

The Supreme Industries Limited

Press Release

THE SUPREME INDUSTRIES LIMITED (Supreme) ANNOUNCES UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2020.

Mumbai, 28th October, 2020

The Supreme Industries Limited (Supreme), India's leading Plastics product manufacturing company, announced its Unaudited Standalone & Consolidated financial results for the Quarter and half year ended 30th September, 2020, at its Board Meeting held today.

[A] Standalone Results (Excluding Construction Business)

(Rs. in Crores)

	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Previous Year ended 31.03.2020
Plastic goods sold (MT)	94836	93500	186287	206928	411521
Plastics product turnover	1322	1255	2362	2673	5408
Total income	1379	1277	2433	2714	5504
Operating profit (PBIDT)	260	179	378	346	849
Net profit before tax	205	120	264	235	623
Net profit after tax	154	133	197	207	493

Note:

Tax expenses for the quarter and period ended September 30, 2019 include Rs. 3363 lakhs written back of deferred tax liabilities relating to earlier years due to remeasurement on adoption of reduced tax rates as allowed under section 115BAA of Income Tax Act, 1961.

[B] Consolidated Results (Excluding Construction Business)

(Rs. in Crores)

	Quarter ended 30.09.2020	Quarter ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019	Previous Year ended 31.03.2020
Consolidated total income	1375	1271	2429	2708	5487
Consolidated operating profit (PBDIT)	282	184	396	364	862
Consolidated net profit before tax	228	126	283	253	636
Consolidated net profit after tax	175	138	215	225	464

[C] Product Group Wise Performance

Segment	Volume (MT)			Value (Rs. In crores)			OPM %	
	Q2'20	Q2'19	% Change	Q2'20	Q2'19	% Change	Q2'20	Q2'19
Plastic Piping System	66609	67812	-1.77	847	812	4.31	20.52%	16.44%
Industrial Products	11285	9953	13.38	182	169	7.69	11.65%	3.84%
Packaging Products	12239	11062	10.64	220	198	11.11	16.93%	7.11%
Consumer Products	4703	4673	0.63	85	86	-1.16	19.78%	17.00%
Total	94836	93500	1.43	1334	1265	5.45	18.67%	13.33%

[D] The Company sold 94836 MT of Plastic goods and achieved net product turnover of Rs. 1322 Crores during the 2nd quarter of the current year against sales of 93500 MT of Plastic goods and achieved net product turnover of Rs. 1255 Crores in the corresponding quarter of previous year achieving volume and product value growth of about 1 % and 5 %, respectively.

The Company sold 186287 MT of Plastic goods and achieved net product turnover of Rs. 2362 Crores during the 1st half year of the current year against sales of 206928 MT and net product turnover of Rs. 2673 crores in the corresponding half year of previous year resulting volume and product value degrowth of about 10 % and 12 %, respectively.

[E] The overall turnover of value added products increased to Rs. 533 crores during the current quarter as compared to Rs. 491 crores in the corresponding period of previous year achieving growth of 9%.

[F] The Board of Directors has considered the payment of interim dividend for the financial year 2020-21 @ 250 % i.e. Rs. 5 per share of Rs. 2 each and will be paid to the shareholders on the shares held as on the record date i.e. 6th November, 2020.

[G] Total Net Borrowing of the Company stands at **Surplus** of Rs. 215 crores as on 30th September, 2020 as against net Borrowings of Rs. 217 crores as on 31st March, 2020. Average Net Borrowing level during the current half year remained at **Surplus** of Rs. 4 crores against borrowing of Rs. 205 crores in corresponding period of previous year. Average Cost of Borrowings as on 30th September, 2020 decreased to 5.89 % p.a. as against 8.35 % p.a. as on 31st March, 2020.

[H] Business Outlook

Mr. M. P. Taparia, Managing Director, The Supreme Industries Limited, said:

The negative impact of pandemic on the business has started withering down. After July, the intermittent lockdowns were mostly not extended in many parts of the Country and opening up of economy has progressed. This has broadened business prospects of the Company since August in all its segments.

By judicious product mix and cost control, the Company was able to achieve significant increase in its' profit, in the second quarter. In spite of weak working of the first quarter, the Company could attain higher profit in the First half of the year compared to corresponding period of previous year.

The harvesting of Kharif crops are moving briskly. The crop output is expected to be better than last year. With most of the water dams are close to full capacity, it is expected that Rabi crop sowing may be in a larger acreage as compared to last year. With higher MSP declared by Government and various other supports provided, the rural area economy and Tier III and IV Towns economy is expected to do better than last year.

With the return of migrant workers on most of the construction sites, supported with lower rate of interest and lower rates of stamp duty in some States, along with drop in prices of residential homes, the demand of new homes has picked pace throughout the Country. Consequently, the Company's Pipe System for Housing is also seeing better demand from September onwards.

Packaging segment is witnessing good demand supported by many new applications/SKUs targeting agriculture sector and customized requirements. Material Handling Products are

being extensively used for logistic solutions, Fruits & Vegetable and Fisheries segments along with revival of demand for Industrial Applications.

Raw material prices, except PVC resin prices, remain range bound. PVC prices, due to tight availability are still making an upward march. It is expected that with the starting of plants in USA and other countries coupled with lower winter demand for housing in USA, Europe, China and other parts of the World, prices may start softening from January 2021 onwards.

The Company's investment plans are going as envisaged. It is expected that Orissa land deal may fructify by November. Company is exploring to put up new plants in other States, for which land negotiations are progressing in Assam and Tamilnadu.

About Supreme Industries Limited

Supreme Industries Limited is India's leading plastics product manufacturer, offering a wide and comprehensive range of plastic products in India. The company operates in various product categories viz. Plastic Piping System, Cross Laminated Films & Products, Protective Packaging Products, Industrial Moulded Components, Moulded Furniture, Storage & Material Handling Products, Performance Packaging Films and Composite LPG Cylinders.

Supreme Industries has 25 technologically advanced manufacturing facilities located at various places spread across the country. The company has built-up excellent relationship with its distributors and is also providing orientation to them, in order to ensure proper service to ultimate customers.

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For The Supreme Industries Limited

Sd/-
R. J. Saboo
VP (Corporate Affairs) & Company Secretary