

## NOTICE

Notice is hereby given that 36<sup>th</sup> Annual General Meeting of the members of the Company will be held on Saturday, 30<sup>th</sup> September, 2023 at 12:00 noon 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 financial statements of the Company for the year ended March 31, 2023, together with the Report of the Board of Directors and the Auditors thereon.
2. To reappoint Mr. Abhinav Sanjay Chowdhary (DIN: 07121484) as a Director of the Company liable to retire by rotation.

### **SPECIAL BUSINESS:**

3. **To re-appoint Mr. Sanjay Chowdhri as Managing Director (DIN: 00095990) for the Term of 5 Years with effect from January 17, 2023**

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the laws prevailing for the time being and such alterations and modifications, if any, that may be effected pursuant to any change in policies, Acts or Laws, guidelines, rules and regulations relating to Managerial Remuneration or in response to any applications) for review and reconsideration submitted by the Company in that behalf to the concerned authorities, if any, the consent of the Company be and is hereby accorded for re-appointment of Mr. Sanjay Chowdhri (DIN: 00095990) as the Managing Director of the Company of the Company for a period of five (5) years, from January, 17, 2023 to January 16, 2028 upon the terms and conditions as set out in the draft agreement initialed by the Chairman for the purpose of identification be kept available for inspection to its members.

**RESOLVED FURTHER THAT** the remuneration of Mr. Sanjay Chowdhri, Managing Director of the Company under the provisions of the Act is Rs. 60,00,000/- (Rupees Sixty lakhs only) per annum excluding annual performance linked incentive.

**RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

4. **To re-appoint Mr. Prakash Vithalrao Deshmukh (DIN: 02376494) as an Independent Director of the company for a term of five years**



CIN NO. L99999MH1987PLC043205

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approval and recommendation of the nomination and remuneration committee, and that of the Board, Mr. Prakash Vithalrao Deshmukh (DIN: 02376494), who holds office as an independent director up to December 06, 2022 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of five years with effect from December 07, 2022 up to December 06, 2027.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or expedient to give effect to this Resolution."

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

\_\_\_\_\_  
**Sanjay Chowdhri**  
**Managing Director**  
**DIN: 00095990**

**Date: September 07, 2023**  
**Place: Rabale, Navi Mumbai**

**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 a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

2. **The Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the business under Items No. 3 and 4 of the accompanying Notice are annexed hereto of re-appointment of managing Director and re-appointment of Independent Director for the term of 5 years Respectively is annexed to this Notice.**
3. The Register of Members and share Transfer Books of the company will remain closed from Saturday, 23<sup>rd</sup> September, 2023 to Saturday, 30<sup>th</sup> September, 2023 (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, 2023 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. 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. In the case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting
8. 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.
9. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market.

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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.

10. 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-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai: 400072
11. 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 2022-23 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 2022-23 will be sent in the permitted mode in cases where the email addresses are not available with the Company.
12. Electronic copy of the Notice convening the 36<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.
13. Members may also note that the Notice of the 36<sup>th</sup> Annual General Meeting and the Annual Report for 2022-23 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.
14. **A Route map showing directions to reach the venue of Extra Ordinary General Meeting is given at the end of the this Notice as per requirement of the Secretarial Standard – 2 on “General Meeting” as prescribed by the Institute of Company Secretaries of India, as mandated by the provisions of Section 118(10) of the Act.**
15. 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 36<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).

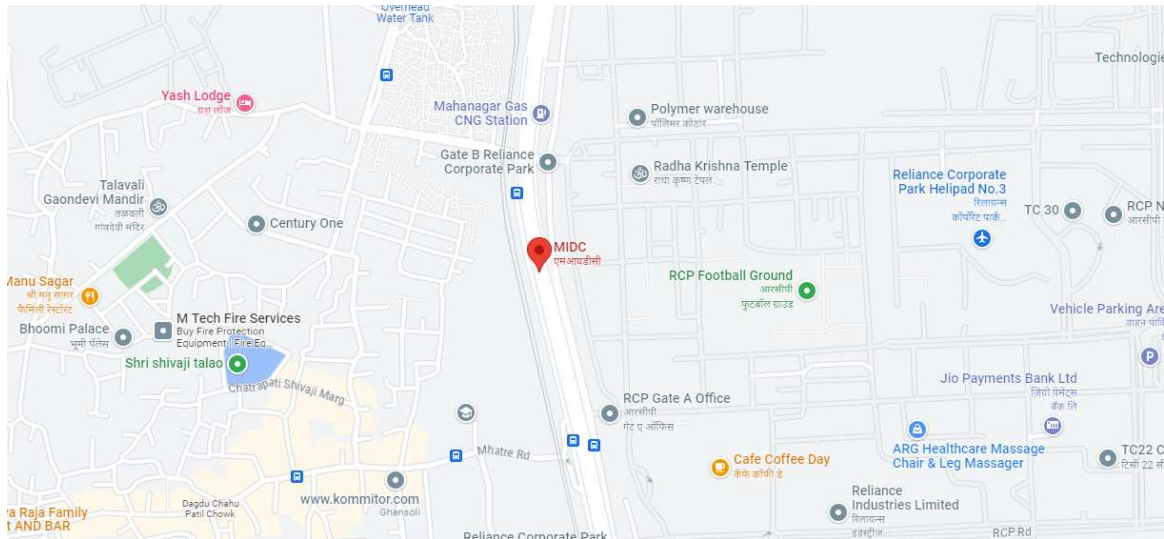


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- II. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The facility for voting through polling paper shall be made available at the AGM and 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.

### **ROAD MAP TO THE ANNUAL GENERAL MEETING VENUE:**

**R-223, MIDC Complex, Thane- Belapur Road, Rabale, Navi Mumbai: 400701**



## VOTING THROUGH ELECTRONIC MEANS AND ATTENDING THE AGM

In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering evoting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, September 22, 2023, only shall be entitled to avail the facility of remote e voting/ evoting at the AGM. CDSL will be facilitating remote evoting to enable the Members to cast their votes electronically. Members can cast their vote online from 9.00 A.M. (IST) on Wednesday, September 27, 2023 to 5.00 P.M. (IST) on Friday, September 29, 2023. At the end of remote e-voting period, the facility shall forthwith be blocked.

## THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- I. The voting period begins on 9.00 A.M. (IST) on Wednesday, September 27, 2023 to 5.00 P.M. (IST) on Friday, September 29, 2023. 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 Friday, September 22, 2023, 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- IV. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
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<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdEasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.

6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

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

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- (iii) 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) 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.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) 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.
- (xii) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- 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 favour 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) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.





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**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.

**GENERAL INFORMATION**

- (i) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available to reset the password.
- (ii) The Board of Directors of the Company has appointed Mr. Rinkesh Gala, proprietor of M/s. Rinkesh Gala & Associates, Practicing Company Secretaries (Membership No. A42486 & CP No.-20128), to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given above.
- (iii) The Scrutiniser will submit her report to the Chairman or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e- voting) not later than 48 hours from the conclusion of AGM.
- (iv) The results of the electronic voting shall be declared to the Stock Exchanges where shares of the Company are listed after the conclusion of AGM. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company <https://www.supremesteels.com/>.

All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection through electronic mode, basis the request being sent on [cs@supremesteels.com](mailto:cs@supremesteels.com).



### Explanatory Statement

{Pursuant to Section 102 of the Companies Act, 2013 ("The Act")}

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 & 4 of the accompanying Notice:

#### Item No.3

The members may note that based on the recommendations of the Board of Directors at their meeting held on September 7, 2023, have approved the reappointment of Mr. Sanjay Chowdhri, Managing Director of the Company for a period of 5 years as his remuneration is Rs. 60,00,000/- (Rupees Sixty Lakhs Only) per annum excluding annual performance linked incentive pursuant to the applicable provisions of the Companies Act, 2013.

Based on the overall business performance, the Board proposes this resolution for your consideration.

**Disclosure as required under Schedule V of the Companies Act, 2013 is given as under:**

#### I. General Information:

Nature of Industry	The Company is engaged in Manufacture of Exotic Alloys and special wire products.
Date of expected date of Commercial Production:	N. A. Since Company has already commenced its business activities.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA

#### II. Financial Performance

Particulars	For the F.Y. ended 31st March, 2023	For the F.Y. ended 31st March, 2022
Revenue from Operations	1,83,987,248	7,27,779,347
Other Income	44,99,656	81,77,242
Total Revenue	1,88,486,904	7,35,956,589
Expenses excluding Depreciation & Amortization Expenses	12,52,629,054	8,22,546,051
Less: Depreciation & Amortization Expenses	2,16,52,585	2,41,58,088
Profit/ (Loss) Before Prior Period Items and Taxes	(10,85,794,735)	(1,10,747,551)
Profit/( Loss) Before Tax (PBT)	(10,85,794,735)	(1,10,747,551)

#### III. Information about the Director

Background Details	Mr. Sanjay Chowdhri has been on the Board of the Company since 1987. He has played a vital role in the growth of the company. During his tenure the net worth of the Company has increased substantially.
Past Remuneration	Mr. Sanjay Chowdhri has drawn remuneration of Rs. 8,00,000/- (Rupees Sixty Lakhs only) in Financial Year 2022-23 as a Managing

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	Director of the Company.
Recognition or awards	Not Applicable
Job Profile and his suitability	Mr. Sanjay Chowdhri has been the Director since April 21, 1987 and has been contributing in his role towards achievement of the common objectives of the organization.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and the involvement of Mr. Sanjay Chowdhri in the Company, the proposed remuneration is reasonable and in line with the remuneration levels in the Industry, across the Country and befits his position.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Sanjay Chowdhri is promoter of the Company and is associated with certain Board members & Key Personnel of the Company.

#### IV. Other Information

Reason of loss or inadequate profits	The Company operates in a capital intensive business and building a long term sustainable business necessitates induction of a strong and experienced team. Overall economic scenario and increasing competition significantly affect the overall revenues and margins of the business.
Steps taken or proposed to be taken for improvement	The Company has undertaken stringent cost actions and continues to curtail both employee and non-employee costs. Also, the management continues to explore avenues to increase revenues through judicious investments in capabilities.
Expected increase in productivity and profits in measurable terms	The company is committed to build the business operations within the budget and considering that the business operates on a going concern basis, it is believed that financial position of the Company will improve in near future.

The agreement as proposed above will be entered into subject to such other approvals as may be necessary.

The draft agreement is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the Directors, Key managerial personnel and their relatives are interested in the above proposal, except Mr. Sanjay Chowdhri, Mrs. Lalitha Chowdhri, Mr. Abhinav Chowdhary and Mr. Pranav Chowdhri to the extent of his remuneration as a Managing Director of the Company.

Your Directors recommend passing the above mentioned resolution as an Ordinary Resolution.

**Item No. 4**

Mr. Prakash Vithalrao Deshmukh (DIN: 02376494) was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the EGM held on December 07, 2017, to hold office up to December 06, 2022. He is due for retirement from the first term as an independent director on December 06, 2022. The nomination and remuneration committee, at its meeting held on September 7, 2023, after taking into account the performance evaluation of Mr. Prakash Vithalrao Deshmukh during his first term of five years and considering his knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board his reappointment for a second term of five years. The nomination and remuneration committee has considered his diverse skills, leadership capabilities, expertise in governance and finance, risk management and vast global business experience, among others, as being key requirements for this role. In view of the above, the nomination and remuneration committee and the Board are of the view that Mr. Prakash Vithalrao Deshmukh possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an independent director.

Based on the recommendation of the nomination and remuneration committee, the Board, at its meeting held on September 7, 2023, has recommended the reappointment of Mr. Prakash Vithalrao Deshmukh as an independent director, not liable to retire by rotation, for a second term of five years effective from December 07, 2022 up to December 06, 2027. In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director may hold office for two terms up to five consecutive years each.

Mr. Prakash Vithalrao Deshmukh fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations.

The Company has received all statutory disclosures / declarations from Mr. Prakash Vithalrao Deshmukh, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Mr. Prakash Vithalrao Deshmukh to the office of independent director.

In the opinion of the Board and based on its evaluation, Mr. Prakash Vithalrao Deshmukh fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for his reappointment as an independent director of the Company and he is independent of the Management of the Company. A copy of the draft letter for the reappointment of Mr. Prakash Vithalrao Deshmukh setting out the terms and conditions is available for electronic inspection without any fee by the members. The resolution seeks the approval of members for the reappointment of Mr. Prakash Vithalrao Deshmukh as an independent director of the Company effective December 07, 2022 up to December 06, 2027, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and his office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Mr. Prakash Vithalrao Deshmukh, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4.

The Board recommends the resolution set forth in item no. 4 for the approval of members.



CIN NO. L99999MH1987PLC043205

Formerly Known as Supreme Heatreaters Pvt. Ltd.

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

**Sanjay Chowdhri  
Managing Director  
DIN: 00095990**

**Date: September 7, 2023  
Place: Rabale, Navi Mumbai**

## BOARD'S REPORT

To  
The Members,  
**Supreme Engineering Limited**

Your Directors are pleased to present their Thirty Sixth Board's Report together with the Audited Financial statements for the year ended 31st March, 2023.

### 1. Financial Results:

Particulars	(Amount in Rs.)	
	For the F.Y. ended 31 <sup>st</sup> March, 2023	For the F.Y. ended 31 <sup>st</sup> March, 2022
Revenue from Operations	1,83,987,248	7,27,779,347
Other Income	44,99,656	81,77,242
Total Revenue	1,88,486,904	7,35,956,589
Expenses excluding Depreciation & Amortization Expenses	12,52,629,054	8,22,546,051
<b>Less:</b> Depreciation & Amortization Expenses	2,16,52,585	2,41,58,088
Profit/ (Loss) Before Prior Period Items and Taxes	(10,85,794,735)	(1,10,747,551)
Exceptional and Extra Ordinary Items	0.00	0.00
Profit/ (Loss) Before Tax (PBT)	(10,85,794,735)	(1,10,747,551)
<b>Less:</b> Provision for Tax	0.00	0.00
<b>Less:</b> Deferred Tax	(3,40,75,621)	(1,92,87,335)
Profit/ (Loss) After Tax	(10,51,719,114)	(91,460,216)
Other Comprehensive Income	24,35,697	6,14,577

### 2. Business Performance Review

Your Company has achieved the Total Turnover of Rs. 1,83,987,248/- during Financial Year 2022-23 as against the Turnover of 2021-22 Rs. 7,27,779,347/-. The management puts continuous efforts to increase the operational efficiency and turnover. Similarly, the Net loss of your Company during Financial Year 2022-23 is Rs. 10,51,719,114 as against the Net loss during FY 2021-22 Rs. 91,460,216.

### 3. Material Events during the year under review

During the Year Review, under there is no Material Events in the company.

### 4. Change in nature of business

During the year under review there is no change in the nature of business of the Company.

### 5. Subsidiaries, Joint Ventures and Associate Companies

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

### 6. Dividend and Reserves

**Dividend:** The Board of Directors does not recommend any Dividend for the financial year 2022-23.

**Reserves:** There is no amount proposed to be transferred to reserves.

### 7. Public Deposits

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In terms of the provision of Sections 73 and 74 of the Companies Act, 2013 read with the relevant rules, the Company has not accepted any public deposits during the year under review.

## 8. Share Capital

During the year under review there is no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company.

As on 31<sup>st</sup> March, 2023, The Authorized Capital is Rs. 2,51,000,000/- comprising of 2,51,000,000 Equity Shares of Rs. 1 each.

The Paid-up Equity Share Capital of your Company as on 31<sup>st</sup> March, 2023 was Rs. 2,49,950,000 comprising of 2,49,950,000 Equity Shares of Rs. 1 each.

## 9. NUMBER OF BOARD MEETINGS

### Number of meetings of the Board of Directors

During the year under review, (09) Nine Board Meetings were convened and held on below mentioned Dates for the Board meetings are decided well in advance and communicated to the Directors.

Sr No.	Date of Meetings	Directors Present
1	May 10, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri
2	May 30, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri
3	June 08, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri
4	August 10, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri
5	September 06, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri Mrs. Reema Versey
6	September 08, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri Mrs. Reema Versey



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7	November 14, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri Mrs. Reema Versey
8	December 13, 2022	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri Mrs. Reema Versey
9	February 14, 2023	Mr. Sanjay Chowdhri Mr. Abhinav Chowdhri Mr. Prakash Deshmukh Mr. Sanjeev Khandewal Mrs. Lalita Chowdhri Mrs. Reema Versey

#### 10. Committee Position

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. As Attached in **Annexure II**.

#### 11. Appointment and Resignation of Director and Key Managerial Personnels (KMP)

During the financial year 2022-23, following changes took place in the Board:

##### Appointment

- The Board of Directors appointed Mr. Sadashiv Bangera as Chief Financial Officer effective from August 10, 2022;
- The Board of Directors appointed Mrs. Reema Versey (DIN:07899943) as an Independent Director effective from August 10, 2022;
- The Board of Directors appointed Mr. Anand Lohiaas (Membership number ACS 48220) as an Company Secretary & Compliance Officer effective from August 10, 2022;
- The Board of Directors appointed Mr. Hemant Agarwal (Membership number ACS 50464) as an Company Secretary & Compliance Officer effective from November 14, 2022;
- To Re-appoint Mr. Prakash Vithalrao Deshmukh (DIN: 02376494), as an independent director, not liable to retire by rotation, for a second term of five years with effect from December 07, 2022 up to December 06, 2027 and the same will also approved by the members at their Annual General Meeting held on September 30, 2023.
- To reappoint Mr. Sanjay Chowdhri as Managing Director (DIN: 00095990) of the Company for a period of five (5) years, from January, 17, 2023 to January 16, 2028 and the same will also approved by the members at their Annual General Meeting held on September 30, 2023.

##### Resignation

- The Board of Directors accept the Resignation of Ms. Krupali Thakkar as Company Secretary and Compliance Officer of the Company effective from May 30, 2022;

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- h) The Board of Directors accept the Resignation of Mr. Anand Lohiaas (Membership number ACS 48220) as an Company Secretary & Compliance Officer of the Company effective from November 14, 2022;
- i) The Board of Directors accept the Resignation of Mr. Hemant Agarwal as Company Secretary and Compliance Officer of the Company effective from July 12, 2023.

## 12. Declaration of Independence by Independent Directors

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.

## 13. Board Evaluation

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

## 14. Internal Financial Controls

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.

## 15. Directors' 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.

## 16. Appointment and Remuneration Policy

During the year the under review, the provision of framing the policy required as per the provision of Section 178(1) of the Act and the Rules framed thereunder was applicable to the Company.

## 17. Corporate social responsibility expenditure

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), your company is not governed by the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. So, the Company is not required to conduct CSR activities.

## 18. Auditors

### Statutory Auditors and Auditors' Report

S. R. Dhariwal & Co, Chartered Accountants, bearing (FRN: 102455W), were appointed as a Statutory Auditors of the Company, in the Extra-Ordinary General Meeting held on June 13, 2022 for the period of three financial year commencing from FY 2021-22 till FY 2023-24.

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.

### Secretarial Auditor and Reports

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 On September 7, 2023, M/s. SARK & Associates, Practicing Company Secretary, placed their resignation to act as Secretarial Auditors and appointed M/s. HRU & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2022-23.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer in their report for the financial year 2022-23.

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

### Compliance of Secretarial Standards

The Company is in compliance with all mandatory applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### Cost Records and Cost Audit

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, 2022 and ending on 31st March, 2023 at such remuneration of Rs. 62,500 (Rupees Sixty Two Thousand Five Hundred only) p.a. plus Service Tax & re-imbursement of out-of-pocket expenses.

## 19. Related Party Transactions

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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.

## **20. Vigil Mechanism / Whistle Blower**

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>.

## **21. Risk Management Policy**

The Company recognizes that risk is an integral part of any business and the Board of Directors are committed to managing the risks in a proactive and efficient manner.

The Board of Directors and the management team having regard to the Company's nature and scale of business, periodically assesses risks in the internal and external environment that might affect the Company's existence.

## **22. Transfer of amounts to Investor Education and Protection Fund**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

## **23. Particulars of Loans, Guarantees or Investments**

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.

## **24. Particulars of Energy, Technology Absorption, Foreign Earnings and Outgo**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have been furnished considering the nature of activities undertaken by the Company during the year under review.

### **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 optimizing 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**

There are no Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

**Details of earnings in foreign exchange: (Amount in Rupees)**

Particulars	Current Year 01/04/2022 to 31/03/2023	Previous Year 01/04/2021 to 31/03/2022
Export of Goods calculated on FOB Basis	2,299,364	7,17,000
Interest and dividend	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Other Income	NIL	NIL
Total earning in foreign exchange	2,299,364	7,17,000

**Details of expenditure in foreign exchange:**

Particulars	Current Year 01/04/2022 to 31/03/2023	Previous Year 01/04/2021 to 31/03/2022
Import of Capital Goods calculated on CIF Basis:		
(i) raw material	NIL	NIL
(ii) component and spare parts	NIL	NIL
(iii) capital goods – Software Purchase	NIL	NIL
Expenditure on account of:	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Interest	NIL	NIL
Other matters	1,37,338	84,000
Dividend paid	NIL	NIL
Total expenditure in foreign exchange	1,37,338	84,000

**25. Material changes and commitments affecting financial position of the Company**

There are no material changes and commitments affecting the financial position of the Company, subsequent to close of financial year 2022-23 till the date of this Report.

**26. Significant / Material Orders passed by the regulators**

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No significant and material orders have been passed by the Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

## **27. Proceedings under Insolvency & Bankruptcy Code, 2016.**

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

## **28. Management Discussion and Analysis**

The Management Discussion and Analysis Report forms part of the Annual Report as per Annexure III.

## **29. Details of difference between the valuation at the time of availing loan from the Banks and Financial Institutions and difference between the valuation amount on one time settlement:**

During the year under review, there were no instances of onetime settlement with any Bank or Financial Institution.

## **30. Environment and Safety**

The environmental cleanliness and safety are a key focus area. The Company aims to grow its business while minimizing the adverse impact of expansion on the environment. The Company continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. Further in alignment with Company's safety standards and training provided employees adhere to required norms and comply with relevant statutory provisions. The Company provides a safe and healthy workplace with an aim to achieve zero injuries to all its employees and all stakeholders associated with the Company's operations.

The Company has established and implemented a Work from Home Policy (WFH) through which it enabled the employees to work from home. The Company has formulated health and safety protocols for all its employees including front end retail employees.

## **31. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

During the year under review, the compliance of provisions of the Sexual Harassment of Women at Workplace (Prevention Prohibition & Redressal) Act 2013 and Rules made there under are not applicable to the Company. However, to build awareness in this area the Company has been conducting induction/refresher programs through external consultants and its in-house training team in the organization on a continuous basis.

There is no case filed, during the Financial Year under the said Act hence the company has no details to offer.

## **32. Appreciation and Acknowledgement**

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, etc. The Directors are deeply grateful to the shareholders for the confidence and faith that they have always reposed in the Company.





CIN NO. L99999MH1987PLC043205

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

**Sanjay Chowdhri  
Managing Director  
DIN: 00095990**

**Date: September 7, 2023  
Place: Mumbai**

## **Annexure I**

FORM NO. MR-3

### **Secretarial Audit Report**

For the Financial Year ended March 31, 2023

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

To,  
The Members,  
**Supreme Engineering Limited**

We 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 books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Supreme Engineering Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST");
  - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(e) 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;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in respect of matters specified below:

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, whichever is applicable.

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.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

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

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

**I further report that** during the audit period the Company had no specific event /action having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

for **HRU & Associates**  
Company Secretaries

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**Hemanshu Upadhyay**  
**Proprietor**  
**ACS No.46800 | C.P. No.20259**  
**Peer Review No: 3883/2023**  
**UDIN: A046800E000921553**

Place: Mumbai  
Date: September 07, 2023

## **ANNEXURE A**

To,

The Members,

**Supreme Engineering Limited**

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

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

for **HRU & Associates**

Company Secretaries

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**Hemanshu Upadhyay**

**Proprietor**

**ACS No.46800 | C.P. No.20259**

**Peer Review No: 3883/2023**

**UDIN: A046800E000921553**

Place: Mumbai

Date: September 07, 2023

## Annexure- II

### 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 behavior 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 two 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 Director
Mr. Sanjeev Khandelwal	Non-Executive and Independent Director
Mrs. Reema Versey	Non-Executive and Independent Director and Women Director



**2. Attendance of each director at the Board meetings held during the year 2022-2023 and at the last Annual General Meeting:**

Name of Director	Designation	No. of Board Meetings held and attended during the year 2022-23	Attendance at the last AGM	#Membership of Committees as on date		No. of Directorship held in other Companies
		Attended		Chairmanship	Memberships	
Mr. Sanjay Chowdhri	Chairman and Managing Director	9	Yes	-	1	2
Mr. Abhinav Chowdhri	Executive Director	9	Yes	1	1	0
Mrs. Lalita Chowdhri	Non- Executive Director, Non-independent and Women Director	9	Yes	1	1	1
Mr. Prakash Deshmukh	Non-Executive and Independent Director	9	Yes	-	1	0
Mr. Sanjeev Khandelwal	Non-Executive and Independent Director	9	Yes	-	1	0
Mrs. Reema Versey	Non-Executive and Independent Director and Women Director	5	Yes	-	1	1

**Note:**

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

Mrs. Reema Versey was appointed w.e.f. August 10, 2022.

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

During the period under review, 9 (Nine) Board Meetings were held on 10.05.2022, 30.05.2022, 08.06.2022, 10.08.2022, 06.09.2022, 08.09.2022, 14.11.2022, 13.12.2022, 14.02.2023.

The gap between any two consecutive Meetings did not exceed one hundred and twenty days.

**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		

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Mr. Sanjay Chowdhri	2	0	1. Economic Forge Pvt Ltd 2. A.S.C Engineers Private Limited	-
Mr. Abhinav Chowdhri	0	0	-	-
Mrs. Lalita Chowdhri	1	0	A.S.C Engineers Private Limited	-
Mr. Prakash Deshmukh	0	0	-	-
Mr. Sanjeev Khandelwal	0	0	-	-
Mrs. Reema Versey	1	0	Kshumat Energy Private 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.

#### **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 the period under review, 4 (four) Audit Committee Meetings were held on 30.05.2022, 10.08.2022, 14.11.2022, 14.02.2023

The statutory auditors were the invitees to the above meetings.

Sr. No.	Name of the Director	Category	Designation	Number of Meeting	
				Held	Attended
1	Mr. Abhinav Sanjay Chowdhri	Executive and Managing Director	Chairman	4	4
2	Mr. Prakash Vithalrao Deshmukh	Non-Executive Independent Director	Member	4	4
3	Mr. Sanjeev Khandelwal	Non-Executive Independent Director	Member	4	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 2022-23, 2 (Two) Nomination and Remuneration Committee Meetings were held on 10.08.2022 and 14.11.2022.

Sr. No	Name of Directors	Designation in Committee	Category	Number of Meetings Attended
1	Mr. Sanjeev Khandelwal Khandelwal	Chairperson	Non-Executive and Independent Director	2
2	Mr. Prakash Deshmukh	Member	Non-Executive and Independent Director	2
3	Mrs. Lalita Chowdhri	Member	Non-Executive and Independent Director	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	8,00,000	14,40,000

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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.

### 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 2022-23, 1 (One) Stakeholders Relationship Committee Meetings was held on 14.11.2022.

The Shareholders' Grievance Committee comprises of **Three Directors** i.e. Mr. Sanjay Rattan Prakash Chowdhri, Mrs. Reema Versey, and Mrs. Lalita Sanjay Chowdhri was the Chairperson of Shareholders Grievance Committee.

Details of investor complaints received and redressed during the year 2022-23:

<b>No. of shareholder Complaints pending at the beginning of the year</b>	<b>No. of shareholder Complaints received during the year</b>	<b>No. of shareholder Complaints resolved during the year</b>	<b>No. of shareholder complaints pending at the end of the year</b>
Nil	Nil	Nil	Nil

#### **GENERAL BODY MEETINGS**

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

<b>Financial Year</b>	<b>Date</b>	<b>Venue</b>
2021-22	30/09/2022	Registered Office: Rabale, Navi Mumbai
2020-21	30/11/2021	Registered Office: Rabale, Navi Mumbai
2019-20	24/12/2020	Registered Office: Rabale, Navi Mumbai

#### **MEANS OF COMMUNICATION**



CIN NO. L99999MH1987PLC043205

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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, 2023
ii.	Financial Year :	2022-23
iii.	Date of Book Closure:	23 <sup>rd</sup> September, 2023 to Saturday, 30 <sup>th</sup> September, 2023 (both days inclusive)
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 400 072
viii.	Address for correspondence	R.223, MIDC Complex, Thane, Belapur Road, Rabale, Navi-Mumbai 400701
ix.	CIN	L99999MH1987PLC043205
x.	Compliance Officer	Mr. Hemant Agarwal He was resigned w.e.f. July 12, 2023.

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

(In Lakhs)

Month	Highest	Lowest	NSE Nifty Highest	NSE Nifty Lowes	No. of shares traded
Apr-22	3.65	2.5	18,114.65	16,824.70	1,048.24
May-22	2.9	2.35	17,132.85	15,735.75	275.68
Jun-22	3.15	2.45	16,793.85	15,183.40	535.46
Jul-22	3.05	2.1	17,172.80	15,511.05	302.54
Aug-22	2.4	2	17,992.20	17,154.80	148.31
Sep-22	2.3	1.8	18,096.15	16,747.70	176.56
Oct-22	1.95	1.65	18,022.80	16,855.55	307.21
Nov-22	1.7	1.3	18,816.05	17,959.20	207.62
Dec-22	1.55	1.1	18,887.60	17,774.25	255.91
Jan-23	1.3	1.1	18,251.95	17,405.55	88.61
Feb-23	1.2	0.95	18,134.75	17,255.20	93.39
Mar-23	1	0.6	17,799.95	16,828.35	120.66

#### 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.



### 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 lodgement of the transfer, sub-division, consolidation and renewal and files the same with stock exchanges.

### Distribution of shareholding (in shares) as on 31st March, 2023

Shareholding	Number of Shareholders	Percentage of total shares	Shares	Percentage to total Shares
1-500	10722	45.76	1681647	0.6728
501-1000	3589	15.32	3188187	1.2755
1001-2000	2623	11.19	4277603	1.7114
2001-3000	1342	5.73	3552820	1.4214
3001-4000	633	2.70	2319173	0.9279
4001-5000	1118	4.77	5433622	2.1739
5001-10000	1551	6.62	12661546	5.0656
10001-99999999999	1855	7.92	216835402	86.7515
<b>Total</b>	<b>23433</b>	<b>100.00</b>	<b>249950000</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2023:

Sr. No	Category of Shareholder	No. of full Paid up Equity Share Held	As a percentage of (A+B)
<b>(A)</b>	<b>PROMOTER'S HOLDING</b>		
1	Indian- A(1)	1,03,156,510	41.27%
2	Foreign- A(2)	-	-
	Total A=A(1)+A(2)	<b>1,03,156,510</b>	<b>41.27%</b>
<b>(B)</b>	<b>NON PROMOTER'S HOLDING</b>		
1	<b>INSTITUTIONS- B(1)</b>		
(a)	Mutual Funds /UTI	-	-
(b)	Financial Institutions / Banks	-	-
(c)	Insurance Companies	-	-
(d)	Foreign Institutional Investors	-	-
2	<b>NON-INSTITUTIONS- B(2)</b>		
(a)	Bodies Corporate	2,18,88,182	8.76%
(b)	Individuals	1,17,519,768	47.02%
(c)	Others		





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(d)	Non Resident Indians	15,34,122	0.61%
(e)	Clearing Member	4,51,425	0.18%
(f)	Hindu Undivided Family	53,94,993	2.16%
(g)	Custodian/DR Holder	5,000	0.00%
	Total B=B(1)+B(2)	<b>1,46,793,490</b>	<b>58.73%</b>
	GRAND TOTAL (A+B)	<b>2,49,950,000</b>	<b>100.00%</b>

**Position of Shares as on 31st March, 2023:**

Particulars	No. of shares	% of Total Issued Capital
NDSL	5,62,69,734	22.51%
CDSL	19,36,80,266	77.49%
Physical	0	0
<b>Total</b>	<b>2,49,950,000</b>	<b>100.00%</b>

**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 2022-23.

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

Branch	Address
<b>Registered Office- Rabale Unit (Factory)</b>	R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai – 400 701
<b>Khopoli Unit (Factory)</b>	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 9 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:

Company Name	Quarter	Regulation	Fine levied
Supreme Engineering Limited	30-Jun-22	Reg. 17	400000
Supreme Engineering Limited	30-Sep-22	Reg. 33	1085000
Supreme Engineering Limited	30-Sep-22	Reg. 17	200000
Supreme Engineering Limited	31-Mar-23	Reg. 24(A)	72000
Supreme Engineering Limited	30-Jun-22	Reg 19(1)/19(2)	182000
Supreme Engineering Limited	30-Sep-22	Reg 20(2)	80000
Supreme Engineering Limited	30-Jun-22	Reg 20(2)	160000
Supreme Engineering Limited	30-Sep-22	Regulation 23(9)	80000
Supreme Engineering Limited	31-Mar-22	Regulation 23(9)	355000
Supreme Engineering Limited	30-Jun-23	Regulation 31(b)	40000

**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 2022-2023, 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. 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 15th November, 2018 is not required to be given.

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

**I. 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.

**J. Non acceptance of any recommendation of any Committee of the Board which was mandatory required**

All recommendations / submissions made by various Committees of the Board during the financial year 2022-23 were accepted by the Board.

**K. Reconciliation of Share Capital Audit Report**

As mandated by Securities and Exchange Board of India ('SEBI'), M/s. Rinkesh Gala & Associates, Practicing Company Secretaries undertake a Reconciliation of Share Capital Audit to reconcile total share capital admitted with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') with the issued and listed capital of the Company. This audit is undertaken every quarter and the report thereon is submitted to the Stock Exchanges within prescribed timelines.

The audit report confirms that the total listed and paid up/ issued share capital as on March 31, 2023, matches with the aggregate of the total number of shares in demat form (held by NSDL and CDSL).

In addition, pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, within 30 days from the end of financial year, by M/s. Rinkesh Gala & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.

**L. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or Any Convertible Instruments, Conversion Date and likely impact on Equity**

Company does not have and/or has not issued any Outstanding Global Depository Receipts or American Depository Receipts or Warrants or Any Convertible Instruments.

**M. Disclosure Commodity price risks and commodity hedging activities or foreign exchange**

The Company is not involved into any activities relating to Commodity price risks and hedging thereof. The Company is managing the foreign currency risk to limit the risks of adverse exchange rate movement by hedging the same as per the Forex Risk Management Policy of the Company.

**N. 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.

**O. 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.



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**P. 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.

**Q. Certification from CEO and CFO**

The requisite certification from the CEO and CFO, certified by the Managing Director, in absence of CEO as on the date of the Report, in accordance with Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the Listing Regulations certifying that the Financial Statements represents true and fair view of the Company's affairs and do not contain any untrue/misleading statement are placed before the Board of the Company.

**R. Management Discussion and Analysis**

The Management Discussion and Analysis Report forms part of the Annual Report.



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## **ANNEXURE TO CORPORATE GOVERNANCE REPORT**

DECLARATION [Pursuant to Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] To The Members of Supreme Engineering Limited As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed annual compliance with Code of Business Conduct and Ethics for the year ended March 31, 2023

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

\_\_\_\_\_  
**Sanjay Chowdhri**  
**Managing Director**  
**DIN: 00095990**

**Date: September 7, 2023**  
**Place: Rabale, Navi Mumbai**

## **Compliance Certificate on Corporate Governance**

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

We have examined the compliance of the conditions of Corporate Governance by Supreme Engineering Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") for the period April 01, 2022 to March 31, 2023.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company the compliance of the conditions of the Corporate Governance for ensuring. 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, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (LODR) Regulations, 2015.

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

for **Rinkesh Gala & Associates**  
Practicing Company Secretaries

---

**Rinkesh Gala**  
**Proprietor**  
**ACS No.42486 | C.P. No.20128**  
**Peer Review No: 2768/2022**  
**UDIN: A042486E000964880**

Place: Mumbai  
Date: September 7, 2023

### **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**  
R.223, MIDC Complex, Thane,  
Belapur Road, Rabale,  
Navi-Mumbai 400701.

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 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 31<sup>st</sup> March, 2023 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.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment</b>
1.	Mr. Sanjay Chowdhri	00095990	21/04/1987
2.	Ms. Lalitha Sanjay Chowdhri	00096419	21/04/1987
3.	Mr. Prakash Vithalrao Deshmukh	02376494	07/12/2017
4.	Mr. Abhinav Sanjay Chowdhary	07121484	07/12/2017
5.	Ms. Reema Ayaz Versey	07899943	10/08/2022
6.	Mr. Sanjeev Ishwari Khandelwal	08780152	05/08/2020

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 **Rinkesh Gala & Associates**  
Practicing Company Secretaries

**Rinkesh Gala**  
**Proprietor**  
**ACS No.42486 | C.P. No.20128**  
**Peer Review No: 2768/2022**  
**UDIN: A042486E000964858**

Place: Mumbai  
Date: September 07, 2023



**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 31st March, 2023 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 violate 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**

\_\_\_\_\_  
Pranav Chowdhri  
Chief Executive Officer

\_\_\_\_\_  
Sadashiv Bangera  
Chief Financial Officer

## **Annexure- III**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **1. Forward Looking Statements**

- I. 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.
- II. 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.
- III. 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. Industry Stricture and Developments**

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. 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.
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. Organisation**

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
2. The main departments include Quality, Production, Production planning & control, Marketing, R&D, Business Development, Purchase, Industrial Engineering, Finance, Accounts, Logistics and HR.

3. Production Facilities:

- i. The manufacturing facilities at special steel division include Vacuum Induction Melting, Electro-slag refining, Radial Forging, Rolling Mill, Bright Bar plant, Heat-treatment furnaces.
- ii. The manufacturing facilities at wire division include wire drawing, coil to coil peeling, grinding, heat-treatment furnaces, decoiling, profile shop, pickling, and passivation.
- iii. 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.
- iv. 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. SECTOR-WISE PERFORMANCE

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.
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. Future Outlook

1. Supreme Engineering Ltd will continue to focus on increasing business in the strategic sectors of India.
2. With an 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.
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.
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. Risks, Concerns & Mitigation

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.
  - i. 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

- II. 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.
- III. 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
- IV. 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. SWOT Analysis**

### **A. Strengths**

- I. Technical capability to manufacture advanced alloys scarcely available in the country.
- II. Approvals from major OEMs in the strategic sector.
- III. Long standing relations with customers.
- IV. Flexibility and versatility available in production facility.

### **B. Weakness**

- I. Difficulty in forecasts due to made-to-order production.
- II. Long working capital cycles and inventory due to multiple inspection stages.
- III. Dependence on government policies.

### **C. Opportunities**

- I. Increase in demand in aerospace & defence due to various policies adopted.
- II. Preference to Indian manufacturers under "Make in India" program.
- III. Benefits from being MSME.
- IV. Possibility to scale up without investment in capital.
- V. Increased thrust on localization due to geo-political scenario.

### **D. Threats**

- I. Competition from new entrants.
- II. Volatility of raw material prices.
- III. Raw material import restrictions for the wire plant.



# S. R. Dhariwal And Company

*Chartered Accountants*

505 Arcadia, 195 NCPA Marg, Nariman Point, Mumbai – 400021.

Tel.: 022 20828505 / 40133505. Mobile: 9920411100. Email: info@srdhariwalco.in

## **Independent Auditor's Report on the Standalone Statement of Financial Results of Supreme Engineering Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Review Report to,  
**The Board of Directors,  
Supreme Engineering Limited**

We have reviewed the accompanying Standalone Unaudited Financial Results of Supreme Engineering Ltd ("the Company") for the quarter ended 30<sup>th</sup> June 2023 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34") prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We have conducted our review of the Statement in accordance with the Standard on Review (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on the review, nothing has come to our attention that causes us to believe that the accompanying limited review financials does not give a true and fair view. The review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly we do not express an audit opinion.

Based on our review conducted as stated above nothing has come to our attention that causes us believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other Accounting Principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including in the manner in which it is to be disclosed, or that it contains any material misstatement.





# S. R. Dhariwal And Company

*Chartered Accountants*

505 Arcadia, 195 NCPA Marg, Nariman Point, Mumbai – 400021.

Tel.: 022 20828505 / 40133505. Mobile: 9920411100. Email: info@srdhariwalco.in

## Emphasis of Matter

- 1) 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 been incurring losses in the previous years and has also incurred loss for this Quarter ended 30<sup>th</sup> June 2023, a net loss of Rs. 60.44 Lakhs and, as of that date; the company's current liabilities exceeded its total assets making its Net worth Negative. The Company's Bank Borrowings have become NPA and Net worth is reduced, 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 Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's net worth is negative and it continues to incur losses. We were informed that the Company is in the process of identifying alternative business plans which in the opinion of the management will enable the Company to have profitability and to have a turnaround.

The Company is also in the process of identifying strategic business partners and alternative business plans to improve the performance of the Company. The management is in the process of liquidating the non-core assets of the company. The Company's ability to generate positive cash flows depends on the successful implementation of such alternative business plans. The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

- 2) 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 two financial years i.e FY 2019-2020 and FY 2020-2021.
- 3) The Company has not paid the statutory tax dues like TDS, PF, ESIC and Income tax etc. for previous years, which has become overdue and remain unpaid. Interest, Penalty in respect of the same has remained unascertained and unaccounted.



# S. R. Dhariwal And Company

Chartered Accountants

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- 4) Forensic Audit has been conducted for a period from 01/06/2018 till 30/09/2021 the final report has been issued we are awaited to receive the final copy of the same.
- 5) 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 except for financial year 2018-2019. The company has informed that the cost audit for further years is in process and will be concluded soon.
- 6) The demand notice issued by the income tax department for Rs. 908.61 lakh for AY 2018-2019 has been appealed by the company before the CIT(A). At present the matter is pending with the CIT(A) and final order / proceeding is pending.
- 7) The demand notice is issued by the GST department for interest payable amount to Rs.5.52 lakhs of financial year 2017-18 on 31/05/2022. The company has filed an appeal against this order.
- 8) The demand notice is issued by the GST department for Rs. 571.17 lakhs for FY 2018-2019 on 03/11/2022. The company has received the rectification order and is in process of filing an appeal against the same soon.
- 9) The inventory is valued and verified by the management.

Our conclusion is not modified in respect of the above matters.

Date: 14th August 2023

Place: Mumbai

UDIN: 23158054BGUGZK9698

**For S R Dhariwal And Company**

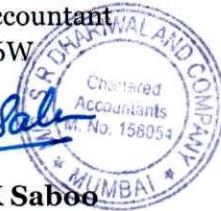
Chartered Accountant

FRN: 102466W

  
**CA. Niral K Saboo**

Proprietor

M No 158054





**SUPREME ENGINEERING LIMITED**

(CIN: L99999MH1987PLC043205)

**BALANCE SHEET AS AT March 31, 2023**

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

(Amount in INR Lakhs)

Particulars	Notes	As at 31 Mar 2023	As at 31 Mar 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	1,728	1,939
(b) Investment Properties	5	531	622
(c) Financial Assets			
(i) Investments	6	1	1
(ii) Other Financial Assets	6	31	31
(d) Other Non-Current Assets	10	2	2
(e) Deferred Tax Assets (Net)	11	518	187
		<b>2,811</b>	<b>2,783</b>
<b>Current assets</b>			
(a) Inventories	7	1,864	10,989
(b) Financial Assets			
(i) Trade Receivables	8	103	2,114
(ii) Cash and Cash Equivalents	9	236	191.50
(iii) Loans	6	313	73
(iv) Other Financial Assets	6	3	3
(c) Other Current Assets	10	286	284
		<b>2,806</b>	<b>13,654</b>
<b>TOTAL</b>		<b>5,617</b>	<b>16,437</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	2,500	2,500
(b) Other Equity	13	(9,122)	1,371
		<b>(6,622)</b>	<b>3,871</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	15	1,432	2,142
Lease liabilities		-	-
(b) Provisions	19	(2)	26
		<b>1,430</b>	<b>2,168</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	7,555	7,550
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		442	5
Others		213	827
(iii) Lease liabilities		152	239
(iv) Other Financial Liabilities	16	1,473	979
(b) Provisions	19	16	21
(c) Other Current Liabilities	18	640	434
(d) Current Tax Liabilities (Net)	20	318	343
		<b>10,810</b>	<b>10,399</b>
<b>TOTAL</b>		<b>5,617</b>	<b>16,437</b>

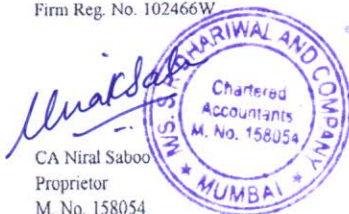
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

1-42

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

Sadashiv Bangera

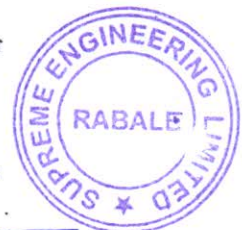
Chief Financial Officer

Sanjeev Khandelwal  
Independent Director

Pranav Chowdhri

Chief Executive Officer

Hemant Agarwal  
Company Secretary



Place : Mumbai  
Date: 01/06/2023

Place : Mumbai  
Date: 01/06/2023

**SUPREME ENGINEERING LIMITED**

(CIN: L99999MH1987PLC043205)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31,2023**

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 2023	For the Year Ended 31 Mar 2022
<b>REVENUE</b>			
Revenue from operations (net)	21	1,840	7,278
Other income	22	45	82
<b>Total Revenue (I)</b>		<b>1,885</b>	<b>7,360</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	1,474	7,177
Diminished Value of Inventory		8,884	-
Changes in stock of finished goods, work in progress	24	347	(349)
Employee benefits expense	25	170	184
Finance costs	26	129	392
Depreciation expense	27	217	242
Other expenses	28	1,524	820
<b>Total Expenses (II)</b>		<b>12,743</b>	<b>8,467</b>
<b>Profit/(Loss) before exceptional items and tax (I-II)</b>		<b>(10,858)</b>	<b>(1,107)</b>
Exceptional Items			-
<b>Profit/(Loss) before tax</b>		<b>(10,858)</b>	<b>(1,107)</b>
<b>Tax expense:</b>			
Current tax	11	-	-
Short / (Excess) Provision for Earlier Years		-	-
MAT Tax / (MAT Credit)		-	-
Deferred tax	11	(341)	(193)
<b>Profit/(Loss) for the year</b>		<b>(10,517)</b>	<b>(915)</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	34	9
Income tax effect		(10)	(3)
<b>Other Comprehensive income for the year, net of tax</b>		<b>24</b>	<b>6</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(10,493)</b>	<b>(908)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>			
Basic and Diluted EPS	29	(42.08)	(3.66)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1-42

As per our report of even date attached

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

CA Niraj 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

Sadashiv Bangera

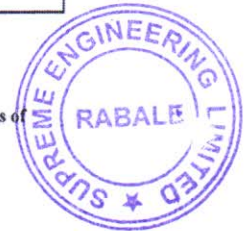
Chief Financial Officer

Pranav Chowdhri

Chief Executive Officer

Hemant Agarwal  
Company Secretary

Santosh Khandelwal  
Independent Director



Place : Mumbai  
Date: 01/06/2023

Place : Mumbai  
Date: 01/06/2023



**SUPREME ENGINEERING LIMITED**  
(CIN: L99999MH1987PLC043205)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED March 31, 2023  
Regd. Office: R-223, MIDC Complex, Thane-Belapur Road, Rabale, Navi Mumbai- 400701

(Amount in INR Lakhs)

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/ (Loss) before income tax	(10,858)	(1,107)
Adjustments for:		
Depreciation expense	217	242
Profit on sale of investments Properties	(13)	-
Interest income	(7)	(4)
Finance costs	129	392
Provision against Expected Credit Loss	1,184	661
Sundry Balance Written Back	-	(65)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	827	4,358
(Increase)/Decrease in inventories	9,125	(369)
Increase/(decrease) in trade payables	(176)	(3,549)
(Increase)/ Decrease in loans	(240)	-
(Increase)/ Decrease in other current financial assets	(0)	74
(Increase)/ Decrease in other current assets	(2)	(2)
(Increase)/ Decrease in other non current financial assets	-	0
Increase/ (Decrease) in other financial liabilities	494	2
Increase/ (Decrease) in other liabilities	180	(49)
Increase/ (Decrease) in provisions	1	9
<b>Cash generated from operations</b>	<b>860</b>	<b>592</b>
Less : Income tax paid (net of refund)	-	0
<b>Net cash inflow from operating activities</b>	<b>860</b>	<b>592</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(6)	(13)
Proceeds from sale of Investment Investment Properties	103	-
Interest received	7	4
<b>Net cash (Used in)/generated from investing activities</b>	<b>104</b>	<b>(9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	(710)	3
Net change in current borrowings	5	(447)
Interest and finance charges paid	(108)	(381)
Dividends paid including dividend distribution tax	-	-
Payment Towards Lease Obligation	(108)	(108)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(920)</b>	<b>(933)</b>
Net increase (decrease) in cash and cash equivalents	44	(350)
Cash and Cash Equivalents at the beginning of the financial year	191	541
<b>Cash and Cash Equivalents at end of the year</b>	<b>236</b>	<b>191</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	205	159
Cash on hand	31	33
<b>Balances per statement of cash flows</b>	<b>236</b>	<b>191</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.

1-42

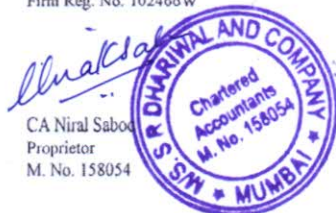
As per our report of even date attached

For S. R. Dhariwal & Co.  
Chartered Accountants

Firm Reg. No. 102466W

CA Niraj Saboo  
Proprietor  
M. No. 158054

Place : Mumbai  
Date: 01/06/2023



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

Sanjay Chowdhri  
Chairman and Managing  
Director

DIN No. : 00095990

Sanjeev Khadkelwal  
Independent Director

Sadashiv Bangera  
Chief Financial Officer

Hemant Agarwal  
Company Secretary

Pranav Chowdhri  
Chief Executive Officer

Place : Mumbai  
Date: 01/06/2023



**SUPREME ENGINEERING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED March 31, 2023**

**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, 2022</b>			
Numbers	2,49,95,000		2,49,95,000
Amount	2,500	-	2,500
<b>March 31, 2023</b>			
Numbers	2,49,95,000	-	2,49,95,000
Amount	2,500		2,500

**B Other Equity**

Particulars	(Amount in INR Lakhs)			
	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>As at March 31, 2021</b>	1,036	-	1,237	2,273
Profit/(Loss) for the year	-	-	(915)	(915)
Other comprehensive income/(Loss)	-	-	6	6
Lease adjustment	-	-	6	6
<b>Total comprehensive income for the year</b>	-	-	(902)	(902)
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Tax impact of Ind AS 116	-	-	-	-
<b>As at March 31, 2022</b>	1,036	-	335	1,371
Profit/(Loss) for the year	-	-	(10,517)	(10,517)
Other comprehensive income/(Loss)	-	-	24	24
Lease adjustment	-	-	0	0
<b>Total comprehensive income for the year</b>	-	-	(10,493)	(10,493)
Dividends	-	-	-	-
Dividend distribution tax	-	-	-	-
Tax impact of Ind AS 116	-	-	-	-
<b>As at March 31, 2023</b>	1,036	-	(10,158)	(9,122)

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

1-42

As per our report of even date attached

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

CA Niraj Salunke  
Proprietor  
M. No. 158054

Place : Mumbai  
Date: 01/06/2023

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

Sanjay Chowdhri  
Chairman and Managing Director  
DIN No. : 00095990

Sudashiv Bangera  
Chief Financial Officer

Place : Mumbai  
Date: 01/06/2023

Pranav Chowdhri  
Chief Executive Officer

Hemant Agarwal  
Company Secretary

Sanjay Khandelwal  
Independent Director





**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

4. PROPERTY, PLANT AND EQUIPMENT									
Particulars	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computer	Lease Asset	(Amount in INR Lakhs)	
<b>GROSS CARRYING VALUE</b>									
As at March 31, 2021	216	123	1,785	1	4	1	244		2,373
Additions			11	0		1	283		296
Disposals/Adjustments during the year									
As at March 31, 2022	216	123	1,796	1	4	2	527		2,668
Additions			6						6
Disposals/Adjustments during the year									
As at March 31, 2023	216	123	1,802	1	4	2	527		2,674
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>									
As at March 31, 2021	0	24	284	0	2	0	188		500
Depreciation for the year		10	125	0	1	0	94		230
Deductions/Adjustments during the year			0	(0)					
As at March 31, 2022	0	34	409	1	3	1	282		730
Depreciation for the year		9	112	0	0	0	95		217
Deductions/Adjustments during the year									
As at March 31, 2023	0	43	521	1	3	1	377		946
Net Carrying value as at March 31, 2023	215	80	1,281	1	1	1	149		1,728
Net Carrying value as at March 31, 2022	215	89	1,387	1	1	1	244		1,939
Net Carrying value as at March 31, 2019	216	123	1,781	1	4	0	244		2,368

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 pledge 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.



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SUPREME ENGINEERING LIMITED  
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023

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**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****5. INVESTMENT PROPERTIES**

(Amount in INR Lakhs)			
Particulars	Land	Buildings	Total
<b>GROSS CARRYING VALUE</b>			
As at March 31, 2021	48	609	658
Additions			
Deletions			
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments			
As at March 31, 2022	48	609	658
Additions			
Deletions		(103)	(103)
Acquisition through business combinations			
Transfers to and from inventories and owner-occupied property			
Other Adjustments			
As at March 31, 2023	48	507	555
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>			
As at March 31, 2021	-	(24)	(24)
Additions		(12)	(12)
Impairment			
As at March 31, 2022	-	(35)	(35)
Additions		11	11
Impairment			
As at March 31, 2023	-	(24)	(24)
Net Carrying value as at March 31, 2023	48	531	531
Net Carrying value as at March 31, 2022	48	574	622

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	0	0
Later than one year but not later than 5 years	0	0
Later than 5 years	0	0

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 31,2023****ii. Fair Value****Reconciliation of Fair Value:****(Amount in INR Lakhs)**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Opening Balance as at April 1	1,293.00	1,293.00	1,398.00
Fair Value Difference	-	-	(105.00)
Closing balance as at March 31	1,293.00	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 31,2023**

**6. FINANCIAL ASSETS**

(Amount in INR Lakhs)

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<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	1
(March 31, 2020: 4000 shares ,March 31, 2019: 4000 shares)		
<b>(2) Investments carried at Cost</b>	1	1
<b>(a) Investment Property</b>		-
<b>(b) Other Investments</b>		-
		-
<b>Total</b>	<b>1</b>	<b>1</b>
Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	1	1
Aggregate amount of impairment in the value of investments	-	-
<b>Investments carried at fair value through profit and loss</b>	<b>1</b>	<b>1</b>
<b>Investments carried at amortised cost</b>	<b>-</b>	<b>-</b>
<b>(B) LOANS</b>		
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Other loans and advances	313	73
<b>Total</b>	<b>313</b>	<b>73</b>
<b>(C) OTHER FINANCIAL ASSETS</b>		
<b>Non Current</b>		
<b>Financial assets carried at amortised cost</b>		
Security Deposits	31	31
<b>Total</b>	<b>31</b>	<b>31</b>
<b>Current</b>		
<b>(i) Financial assets carried at amortised cost</b>		
Interest Accrued	3	3
Other financial assets	-	(0)
<b>Total</b>	<b>3</b>	<b>3</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2023****7. INVENTORIES**

Particulars	(Amount in INR Lakhs)	
	As at Mar 2023	As at 31 Mar 2022
Raw materials and components (Valued at lower of Cost and Net Realisable value)	1,209	7,425
Work-in-progress (Valued at cost)	190	2,492
Finished goods	465	1,073
Stores & Spares	-	-
<b>Total</b>	<b>1,864</b>	<b>10,989</b>

**8. TRADE RECEIVABLES**

Particulars	As at Mar 2023	As at 31 Mar 2022
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Trade Receivables	103	2,114
	<b>103</b>	<b>2,114</b>
<b>Breakup of Security details</b>		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	103	2,114
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	1,184	1,059
	<b>1,286</b>	<b>3,173</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Doubtful	(1,184)	(1,059)
	<b>(1,184)</b>	<b>(1,059)</b>
<b>Total</b>	<b>103</b>	<b>2,114</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.

**9. CASH AND CASH EQUIVALENTS**

Particulars	As at Mar 2023	As at 31 Mar 2022
Balances with banks on current accounts	167	133
- Deposits with original maturity of less than three months	38	26
Cheques/draft on hand	-	-
Cash on hand	31	33
	<b>236</b>	<b>191</b>



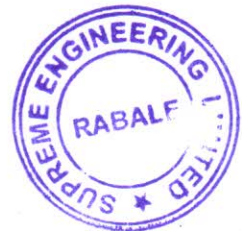
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**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****10. OTHER ASSETS**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<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	43.46	59.10
- Other Advances	-	-
Advances to Officers of the Company	36.61	31.45
Loan to Related Party	-	-
Loan to Others	-	-
<b>Others</b>		
- Prepaid expenses	52.98	53.68
- Balances with Statutory and Government Authorities	60.04	76.21
- Other Current Assets	59.07	26.84
- Advance Tax & TDS	33.71	29.08
<b>Total</b>	<b>285.88</b>	<b>283.58</b>



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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<b>Deferred tax relates to the following:</b>		
Timing differences in the carrying amount of property, plant and equipment	175.36	168.33
Other temporary differences- Gratuity & Leave Encashment	(5.65)	(15.21)
Provision for Doubtful Debt	(653.03)	(308.35)
Lease Obligation Net	(0.82)	1.44
Deferred Borrowing Cost	1.39	1.39
MAT credit entitlement	(34.90)	(34.90)
<b>Net Deferred Tax (Assets) / Liabilities</b>	<b>(517.65)</b>	<b>(187.31)</b>

**Movement in deferred tax liabilities**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<b>Opening balance as of April 1</b>	<b>(187.31)</b>	<b>0.42</b>
Tax (income)/expense during the year recognised in profit or loss	(340.76)	(192.87)
Tax (income)/expense during the year recognised in OCI	9.90	2.52
Tax (income)/expense during the year recognised in Retain Earning		2.62
Other Adjustments		
<b>Closing balance as at March 31</b>	<b>(518.17)</b>	<b>(187.31)</b>

**Unrecognised deferred tax assets**

	As at 31 Mar 2023	As at 31 Mar 2022
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, 2023 and March 31, 2022 are as follows:

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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
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	(340.76)	(192.87)
<b>Income tax expense recognised in profit or loss</b>	<b>(340.76)</b>	<b>(192.87)</b>

**ii. Income tax recognised in OCI**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Net loss/(gain) on remeasurements of defined benefit plans	(9.90)	(2.52)
<b>Income tax expense recognised in OCI</b>	<b>(9.90)</b>	<b>(2.52)</b>



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**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2023 and March 31, 2022

(Amount in INR Lakhs)

Particulars	For the Year ended	
	31-Mar-23	31-Mar-22
Profit/(Loss) before tax	(10,858)	(1,107)
Enacted tax rate in India	29.12%	29.12%
<b>Income tax on accounting profits</b>		-
<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	(341)	(193)
Short / (Excess) Provision for Earlier Years		-
Other adjustments		-
<b>Tax at effective income tax rate</b>	<b>(341)</b>	<b>(193)</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2023****12. SHARE CAPITAL****Authorised Equity Share Capital**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
<b>Authorised:</b> Equity shares of INR 1 each (March 31, 2022 INR 1 each)	25,10,00,000	2,510.00	25,10,00,000	2,510.00
<b>Issued:</b> Equity shares of INR 1 each (March 31, 2022 INR 1 each)	24,99,50,000	2,499.50	24,99,50,000	2,499.50
<b>Subscribed and paid-up:</b> Equity shares of INR 1 each (March 31, 2022 INR 1 each)	24,99,50,000	2,499.50	24,99,50,000	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 2023		As at 31 Mar 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	25,10,00,000	25,100.00	25,10,00,000	25,100.00
Add/(Less) : chnages during the year			-	-
<b>Balance at the end of the year</b>	<b>25,10,00,000.00</b>	<b>25,100.00</b>	<b>25,10,00,000.00</b>	<b>25,100.00</b>

Issued,Subscribed and Paid up share capital	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of Shares	INR in Lakhs	No. of Shares	INR in Lakhs
Balance at the beginning of the year	24,99,50,000	24,995.00	24,99,50,000	24,995.00
Add : Shares issued during the year				
Less: shares bought back				
<b>Balance at the end of the year</b>	<b>24,99,50,000.00</b>	<b>24,995.00</b>	<b>24,99,50,000.00</b>	<b>24,995.00</b>

(b) The company has only one class of shares referred to as Equity shares having a face value of INR 1 each (March 31, 2022: INR 1 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 2023		As at 31 Mar 2022	
	Number	% holding	Number	% holding
<b>Equity shares of INR 1 each fully paid</b>				
Sanjay Ratan Chowdhri	5,65,93,000	22.64%	6,65,95,000	26.64%
Sanjay Ratan Chowdhri (HUF)	8,09,800	0.32%	5,75,85,610	23.04%
Lalita Sanjay Chowdhri	1,71,20,000	6.85%	1,71,20,000	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, 2023****13. OTHER EQUITY****i. Reserves and Surplus**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Securities Premium Reserve	1,036	1,036
General Reserve	-	-
Retained Earnings	(10,158)	335
	<b>(9,122)</b>	<b>1,371</b>

**(a) Securities Premium Reserve**

	As at 31 Mar 2023	As at 31 Mar 2022
Opening balance	1,036	1,036
Add/(Less): changes during the year	-	-
<b>Closing balance</b>	<b>1,036</b>	<b>1,036</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 c shares.

**(b) General Reserve**

	As at 31 Mar 2023	As at 31 Mar 2022
Opening balance	-	-
Add/(Less): changes during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**(c) Retained Earnings**

	As at 31 Mar 2023	As at 31 Mar 2022
Opening balance	335	1,237
Net Profit/(Loss) for the year	(10,493)	(908)
Add/(Less):		
Lease Adjustment net of taxes	-	6
Dividend distribution tax (DDT)	-	-
<b>Closing balance</b>	<b>(10,158)</b>	<b>335</b>

**14. DISTRIBUTION MADE AND PROPOSED****Cash dividends**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<b>Cash dividends on Equity shares declared and paid:</b>		
Final dividend for the year ended on March 31, 2023: INR Nil per share (March 31 2022: 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, 2023: INR Nil per share (March 31, 2022: INR Nil per share)		
DDT on proposed dividend		
	<b>-</b>	<b>-</b>




**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2023****15. BORROWINGS**

(Amount in INR Lakhs)		
Particulars	As at 31 Mar 2023	As at 31 Mar 2022
<b>Non Current Borrowings</b>		
<b>Secured</b>		
Term Loan from Bank	1,154.43	1,154.43
Inter-Corporate Loan against Property	287.12	287.30
<b>Unsecured</b>		
From Related Parties	1,049.40	1,008.53
From Others	95.14	95.74
(A)	<b>2,586.09</b>	<b>2,546.00</b>
<b>Current Maturity of Non Current Borrowings</b>		
(a) Bonds/Debentures	-	-
(a) Term Loans	1,154.43	404.05
(b) External Commercial Borrowings (ECB) from banks	-	-
(d) Deposits	-	-
(e) Loans from Related Parties	-	-
(f) Long term maturity of Finance Lease Obligations	-	-
(g) Liability Component of Compound Financial Instruments	-	-
(h) Others	-	-
(B)	<b>1,154.43</b>	<b>404.05</b>
<b>Total (A)-(B)</b>	<b>1,431.66</b>	<b>2,141.95</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
(a) Cash Credit Facility with bank	7,550.73	7,545.28
(b) Bill Payables	-	-
<b>Unsecured</b>		
(a) Loans from Banks	4.61	4.61
<b>Total</b>	<b>7,555.34</b>	<b>7,549.89</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 <b>Total Holding and Finvest Pvt Ltd</b> 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 31,2023**

<b>16. OTHER FINANCIAL LIABILITIES</b>		
<b>(Amount in INR Lakhs)</b>		
<b>Particulars</b>	<b>As at 31 Mar 2023</b>	<b>As at 31 Mar 2022</b>
<b>Current</b>		
<b>Financial Liabilities at amortised cost</b>		
Current maturities of long term debts	1,154.43	404.05
Outstanding Expenses Payable	247.90	503.80
Unpaid dividend	0.18	0.18
<b>Others</b>		
Employee Dues	16.71	32.36
Other Payables	53.97	39.02
<b>Total</b>	<b>1,473.19</b>	<b>979.42</b>

<b>17. TRADE PAYABLES</b>		
<b>(Amount in INR Lakhs)</b>		
<b>Particulars</b>	<b>As at 31 Mar 2023</b>	<b>As at 31 Mar 2022</b>
<b>Current</b>		
Trade Payables to Micro, Small and Medium Enterprises (Refer Note 37)	442.48	5.00
Trade Payables to Related Parties	3.14	-
Trade Payables to Others	210.06	826.89
<b>Total</b>	<b>655.68</b>	<b>831.89</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.

<b>18. OTHER LIABILITIES</b>		
<b>(Amount in INR Lakhs)</b>		
<b>Particulars</b>	<b>As at 31 Mar 2023</b>	<b>As at 31 Mar 2022</b>
<b>Current</b>		
Advances from customers	461.21	350.51
Statutory Liabilities	178.67	83.62
Capital Advances	-	-
<b>Total</b>	<b>639.88</b>	<b>434.13</b>

<b>19. PROVISIONS</b>		
<b>(Amount in INR Lakhs)</b>		
<b>Particulars</b>	<b>As at 31 Mar 2023</b>	<b>As at 31 Mar 2022</b>
<b>Non Current</b>		
Provision for employee benefits - Gratuity	(1.88)	26.24
<b>Total</b>	<b>(1.88)</b>	<b>26.24</b>
<b>Current</b>		
Provision for employee benefits - Gratuity	15.69	20.80
Provision for employee benefits - Leave Encashment	-	-
<b>Total</b>	<b>15.69</b>	<b>20.80</b>



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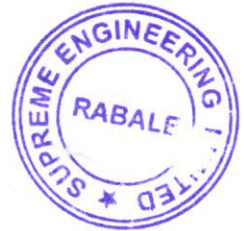
**20. CURRENT TAX LIABILITY(NET)**

Particulars	(Amount in INR Lakhs)	
	As at 31 Mar 2023	As at 31 Mar 2022
Current tax liability	317.84	343.28
Add: Current tax payable for the year	-	-
Less: Taxes paid	-	-
<b>Closing Balance</b>	<b>317.84</b>	<b>343.28</b>

**21. REVENUE FROM OPERATIONS**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
<b>Sale of Product</b>		
Sale of Finished Goods	1,454.88	7,090.10
<b>Sale of services</b>		
-Job Work Charges	385.00	187.69
	<b>1,839.87</b>	<b>7,277.79</b>

Note: For disaggregated revenue information, Please refer Note 40

**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2023**

**22. OTHER INCOME**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Interest income on		
Bank fixed deposits	1.18	3.86
Deposit with MSEB	0.77	0.89
Interest income on late payment/advances/loans	5.97	
<b>Other Non Operating Income</b>		
Rental Income	9.00	
Discount received (Net)	0.23	-
Miscellaneous Income	-	0.08
Profit on sale of Car	-	-
Profit on sale of Flat	24.14	-
Margin Money Commission	-	-
Foreign Exchange Gain	3.71	1.99
Export Benefits (MEIS & Drawback) Received	-	-
VAT Refund FY 2016-2017	-	9.77
Dividend Received from TBSB Ltd	0.00	0.00
Sundry balance Written off	-	65.19
	<b>45.00</b>	<b>81.77</b>

**23. COST OF MATERIALS CONSUMED**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Stock as at beginning of the year	7,424.57	7,404.73
Add: Purchases	1,156.52	6,760.48
Diminished Value of Raw Material	(6,321.14)	
Less : Stock as at end of the year	(1,209.19)	(7,424.57)
<b>Total I</b>	<b>1,050.77</b>	<b>6,740.64</b>
<b>Direct / Operating Expenses</b>		
Job work Charges and Labour charges	105.76	97.48
Repairs & Maintenance	22.58	10.06
Transport & Octroi Charges	14.78	16.02
Consumables - Diesel & Others	1.64	9.33
Water Charges	1.24	2.44
Electricity Charges	262.83	230.58
Factory License Fee	0.19	1.40
Testing & Inspection charges	8.20	10.74
Agency Charges (Import/Export)	-	7.68
Clearing & Forwarding Expenses	2.54	46.29
Pollution Control Fee	0.93	0.47
Discount	1.68	2.89
Other Expenses	0.33	-
Packing & Forwarding Expenses	0.31	1.31
<b>Total II</b>	<b>423.01</b>	<b>436.69</b>
<b>Total I + II</b>	<b>1,473.78</b>	<b>7,177.33</b>

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

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
<b>Inventories as at the beginning of the year</b>		
Work - in - progress	2,491.77	2,554.59
Finished Goods	1,073.09	661.61
<b>Less : Inventories as at the end of the year</b>		
Work - in - progress	(465.15)	(2,491.77)
Finished Goods	(190.08)	(1,073.09)
<b>Less : Diminution</b>		
Diminished Value of FG	(741.16)	
Diminished Value of WIP	(1,821.40)	
<b>Net decrease / (increase) in inventories</b>	<b>347.07</b>	<b>(348.66)</b>

**25. EMPLOYEE BENEFITS EXPENSE**

(Amount in INR Lakhs)		
Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Salaries and Incentives	127.57	125.62
Contribution to PF , ESIC & others	4.83	5.31
Gratuity	7.19	8.88
Staff Welfare Expenses	7.55	6.02
Director Remuneration	22.40	38.40
	<b>169.54</b>	<b>184.23</b>



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**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31,2023****26. FINANCE COST**

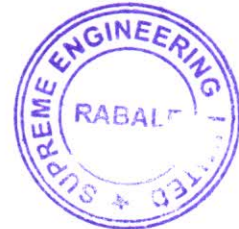
Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Interest expense on debts and borrowings	116.34	352.31
Finance and Other Charges	3.16	21.59
Interest expense on Statutory Dues	3.82	3.23
Bill Discounting charges	0.36	14.61
Interest Others	-	-
Inland LC Amendment charges & Issue charges	4.82	0.63
	<b>128.50</b>	<b>392.36</b>

**27. DEPRECIATION EXPENSE**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Depreciation on tangible assets	121.69	135.97
Depreciation on Investment Properties	-	11.67
Depreciation on ROU	94.83	93.94
	<b>216.53</b>	<b>241.58</b>

**28. OTHER EXPENSES**

Particulars	(Amount in INR Lakhs)	
	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Audit Fees	6.00	10.94
Brokerage & Commission Paid	-	3.48
CSR Expenses	-	-
Director Sitting Fee	-	0.60
Entertainment Expenses	24.29	0.14
Insurance Charges	1.03	1.27
Late Delivery Charges	23.58	0.97
Late Fee of GST	0.23	0.05
Vehical Maintenance Expenses	6.79	2.16
Misc. Expenses	11.70	3.23
Postage & Courier	0.67	0.54
Printing & Stationery	1.32	1.19
Professional and Legal Fees	38.71	69.70
General Expense/ Write off	120.21	5.74
Allowance for doubtful debts and advances	1,183.65	661.01
Rates & Taxes	2.06	1.56
Repairs & Maintenance	11.71	15.47
Membership and Subscription Fees	0.24	-
Sales Promotion expenses	0.59	0.55
Security charges	3.49	4.72
Stamping charges	0.02	0.46
Listing Fees	6.42	6.65
Telephone and internet Expenses	1.21	1.73
Travelling Expenses	47.23	24.71
Factory Renewal Charges	-	0.45
Valuation Expense	1.00	0.80
Hiring Charges	3.47	2.09
VAT Paid	28.08	-
<b>Total</b>	<b>1,523.71</b>	<b>820.20</b>



**SUPREME ENGINEERING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023****(a) Details of Payments to auditors****(Amount in INR Lakhs)**

	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
<b>As auditor</b>		
Audit Fee	6.00	6.00
Tax audit fee		
Limited review fee		

**(b) Corporate social responsibility expenditure****(Amount in INR Lakhs)**

	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Opening Balance of Unspent CSR Expenditure	33.51	33.51
Amount required to be spent as per Section 135 of the Act	33.51	33.51
Amount spent during the year on		-

**(d) Value of imports calculated on CIF Basis****(Amount in INR Lakhs)**

	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Raw materials and components	53.77	187.16
<b>Total</b>	<b>53.77</b>	<b>187.16</b>

**(e) Expenditure in foreign currency****(Amount in INR Lakhs)**

	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Travelling Expenses	1.37	0.84
<b>Total</b>	<b>1.37</b>	<b>0.84</b>

**(f) Earnings in foreign currency****(Amount in INR Lakhs)**

	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
F.O.B value of exports	22.99	7.17
<b>Total</b>	<b>22.99</b>	<b>7.17</b>

**29. EARNINGS PER SHARE****(Amount in INR Lakhs)**

Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
<b>(a) Basic and Diluted earnings per share (In INR)</b>		
Profit/(Loss) attributable to the equity holders of the company (A)	(10,517.19)	(914.60)
Basic and Diluted earnings per share attributable to the equity holders of the company (A/B)	(42.08)	(3.66)
<b>(b) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (B)	24,995,000	24,995,000



**SUPREME ENGINEERING LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023**

**Corporate Information**

These statements comprise financial statements of Supreme Engineering Limited (CIN: L99999MH1987PLC043205) ('the company') for the year ended March 31, 2023. 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, 2023 were authorised for issue by the Board of Directors on

**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 2023 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.

The items are regrouped wherever required so as to give a better presentation of the financial statements. The figures of previous year are also

**(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;

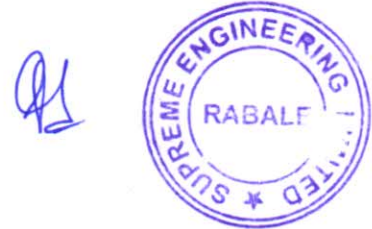
The Financial Statements are presented in Indian Rupees ('INR') which is the functional and presentational currency and all values are rounded to the nearest Lakh, except otherwise indicated.

**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, 2023**

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.

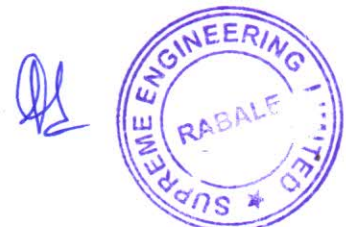
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market-assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions 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. The Raw material is valued at Net Realisable Value in the year under consideration.



**SUPREME ENGINEERING LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023**

(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.

The devaluation of the stock is due to the following factors and reasons and hence, Net Realisable Value is reported:

1. Cancellation of orders: There were various orders that were received from government companies during the COVID-19 pandemic period. Due to operational issues, the manufacturing of these orders got delayed, which resulted in cancellation of various high value orders from customers. These materials were made-to-order and hence once the chemical composition for the required customer is made, it cannot be diverted or sold to any other customer. Due to this reason, the valuation of the product has to be revalued as scrap.

2. Obsolete stock: There was various stock manufactured for supply of material to distributors. During the pandemic, these distributors had cash flow trouble due to which their payments to our company got very delayed. The company decided to stop this line of business in this financial year. Hence, the stock manufactured for these customers also need to be revalued accordingly.

The stock issues were discussed in the board meeting dated 13/12/22 and the revaluation was accepted by the board on 14/02/2023. The devaluation to net realisable value was implemented once the management was clear of the fact that there is no market otherwise for the products and the quality over the period has also depleted.

The diminished value of the inventory is reported under the expenses which has increased the loss of the company. The total value reduces is of Rs. 8883.70 ( in lakhs) which consists of Rs. In lakhs - Rs. 741.16 in case of Finished Goods, Rs. 6321.14 in case of Raw Material and Rs. 1821.40 in case of Work in Progress.





## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023**

#### **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.

Balance at Bank under current account includes 10% Bank of India Recovery account which is allowed for holding on operation with 10% set back arrangement on the Receipts credited to the account of the company

#### **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 discounts, sales incentives, rebates granted, returns, sales taxes/GST and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of export turnover.

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.

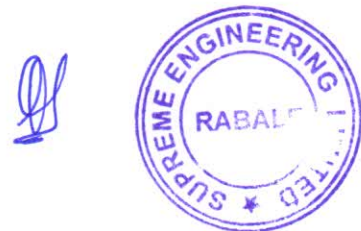
##### **(v) Rental Income**

Revenue is recognised at the start of the period for which the property is rented. The company is receiving rent from Commercial property commencing from 21st Oct 2022. Taxes are levied over and above the rental which is charged.

#### **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 has 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, 2023**

(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.





## **SUPREME ENGINEERING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023**

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.

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, 2023**

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 the current 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, 2023**

#### **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, 2023**

**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, 2023**

#### **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.**

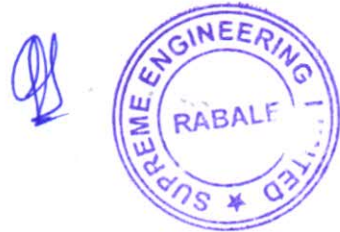
A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

##### **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, 2023**

**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.



## 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.