									
<b>(a) Individu al up to Rs. 1 Lakh</b>	0	0	0	0	0	0	0	0	0
<b>(b) Others</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (3):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholdi ng Of</b>	14130061	0	14130061	59.26	113156510	0	113156510	56.53	(2.73)

<b>Promoter (A) = (A)(1)+(A)(2)+(A)(3)</b>									
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
<b>(a) Mutual Funds</b>	0	0	0	0	0	0	0	0	0
<b>(b) Banks / FI</b>	0	0	0	0	0	0	0	0	0
<b>(c) Central Govt.</b>	0	0	0	0	0	0	0	0	0
<b>(d) State Govt.</b>	0	0	0	0	0	0	0	0	0
<b>(e) Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
<b>(f) Insurance Companies</b>	0	0	0	0	0	0	0	0	0
<b>(g) FIs</b>	0	0	0	0	0	0	0	0	0
<b>(h) Foreign Venture Capital Funds</b>	0	0	0	0	0	0	0	0	0
<b>(i) Others- Foreign Portfolio Investors</b>	0	0	0	0	0	0	0	0	0.40
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.40</b>
<b>2. Non-Institutions</b>									
<b>(a) BODIES CORP.</b>									
<b>(i) Indian</b>	199542	0	199542	0.80	26116565	0	26116565	10.44	0
<b>(ii) Overseas</b>	0	0	0	0	0	0	0	0	0
<b>(b) Individuals</b>									
<b>(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh</b>	1096290	0	1096290	3.96	56408253	0	56408253	22.56	0
<b>(ii) Individual shareholders holding nominal share capital in</b>	5595841	0	5595841	22.39	33915420	0	33915420	13.56	0

excess of Rs. 2 lakh									
<b>(c) Other (specify)</b>									
Non Resident Indians	18959	0	18959	0.08	1421160	0	1421160	0.56	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	205126	0	205126	0.82	12511381	0	12511381	5.00	0
Trusts	5000	0	5000	0.02	0	0	0	0	0
Market Maker	278486	0	278486	1.11	0	0	0	0	0
HUF	502279	0	502279	2.01	6420711	0	6420711	2.56	0
<b>Sub-total (B)(2):-</b>	<b>7323000</b>	<b>0</b>	<b>7323000</b>	<b>29.30</b>	<b>136793490</b>	<b>0</b>	<b>136793490</b>	<b>54.72</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>7323000</b>	<b>0</b>	<b>7323000</b>	<b>29.30</b>	<b>136793490</b>	<b>0</b>	<b>136793490</b>	<b>54.72</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>24995000</b>	<b>0</b>	<b>24995000</b>	<b>100.00</b>	<b>24995000</b>	<b>0</b>	<b>24995000</b>	<b>100</b>	<b>(0.00)</b>
<b>Company: Supreme Engineering Limited from 01-04-2021 to 31-03-2022</b>									
<b>Shareholding of Promoters MGT-9 Report</b>									
Sr.No	Shareholder's Name	Shareholding at the beginning of the year			Share Holding at the end of the Year				
		No. of Shares	% of total Shares of the company	% of shares Pledge d/encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	% change in share holding during the year	
	<b>Equity Shares</b>								
1.	SANJAY R CHOWDHARI HUF	5758561	23.04	0.00	10809800	4.32	0.00	(2.7263)	
2.	TANVI ABHINAV CHOWDHRI	70500	0.28	0.00	705000	0.2821	0.00	0.00	
3.	RATTAN PARKASH CHOWDHRI	360000	1.4403	0.00	3600000	1.4403	0.00	0.00	

4.	SUMITRA RATTAN CHOWDHRI	400000	1.6003	0.00	4000000	1.6003	0.00	0.00
5.	RATTAN PRAKASH CHOWDHRI-HUF	600000	2.4005	0.00	6000000	2.4005	0.00	0.00
6.	PRANAV SANJAY CHOWDHRI	680000	2.7205	0.00	6800000	2.7205	0.00	0.00
7.	ABHINAV SANJAY CHOWDHRI	750000	3.0006	0.00	7500000	3.0006	0.00	0.00
8.	LALITA SANJAY CHOWDHRI	1712000	6.8494	0.00	17120000	6.8494	0.00	0.00
9.	SANJAY CHOWDHRI	6659500	26.6433	7.60	56593000	22.64	0.00	0.00
10.	ANASHA NITIN SHAH	2916	0.001	0.00	28710	0.015	0.00	0
		<b>16993477</b>	<b>67.99</b>	<b>7.60</b>	<b>113156510</b>	<b>45.27</b>	<b>0</b>	<b>(22.72)</b>
<b>Change in Promoter's Shareholding (Please specify, if there is change)</b>								
Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			
		No. of Shares at the beginning /end of the Year	% of the Shares of the comp Any		Increasing /Decreasing in shareholding	Reason	No. of shares	% of total Shares of the compa ny
1	SANJAY CHOWDHRI	6659500	26.64		5578520	sell	10809800	2.40
2	SANJAY R CHOWDHARI HUF	5758561	23.40		99261	sell	56593000	22.64
3	LALITA SANJAY CHOWDHRI	1712000	6.85		-	-	17120000	6.85
4	ABHINAV SANJAY CHOWDHRI	750000	3.00		-	-	7500000	3.00
5	PRANAV SANJAY CHOWDHRI	680000	2.72		-	-	6800000	2.72
6	RATTAN PRAKASH CHOWDHRI-HUF	600000	2.40		-	-	6000000	2.40
7	SUMITRA RATTAN CHOWDHRI	400000	1.60		-	-	4000000	1.60
8	RATTAN PARKASH CHOWDHRI	360000	1.44		-	-	3600000	1.44
9	TANVI ABHINAV	70500	0.28		-	-	705000	0.28



	CHOWDHRI							
10	ANAISHA SHAH	2916	0.01		2871	0.01	28710	0.01
<b>Shareholding of Directors and Key Managerial Personnel:</b>								
		<b>Shareholding at the beginning of the year</b>			<b>Cumulative Shareholding at the end of the year</b>			
<b>Sr. No</b>	<b>Name</b>	<b>No. of Shares at the beginning of the year</b>	<b>% of the Shares of the company</b>	<b>Date</b>	<b>Increasing/Decreasing in shareholding</b>	<b>Reason</b>	<b>No. Of shares at the end of the year</b>	<b>% of total Shares of the company</b>
1.	Mr. Sanjay	66,59,500	26.64	01.04.2021	-	-	10809800	2.40

	Chowdhri							
2.	Mr. Abhinav Chowdhri	7,50,000	3.00	01.04.2020	-	-	7,50,0000	3.00
3.	Mr. Pranav Chowdhri	6,80,000	2.72	01.04.2020	-	-	6,80,0000	2.72
4.	Mrs. Lalita Chowdhri	17,12,000	6.85	01.04.2020	-	-	17,12,0000	6.85

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for the payment: (Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured loan	Deposits	Total
<b>Indebtedness at the beginning of the financial year i.e. 01.04.2021</b>				
Principal Amount	9381.11	1144.33	0	10525.54
Interest due but not paid	0	0	0	0
Interest accrued but not due	0	0	0	0
<b>Total</b>	<b>9381.11</b>	<b>1144.33</b>	<b>0</b>	<b>1052.54</b>
<b>Change in indebtedness during the Financial Year</b>				
Addition	0	363.99	0	363.99
Reduction	389.49	0	0	389.49
Net change	0	0	0	25.5
<b>Indebtedness at the end of the financial year i.e. on 31.03.2022</b>				
Principal Amount	8991.62	1508.32	0	10499.94
Interest due but not paid	0	0	0	0
Interest accrued but not due	0	0	0	0
<b>Total</b>	<b>8991.62</b>	<b>1508.32</b>	<b>0</b>	<b>10499.94</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. no	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Mr. Sanjay Chowdhri- Managing Director	Mr. Abhinav Chowdhri- Executive Director	
1	Gross salary	60,00,000	24,00,000	84,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0

4	Commission	0	0	0
	- as % of profit	0	0	0
	- Others, specify...	0	0	0
5	Others, please specify			
	<b>Total (A)</b>	<b>60,00,000</b>	<b>24,00,000</b>	<b>84,00,000</b>
	Ceiling as per the Act	Rs. 84,00,000/- as per Schedule V to the Companies Act, 2013	Not exceeding 10% of net profits calculated as per Companies Act, 2013	

**B. Remuneration to other directors:**

	Particulars of Remuneration	Name of Directors/Manager	Total Amount
	<b>1. Independent Directors</b>		
	• Fee for attending board / committee meetings	Mr. Prakash Deshmukh Mr. Sanjeev Khandelwal Dr. Dinesh Likhi	1,40,000 9,000 30,000
	• Commission	-	
	• Others, please specify	-	
	Total (1)	-	
	<b>2. Other Non-Executive Directors</b>		
	• Fee for attending board / committee meetings	-	0
	• Commission	Mrs. Lalita Chowdhri	0
	• Others, please specify	-	0
	Total (2)	-	0
	Total (B)=(1+2)	-	1,79,000
	<b>Total Managerial Remuneration</b>	-	1,79,000
	<b>Overall Ceiling as per the Act</b>	Commission to Non-executive Director is paid within ceiling limit of 1% of net profits of the Company. Sitting fees paid is within the limits of Rs. 1,00,000 per meeting per director for attending meeting of the Board and Committee.	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO- Pranav Chowdhri	Company Secretary- Mrs. Krupali Thakkar	*CFO-Mr. Vijay Salate Mr. Amol Dhuldhule	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,50,000	3,86,869	960000	3696869
	(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	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	<b>23,50,000</b>	<b>3,86,869</b>	<b>72,571</b>	<b>3696869</b>
<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment Compounding imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By order of the Board  
For Supreme Engineering Limited

Sd/-  
Sanjay Chowdhri  
Managing Director  
00095990

sd/-  
Abhinav Chowdhri  
Executive Director  
07121484

Place: Navi Mumbai  
Date: 10<sup>th</sup> August 2022

**Annexure III**

**Form No. MR - 3**

**SECRETARIAL AUDIT REPORT**

For the Financial year ended March 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
**The Members,**  
**Supreme Engineering Limited**  
R.223, MIDC Complex, Thane,  
Belapur Road, Rabale,  
Navi-Mumbai, Maharashtra.  
India – 400701.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Supreme Engineering 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, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2022 ("the Audit Period") complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 and made available to me, according to the provisions, as applicable to the Company during the period, of:

1. The Companies Act, 2013 ("the Act") and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;

**[Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review]**

5. 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 as there was no reportable event during the financial year under review]**

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**[Not Applicable as the Company has neither issued nor listed any debt securities during the financial year under review];**

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

**[Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review];**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

**[Not applicable as there was no reportable event during the financial year under review];**

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

**[Not applicable as there was no reportable event during the financial year under review]**

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

I have relied on the representations made by the Company and its Officers for systems and mechanisms developed by the Company in order to ensure compliances under other applicable Acts, Laws and Regulations to the Company.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the laws specifically applicable to the Company. The other laws, as informed by the management of the Company which are specifically applicable to the Company based on the sector/industry, are:

1. The Mines Act, 1952 and the rules, regulations made thereunder.
2. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made there under.
3. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
4. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
5. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
6. Factories Act, 1948 and allied State Laws.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with National Stock Exchange of India Limited

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. mentioned above subject to the following observations: -

- 2. The Company was required to conduct cost audit as per the provisions of section 148 of the Companies Act, 2013 however the same has not been complied with.**

I further highlight the following, for the year under review;

- 1) the Company has delayed the submission of Financial result of December 2022 Quarter

**I further report that**

- i) The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- ii) Adequate notice is given to all the Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and there is 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;
- iii) All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion 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. Further As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that**, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- 1) the Company has successfully migrated to NSE Main Board from NSE Emerge after fulfilling the requisite terms and conditions vide its approval letter dated 02 December, 2020 bearing reference number NSE/LIST/74.

*Note: This report is to be read with my letter of even date which is annexed as Annexure – A and forms an integral part of this report.*

**For SARK & Associates**

**Sd/-**

**Sumit Khanna Partner**

**Membership No: 22135**

**CP No: 9304**

**Date: Place: Mumbai**



**Annexure – A**

To,  
**The Members,**  
**Supreme Engineering Limited**  
R.223, MIDC Complex, Thane,  
Belapur Road, Rabale,  
Navi-Mumbai, Maharashtra.  
India – 400701.

**MANAGEMENT’S RESPONSIBILITY**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**AUDITOR’S RESPONSIBILITY**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

**DISCLAIMER**

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For SARK & Associates**

**Sd/-**  
**Sumit Khanna Partner**  
**Membership No: 22135**  
**CP No: 9304**

**Date: Place: Mumbai**

## Annexure- IV

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### 1.0 FORWARD LOOKING STATEMENTS

- 1.1 Statements in this Management Discussion and Analysis of Financial condition may contain certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.
- 1.2 Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.
- 1.3 These forward-looking statements and any other projections contained in this report (*whether made by us or any third party*) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to be materially different than those contemplated by the relevant forward-looking statements.

#### 2.0 INDUSTRY STRUCTURE AND DEVELOPMENTS

- 2.1 Supreme Engineering Ltd was established in 1987 and was formerly known as Supreme Heatreaters Pvt Ltd. Supreme Engineering Ltd has two divisions – (1) Special Steels division located at Khopoli, and (2) Wire Division located at Navi Mumbai.
- 2.2 The special steel division was set up in 2008 to develop critical alloys in India and work as an import substitute for the strategic sectors such as Defence, Space, Atomic Energy, Aerospace, Power, Oil & Gas etc. The products manufactured by the special steel division are highly technical and used to manufacture the most critical parts.
- 2.3 The wire division was set up in 1987 and is involved with the manufacturing of wires, profiles, bright bars. The industries served include automotive, oil & gas, hand tools, textile machinery and other engineering applications. Thus unit has long standing relations with customers where many of the customers have been with the company from the time of inception.

#### 3.0 ORGANISATION

- 3.1 The constant endeavor to provide high quality material indigenously for the strategic use by India motivates our organization to follow the best quality management systems and policies to meet the required targets
- 3.2 The main departments include Quality, Production, Production planning & control, Marketing, R&D, Business Development, Purchase, Industrial Engineering, Finance, Accounts, Logistics and HR.
- 3.3 Production Facilities:
  - 3.3.1 The manufacturing facilities at special steel division include Vacuum Induction

Melting, Electro-slag refining, Radial Forging, Rolling Mill, Bright Bar plant, Heat-treatment furnaces.

3.3.2 The manufacturing facilities at wire division include wire drawing, coil to coil peeling, grinding, heat-treatment furnaces, decoiling, profile shop, pickling, and passivation.

3.3.3 The primary raw material used by the plants include Nickel, Molybdenum, Chromium, Tungsten, Cobalt, Low carbon mild steel scrap, Stainless Steel billets, Alloy Steel billets and Alloy Steel wire-rods.

3.3.4 The product portfolio is as follows:

Super Alloys	Stainless Steels	Alloy Steels	Tool Steels
Nickel based	Austenitic	Low alloy	High speed steels
Iron Based	Martensitic	Ultra high strength	Cold working
Cobalt based	Ferritic	ESR re-melted	Hot working
PH	PH	Ball-bearing	

#### 4.0 SECTOR-WISE PERFORMANCE

4.1 Supreme Engineering Ltd supplies currently to both the commercial as well as strategic sectors. Commercial sectors include Oil & gas, automotive, hand-tools, textile machinery, engineering industry etc. The strategic sectors include Defence (Aircrafts, Battle Tanks, Rockets, Missiles, Ships), Space (rockets, launch systems), Atomic Energy (Reactors, Tools for ancillary machinery), Power (Turbines, Boilers) etc.

4.2 There is a constant endeavor of the company to increase the business of supply to the strategic sector. There has already been a growth of 41% in this sector in the past 2 years.

#### 5.0 FUTURE OUTLOOK

5.1 Supreme Engineering Ltd will continue to focus on increasing business in the strategic sectors of India

5.2 With a even greater emphasis on make in India and import substitution, there is a huge opportunity opening up in fields of space, defence and thermal power

5.3 With the certification of AS9100 D, various new opportunities have been opened. The company is at various stages of approvals in civil aviation sector and expects this business to grow with a thrust on offset policies by the government of India.

5.4 The wire division aims to develop bright bars, fine wires and special profiles that would further increase the value add in the product.

#### 6.0 RISKS, CONCERNS & MITIGATION

6.1 The risks facing the business include dependability on government spending, raw material volatility, late delivery penalties and possibility for competition in the near future.

6.1.1 There is a dependency on the business in the strategic sector based on government policies and spending. With changing security priorities and general economic conditions there may be a shift in the budgets and spending. This risk is being mitigated by diversifying the business with supplies to other sectors and for civil aviation

6.1.2 The raw materials used by the production are volatile in nature and the prices vary on a regular basis. This may have an impact on the profit margins. The risk is being mitigated by conduction supply chain, purchasing and inventory optimization.

6.1.3 Many of the government's contracts are bound by late delivery penalty clauses. The risk is being mitigated by better utilization of capacity, improved production planning and planning to keep some inventory in stock based on forecast

6.1.4 Since the strategic sector in India has been growing rapidly, there is a high chance for competition in the near future. The risk is being mitigated by creating further barriers to entry by getting more stringent approvals particularly from the civil aviation sector.

#### 7.0 SWOT ANALYSIS

##### 7.1 Strengths

7.1.1 Technical capability to manufacture advanced alloys scarcely available in the country

7.1.2 Approvals from major OEMs in the strategic sector

- 7.1.3 Long standing relations with customers
  - 7.1.4 Flexibility and versatility available in production facility
- 7.2 Weakness
  - 7.2.1 Difficulty in forecasts due to made-to-order production
  - 7.2.2 Long working capital cycles and inventory due to multiple inspection stages
  - 7.2.3 Dependence on government policies
- 7.3 Opportunities
  - 7.3.1 Increase in demand in aerospace & defence due to various policies adopted
  - 7.3.2 Preference to Indian manufacturers under “Make in India” program
  - 7.3.3 Benefits from being MSME
  - 7.3.4 Possibility to scale up without investment in capital
  - 7.3.5 Increased thrust on localization due to geo-political scenario
- 7.4 Threats
  - 7.4.1 Competition from new entrants
  - 7.4.2 Volatility of raw material prices
  - 7.4.3 Raw material import restrictions for the wire plant

## CORPORATE GOVERNANCE REPORT

### [Pursuant to Regulation 34 read with Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Our Corporate Governance our business fosters a culture of ethical behaviour and fair disclosures, which aims to build trust of our Stakeholders. The Company has established systems and procedures to ensure that its Board is well-informed and well-equipped to fulfil its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholders value. The Board of the Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining investors' trust and confidence in the Company.

#### **Company's Philosophy on Code of Governance:**

Corporate governance philosophy of the Company is based on appropriate size and composition of the Board with each Director bringing in key expertise in different areas, systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties, ethical business conduct by the management and employees, appropriate systems and processes for internal controls on all operations, risk management and financial reporting and timely and accurate disclosure of all material operational and financial information to the stakeholders.

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management for further strengthening the Corporate Governance Philosophy of the Company. This code is available on the website of the Company. A report on the matters and the practices followed by the Company is detailed herein below:

#### **Board of Directors:**

The board of Directors along with its committees provides focus and guidance to the Company's management and also directs and monitors the performance of the Company. In terms of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), at least 50% of the Board should comprise of non-executive independent Directors with at least one Woman Director.

The Company has an optimum combination of executive and non executive Directors including woman Director. As on date the Company has 6 (Six) Directors comprising of 2 (Two) Executive Directors and 4 (Four) Non Executive Directors. The Company has one Woman Director on the Board. All the directors on the Board of the Company have made necessary declarations/disclosures regarding their other directorships along with committee positions held by them in other companies.

#### **1. The present composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Name of Directors	Category & Designation
Mr. Sanjay Chowdhri	Chairman and Managing Director
Mr. Abhinav Chowdhri	Executive Director
Mrs. Lalita Chowdhri	Non- Executive Director, Non-independent and Women Director
Mr. Prakash Deshmukh	Non-Executive and Independent
Mr. Sanjeev Khandelwal	Non-Executive and Independent

#### **2. Attendance of each director at the Board meetings held during the year 2021-2022 and at the last Annual General Meeting:**

Name of Director	Designation	No. of Board Meetings held and attended during the year 2021-2022	Attendance at the last AGM	#Membership of Committees as on date	No. of Directorship held in other

						Compa nies
		Attended		Chairmanship	Membership	
Mr. Sanjay Chowdhri	Chairman and Managing Director	5	Yes	0	1	1
Mr. Abhinav Chowdhri	Executive Director	5	Yes	0	1	2
Mrs. Lalita Chowdhri	Non- Executive Director, Non-independent and Women Director	5	No	1	1	1
Mr. Prakash Deshmukh	Non-Executive and Independent	5	Yes	1	1	0
*Mr. Sanjeev Khandelwal	Non-Executive and Independent	5	Yes	1	2	0
*Mr. Dinesh Likhi	Non-Executive and Independent	4	Yes	0	1	1

**Note:**

**#Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements).**

*Mr. Dinesh Likhi is resigned w.e.f 12<sup>th</sup> January, 2022.*

**3. Number of board meetings held during the year under review:**

During the Financial Year 2021-2022, Five Board Meetings were held on 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 10<sup>th</sup> November, 2021, 13<sup>th</sup> January, 2022, and 22<sup>nd</sup> February, 2022.

**4. Number of other board of directors or committees in which a directors is a member or chairperson:**

Name of Director	No. of position held in other Companies		Name of the Company	Name of Committee
	Board	Committee		
Mr. Sanjay Chowdhri	1	0	A.S.C Engineers Pvt. Ltd.	
Mr. Abhinav Chowdhri	2	2	L.S.C Enterprises Pvt. Ltd. Jupiter Hospital Projects Private Limited	Audit Nomination and Remuneration
Mrs. Lalita Chowdhri	1	0	A.S.C Engineers Pvt. Ltd.	
Mr. Prakash Deshmukh	0	0	-	
Mr. Sanjeev Khandelwal	0	0	-	
Mr. Dinesh Likhi	1	0	Bhilai Jaypee Cement Limited	

None of the Directors of your Company is a member of more than 10 Committees or is the Chairman of more than 5 Committees across all the Companies in which he/ she is a Director. Further, in compliance with Regulation 17A of the Listing Regulations, none of the Independent Directors hold directorships in more than seven listed companies. Further, none of the Directors who serves as Whole-Time Director / Managing Director in any listed entity serves as an Independent Director in more than three listed entities.

**Number of shares and convertible instruments held by Non-Executive Directors:** As on 31<sup>st</sup> March, 2022, Mrs. Lalita Chowdhri, NED holds 17,12,000 equity shares of Rs. 10 each. None of the other Non-Executive Directors of the Company hold any shares and convertible instruments.

#### **COMMITTEES OF DIRECTORS:**

##### **(i) Audit Committee**

The terms of reference of the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI (LODR) Regulations, 2015 and includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Auditor and the fixation of Audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report
- Reviewing, with the management, the half yearly Financial Statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Prospectus/ Draft Prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence, performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To oversee and review the functioning of the vigil mechanism (whistle blower mechanism) which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
- Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- To investigate any other matters referred to by the Board of Directors;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Composition, Meetings and attendance during the year:**

During FY 2021-22, 4 (Four) Audit Committee Meetings were held on 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 14<sup>th</sup> November, 2021, and 22<sup>nd</sup> February, 2022

Sr. no.	Name of Directors	Designation in Committee	Category	Number of Meetings Attended
1	Mr. Prakash Deshmukh	Chairman	Non-Executive Independent and	4
2	Mr. Sanjeev Khandelwal	Member	Non-Executive Independent and	4
3	Mr. Abhinav Chowdhri	Member	Executive Director	4

#### **(ii) Nomination and remuneration Committee**

The terms of reference of the committee are in accordance with Section 178 of The Companies Act, 2013 and Regulation 19 of LODR, which inter alia, include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- Deciding on, whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the performance linked incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of commission payable to the Whole Time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option scheme.

#### **Composition, Meetings and attendance during the year:**

During FY 2021-22, 2 (Two) Nomination and Remuneration Committee Meetings were held on 30<sup>th</sup> June,



2021 and 14<sup>th</sup> November, 2021.

Sr. no.	Name of Directors	Designation in Committee	Category	Number of Meetings Attended
1	Mr. Sanjeev Khandelwal (Appointed w.e.f 05 <sup>th</sup> August, 2020)	Chairman	Non-Executive Independent	1
2	Mr. Prakash Deshmukh	Member	Non-Executive Independent	2
3	Mrs. Lalita Chowdhri	Member	Non-Executive	2

**Remuneration Policy:** The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors, Key Managerial Personnel & employees of the Company. (Website: <https://www.supremesteels.com/policies.php>)

**Remuneration of Directors:** The details of remuneration and commission paid to the Managing Director and Executive Director are as follows:

Category of Payment	Mr. Sanjay Chowdhri	Mr. Abhinav Chowdhri
Remuneration	60,00,000	24,00,000

The Managing Director and Executive Director are eligible for other benefits in terms of his appointment as per their respective agreements executed with the Company.

**Sitting Fee paid to Non-Executive Directors and their shareholding as on 31st March, 2022 is as follows:**

Name of Director	Designation	Sitting fees paid	Shareholding
Mr. Prakash Deshmukh	Non-Executive Independent	140000	0
Mr. Sanjeev Khandelwal	Non-Executive Independent	9000	0
Mr. Dinesh Likhi	Non-Executive Independent	30000	0

**Commission paid to Non-Executive Directors and their shareholding as on 31st March, 2022 is as follows:**

Name of Director	Designation	Sitting fees paid	Shareholding	Commission
Mr. Lalita Chowdhri	Non Executive	No sitting fees	17,12,000	NIL

### (iii) Stakeholders Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted. The terms of reference of the Committee inter alia, include:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;

- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

**Composition, Meetings and attendance during the year:**

During FY 2021-22, 1 (One) Stakeholders Relationship Committee Meetings was held on 22<sup>nd</sup> February, 2022

Sr. no.	Name of Directors	Designation in Committee	Category	Number of Meetings Attended
1	Mrs. Lalita Chowdhri	Chairman	Non-Executive	1
2	Mr. Sanjay Chowdhri	Member	Non-Executive and Independent	1

**Details of investor complaints received and redressed during the year 2021-2022:**

No. of shareholder complaints pending at the beginning of the year	No. of shareholder complaints received during the year	No. of shareholder complaints resolved during the year	No. of shareholder complaints pending at the end of the year
Nil	Nil	Nil	Nil

**GENERAL BODY MEETINGS**

- Details of the last three Annual General Meetings (AGMs) are given below:

Financial Year	Date	Special Resolution passed	Venue
2018-2019	27 <sup>th</sup> September, 2019 11:30 A.M.	Approve revision in remuneration of Mr. Abhinav Chowdhri, Executive Director of the Company.	Hotel Ramada, 156, Millennium Business Park, MIDC, Mahape, Navi Mumbai, Maharashtra 400 710
2017-2018	28 <sup>th</sup> September, 2018 11:30 A.M.	No Special Resolution was passed	Registered Office: Rabale, Navi Mumbai
2016-2017	30 <sup>th</sup> September, 2017 4:00 P.M.	No Special Resolution was Passed	Registered Office: Rabale, Navi Mumbai

#### MEANS OF COMMUNICATION

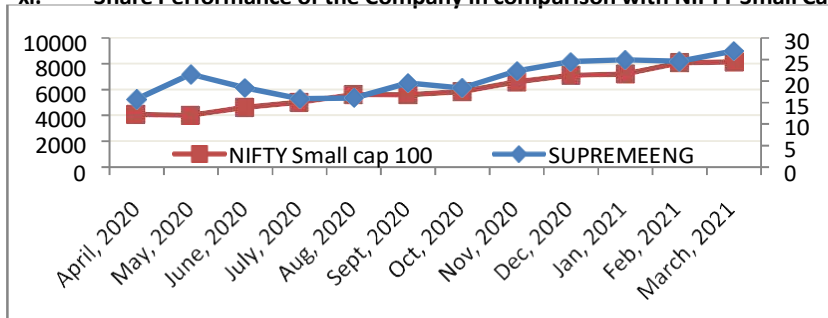
The details of the means of communication with shareholders/ analysts are given below:

- Half-yearly, Quarterly and Annual results are published on Stock Exchange and Company's website [www.supremesteels.com](http://www.supremesteels.com).

## GENERAL SHAREHOLDER'S INFORMATION

i.	Annual General Meeting:	30 <sup>th</sup> September, 2022
ii.	Financial Year :	2021-2022
iii.	Date of Book Closure:	23rd September 2022 to 30th September 2022
iv.	Dividend Payment Date:	N.A
v.	Listing at Stock Exchanges:	National Stock Exchange of India Limited
vi.	Stock Symbol	SUPREMEENG
vii.	Registrar and Share Transfer Agents:	Bigshare Services Pvt. Ltd E-3 ANSA INDUSTRIAL ESTATESAKI VIHAR ROAD SAKINAKA MUMBAI MH 400072 IN
viii.	Address for correspondence	R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai – 400 701
ix.	CIN	L99999MH1987PLC043205
x.	Compliance Officer	Mr. Anand Lohia

### xi. Share Performance of the Company in comparison with NIFTY Small Cap 100



### xii. Dematerialization of Shares and Liquidity:

The shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in the dematerialized form.

### xiii. Share Transfer System

The Company's shares are being in compulsory demat list, are transferable through the depository system. The Registrar and Share Transfer Agent has been delegated the power of share transfer to expedite the transfer formalities, which is in line with Schedule VII and Regulation 40 of the SEBI (Listing Obligations and Disclosure Regulations) 2015.

The Company also obtains a certificate from the Practicing Company Secretary on half yearly basis under Regulation 40(9) of the Listing Regulations, to the effect that all share certificates have been issued within 30 days of lodgment of the transfer, sub-division, consolidation and renewal and files the same with stock exchanges.

### xiv. Distribution of shareholding (in shares) as on 31st March, 2022

Shareholding	Number of Shareholders	Percentage of total shares	Shares	Percentage to total Shares
1-500	303	42.616	36021	0.1441
501-1000	49	6.8917	41931	0.1678
1001-2000	32	4.5007	51544	0.2062
2001-3000	20	2.8129	54439	0.2178
3001-4000	160	22.5035	634840	2.5399

4001-5000	17	2.391	82333	0.3294
5001-10000	39	5.4852	301303	1.2055
10001-9999999999	91	12.7989	23792589	95.1894
<b>Total</b>	<b>711</b>	<b>100.00</b>	<b>24995000</b>	<b>100.00</b>

**xv. Shareholding Pattern as on 31<sup>st</sup> March, 2022:**

<b>Category of shareholder</b>	<b>No. of Shares</b>	<b>Percentage of shareholding</b>
Promoter & Promoter Group	113156510	45.27
Public Individuals	90323673	36.14
Bodies Corporate	26116565	10.45
Clearing Member	12511381	5.01
Any Other	7841871	3.13
<b>Total</b>	<b>24995000</b>	<b>100.00</b>

**xvi. Position of Shares as on 31<sup>st</sup> March, 2022:**

Particulars	No. of shares	% of Total Issued Capital
NDSL	43992331	17.60%
CDSL	205957660	82.40%
Physical	0	0
<b>Total</b>	<b>24995000</b>	<b>100.00%</b>

**xvii. Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:**

No GDR/ADRs/ warrants or any convertible instruments have been issued by the Company during the year under review or are outstanding as at the end of the financial year 2021-2022.

**xviii. Our two divisions situated at Navi Mumbai and Raigad, Details are as follows:**

Branch	Address
Registered Office- Rabale Unit (Factory)	R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai – 400 701
Khopoli Unit (Factory)	R.P.Chowdhri Marg, Village Vihari, Opp. Khopoli Railway Station, Khopoli, Tal. Khalapur District Raigad, Maharashtra – 410203

**Other Disclosures:**

**A. Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of listed entity at large:**

There are no related party transactions during the financial year under review except the one disclosed in the financial statements. Policy for Related Party Transactions has been displayed on the Company's website at <https://www.supremesteels.com/policies.php>.

The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties have also been disclosed in the Annual Financial Statements.

**B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

There were 3 instances of non-compliance and penalties which have been imposed by Stock Exchanges during the last three years pursuant to the following regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Regulations	Penalties	Remarks
Regulation 31- Shareholding pattern	37,760/-	The Company has filed Letter of Waiver stating the reasons for non compliance.
Regulation 13(3)- Statement of Investor Grievance Redressal Mechanism	18,880/-	The Company has filed Letter of Waiver stating the reasons for non compliance
Regulation 33-Financial results	17,700/-	The Company paid the fine of Rs. 17,700 on 21.08.2020 and filed the clarification letter to National Stock Exchange of India Limited

**C. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee;**

The Company has formulated a Whistle Blower Policy and has also established a vigil mechanism for employees and directors to report genuine concerns and instances of fraud/ illegal activities and no personnel had been denied access to the Audit Committee. The Policy is displayed on the Company's website <https://www.supremesteels.com/policies.php>.

**D. The Company is in full compliance with the mandatory requirements as contained in the Listing Regulations and Companies Act, 2013 and is also in compliance with non-mandatory requirements.**

**E. Policy for determining "material" subsidiaries.**

The Company does not have any subsidiary. Therefore, the Company did not adopt any policy on "Material Subsidiary".

**F. Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management.**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2021-2022, the Board hereby certify that all the Independent Directors appointed by the Company fulfils the conditions specified in these Regulations and are independent of the management.

**G. Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: R.T. Jain & Co. LLP are the Statutory Auditors of the Company and following services are availed from them against their fees:**

Particulars	Amount in Rs.
Statutory Audit fees	3,50,000
Tax Audit Fees	50,000
Other Services	22,000
<b>TOTAL</b>	<b>4,22,000</b>

**H. Disclosure of commodity price risks, foreign exchange risk and commodity hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15<sup>th</sup> November, 2018 is not required to be given.

**I. Details of utilization of funds raised through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) – Not applicable**

**J. Transfer of Unclaimed/ Undelivered Shares**

In terms with the provisions of Regulation 39(4) read with Schedule VI of Listing Regulations No unclaimed/undelivered shares are lying in the possession of the Company.

**K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	No. of Complaints
Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial Year	N.A.
Number of complaints pending as on end of the financial Year	N.A.

**L. Certificate from Practicing Company Secretary**

The Company has received a certificate from Practicing 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. The Certificate is attached to the Corporate Governance Report.

**M. Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance**

The Company has received a certificate from Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). The Certificate is attached to the Corporate Governance Report.

**N. Compliance with mandatory requirements and adoption of discretionary requirements of Corporate Governance as specified in Regulations 17 to 27 and Regulation 34(3) read with Schedule V (C) of the Listing Regulations**

<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA) refer note below</b>
Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	NA
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of board	17(11)	Yes
Maximum number of directorship	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) and 20(2A)	Yes
Meeting of Stakeholder Relationship Committee	20 (3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Disclosure of related party transactions on consolidated basis	23(9)	NA



Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Annual Secretarial Compliance Report	24(A)	NA
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
Directors and Officers insurance	25(10)	NA
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	NA
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

**For and on behalf of the Board of Directors**

**Sd/-**

**Sanjay Chowdhri**

**Chairman & Managing Director**

**DIN: 00095990**

**Place: Navi Mumbai**

**Date: 10<sup>th</sup> August 2022**

## **Practising Company Secretaries' Certificate on Corporate Governance**

**To the Members of  
Supreme Engineering Limited**

We have examined the compliance of the conditions of Corporate Governance by **Supreme Engineering Limited** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

**For SARK & Associates**

**Sd/-  
Sumit Khanna  
Partner  
Membership No: 22135  
CP No: 9304**

**Date:  
Place: Mumbai**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To the Members of  
Supreme Engineering Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Supreme Engineering Limited** having CIN L99999MH1987PLC043205 and having registered office at R.223, MIDC Complex, Thane, Belapur Road, Rabale, Navi-Mumbai 400701 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *	KYC Compliant as per the records of Ministry of Corporate Affairs (MCA)
1.	Sanjay Chowdhri	00095990	21/04/1987	Yes
2.	Lalitha Sanjay Chowdhri	00096419	21/04/1987	Yes
3.	Prakash Vithalrao Deshmukh	02376494	07/12/2017	Yes
4.	Abhinav Sanjay Chowdhary	07121484	07/12/2017	Yes
6.	Sanjeev Ishwari Khandelwal	08780152	05/08/2020	Yes

\*the date of appointment is as per the MCA Portal.

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

**For SARK & Associates**

**Sd/-**  
**Sumit Khanna**  
**Partner**  
**Membership No: 22135**  
**CP No: 9304**

**Date:**  
**Place: Mumbai**

**CEO AND CFO CERTIFICATE**  
**[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The Board of Directors,  
Supreme Engineering Limited  
R-223 MIDC Complex, Thane Belapur,  
Rabale, Navi Mumbai – 400 701

We hereby certify that: -

(a) We have reviewed the financial statements including the cash flow statement of the Company for the year ended as on 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements including cash flow statement present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.

(d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud is found by management or employees having a significant role in the Company's internal control system over financial reporting.

**For Supreme Engineering Limited**

**Sd/-**  
**Pranav Chowdhri**  
**Chief Executive Officer**

**sd/-**  
**Amol Dhuldhule**  
**Chief Financial Officer**

**Place: Navi Mumbai**

**Date:**

**SUPREME ENGINEERING LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**  
 Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

(Amount in INR Lakhs)

Particulars	Notes	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
<b>REVENUE</b>			
Revenue from operations (net)	21	7,277.79	6,999.08
Other income	22	81.77	300.78
<b>Total Revenue (I)</b>		<b>7,359.57</b>	<b>7,299.85</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	7,177.33	3,938.85
Changes in stock of finished goods, work in progress	24	(348.66)	1,901.91
Employee benefits expense	25	184.23	227.14
Finance costs	26	392.36	977.02
Depreciation expense	27	241.58	253.24
Other expenses	28	820.20	314.58
<b>Total Expenses (II)</b>		<b>8,467.04</b>	<b>7,612.73</b>
<b>Profit/(Loss) before exceptional items and tax (I-II)</b>		<b>(1,107.48)</b>	<b>(312.88)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>		<b>(1,107.48)</b>	<b>(312.88)</b>
<b>Tax expense:</b>			
Current tax	11	-	-
Short / (Excess) Provision for Earlier Years		-	-
MAT Tax / (MAT Credit)		-	-
Deferred tax	11	(192.87)	(17.44)
<b>Profit/(Loss) for the year</b>		<b>(914.60)</b>	<b>(295.44)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement of gains (losses) on defined benefit plans	11	8.67	0.98
Income tax effect		(2.52)	(0.29)
<b>Other Comprehensive income for the year, net of tax</b>		<b>6.15</b>	<b>0.69</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(908.46)</b>	<b>(294.75)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>			
Basic and Diluted EPS	29	(3.66)	(1.18)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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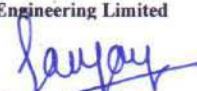
As per our report of even date attached


For S. R. Dhariwal & Co.  
Chartered Accountants  
Firm Reg. No. 102466W


CA Niral Saboo  
Proprietor  
M. No. 158054

Place : Mumbai  
Date: 07th June 2022

For and on behalf of the Board of Directors of  
Supreme Engineering Limited

  
Sanjay Chowdhri  
Chairman and Managing Director  
DIN No. : 00095990

  
Abhinav Chowdhri  
Executive Director  
DIN No. : 07121484

  
Pranav Chowdhri  
Chief Executive Officer

Place : Mumbai  
Date: 07th June 2022



**SUPREME ENGINEERING LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2022**

Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

Particulars	Notes	As at 31 Mar 2022	As at 31 Mar 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,938.89	1,872.85
(b) Investment Properties	5	622.49	634.16
(c) Financial Assets			
(i) Investments	6	1.00	1.00
(ii) Other Financial Assets	6	31.21	31.28
(d) Other Non-Current Assets	10	2.32	2.32
		<b>2,595.91</b>	<b>2,541.61</b>
<b>Current assets</b>			
(a) Inventories	7	10,989.43	10,620.93
(b) Financial Assets			
(i) Trade Receivables	8	2,113.63	7,132.75
(ii) Cash and Cash Equivalents	9	191.50	541.04
(iii) Loans	6	-	-
(iv) Other Financial Assets	6	2.95	76.93
(c) Other Current Assets	10	356.62	354.83
		<b>13,654.13</b>	<b>18,726.47</b>
<b>TOTAL</b>		<b>16,250.04</b>	<b>21,268.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	2,499.50	2,499.50
(b) Other Equity	13	1,371.01	2,273.10
		<b>3,870.51</b>	<b>4,772.60</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	15	2,141.95	2,138.96
Lease liabilities		-	-
(b) Provisions	19	26.24	26.29
(c) Deferred Tax liabilities (Net)	11	(187.31)	0.42
		<b>1,980.88</b>	<b>2,165.67</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	7,549.89	7,997.17
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		5.00	120.65
Others		826.89	4,325.18
(iii) Lease liabilities		239.24	61.51
(iv) Other Financial Liabilities	16	979.42	977.73
(b) Provisions	19	20.80	20.80
(c) Other Current Liabilities	18	434.13	483.49
(d) Current Tax Liabilities (Net)	20	343.28	343.28
		<b>10,398.65</b>	<b>14,329.81</b>
<b>TOTAL</b>		<b>16,250.04</b>	<b>21,268.08</b>

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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As per our report of even date attached

For S. R. Dhariwal & Co.  
Chartered Accountants  
Firm Reg. No. 102466W

CA Niral Saboo  
Proprietor  
M. No. 158054

Place : Mumbai  
Date: 07th June 2022

For and on behalf of the Board of Directors of  
Supreme Engineering Limited

Sanjay Chowdhri  
Chairman and Managing Director  
DIN No. : 00095990

Abhinav Chowdhri  
Executive Director  
DIN No. : 07121484

Pranav Chowdhri  
Chief Executive Officer

Place : Mumbai  
Date: 07th June 2022





**SUPREME ENGINEERING LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**  
 Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/ (Loss) before income tax	(1,107.48)	(312.88)
Adjustments for:		
Depreciation expense	241.58	253.24
Profit on sale of investments Properties	-	(191.83)
Interest income	(3.86)	(20.93)
Finance costs	392.36	977.02
Provision against Expected Credit Loss	661.01	100.59
Sundry Balance Written Back	(65.19)	(72.23)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	4,358.11	1,984.80
(Increase)/Decrease in inventories	(368.50)	(348.98)
Increase/(decrease) in trade payables	(3,548.75)	(3,110.53)
(Increase)/ Decrease in loans	-	3.00
(Increase)/ Decrease in other current financial assets	73.96	(18.05)
(Increase)/ Decrease in other current assets	(1.79)	(83.99)
(Increase)/ Decrease in other non current financial assets	0.07	(1.39)
Increase/ (Decrease) in other financial liabilities	1.69	504.50
Increase/ (Decrease) in other liabilities	(49.37)	(122.46)
Increase/ (Decrease) in provisions	8.62	4.26
<b>Cash generated from operations</b>	<b>592.46</b>	<b>(455.86)</b>
Less : Income tax paid (net of refund)	0.00	32.61
<b>Net cash inflow from operating activities</b>	<b>592.47</b>	<b>(423.25)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(13.00)	(3.83)
Proceeds from sale of Investment Investment Properties	-	250.90
Interest received	3.86	20.93
<b>Net cash (Used in)/generated from investing activities</b>	<b>(9.15)</b>	<b>268.00</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	2.99	464.06
Net change in current borrowings	(447.28)	926.81
Interest and finance charges paid	(380.56)	(966.81)
Dividends paid including dividend distribution tax	-	-
Payment Towards Lease Obligation	(108.00)	(108.00)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(932.85)</b>	<b>316.06</b>
Net increase (decrease) in cash and cash equivalents	(349.53)	160.83
Cash and Cash Equivalents at the beginning of the financial year	541.04	380.21
<b>Cash and Cash Equivalents at end of the year</b>	<b>191.50</b>	<b>541.04</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks	158.95	498.51
Cash on hand	32.55	42.53
<b>Balances per statement of cash flows</b>	<b>191.50</b>	<b>541.04</b>

**Notes :**

a) The above Standalone Cash Flow has been prepared under the "Indirect Method" as set out in the Ind AS 7 "Statement of Cash Flows"

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

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As per our report of even date attached

For S. R. Dhariwal & Co.  
 Chartered Accountants  
 Firm Reg. No. 102466W

CA Niral Sahoo  
 Proprietor  
 M. No. 158054

Place : Mumbai  
 Date: 07th June 2022

For and on behalf of the Board of Directors of  
 Supreme Engineering Limited

Sanjay Chowdhri

Abhinav Chowdhri

Chairman and Managing Director

Executive Director

DIN No. : 00095990

DIN No. : 07121484

Pranav Chowdhri  
 Chief Executive Officer

Place : Mumbai  
 Date: 07th June 2022



**SUPREME ENGINEERING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

**A Equity Share Capital**

(Amount in INR Lakhs)			
Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
<b>March 31, 2021</b>			
Numbers	2,49,95,000		2,49,95,000
Amount	2,499.50	-	2,499.50
<b>March 31, 2022</b>			
Numbers	2,49,95,000	-	2,49,95,000
Amount	2,499.50		2,499.50

**B Other Equity**

Particulars	(Amount in INR Lakhs)			
	Reserves and Surplus			
	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>As at April 1, 2019</b>	1,035.90	35.04	1,269.46	2,340.40
Profit/(Loss) for the year	-	-	371.40	371.40
Other comprehensive income/(Loss)	-	-	9.70	9.70
<b>Total comprehensive income for the year</b>	-	-	381.10	381.10
Dividends	-	(35.04)	(89.94)	(124.98)
Dividend distribution tax	-	-	(25.44)	(25.44)
Impact of Ind AS 116	-	-	(3.23)	(3.23)
<b>As at March 31, 2020</b>	1,035.90	-	1,531.94	2,567.85
Profit/(Loss) for the year	-	-	(295.44)	(295.44)
Other comprehensive income/(Loss)	-	-	0.69	0.69
<b>Total comprehensive income for the year</b>	-	-	(294.75)	(294.75)
<b>As at March 31, 2021</b>	1,035.90	-	1,237.20	2,273.10
Profit/(Loss) for the year	-	-	(914.60)	(914.60)
Other comprehensive income/(Loss)	-	-	6.15	6.15
Lease adjustment	-	-	6.37	6.37
<b>Total comprehensive income for the year</b>	-	-	(902.09)	(902.09)
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Tax impact of Ind AS 116	-	-	-	-
<b>As at March 31, 2022</b>	1,035.90	-	335.11	1,371.01

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

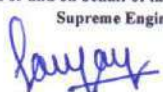
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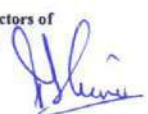
As per our report of even date attached


For S. R. Dhariwal & Co.  
Chartered Accountants  
Firm Reg. No. 102466W

CA Niral Saboo  
Proprietor  
M. No. 158054

For and on behalf of the Board of Directors of  
Supreme Engineering Limited

  
Sanjay Chowdhri  
Chairman and Managing Director  
DIN No. : 00095990

  
Abhinav Chowdhri  
Executive Director  
DIN No. : 07121484

  
Pranav Chowdhri  
Chief Executive Officer

Krupali Thakkar  
CS & Compliance Officer

Amol Dhuldhule  
Chief Financial Officer

Place : Mumbai  
Date: 07th June 2022

Place : Mumbai  
Date: 07th June 2022





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

4. PROPERTY, PLANT AND EQUIPMENT									
Particulars	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computer	Lease Asset	(Amount in INR Lakhs)	
GROSS CARRYING VALUE									
As at March 31, 2020	215.59	122.81	1,780.88	0.97	4.19	0.59	243.67	2,368.69	
Additions			3.83			-		3.83	
Disposals/Adjustments during the year								-	
As at March 31, 2021	215.59	122.81	1,784.71	0.97	4.19	0.59	243.67	2,372.52	
Additions			11.43	0.35		1.23	282.95	295.95	
Disposals/Adjustments during the year									
As at March 31, 2022	215.59	122.81	1,796.14	1.32	4.19	1.82	526.61	2,668.47	
ACCUMULATED DEPRECIATION/IMPAIRMENT									
As at March 31, 2020	0.16	12.62	149.17	0.26	1.32	0.15	94.37	258.05	
Depreciation for the year	0.16	11.30	134.67	0.19	0.90	0.28	94.11	241.62	
Deductions/Adjustments during the year								-	
As at March 31, 2021	0.32	23.92	283.84	0.46	2.22	0.42	188.49	499.67	
Depreciation for the year		10.12	124.81	0.21	0.62	0.22	93.94	229.91	
Deductions/Adjustments during the year			0.03	(0.03)					
As at March 31, 2022	0.32	34.04	408.68	0.63	2.84	0.64	282.43	729.58	
Net Carrying value as at March 31, 2022	215.27	88.77	1,387.45	0.69	1.35	1.18	244.19	1,938.89	
Net Carrying value as at March 31, 2021	215.27	98.89	1,500.87	0.51	1.97	0.16	55.18	1,872.85	

Notes:

i. Property, Plant and Equipment pledged as security against borrowings by the company  
Refer to Note 38 for information on property, plant and equipment pledged as security by the company.

ii. Impairment Loss

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS 36 Impairment of Assets.



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**5. INVESTMENT PROPERTIES**

(Amount in INR Lakhs)			
Particulars	Land	Buildings	Total
<b>GROSS CARRYING VALUE</b>			
As at March 31, 2020	77.48	639.53	717.01
Additions			
Deletions		(59.08)	(59.08)
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments	(28.99)	28.99	
As at March 31, 2021	48.49	609.44	657.93
Additions			
Deletions			
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments			
As at March 31, 2022	48.49	609.44	657.93
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>			
As at March 31, 2020	-	(12.15)	(12.15)
Additions		(11.62)	(11.62)
Impairment			
As at March 31, 2021	-	(23.77)	(23.77)
Additions		(11.67)	(11.67)
Impairment			
As at March 31, 2022	-	(35.44)	(35.44)
Net Carrying value as at March 31, 2022	48.49	574.00	622.49
Net Carrying value as at March 31, 2021	48.49	585.67	634.16

Notes :

**i. Amount recognised in the statement of profit and loss for investment properties**

Particulars	March 31, 2022	March 31, 2021
Profit/(Loss) from investment properties before depreciation	-	-
Depreciation	11.67	11.62
Profit/(Loss) from investment properties	(11.67)	(11.62)

**ii. Leasing Arrangements**

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum Lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(Amount in INR Lakhs)		
Particulars	March 31, 2022	March 31, 2021
Within one year	XXX	XXX
Later than one year but not later than 5 years	XXX	XXX
Later than 5 years	XXX	XXX

Refer to Note 31 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****ii. Fair Value**

Reconciliation of Fair Value:		(Amount in INR Lakhs)
Particulars	March 31, 2022	March 31, 2021
Opening Balance as at April 1	1,293.00	1,398.00
Fair Value Difference	-	(105.00)
Closing balance as at March 31	1,293.00	1,293.00

**Description of Valuation techniques used and key Inputs to valuation on Investment Properties**

The Valuation of this property is done by using Sales Comparison Method of Market Approach using composite rate of said assets.

This method is applicable to all properties which are capable of being bought and sold in the market. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is the preferred approach when sales data are available.

Sales prices of comparable properties are usually considered the best evidence of Market Value of the property being valued. Sales Comparison Method models the behaviour of the market by comparing the property being appraised with similar properties that have recently been sold or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc.

Their sale prices are then adjusted for their difference from the subject property. Finally, a Fair Value for the subject property is estimated from the adjusted sales price of the comparable properties.

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.



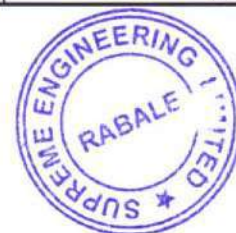


**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

**6. FINANCIAL ASSETS**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>(A) INVESTMENTS</b>		
<b>Non Current</b>		
<b>(1) Investments carried at fair value through Profit and Loss</b>		
<b>Unquoted</b>		
<b>(a) Investments in Equity Instruments</b>		
4000 Equity shares of Bharat Sahakari Bank Ltd Rs.25 each fully paid	1.00	1.00
(March 31, 2020: 4000 shares ,March 31, 2019: 4000 shares)		
	1.00	1.00
<b>Total</b>	<b>1.00</b>	<b>1.00</b>
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	1.00	1.00
Aggregate amount of impairment in the value of investments	-	-
Investments carried at fair value through profit and loss	1.00	1.00
Investments carried at amortised cost	-	-
<b>(B) LOANS</b>		
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Other loans and advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>(C) OTHER FINANCIAL ASSETS</b>		
<b>Non Current</b>		
<b>Financial assets carried at amortised cost</b>		
Security Deposits	31.21	31.28
<b>Total</b>	<b>31.21</b>	<b>31.28</b>
<b>Current</b>		
<b>(i) Financial assets carried at amortised cost</b>		
Interest Accrued	2.96	2.66
Other financial assets	(0.01)	74.27
<b>Total</b>	<b>2.95</b>	<b>76.93</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

<b>7. INVENTORIES</b>		
<b>(Amount in INR Lakhs)</b>		
<b>Particulars</b>	<b>As at 31 Mar 2022</b>	<b>As at 31 Mar 2021</b>
Raw materials and components (Valued at lower of Cost and Net Realisable value)	7,424.57	7,404.73
Work-in-progress (Valued at cost)	2,491.77	2,554.59
Finished goods	1,073.09	661.61
Stores & Spares	-	-
<b>Total</b>	<b>10,989.43</b>	<b>10,620.93</b>

<b>8. TRADE RECEIVABLES</b>		
<b>Particulars</b>	<b>As at 31 Mar 2022</b>	<b>As at 31 Mar 2021</b>
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Trade Receivables	2,113.62	7,132.75
	<b>2,113.62</b>	<b>7,132.75</b>
<b>Breakup of Security details</b>		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	2,113.62	7,132.75
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	1,058.91	397.90
	<b>3,172.52</b>	<b>7,530.65</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	(1,058.91)	(397.90)
	<b>(1,058.91)</b>	<b>(397.90)</b>
<b>Total</b>	<b>2,113.62</b>	<b>7,132.75</b>

For Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person, please refer Note 32.

For Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member, please refer Note 32.

<b>9. CASH AND CASH EQUIVALENTS</b>		
<b>Particulars</b>	<b>As at 31 Mar 2022</b>	<b>As at 31 Mar 2021</b>
Balances with banks on current accounts	132.71	15.05
- Deposits with original maturity of less than three months	26.24	483.46
Cash on hand	32.55	42.53
	<b>191.50</b>	<b>541.04</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****10. OTHER ASSETS**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Non Current</b>		
Capital Advances	-	-
<b>Advances other than Capital advances</b>		
- Security Deposits	-	-
- Advances to Related Parties	-	-
- Advances to Supplier	-	-
- Mobilisation Advance	-	-
- Other Advances	-	-
Advances to Directors or other Officers of the Company	-	-
<b>Others</b>		
- Prepaid expenses	-	-
Payment of Taxes (Net of Provisions)	-	-
- MAT Credit entitlement	-	-
Balances with Statutory, Government Authorities	-	-
Gratuity Fund	-	-
Other non current assets	2.32	2.32
<b>Total</b>	<b>2.32</b>	<b>2.32</b>
<b>Current</b>		
<b>Contract Assets</b>		
- Unbilled Revenue	-	-
- Retention Money	-	-
<b>Advances other than Capital advances</b>		
- Security Deposits	-	-
- Advances to Related Parties	7.23	-
- Mobilisation and machinery advances	-	-
- Machinery Advance	-	-
- Advances to Supplier	132.14	103.23
- Other Advances	-	-
Advances to Officers of the Company	31.45	28.68
Loan to Related Party	-	-
Loan to Others	-	-
<b>Others</b>		
- Prepaid expenses	53.68	73.32
- Balances with Statutory and Government Authorities	76.21	139.31
- Other Current Assets	26.84	-
- Advance Tax & TDS	29.08	10.30
<b>Total</b>	<b>356.62</b>	<b>354.83</b>





**11. INCOME TAX****Deferred Tax**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Deferred tax relates to the following:</b>		
Timing differences in the carrying amount of property, plant and equipment	168.33	166.12
Other temporary differences- Gratuity & Leave Encashment	(15.21)	(13.60)
Provision for Doubtful Debt	(308.35)	(115.87)
Lease Obligation Net	1.44	(1.84)
Deferred Borrowing Cost	1.39	2.70
MAT credit entitlement	(34.90)	(37.09)
<b>Net Deferred Tax (Assets) / Liabilities</b>	<b>(187.31)</b>	<b>0.42</b>

**Movement in deferred tax liabilities**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance as of April 1	0.42	17.57
Tax (income)/expense during the year recognised in profit or loss	(192.87)	(17.43)
Tax (income)/expense during the year recognised in OCI	2.52	0.29
Tax (income)/expense during the year recognised in Retain Earning	2.62	-
Other Adjustments	-	-
<b>Closing balance as at March 31</b>	<b>(187.31)</b>	<b>0.42</b>

**Unrecognised deferred tax assets**

	As at 31 Mar 2022	As at 31 Mar 2021
Unrecognised tax losses	395.01	395.01

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Tax losses which arose in India of INR 395.01 (Previous year INR Nil) that are available for offsetting for eight years against future taxable profits of the company. The tax losses have lapsed since the co. has not file return of income since financial year 2018-2019

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company

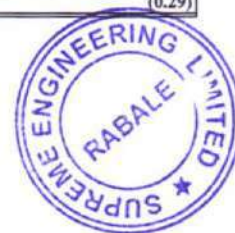
Major Components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are as follows:

**i. Income tax recognised in profit or loss**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current income tax charge	-	-
Short / (Excess) Provision for Earlier Years	-	-
MAT Tax / (MAT Credit)	-	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(192.87)	(17.44)
<b>Income tax expense recognised in profit or loss</b>	<b>(192.87)</b>	<b>(17.44)</b>

**ii. Income tax recognised in OCI**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Net loss/(gain) on remeasurements of defined benefit plans	(2.52)	(0.29)
<b>Income tax expense recognised in OCI</b>	<b>(2.52)</b>	<b>(0.29)</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2022 and March 31, 2021

(Amount in INR Lakhs)

Particulars	For the Year ended	
	31-Mar-22	31-Mar-21
Profit/(Loss) before tax	(1,107.48)	(312.88)
Enacted tax rate in India	29.12%	28.88%
Income tax on accounting profits	-	-
<b>Tax Effect of</b>		
Expenses not allowable or considered separately under Income Tax	-	-
Expenses allowable	-	-
Recognition of deferred tax relating to origination and reversal of temporary differences	(192.87)	(17.44)
Short / (Excess) Provision for Earlier Years	-	-
Other adjustments	-	-
<b>Tax at effective income tax rate</b>	<b>(192.87)</b>	<b>(17.44)</b>





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

**12. SHARE CAPITAL**

**Authorised Equity Share Capital**

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
<b>Authorised:</b>				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,51,00,000	2,510.00	2,51,00,000	2,510.00
<b>Issued:</b>				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,49,95,000	2,499.50	2,49,95,000	2,499.50
<b>Subscribed and paid-up:</b>				
Equity shares of INR 10 each (March 31, 2020 INR 10 each)	2,49,95,000	2,499.50	2,49,95,000	2,499.50

**(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:**

Authorised share capital	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	2,51,00,000.00	2,510.00	2,51,00,000.00	2,510.00
Add/(Less) : changes during the year	-	-	-	-
Balance at the end of the year	2,51,00,000.00	2,510.00	2,51,00,000.00	2,510.00

Issued,Subscribed and Paid up share capital	As at 31 Mar 2022		As at 31 Mar 2021	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	2,49,95,000.00	2,499.50	2,49,95,000.00	2,499.50
Add : Shares issued during the year				
Less: shares bought back				
Balance at the end of the year	2,49,95,000.00	2,499.50	2,49,95,000.00	2,499.50

(b) The company has only one class of shares referred to as Equity shares having a face value of INR 10 each (March 31, 2020: INR 10 each). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

(c) The company has not issued any bonus shares during the last five years immediately preceeding the balance sheet date.

(d) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(e) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31 Mar 2022		As at 31 Mar 2021	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Sanjay Ratan Chowdhri	66,59,500	26.64%	66,59,500	26.64%
Sanjay Ratan Chowdhri (HUF)	57,58,561	23.04%	64,40,000	25.77%
Lalita Sanjay Chowdhri	17,12,000	6.85%	17,12,000	6.85%

(f) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

**13. OTHER EQUITY**

**i. Reserves and Surplus**

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Securities Premium Reserve	1,035.90	1,035.90
General Reserve	-	-
Retained Earnings	335.11	1,237.20
	<b>1,371.01</b>	<b>2,273.10</b>

**(a) Securities Premium Reserve**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	1,035.90	1,035.90
Add/(Less): changes during the year	-	-
<b>Closing balance</b>	<b>1,035.90</b>	<b>1,035.90</b>

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

**(b) General Reserve**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	-	-
Add/(Less): changes during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**(c) Retained Earnings**

(Amount in INR Lakhs)

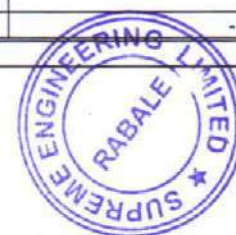
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Opening balance	1,237.20	1,531.95
Net Profit/(Loss) for the year	(908.46)	(294.75)
Add/(Less):		
Lease Adjustment net of taxes	6.36	-
Dividend distribution tax (DDT)	-	-
<b>Closing balance</b>	<b>335.11</b>	<b>1,237.20</b>

**14. DISTRIBUTION MADE AND PROPOSED**

**Cash dividends**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Cash dividends on Equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2022: INR Nil per share (March 31 2021: INR Nil per share)	-	-
DDT on final dividend	-	-
	<b>-</b>	<b>-</b>
<b>Proposed dividends on Equity Shares:</b>		
Final dividend for the year ended on March 31, 2022: INR Nil per share (March 31, 2021: INR Nil per share)	-	-
DDT on proposed dividend	-	-
	<b>-</b>	<b>-</b>



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

**15. BORROWINGS**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Non Current Borrowings</b>		
<b>Secured</b>		
Term Loan from Bank	1,154.43	1,160.84
Inter-Corporate Loan against Property	287.30	262.80
<b>Unsecured</b>		
From Related Parties	1,008.53	1,034.99
From Others	95.74	95.74
(A)	<b>2,546.00</b>	<b>2,554.38</b>
<b>Current Maturity of Non Current Borrowings</b>		
(a) Term Loans	404.05	415.42
(B)	<b>404.05</b>	<b>415.42</b>
<b>Total (A)-(B)</b>	<b>2,141.95</b>	<b>2,138.96</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
(a) Cash Credit Facility with bank	7,545.28	5,006.24
(b) Bill Payables	-	2,951.23
(h) Others	-	-
<b>Unsecured</b>		
(a) Loans from Banks	4.61	39.70
<b>Total</b>	<b>7,549.89</b>	<b>7,997.17</b>

Nature of Security	Terms of Repayment
Cash credit limits from Bank of India is secured by hypothecation of Stock and Book Debts	On Demand
Term Loan from Bank of India is secured by Hypothecation of Plant and Machinery	Repayable in 54 monthly installments of Commencing from April 2014
Cash credit limits from Thane Bharat Sahkari Bank Ltd. is secured by hypothecation of Stock and Book Debts	On Demand
Property Loan from Total Holding and Finvest Pvt Ltd is secured against residential flats constructed by the company at Khopoli.	The Loan is repayable within 12 months from the date of loan agreement (28th Jan 2019) or such other date as may be mutually agreed between the parties. Interest on the same is will be charged at the rate of 21% p.a.





**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022****16. OTHER FINANCIAL LIABILITIES**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Current</b>		
Financial Liabilities at amortised cost		
Current maturities of long term debts	404.05	415.42
Outstanding Expenses Payable	503.80	528.62
Unpaid dividend	0.18	0.18
<b>Others</b>		
Employee Dues	32.36	-
Other Payables	39.02	33.51
<b>Total</b>	<b>979.42</b>	<b>977.73</b>

**17. TRADE PAYABLES**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Current</b>		
Trade Payables to Micro, Small and Medium Enterprises	5.00	120.65
Trade Payables to Related Parties	-	-
Trade Payables to Others	826.89	4,325.18
<b>Total</b>	<b>831.89</b>	<b>4,445.82</b>

**Notes:**

For Trade payable to directors or other officers of the company either severally or jointly with any other person, please refer Note 32.

For Trade payable to firms or private companies respectively in which any director is a partner, a director or a member, please refer Note 32.

**18. OTHER LIABILITIES**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Current</b>		
Advances from customers	350.51	376.62
Statutory Liabilities	83.62	106.88
Capital Advances	-	-
<b>Total</b>	<b>434.13</b>	<b>483.49</b>

**19. PROVISIONS**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Non Current</b>		
Provision for employee benefits - Gratuity	26.24	26.29
<b>Total</b>	<b>26.24</b>	<b>26.29</b>
<b>Current</b>		
Provision for employee benefits - Gratuity	20.80	20.80
Provision for employee benefits - Leave Encashment	-	-
<b>Total</b>	<b>20.80</b>	<b>20.80</b>



20. CURRENT TAX LIABILITY(NET)		
(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Current tax liability	343.28	310.68
Add: Current tax payable for the year	-	32.61
Less: Taxes paid	-	
<b>Closing Balance</b>	<b>343.28</b>	<b>343.28</b>

21. REVENUE FROM OPERATIONS		
(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
<b>Sale of Product</b>		
Sale of Finished Goods	7,090.10	6,875.99
<b>Sale of services</b>		
-Job Work Charges	187.69	123.09
	<b>7,277.79</b>	<b>6,999.08</b>

Note: For disaggregated revenue information, Please refer Note 40



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**

**22. OTHER INCOME**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Interest income on		
Bank fixed deposits	3.86	20.93
Deposit with MSEB	0.89	0.50
<b>Other Non Operating Income</b>		
Discount received (Net)	-	-
Miscellaneous Income	0.08	-
Profit on sale of Flat	-	191.83
Foreign Exchange Gain	1.99	14.54
Export Benefits (MEIS & Drawback) Received	-	0.76
VAT Refund FY 2016-2017	9.77	-
Dividend Received from TBSB Ltd	0.00	-
Sundry balance Written off	65.19	72.23
	<b>81.77</b>	<b>300.78</b>

**23. COST OF MATERIALS CONSUMED**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Stock as at beginning of the year	7,404.73	5,153.84
Add: Purchases	6,760.48	5,786.83
Less : Stock as at end of the year	(7,424.57)	(7,404.73)
<b>Total I</b>	<b>6,740.64</b>	<b>3,535.94</b>
<b>Direct / Operating Expenses</b>		
Job work Charges and Labour charges	97.48	79.57
Repairs & Maintenance	10.06	8.14
Transport & Octroi Charges	16.02	26.10
Consumables - Diesel & Others	9.33	18.55
Water Charges	2.44	3.50
Electricity Charges	230.58	223.16
Factory License Fee	1.40	0.71
Testing & Inspection charges	10.74	0.21
Agency Charges (Import/Export)	7.68	6.54
Clearing & Forwarding Expenses	46.29	11.70
Pollution Control Fee	0.47	1.99
Discount	2.89	6.06
Other Expenses	-	16.62
Packing & Forwarding Expenses	1.31	0.05
<b>Total II</b>	<b>436.69</b>	<b>402.90</b>
<b>Total I + II</b>	<b>7,177.33</b>	<b>3,938.85</b>

**24. CHANGES IN STOCK OF FINISHED GOODS, WORK IN PROGRESS**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
<b>Inventories as at the beginning of the year</b>		
Work - in - progress	2,554.59	2,807.66
Finished Goods	661.61	2,310.45
<b>Less : Inventories as at the end of the year</b>		
Work - in - progress	(2,491.77)	(2,554.59)
Finished Goods	(1,073.09)	(661.61)
<b>Net decrease / (increase) in inventories</b>	<b>(348.66)</b>	<b>1,901.91</b>

**25. EMPLOYEE BENEFITS EXPENSE**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Salaries and Incentives	125.62	118.52
Contribution to PF, ESIC & others	5.31	6.66
Gratuity	8.88	8.98
Staff Welfare Expenses	6.02	8.98
Director Remuneration	38.40	37.60
	<b>184.23</b>	<b>180.74</b>





**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****26. FINANCE COST**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Interest expense on debts and borrowings	352.31	862.59
Finance and Other Charges	21.59	47.96
Interest expense on Statutory Dues	3.23	15.89
Bill Discounting charges	14.61	5.28
Interest Others	-	0.18
Inland LC Amendment charges & Issue charges	0.63	45.11
	<b>392.36</b>	<b>977.02</b>

**27. DEPRECIATION EXPENSE**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Depreciation on tangible assets	135.97	147.51
Depreciation on Investment Properties	11.67	11.62
Depreciation on ROU	93.94	94.11
	<b>241.58</b>	<b>253.24</b>

**28. OTHER EXPENSES**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Audit Fees	10.94	6.00
Brokerage & Commission Paid	3.48	18.88
CSR Expenses	-	14.62
Director Sitting Fee	0.60	1.79
Entertainment Expenses	0.14	-
Insurance Charges	1.27	1.36
Late Delivery Charges	0.97	2.79
Late Fee of GST	0.05	0.39
Vehical Maintenance Expenses	2.16	-
Misc. Expenses	3.23	23.20
Postage & Courier	0.54	0.49
Printing & Stationery	1.19	0.27
Professional and Legal Fees	69.70	54.96
General Expense	5.74	-
Allowance for doubtful debts and advances	661.01	100.59
Rates & Taxes	1.56	32.33
Repairs & Maintenance	15.47	13.67
Membership and Subscription Fees	-	0.42
Sales Promotion expenses	0.55	1.19
Security charges	4.72	6.54
Stamping charges	0.46	-
Listing Fees	6.65	-
Telephone and internet Expenses	1.73	3.14
Travelling Expenses	24.71	31.95
Factory Renewal Charges	0.45	-
Valuation Expense	0.80	-
Hiring Charges	2.09	-
<b>Total</b>	<b>820.20</b>	<b>314.58</b>



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

**Corporate Information**

These statements comprise financial statements of Supreme Engineering Limited (CIN: L99999MH1987PLC043205) ('the company') for the year ended March 31, 2022. The company is a public company domiciled in India and is incorporated on 21/04/1987 under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange in India. The registered office of the company is located at R.223, MIDC Complex, Thane, Belapur Road, Rabale, Navi Mumbai- 400701.

The Company is engaged in the business of manufacturing of steel products and heavy engineering.

The Financial Statements of the Company for the year ended March 31, 2022 were authorised for issue by the Board of Directors on 7th June 2022.

**1 Significant Accounting Policies**

**1.1 Basis of preparation**

**(a) Compliance with Ind AS:**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016 (Ind AS). The Financial Statements comply in all material respects with Ind AS. The Company's first Ind AS Financial Statements and Ind AS 101, 'First-time Adoption of Indian Accounting Standards' has been applied for Financial Year ended 31 March 2021. The policies set out below have been consistently applied during the years presented.

These Financial Statements for the year ended 31 March 2022 are Financial Statements of the Company prepared in accordance with Ind AS. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

**(b) Historical cost convention**

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a. certain financial assets and liabilities that are measured at fair value;
- b. defined benefit plans - plan assets measured at fair value;

The Financial Statements are presented in Indian Rupees ('INR') which is the functional and presentational currency and all values are rounded to the nearest Lakh, except otherwise indicated.

**Summary of significant accounting policies**

**1.2 Property, plant and equipment:**

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Company follows cost model for subsequent measurement for all classes and items of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Profit or Loss.





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they meet the definition of property, plant and equipment.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation on Tangible Fixed Assets is provided on Written Down Value (WDV) on the basis of useful life of assets specified in Part C of Schedule II of the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the day of addition / deletion.

Gains and losses on disposals are determined by comparing the proceeds with the carrying method.

The residual values are not more than 5% of the original cost of the asset, wherever applicable.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there-in are considered as change in estimate and accounted prospectively.

**Depreciation and useful life**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**Derecognition**

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

**1.3 Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property.

Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated impairment losses.

Investment properties are subsequently measured at cost less depreciation. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 35-50 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**1.4 Impairment of fixed assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

**1.5 Inventories:**

Inventories are carried in the balance sheet as follows:

**(i) Raw materials, components, stores and spares :**

Raw materials, components, stores and spares are valued at lower of cost or net realisable value. Cost is determined on a FIFO basis.

**(ii) Work-in-progress and Finished goods:**

Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Fixed overheads are allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to the individual items in a group of inventories on the basis of First in first out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

#### **1.6 Statement of Cash Flows:**

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

#### **(i) Cash and cash equivalents:**

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

#### **1.7 Foreign currency transactions:**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### **1.8 Revenue recognition:**

##### **(i) Sale of goods**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenues on sale of products, net of Revenue from sales is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell / consume the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract or the acceptance provisions have lapsed.

##### **(ii) Accounting for Claims**

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received.

##### **(iii) Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding using the effective interest rate method.

##### **(iv) Dividend income**

Revenue is recognised when the company's right to receive the payment is established.

#### **1.9 Leases**

The company has applied Ind AS 116 using the modified retrospective approach. Ind AS 116 is applicable for annual reporting period beginning on or after 1 April 2019. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2020, with a transition date of 1st April, 2019. This lease ended as on 31st October 2021 and later again continued for further 3 years.

The company has applied Ind AS 116 using the further discounted cash flow approach. The company as renewed the lease for further 3 years. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2020, and renewed the lease from 1st November 2021 which ends on 31st October 2024.





## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022**

(i) **Company as a lessee:**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) **Short-term leases and leases of low-value assets Company as a lessee:**

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) **Company as a lessor:**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### **1.10 Employee Benefits**

(i) **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(ii) **Post-Employment Benefits**

The company operates the following post-employment schemes:

- (i) defined benefit plans and
- (ii) defined contribution plans

**Defined benefit plans - Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.



## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Defined contribution plans - Provident fund**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **1.11 Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs. The company has not provided for accrued interest, charges, penalty or any other charges from the date of becoming classified as Non Performing Assets and the impact of the same on the financial result and statement remain unaccounted for.

#### **1.12 Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue, share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.13 Taxes on Income:**

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

##### **(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI (Other Comprehensive Income) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **(ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- Taxable temporary differences arising on the initial recognition of goodwill.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss





## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

#### **1.14 Provisions, Contingent liabilities, Contingent assets and Commitments:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

Contingent liability is disclosed in the case of:

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

#### **1.15 Current and Non-current Classification:**

The Company's presents assets and liabilities in the balance sheet are based on current/non-current classification.

An asset as current when it is:

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

- 10% Recovery account is created by bank to recover the borrowings which have become NPA in this financial year. The bank as a process to recover the outstanding dues, debits an amount of 10% of the credit received in the bank account of the company

All other assets are classified as non-current.

A liability is current when:

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

Deferred tax assets / liabilities are classified as non-current.

All other liabilities are classified as non-current.



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022**

**1.16 Fair Value Measurement:**

The Company measures financial instruments of certain investments 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, maximizing the use of relevant observable inputs and minimizing 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 balance sheet 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.

**1.17 Financial instruments**

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.

**(i) Financial assets:**

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

**Subsequent measurement**

After initial recognition, financial assets (other than investments in subsidiaries and joint ventures) are measured either at:

- i) fair value (either through other comprehensive income or through profit or loss) or,
- ii) amortized cost

**Measured at amortized cost:**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

**Measured at fair value through other comprehensive income (FVOCI):**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) net of taxes.

Interest income measured using the EIR method and impairment losses, if any are recognized in Profit and Loss.

In case of investment in equity instruments classified as the FVOCI, the gains or losses on de-recognition are re-classified to retained earnings.

In case of Investments in debt instruments classified as the FVOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

**Measured at fair value through profit or loss (FVTPL):**

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

The Company measures all its investments in equity (other than investments in subsidiaries and joint ventures) and mutual funds at FVTPL.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognized in Profit and Loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are recognised in Profit and Loss.

**Impairment of financial assets:**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost, FVTPL and FVOCI and debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivable only, the Company applies the simplified approach permitted by Ind AS - 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

**1.18 Financial liabilities**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Initial recognition and measurement**

**Subsequent measurement**

Financial liabilities other than those measured at fair value through profit and loss are subsequently measured at amortized cost using the effective interest rate method. The Company measures all debt instruments at amortised.

Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in Profit and Loss.

**De-recognition.**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**Offsetting financial instruments:**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**1.19 Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31,2022**

**2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

**Judgements, Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**2.1 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

**2.1 Estimation of Defined Benefit Obligations / Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**2.3 Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022**

**3B. EMPLOYEE BENEFIT OBLIGATIONS**

Particulars	(Amount in INR Lakhs)			
	31/03/2022		31/03/2021	
	Current	Non Current	Current	Non Current
Long term obligations				
Share appreciation rights (Refer Note 7C)				
Provisions				
Gratuity	20.80	27.80	20.80	27.74
Defined pension benefits				
Employee Benefit Obligation	20.80	27.80	20.80	27.74
Plan Assets				
Gratuity	-	1.54	-	1.45
Employee Benefit Plan Assets	-	1.54	-	1.45

**Post Employment obligations**

**a) Defined benefit plan - Gratuity**

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintain a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

Particulars	(Amount in INR Lakhs)		
	Present value of obligation	Fair value of plan assets	Net Obligation/(Asset)
As at March 31, 2020	46.45	-1.25	39.89
Current service cost	6.32	-	6.32
Past service cost	-	-	-
Interest expense/(income)	2.75	-0.09	2.66
Adjustment to opening Fair Value of Plan Assets	-	-	-
Total amount recognised in profit or loss	9.07	-0.09	8.98
Actuarial (gain)/loss	-	-	-
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (gain)/loss	-0.98	0.00	-0.98
Total amount recognised in other comprehensive income	-0.98	0.00	-0.98
Employer contributions	-	-	-
Benefit payments	-	-	-
As at March 31, 2021	48.54	-1.45	47.89
Current service cost	5.68	-	5.68
Past service cost	-	-	-
Interest expense/(income)	3.30	-0.10	3.20
Adjustment to opening Fair Value of Plan Assets	-	-	-
Total amount recognised in profit or loss	8.98	-0.10	8.88
Actuarial (gain)/loss	-	-	-
Return of plan assets, excluding amount included in interest (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (gain)/loss	-0.68	0.00	-0.67
Total amount recognised in other comprehensive income	-0.68	0.00	-0.67
Employer contributions	-	-	-
Benefit payments	-0.25	-	-0.25
As at March 31, 2022	48.60	-1.54	47.95

The major categories of plan assets of the fair value of the total plan assets are as follows

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Equity Instruments		
Index 1		
Index 2		
Index 3		
Debt Instruments		
Government Bonds		
Corporate Bonds		
Asset backed securities		
Real estate investment trusts		
Mortgage backed securities		
Investment funds		
Mutual funds		
Derivatives		
Interest rate swaps		
Equity futures		
Gratuity Fund	(1.54)	(1.45)



The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021
Mortality	Indian Annuity Table Mortality (2012-14) EB	Indian Annuity Table Mortality (2012-14) EB
Discount rate	6.80%	6.80%
Rate of increase in compensation	7.00%	7.00%
Expected average remaining service (Years)	10.43	11.55
Employee Attrition Rate (Post Service (PS))	5.00%	5.00%
Expected return on plan assets		
Salary growth rate		
Life expectancy for		
Male		
Female		

A quantitative sensitivity analysis for significant assumption is shown below:

Particulars	Discount rate		Salary Escalation Rate	
	1% increase	1% decrease	1% increase	1% decrease
March 31, 2021				
Impact on defined benefit obligation	45.91	51.78	51.74	45.89
% Impact	54.48%	106.67%	106.47%	54.15%
March 31, 2022				
Impact on defined benefit obligation	45.73	51.87	51.83	45.71
% Impact	54.26%	128.23%	106.77%	113.66%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	(Amount in '000 Lakhs)	
	March 31, 2022	March 31, 2021
First Year	2.22	22.19
Second Year	0.89	0.89
Third Year	0.86	0.98
Fourth Year	7.67	0.85
Fifth Year	2.84	8.12
Sixth to Tenth Year	6.80	15.34
Total expected payments	21.57	49.17

b) Defined pension benefits

Disclosures would be same as given for Gratuity

b) Defined contribution plans - Provident fund

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 9.85 (March 31, 2020: INR 6.86)



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2022**

**31. COMMITMENTS AND CONTINGENCIES**

Particulars	March 31, 2022	March 31, 2021
<b>(Amount in INR Lakhs)</b>		
<b>a) Capital Commitments Towards</b>		
(i) Property, plant and equipment contracts remaining to be executed on capital account not provided for (net of advances)	-	-
(ii) Uncalled amount on investment in shares	-	-
(iii) Financial commitment to provide capital/ loan to subsidiary company	-	-
<b>a) Contingent liabilities</b>		
(i) Claims against the Company not acknowledged as debts	-	-
(i) Income Tax disputes	66.08	66.08
(ii) Indirect Tax disputes	1,007.98	995.88
(iii) Financial Guarantees	76.68	76.68





**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****32. RELATED PARTY TRANSACTIONS**

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

**Name of Related Party**

Key Managerial Personnel:	Nature of Relationship
Sanjay Chowdhri	Managing Director
Abhinav Chowdhri	Executive Director
Pranav Chowdhri	Chief Executive Officer
Krupali Thakkar	Compliance Officer
Rattan Prakash Chowdhri	Promoter
Amol Dhuldhule	Chief Financial Officer

Enterprises owned or significantly influenced by KMP:	Nature of Relationship	Country of Incorporation
Economic Forge Private Limited	Associate Concern	India
ASC Engineers Private Limited	Associate Concern	India
Spare Industries	Associate Concern	India
LSC Enterprises Pvt. Ltd.	Associate Concern	India

## (ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Lakhs)

Nature of Relationship	Nature of Transaction	2021-22	2020-21
Key Managerial Personnel	Managerial Remuneration	38.40	84.00
	Salary	11.58	28.09
	Rent	101.78	108.00
	Loan Received	82.38	0.80
	Loan Paid	123.37	27.35
	Commission	-	-
	Advance to staff	-	3.00
Enterprises owned or significantly influenced by KMP	Sale of Goods/ Jobwork	170.41	203.23
	Purchase of Goods/ Jobwork	3.10	153.11
	Trade Advance Paid	0.30	
	Advance received from Customers	21.70	191.65
	Advance repaid Customers	27.94	265.11



## (iii) Amount due to related parties

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
<b>Loan Taken</b>		
Key Managerial Personnel	999.05	1,052.41
<b>Trade Receivable</b>		
Enterprises owned or significantly influenced by KMP	16.60	16.60
<b>Trade Payable</b>		
Enterprises owned or significantly influenced by KMP	5.13	2.02
<b>Trade Advance paid</b>		
Enterprises owned or significantly influenced by KMP	(7.23)	23.30
<b>Advance from Customers</b>		
Enterprises owned or significantly influenced by KMP	14.38	444.05
<b>Commission Payable</b>		
Key Managerial Personnel		
<b>Rent Payable</b>		
Key Managerial Personnel	136.41	145.90
<b>Advance to staff</b>		
Key Managerial Personnel	-	8.74
<b>Salary/Remuneration Payable</b>		
Key Managerial Personnel	0.77	76.10

## (iv) Key management personnel compensation

(Amount in INR Lakhs)

Particulars	March 31, 2022	March 31, 2021
Post-employment benefits*	-	-
	-	-

\* The amount of post employment benefit are not available separately in the actural's report. Composite amount is disclosed in Note No. 30

## (v) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs by cash flows. There have been no guarantees provided or received for any related party receivables and payables. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

**33. SEGMENT REPORTING**

The company's operations predominantly consist of manufacturing of steel products and heavy engineering activities. Hence there are no reportable segments under Ind AS - 108 "Operating Segment" during the year under report, the company has engaged in its business only within India and not in any other country. The condition prevailing in India being uniform, no separate geographical disclosures are considered necessary.



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

**34. FAIR VALUE MEASUREMENTS**

**i. Financial Instruments by Category**

Particulars	Carrying Amount				Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
<b>FINANCIAL ASSETS</b>						
Amortised cost						
Trade Receivables	2,113.63	7,132.75	5,982.42	2,113.63	7,132.75	5,982.42
Loans	-	-	-	-	-	-
Cash and Cash Equivalents	191.50	541.04	544.95	191.50	541.04	544.95
Other Financial Assets	34.16	108.21	83.59	34.16	108.21	83.59
FVTPL						
Investment in Equity Instruments	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2,340.29</b>	<b>7,782.99</b>	<b>6,611.95</b>	<b>2,340.29</b>	<b>7,782.99</b>	<b>6,611.95</b>
<b>FINANCIAL LIABILITIES</b>						
Amortised cost						
Borrowings	9,691.84	10,136.13	10,136.13	9,691.84	9,691.84	10,136.13
Trade Payables	831.89	4,445.82	4,445.82	831.89	831.89	4,445.82
Lease Liability	239.25	61.51	61.51	239.25	61.51	61.51
Other financial liabilities	979.42	977.73	977.73	979.42	977.73	977.73
<b>Total</b>	<b>11,742.40</b>	<b>15,621.20</b>	<b>15,621.20</b>	<b>11,742.40</b>	<b>11,562.97</b>	<b>15,621.20</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 34. FAIR VALUE MEASUREMENTS

#### ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

#### Assets and liabilities measured at fair value - recurring fair value measurement:

Particulars	March 31, 2022				March 31, 2021			
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Financial Assets</b>				-				-
Financial Investments at FVTPL			1.00	-				-
Unquoted equity shares			1.00	1.00			1.00	1.00
<b>Total Assets</b>	-	-	1.00	1.00	-	-	1.00	1.00
<b>Financial Liabilities</b>				2,141.95				2,138.96
Borrowings				2,141.95				2,138.96
Lease liabilities				-				-
<b>Total Financial Liabilities</b>	-	-	2,141.95	2,141.95	-	-	2,138.96	2,138.96

There have been no transfers among Level 1, Level 2 and Level 3 during the year

**Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

#### iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

#### iv. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the company's quarterly reporting periods.





**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****35. FINANCIAL RISK MANAGEMENT**

The company's activity expose it to market risk, liquidity risk and credit risk. The company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the company's management.

**(A) Credit risk**

Credit risk refers to the risk for a counter party default on its contractual obligation resulting a financial loss to the company. The maximum exposure of the financial assets represents trade receivables, work in progress and receivables.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**(B) Liquidity risk**

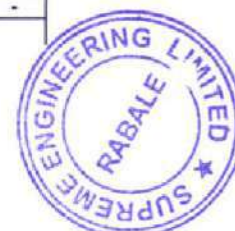
Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and longterm.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

**Maturities of financial liabilities**

The tables below provides details regarding the contractual maturities of significant financial liabilities :

Particulars	Carrying Amount	(Amount in INR Lakhs)			
		Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	> 5 Years
<b>March 31, 2022</b>					
<b>Financial Assets</b>					
Non Current Investments	1.00	1.00	-	1.00	
Trade Receivables	2,113.63	2,113.63	2,113.63		
Cash and Cash Equivalents	191.50	191.50	191.50		
Loans	-	-	-		
Other Financial Assets	34.16	34.16	2.95	31.21	
<b>Total Financial Assets</b>	<b>2,340.29</b>	<b>2,340.29</b>	<b>2,308.08</b>	<b>32.21</b>	<b>-</b>
<b>Financial Liabilities</b>					
Borrowings	10,095.89	10,095.89	2,546.00	7,549.89	
Trade payables	831.89	831.89	831.89		
Other financial liabilities	979.42	979.42	979.42		
<b>Total liabilities</b>	<b>11,907.20</b>	<b>11,907.20</b>	<b>4,357.31</b>	<b>7,549.89</b>	<b>-</b>



<b>March 31, 2021</b>					
<b>Financial Assets</b>					
Non Current Investments	1.00	1.00	-	1.00	
Trade Receivables	7,132.75	7,132.75	7,132.75		
Cash and Cash Equivalents	541.04	541.04	541.04		
Loans	-	-	-		
Other Financial Assets	108.21	108.21	76.93	31.28	
<b>Total Financial Assets</b>	<b>7,782.99</b>	<b>7,782.99</b>	<b>7,750.71</b>	<b>32.28</b>	<b>-</b>
<b>Financial Liabilities</b>					
Borrowings	10,551.55	10,551.55	2,554.38	7,997.17	
Trade payables	4,445.82	4,445.82	4,445.82		
Other financial liabilities	977.73	977.73	977.73		
<b>Total liabilities</b>	<b>15,975.10</b>	<b>15,975.10</b>	<b>7,977.93</b>	<b>7,997.17</b>	<b>-</b>

**(C) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

**(i) Foreign currency risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign receivables.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

**(a) Foreign currency risk exposure (Amount in INR Lakhs)**

<b>Particulars</b>	
<b>March 31, 2022</b>	
Trade Receivables	51.03
Advance	21.27
<b>Net exposure to foreign currency risk</b>	<b>72.30</b>
<b>March 31, 2021</b>	
Trade Receivables	45.49
Advance	34.88
<b>Net exposure to foreign currency risk</b>	<b>80.37</b>

**(b) Foreign currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit/(Loss) before tax:

<b>Particulars</b>	<b>2021-22</b>		<b>2020-21</b>	
	<b>1% Increase</b>	<b>1% Decrease</b>	<b>1% Increase</b>	<b>1% Decrease</b>
Foreign Currency	0.72	-0.72	0.80	-0.80
<b>Net Increase/(decrease) in profit or loss</b>	<b>0.72</b>	<b>-0.72</b>	<b>0.80</b>	<b>-0.80</b>

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.



**(a) Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Variable rate borrowings		
Working capital loan	7,549.89	7,997.17
Bank Facility		
Fixed rate borrowings	1,441.73	1,423.25
<b>Total borrowings</b>	<b>8,991.62</b>	<b>9,420.42</b>
<b>% of borrowings at variable rate</b>	<b>84%</b>	<b>85%</b>

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit before tax	
	March 31, 2022	March 31, 2021
Interest rates - increase by 25 basis points*	18.87	19.99
Interest rates - decrease by 25 basis points*	-18.87	-19.99
Interest rates - increase by 70 basis points*	52.85	52.85
Interest rates - decrease by 70 basis points *	52.85	55.98

\* holding all other variables constant

**(iii) Price risk**

**Commodity price risk** - The company is affected by the price volatility of certain commodities. Its operating activities require a continuous supply of Steel (goods-RM). Due to the significantly increased volatility of the price of the Steel (goods-RM), the company also entered into various purchase contracts for Steel (goods-RM) for which there is an active market.

The company's board of directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The company mitigates its commodity price risk by ordering as per the price fluctuations which is in the best interest of the company.





**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022****36. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 60% and 80%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other revenue reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and other bank balances.

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Borrowings	9,691.84	10,136.13
Trade payables	831.89	4,445.82
Other financial liabilities		
Less:		
Cash and cash equivalents	-191.50	(541.04)
Other bank balances		
<b>Net Debt</b>	<b>10,332.23</b>	<b>14,040.92</b>
Equity share capital	2,499.50	2,499.50
Other equity	1,371.01	2,273.10
<b>Total Capital</b>	<b>3,870.51</b>	<b>4,772.60</b>
<b>Capital and net debt</b>	<b>14,202.75</b>	<b>18,813.52</b>
<b>Gearing ratio</b>	<b>72.75%</b>	<b>74.63%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	(Amount in INR Lakhs)	
	March 31, 2022	March 31, 2021
Principal amount remaining unpaid to any supplier as at the end of the year.	5.00	120.65
Amount of interest due remaining unpaid to any supplier as at the end of the year.		
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid).		
Amount of interest accrued and remaining unpaid at the end of year.		
Amount of further interest remaining due and payable even in the succeeding year		



**SUPREME ENGINEERING LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

(Amount in Level of Rounding)

**38. ASSETS PLEDGED AS SECURITY**

The carrying amount of assets pledged as security for current and non current borrowings are:

	March 31, 2022	March 31, 2021
<b>CURRENT ASSETS</b>		
<b>i. Financial Assets</b>		
Floating Charge		
Cash and cash equivalents		
Receivables	2,113.63	7,132.75
<b>ii. Non Financial Assets</b>		
First Charge		
Inventories	10,989.43	10,620.93
<b>Total current assets pledge as security</b>	<b>13,103.06</b>	<b>17,753.68</b>
<b>NON CURRENT ASSETS</b>		
First Charge		
Freehold land	88.77	98.89
Freehold building	1,387.45	1,500.87
Plants and equipments	0.69	0.51
Furniture, fittings and equipment acquired under finance lease		
Investment properties		
<b>Total non current assets pledge as security</b>	<b>1,476.91</b>	<b>1,600.27</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022****40. Revenue from Operation****A Disaggregated revenue information**

The table below presents disaggregated revenue from contract with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2022	For the Year Ended 31 Mar 2021
Revenue from contracts with customers disaggregated based on geography		
a. Domestic	7,271.53	6,998.36
b. Exports	6.26	0.72
<b>Total Revenue from Operation</b>	<b>7,277.79</b>	<b>6,999.08</b>

**B Reconciliation of Gross Revenue from Contracts With Customers**

Gross Revenue	7,277.79	7,277.79
Less: Discount	-	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>7,277.79</b>	<b>7,277.79</b>

**Notes:**

B1 The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 to 90 days. There is no significant financing component in any transaction with the customers.

B2 The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2022**

**39. Leases**

The company has applied Ind AS 116 using the prospective cash discounting approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st

(Amount in INR Lakhs)		
Particulars	Old Lease (Amount)	New Lease (Amount)
Lease commitments as at 31 March 2019/ 31 March 2022	248.22	239.25
Add/(less): contracts reassessed as lease contracts	-	-
<b>Lease liabilities as on 1 April 2019/ 1 April 2022</b>	<b>248.22</b>	<b>239.25</b>
Current Lease Liabilities	-	108.00
Non Current Lease Liabilities	-	131.25

Right of use assets of Rs 248.22 Lakhs and lease liabilities of Rs 243.67 Lakhs have been recognised as on 1 April 2019.

Right of use assets of Rs 282.94 Lakhs and lease liabilities of Rs 273.94 Lakhs have been recognised for the new lease as on 1 November 2021.

**As a Lessee**

**A Carrying value of right of use assets at the end of the reporting period by class**

(Amount in INR Lakhs)		
Particulars	Premises	Total
Balance at 1 April 2019	243.67	243.67
Depreciation charge for the year	94.37	94.37
Balance at 31 March 2020	149.29	149.29
Depreciation charge for the year	94.11	94.11
Balance at 31 March 2021	55.18	55.18
Renewal Of Lease as on 01/11/2021	282.95	282.95
Depreciation charge for the year	93.94	93.94
Balance at 31 March 2022	244.19	244.19

**B Maturity analysis of lease liabilities**

(Amount in INR Lakhs)		
Maturity analysis – contractual undiscounted cash flows	As on 31st March 2021	As on 31st March 2020
Less than one year	108.00	108.00
One to five years	131.25	63.00
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>239.25</b>	<b>171.00</b>
<b>Lease liabilities included in the statement of financial position</b>	<b>239.25</b>	<b>159.30</b>
Current	108.00	108.00
Non Current	131.25	51.30

**C Amounts recognised in profit or loss**

(Amount in INR Lakhs)		
Particulars	As on 31st March 2021	As on 31st March 2021
Interest on lease liabilities	11.80	10.21
Depreciation on ROU	93.94	94.11
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

**D Amounts recognised in the statement of cash flows**

(Amount in INR Lakhs)		
Particulars	As on 31st March 2022	As on 31st March 2021
Total cash outflow for leases	108	108.00







**S.R. DHARIWAL & CO.**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**SUPREME ENGINEERING LIMITED**

*(Formerly Known as Supreme Heatreaters Private Limited)*

### **Report on the Audit of the Ind AS Financial Statement Opinion**

We have audited the accompanying Ind AS Financial Statement of **Supreme Engineering Limited** (Formerly known as **Supreme Heatreaters Private Limited**) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS Financial Statement, including a summary of significant accounting policies and other explanatory information.

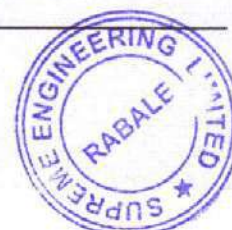
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statement give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS & accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2022; and
- b) In the case of the statement of profit and loss, of the loss including other comprehensive income for the year ended on that date.
- c) In the case of the statement of cash flows, of the cash flows for the year ended on that date.
- d) In the case of the statement of changes in equity, of the changes in equity share capital and other equity for the year ended on that date.

### **Basis for opinion**

We have conducted our audit of the Ind AS Financial Statement in accordance with the Standards on Auditing ("SAs") as 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 Ind AS Financial Statement' 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 together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical

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responsibilities in accordance with these requirements and the ICAI 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 Ind AS Financial Statement.

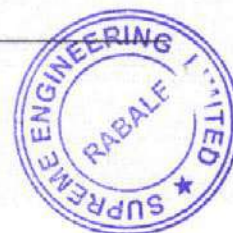
### **Emphasis of Matter**

We draw attention to the fact that;

- The Corresponding figures are presented, and the prior period's financial statements were audited by a predecessor auditor. The auditor is not prohibited by law or regulation from referring to the predecessor auditor's report on the corresponding figures and has decided to do so.
- The Company is required to get cost audit conducted as per the requirement of section 148 of the Companies Act, 2013 however, the same has not been conducted.
- The Company had Secured Loans account which has turned NPA on 19<sup>th</sup> August 2021 and has stopped servicing the borrowing repayment and interest from that day. The Company has incurred a net loss of Rs. 908.46 Lakhs during the year ended March 31, 2022 and, as of that date, Net worth has reduced by Rs. 902.09 Lakhs. The Company's current liabilities borrowings have become NPA and Net worth is reduced to Rs. 2834.61 Lakhs from Rs. 3736.70 Lakhs which has resulted in erosion of the net worth of the company. In spite of these events or conditions which may cast a doubt on the ability of the company to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the restructuring in process of the loans and the wide asset base the company carries.
- The company has not provided for accrued interest, charges, penalty or any other charges from the date of becoming classified as Non Performing Assets and the impact of the same on the financial result and statement remain unaccounted for.
- The Company is required to file Audit report under the Income tax Act 1961 and file corresponding Return under the act, however the same has not been done for last 3 financial years.
- The Company is required to file Audit under the Goods and Service Tax Act and file corresponding Annual Return and Audit Report, however the same has not been done for last 3 years.
- The Company has not paid the statutory tax dues like TDS, PF, ESIC and Income tax etc. which has become overdue and remain unpaid. Interest, Penalty in respect of the same has remained unascertained and unaccounted.
- The Company has Trade Receivables including Advances, Trade Payables including Advances to Suppliers and Others, Recoverable Advances in Cash or Kind, Borrowings, Cash Credit account in back etc. includes balances which remain outstanding for a substantial period. The reported Financials may have consequential / subsequent impact which remains unascertained.

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- Forensic Audit has been conducted for a period from 01/06/2018 till 30/09/2021 the report of the same for the observations is awaited.

Our opinion is not modified in respect of above matters.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report, but does not include the Ind AS Financial Statement and our Auditor's report thereon.

Our opinion on the Ind AS Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statement, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS Financial Statement or our knowledge obtained in the 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 are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statement**

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 Ind AS Financial Statement that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, i Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statement, 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.

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

### **Auditor's Responsibilities for the audit of the Ind AS Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statement 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 Ind AS Financial Statement.

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 Ind AS Financial Statement, 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the Ind AS Financial Statement, including the disclosures, and whether the Ind AS Financial Statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors 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 the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have reasonably sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Since the Company has become NPA, IND AS23 on Borrowing Cost is not applied.
  - e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

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- g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2022 has been provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V of the Act;
- h) with respect to the other matters to be included in Auditors 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 explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. R. Dhariwal and Co.,**  
Chartered Accountants  
FRN: 102466W



**Niraj K Saboo**

Proprietor

M. No. 158054

UDIN: 22158054AKKROE6914

Date: 7<sup>th</sup> June 2022

Place: Mumbai





## FORM OF PROXY

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

**Name of the Member:** \_\_\_\_\_

**Registered Office:** \_\_\_\_\_

**Email ID:** \_\_\_\_\_

**Folio No/Client Id:** \_\_\_\_\_

**DP/ID:** \_\_\_\_\_

I/We, the undersigned, being the Equity Shareholder(s) of the above named Company hereby appoint:

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him
2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him
3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him

as my/our proxy, to attend and vote for me/us on our behalf at the 35<sup>th</sup> Annual General Meeting of the Equity Shareholders to be held on **Friday, 30<sup>th</sup> September, 2022 at 11.00 A.M at Registered Office of the Company at 2/A, 2<sup>nd</sup> Floor, Citi Mall, Link Road, Andheri:-West, Mumbai:-400053** in respect of such resolution as indicated below:

Resolution No	Resolution	Vote		
		Please mention No of Shares		
		For	Against	Abstain
	Ordinary Business			
1	Adoption of Audited Financial Statements of the Company for the year ended 31 March 2022 and the reports of the Board of Directors' and Auditor thereon.			
2	Ordinary Resolution for appointment of a Director in place of Mrs. Lalita Chowdhri Director, who retires by			

	rotation and being eligible, offers himself for re-appointment.			
	<b>SPECIAL BUSINESS</b>			
4	Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 to increase the borrowing powers of the Company upto Rs. 300 Crores.			
5	Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 to create mortgages / charges/ hypothecation on all or any of the immovable and movable assets of the Company both present and future upto an amount as approved by the shareholders under Section 180 (1)(c ) of the Companies Act, 2013.			
6	Special Resolution for the increasing the limits of loans/investments/guarantee by the Company under Section 186 of the Companies Act, 2013			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Affix Re. 1  
Revenue  
Stamp

Signature of Sole Holder/First Holder \_\_\_\_\_

Second Holder \_\_\_\_\_

Third Holder \_\_\_\_\_

**Notes:**

1. A Proxy need not be a member.
2. Alterations, if any, made in the Form of Proxy should be initialed.
3. The Form of Proxy must be deposited at the Registered Office of the Applicant Company, not later than 48 hours before the time for the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of a request in writing to the Company Secretary.



## SUPREME ENGINEERING LIMITED

(Formerly known as Supreme Heatreaters Pvt. Ltd.)

**Wire Division:** R-223, MIDC complex, Thane Belapur road,  
Rabale, Navi Mumbai 400701.

**Special Steel Division:** Village Vihari, Opposite khopoli railway station,  
Khopoli 410203

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