



SUPREME PETROCHEM LTD

Regd. Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400 093. INDIA
☎ : 91-22-6709 1900 Fax - 022 - 4005 5681 • CIN : L23200MH1989PLC054633
Website : www.supremepetrochem.com • Email : corporate@spl.co.in

Ref: CFA/CS/86/AGM_31/2020-2021

March 12, 2021

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

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

Dear Sir/Madam,

Sub: Outcome of Board Meeting of Supreme Petrochem Limited (“Company”)

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”)

With reference to captioned subject and in furtherance to our letter dated February 23, 2021, this is to inform that the Board of Directors of the Company has, at its meeting held today, i.e., March 12, 2021, *inter alia*

1. Considered, reviewed and approved a draft scheme of reduction of share capital of the Company providing for 60% reduction of paid up equity share capital of the Company by reducing the face value of paid-up equity shares of the Company from the existing Rs. 10/- (Rupees Ten Only) per equity share to Rs.4/- (Rupees Four Only) per equity share and returning the amount of Rs. 6/- (Rupees Six Only) per equity share to all the equity shareholders of the Company as on the record date pursuant to provisions of section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and in compliance with the other applicable rules and regulations, if any, (hereinafter referred to as “Scheme”).

The Scheme is subject to approval of shareholders, Hon'ble National Company Law Tribunal, Mumbai Bench (“NCLT”) and all other regulatory and necessary approvals.

The Scheme was reviewed and recommended to the Board of Directors of the Company for approval by the Audit Committee of the Company at its meeting held on March 12, 2021 and also the Independent Directors at its meeting held on March 12, 2021 has recommended the Scheme and also confirmed that the same is not detrimental to the shareholders of the Company.

2. Constituted a Committee of Directors (“COD”) and has delegated its powers to COD to do or cause to be done all such acts, deeds, matters and things, as it may, in its discretion, deem necessary in connection with, and for the implementation of, the proposed scheme of reduction of share capital.

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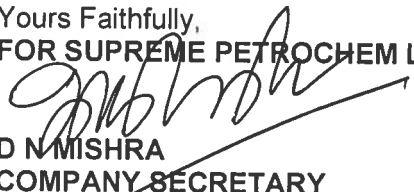
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The disclosure with respect to the Scheme in accordance with Regulation 30 and Para A of Part A of Schedule III of the SEBI LODR Regulations read with the SEBI Circular - CIR/CFD/CMD/4/2015 dated September 09, 2015 is annexed herewith as **Annexure - A**.

The meeting commenced at 3.30 p.m. and concluded at 06:45 p.m. You are requested to kindly take the same on your record and disseminate.

Thanking You,

Yours Faithfully,
FOR SUPREME PETROCHEM LTD


D N MISHRA
COMPANY SECRETARY

Encl.: As above.



Annexure – A

Disclosure in terms of Regulation 30 of the SEBI LODR Regulations read with SEBI Circular - CIR/CFD/CMD/4/2015 dated September 9, 2015.

a) Details and reasons for reduction of share capital

Brief details of the Scheme

1. The Scheme provides for reduction in the issued, subscribed and paid-up equity share capital of the Company from the existing Rs. 94,02,06,710/- (Rupees Ninety Four Crore Two Lakhs Six Thousand Seven Hundred Ten Only) divided into 9,40,20,671 (Nine Crore Forty Lakhs Twenty Thousand Six Hundred Seventy One) equity shares with face value of Rs. 10/- (Rupees Ten Only) per equity share to Rs. 37,60,82,684/- (Rupees Thirty Seven Crores Sixty Lakhs Eighty Two Thousand Six Hundred Eighty Four Only) divided into 9,40,20,671 (Nine Crore Forty Lakhs Twenty Thousand Six Hundred Seventy One) equity shares with face value of Rs. 4/- (Rupees Four Only) per equity share;
2. The aforesaid reduction in the equity share capital shall be effected by returning to all the Shareholders as on the Record Date (*as defined in the Scheme*) an amount of Rs. 6/- (Rupees Six Only) per equity share out of face value of Rs. 10/- (Rupees Ten Only) per equity share held by them and reducing the face value of equity shares of the Company from the existing Rs. 10/- (Rupees Ten Only) per equity share to Rs. 4/- (Rupees Four Only) per equity share;
3. Pursuant to reduction of share capital as above, the face value of equity shares of the Company shall stand reduced to Rs.4/- (Rupees Four Only) per equity share and consequently, the authorized share capital of the Company shall stand reorganized from Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 12,50,00,000 equity shares of Rs.10/- each and 2,50,00,000 redeemable cumulative preference shares of Rs.10/- each to Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 31,25,00,000 equity shares of Rs. 4/- each and 2,50,00,000 redeemable cumulative preference shares of Rs. 10/- each

Reasons, Rationale and purpose of the Scheme

- I. Since the initial public offer in 1994, the Company has been growing and rewarding its shareholders through regular dividend pay-out and periodical buy-back of the equity shares;
- II. As on September 30, 2020, the Company has cash and cash equivalents and liquid resources aggregating to Rs.409.58 Crs, which are in form of cash, bank and investments in debt schemes of mutual funds. Further, the Company has enough resources to meet its ongoing business activities as well as future growth requirements;
- III. On a review of the financial position of the Company as per its Audited Financial Statement as on 31st March, 2020 including its reserves, future revenues, expansion plans and CAPEX thereto etc, the Board of Directors of the Company in the meeting held on March 12, 2021, were of the opinion that the paid up share capital of the Company is in excess of its requirement of funds.

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IV. The Board, in the aforesaid meeting, after carefully examining and evaluating the different options available to the Company and in accordance with the provisions of Section 66 of the Companies Act, 2013 read with the applicable rules issued thereunder, and subject to the consent of the shareholders and the approval from the Tribunal and other statutory authorities as and where applicable decided to pay back the excess share capital by reducing 60% of the paid up share capital of the Company by way of cancelling and extinguishing 60% of the paid up value of the equity shares by returning Rs.6/- (Rupees Six Only) per equity share to the shareholders.

V. Post the reduction of share capital—

- (i) The Company will have more efficient capital structure and the shareholders will also benefit in terms of enhanced return on equity capital, return on capital employed and dividend yield on face value of shares.
- (ii) The Company will have enough resources to fund the ongoing activities and its expansion programme etc.

b) Quantitative and/qualitative effect of reduction of share capital

1. Pursuant to the Scheme -

- The existing issued, subscribed and paid-up equity share capital of the Company shall stand reduced by a sum of Rs.56,41,24,026/- (Rupees Fifty Six Crore Forty One Lakhs Twenty Four Thousand Twenty Six Only) and face value of equity shares of the Company shall stand reduced from the existing Rs. 10/- (Rupees Ten Only) per equity share to Rs.4/- (Rupees Four Only) per equity share;
 - There will be no change or reduction in the number of equity shares issued by the Company, and hence, the proportion of the equity shares held by the existing members of the Company will remain intact and no prejudice will be caused to the shareholders of the Company by the aforesaid reduction in equity share capital.
2. The Scheme will not have any effect on any of the Company's employees/creditors/banks/financial institutions. The reduction of capital would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its liabilities in the ordinary course of business. The Scheme does not in any manner alter, vary or affect the rights of the creditors of the Company.
3. Post the reduction of share capital, the Company will have more efficient capital structure and the shareholders will also benefit in terms of enhanced return on equity capital, return on capital employed and dividend yield on face value of shares.

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- c) Details of benefit, if any, to the promoter/promoter group/group companies from reduction of share capital

The reduction of share capital shall be implemented by the Company by making payment Rs 6/- (Rupees Six Only) per equity share to all the equity shareholders of the Company in proportion of their shareholding as on the Record Date and accordingly, except for payment of Rs.6/- per equity share in proportion of their shareholding as on the Record Date, no other benefits accrue to the promoter/promoter group/ group companies from the Scheme.

- d) Brief details of change in shareholding pattern (if any) of the Company

Pursuant to the Scheme, there will be no change or reduction in the number of equity shares issued by the Company, and hence, the proportion of the equity shares held by the existing members of the Company will remain intact and consequently, there will be no change in the shareholding pattern of the Company.

- e) Capital Structure of the Company - Pre and Post the Reduction of Paid-up Equity Share Capital

Particulars	Pre Scheme		Post Scheme	
	Number of shares	Amount (Rs. in Crores)	Number of shares	Amount (Rs. in Crores)
Authorized Share Capital	12,50,00,000 equity shares of Rs. 10/- each	125.00	31,25,00,000 equity shares of Rs. 4/- each	125.00
	2,50,00,000 redeemable cumulative preference shares of Rs. 10/- each	25.00	2,50,00,000 redeemable cumulative preference shares of Rs. 10/- each	25.00
	Total	150.00	Total	150.00
Issued, subscribed and paid up share capital	9,40,20,671 equity shares of Rs. 10/- each	94.02	9,40,20,671 equity shares of Rs. 4/- each	37.61
	Total	94.02	Total	37.61

Thanking You,

Yours Faithfully,

FOR SUPREME PETROCHEM LTD

D N MISHRA

COMPANY SECRETARY