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29th June, 2022

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

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

**Sub: Chairman Statement made at the 80th Annual General Meeting of the Company,
held on Wednesday, 29th June, 2022.**

Sirs,

Enclosed please find Chairman Statement made at the 80th Annual General Meeting of the Company held on Wednesday, 29th June, 2022, at 04.00 p.m, through video conferencing (VC).

This is for your information and appropriate dissemination

Thanking You
Yours Faithfully
For The Supreme Industries Ltd.



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

The Supreme Industries Limited

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Ladies and Gentlemen

I extend to each and every one of you a warm welcome to the 80th Annual General Meeting of the Company. The Annual Report together with the Audited Accounts and the Director's Report for the year ended 31st March, 2022 have been with you for quite some time and with your permission, I take them as read. I hope it provides you a clear idea of the working of the Company during the year under review.

Each one of us have witnessed the impact of on-going pandemic Covid -19 and keeping in mind health & safety of everyone, this year also we have decided to keep this meeting over virtual platform hence I am not able to address you in person. I thank you all for joining us from wherever you are, through the platform provided by the Company for this Annual General Meeting. Although economic activities are returning to normalcy, however sudden spike in Covid cases and fear of another wave creates an atmosphere of uncertainty. I must compliment all our colleagues & associates who are working with dedication and commitment towards smooth operations and serving to all the customers & other stakeholders with utmost efficiency in these challenging times.

The Company achieved Net Revenues for the year 2021-22 at Rs. 7841 Crores (including Rs. 106 crores by way of trading in other related products) as against Rs. 6384 crores (including Rs. 125 crores by way of trading in other related products) during the previous year.

The Company has sold 3,93,908 tons of Plastic products as against 4,09,109 tons of Plastic products in the same period of previous year, reflecting a de-growth of 4% in product turnover by volume.

The Profits before interest, Depreciation, exceptional items and Taxes during the year under review have been at Rs. 1,310 crores as against Rs. 1,313 crores in previous year. Net Profit, after providing for aggregate Tax provisions of Rs. 264 crores (previous year Rs. 277 crores) remained at Rs. 811 Crores in 2021-22 as against Rs. 800 crores in 2020-21.

The Board of Directors had earlier declared and the Company had paid interim dividend during the year @ 300% i.e. Rs. 6/- per equity share. Further Final dividend @ 900% i.e. Rs. 18/- per equity share has been proposed by the Board of Directors. Thus the total dividend for the year shall work out @ 1200% i.e. Rs. 24/- per equity share of Face Value of Share of Rs. 2/- each as against total dividend @1100% i.e. Rs. 22/- per equity share of face value of Rs. 2/- each in the previous year. Total Dividend payout would amount to Rs. 305 Crores, as compared to Rs. 279 Crores in the previous year. After making necessary provisions, a sum of Rs. 507 Crores has been transferred to General Reserve.

Business Review & Outlook:

The year began on a challenging note with the second wave of Covid which adversely affected the economy in general and the rural economy in particular. The first quarter of the year which otherwise remains most business friendly for the Company (considering its product profile) witnessed quite a setback for most of the product segments of the Company.

Polymer prices witnessed relentless upward march which continued up to middle of November 2021. Subsequently, prices fell quite steeply (especially in PVC Resin) which virtually destroyed the demand of Plastic Pipe Systems albeit temporarily.

Even in such extreme adverse circumstances, your Company maintained a positive outlook for its growth plans. It persisted with its large investment plan with full confidence that business will be quite promising in the year 2022-23 and beyond.

The Company continues its objective to aggressively grow Plastic Piping System business where it is a leader in the segment as it has the largest portfolio of products, which is being continuously expanded to offer more systems as required by the market it caters to.

The Company is implementing brown field expansion, launching new applications & systems and continues to enlarge its product basket apart from three new manufacturing sites where work is going on in full swing, out of which, new unit at Guwahati (Assam) has gone into production during this month. This will give required impetus to the division to grow faster and seize the growing business opportunities.

The Company has launched Compression moulded Olefins fittings & Electro fusion moulded fittings during the year, which are required in "Nal-se-Jal" scheme & joining HDPE pipes used in infrastructure projects. The Company has augmented its offering in Plumbing Systems by introducing PEX plain pipes and PEX composite pipes which are ideal pipe systems to carry hot water.

The business of Cross Laminated Film products was impacted the most due to one of its product tarpaulin being seasonal in nature with peak season between April to June. Business volumes also got impacted by fierce competition from look- alike products. The thrust in the current year will be on promoting non- Tarpaulin applications targeting new customers in existing markets & reaching under represented markets. Company expects its exports to grow further in the current year by making breakthrough in new export markets for special applications.

The Company continues to remain a market leader in the Premium Range of Plastic Furniture. The Company's furniture range is sold on various e-commerce portals & retailers who are being serviced through Company's network of 1306 channel partners. The Company plans to launch variety of new models which will help in overall growth in the current year.

In Industrial Component division, the year was marked by huge supply chain issues for all its customers due to shortage of imported material because of shipping and logistics issues, non-availability of containers, shortage of semi-conductors etc. This led to typical scenario of high demand but no supply. Supply chain was also adversely affected due to rising commodity and fuel prices during the year. Business conditions have started improving and looking at positive demand scenario in various sectors of Appliances like Washing Machines, Air Conditioners, Coolers and Refrigerators, segments where the Company has good presence. The Company invested in Capacity Expansion at various locations. This has started yielding results and will help the division going forward.

In Material handling division, Company has shown good growth in Retail, Industrial Sector, Fruits & Vegetable segment, e-commerce, FMCG, Fisheries Jumbo Crates, Dairy segment and Injection & Roto moulded Pallets and Dustbins. The Company is highly focused to constantly improve its product varieties and the timely delivery of products to its customers. The division has been able to add many new customers all over the country and would strive to continue enlarge its customer base.

In Composite LPG Cylinder division, repeated orders from existing as well as new customers stood testimony to the excellent quality of the current product offering. The Company has successfully participated and received Letter of Intent (LOI) from Indian Oil Corporation Limited (IOCL), one of the leading government oil marketing Company for supply of 7,35,186 Nos of 10 Kg. capacity Composite LPG Cylinders valuing about Rs. 170 Crores. Supplies have already commenced. The volume of business is large and requires capacity expansion. The Company has taken effective steps to install a new plant in its existing premises to double the capacity which is likely to be operational by November, 2022. This will enable the Company to make around 1 Million cylinders per annum.

In Protective Packaging Division, business conditions were good and there was growth in all its application segments viz. packaging, insulation and civil. It has also started doing good business in its consumer products, sports goods, yoga mats and kids puzzle & toys. Good growth is shown in export markets as well. Buyers have reduced their dependency on China and exploring opportunities in India. The Company expects good business for the division and continue to develop various customized solutions for the user industry.

Performance Packaging Film being part of intermediary to essential product category has done well particularly in dairy & oil industry. Exports have shown positive growth and received good response from countries in Middle East, Africa and Europe. Other markets are now being explored in parts of Europe and USA. With improved product mix and focus on increasing customer base, the Company would soon fall short of capacity and look for expansion opportunities.

The Company thus remains overall optimistic in various business segments where it operates.

The net sales and other income during first two months of the current year are Rs. 1394 crores (including Rs. 10 crores by way of trading in other related products) as against Rs. 865 crores (including Rs. 12 crores by way of trading in other related products) in the corresponding period of previous year. During this period, Company has achieved a Product Turnover Volume of 68,057 MT as compared to sale of 45,714 MT in the corresponding period of previous year having a value growth of about 61% and volume growth of about 49%.

This high volume growth was mainly due to lower base of previous year, when business was badly affected due to Covid 2nd wave effect.

The Company envisages Capex plan for the year 2022-23 of about Rs. 700 Crs. including carry forward commitment of Rs. 280 Crs.. The committed / proposed capex is primarily -:

- To complete and put into operation the on- going project work at Assam to manufacture PVC Pipes, HDPE Pipes, Hoses and Roto & Blow Moulded products.
- To put up a plastic product complex near Cuttack in Odisha & near Erode in Tamilnadu where work is going on in full swing.
- To double the capacity of Composite LPG cylinders to 1 million pcs. Per annum at existing site at Halol, Gujarat.
- To establish additional capacity to manufacture olefin Fittings and to put PEX Piping System at Jadcherla.
- To expand capacities and product range of its bath fitting products at Puducherry
- To add varieties of new injection moulded fitting products in its plastic Piping products
- To add new models of Injection moulded furniture, Crates & pallets in the Company's range of furniture and Material Handling Products
- To increase capacities of Industrial Component moulding at various locations in view of increased business opportunities
- To add necessary equipment at its Protective Packaging and performance packaging division
- To install Rooftop Solar energy generation plants at its various locations
- To install balancing equipment at various locations

The Company is continuously working to increase its market reach by closely monitoring its presence at tehsil level by increasing its channel partners, retailers & influencers. The active channel partner strength of Company's all divisions put together was at 4053 nos. as on 31st March 2022. The turnover of value added products has grown to Rs. 2911 Crores in 2021-22 as against Rs. 2480 crores in the previous year. The Company exported goods worth US\$ 29.11 million in 2021-22 as against US\$ 18.35 million during the previous year. The turnover of value added products for first two months of the current year is Rs. 450 crores as compared to Rs. 301 crores during the corresponding period of previous year. Company has achieved export turnover of \$ 5.68 million in two months of the current year against \$ 3.98 million in the corresponding period of previous year. The Company remains focused and will continue its direction to increase the Nos of distributors, and increase its retailer strength, increase the turnover of value added products and boost exports.

The Company is committed to increasingly meet its' energy requirements from Renewable sources. Overall the Company aims to be Carbon neutral over the years. Effective steps towards the same have been initiated. The Company is already meeting its energy requirement to the extent of about 12% from renewable energy sources.

The Company has invested a sum of Rs. 35 Crores in the year 2021-22 and plans to invest further about Rs. 40 Crs. in current year to increase captive solar energy generation. Company expects to meet about 20% of its energy requirements from renewal sources by end of 2022 -23.

The Company had a net cash Surplus balance of Rs. 448 Crs. at the end of May, 2022 and would continue to meet all its capex and working capital requirements from internal accruals and remain debt free.

Beginning of the current year, the Polymer prices have shown softening trend. The prices of different Polymers particularly for polypropylene (PP), Low Denier Polyethylene (LDPE) and Poly Vinyl Chloride (PVC) have gone down between Rs. 12 per kg to Rs. 27 per kg during this period i.e. a reduction between 8% to 20%. Your company is large consumer of PVC Resin which has witnessed the highest fall since April,2022. Though this reduction results in inventory loss, yet this price fall boosts demand of Company's products and will result in lower working capital requirements.

The Company's CSR arm- Supreme Foundation - through its Agreement with the Government of Rajasthan continued to provide the services of teachers for educating the students in government schools in Ajmer and Bikaner Divisions and lecturers in Sanskrit colleges in Rajasthan and also in primary schools of Ladnu Tehsil in Nagaur District of Rajasthan. Supreme Foundation has also started Mobile Computer Bus facility to help in imparting computer education along with Mathematics and Science in those schools, which are lacking in these facilities. Its aim to improve basic education at foundation level of a child, is expected to go a long way in building their future and nurture behavioural aspects and good quality characteristics in a human being.

During the year under review, a sum of Rs. 15.78 Crores has been spent on various CSR activities. Company continues to provide its contribution in the field of education, Medical & healthcare facilities, Sanitation and drinking water supply and other areas of social welfare through Supreme Foundation and contributing to various local authorities and state funds to support their social initiatives.

I am extremely grateful to my fellow members of the Board for their valuable guidance.

I convey my appreciation to Executives, Staff and Workmen for the unstinted support extended by them.

I, on behalf of the Board of Directors, sincerely appreciate the encouragement and co-operation received by the Company from its customers, Bankers, Shareholders and suppliers during these trying times. We hope to meet in our next AGM in usual manner in person. Meanwhile I wish all of you and your beloved family members to stay safe & healthy and look forward to your continued support in the journey ahead.

Thank you,

B. L. Taparia
Chairman

Mumbai
29th June, 2022.