

The Supreme Industries Limited

Press Release

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

Mumbai, 25th July, 2020

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

[A] Standalone Results (Excluding Construction Business)

(Rs. in Crores)

	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Previous Year ended 31.03.2020
Plastic goods sold (MT)	91451	113428	411521
Plastics product turnover	1040	1418	5408
Total income	1054	1437	5504
Operating profit (PBIDT)	117	167	849
Net profit before tax	59	114	623
Net profit after tax	43	74	493

[B] Consolidated Results (Excluding Construction Business)

(Rs. in Crores)

	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Previous Year ended 31.03.2020
Consolidated total income	1054	1437	5487
Consolidated operating profit (PBDIT)	114	180	862
Consolidated net profit before tax	55	127	636
Consolidated net profit after tax	41	87	464

[C] Product Group Wise Performance

Segment	Volume (MT)			Value (Rs. In crores)			OPM %	
	Q1'20	Q1'19	% Change	Q1'20	Q1'19	% Change	Q1'20	Q1'19
Plastic Piping System	74992	85214	-12.00	765	898	-14.85	11.71	11.33
Industrial Products	4770	10369	-54.00	70	188	-62.56	1.39	10.83
Packaging Products	10182	12745	-20.11	188	245	-23.47	15.24	12.44
Consumer Products	1507	5100	-70.45	28	97	-71.24	-2.12	16.80
Total	91451	113428	-19.38	1051	1428	-26.46	11.28	11.83

[D] The Company sold 91451 MT of Plastic goods and achieved net product turnover of Rs. 1040 Crores during the 1st quarter of the current year against sale of 113428 MT and net product turnover of Rs. 1418 crores in the corresponding quarter of previous year achieving volume & product value degrowth of about 19 % and 27 % respectively.

[E] The overall turnover of value added products remained at Rs. 378 crores during the current quarter as compared to Rs. 457 crores in the corresponding period of previous year.

[F] Total Net Borrowing of the Company stands at surplus of Rs. 31 crores as on 30th June, 2020 as against Borrowings of Rs. 217 crores as on 31st March, 2020.

Average Net Borrowing level during the current quarter remained at Rs. 134 crores against Rs. 169 crores in corresponding quarter in the previous year. Average Cost of Borrowings as on 30th June, 2020 decreased to 7.53 % p.a. as against 8.35 % p.a. as on 31st March, 2020.

[G] Business Outlook

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

Since second half of March, 2020, Country is fighting against the global pandemic Covid 19. Country has witnessed series of lock downs initially throughout the country and unlocking process has begun since June.

Since July, partial lock downs in various parts of the country has hampered smoothening of the economic revival, which was further aggravated by exodus of millions of workers to their native places from various cities in May/June. This has severely affected construction activities and plant operations throughout large cities and Tier II cities.

Although production and dispatches at all the plants of the Company have commenced during last week of April/first week of May, 2020, normalcy of operations and business level is yet to be restored at pre Covid level. Plants for Piping products, Packaging Film and Cross Laminated Film products and material handling products have seen gradual recovery and by now have reached near to normalcy of operations whereas plants for Furniture and Industrial Components and certain segments of Packaging products are operating between 50 to 70% capacity utilization.

Continuance of the present status makes it difficult to forecast the annual outlook about the businesses for the year. The promising part in this situation is robust demand from rural and Tier III & Tier IV cities. Company enjoyed better demand in rural market compared to corresponding period of previous year for the products, which are catered by it to these markets.

The harvested Rabi crop was bountiful. The monsoon this year is quite widespread which augurs well for bumper Kharif crop. Crude oil prices remain range bound at below 45\$ a barrel. The banks are flush with funds with bias of lowering the rate of interest further.

Central and State Governments are taking various steps to boost the economy by pushing infrastructure investments. Polymer prices have shown upward trend since second half of May but remain affordable.

Company expects that once these widespread localized lockdowns are significantly reduced, the pent up demand will emerge for all the products in the company's portfolio.

Envisaging good demand prospect in the year 2021-22, the Company has committed and/or to commit an investment of around Rs. 350 crores in its' various existing plants and in putting up new plant to make piping system at Orissa and a Cross Plastic Film plant at a site adjacent to its' Composite Cylinder plant in Gujarat. Company continues to keep tight control on its fixed costs. Company also is able to manage its working capital requirements efficiently by keeping strict control on its debtors in number of sale days.

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.

For further information, kindly contact: -
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For The Supreme Industries Limited

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