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29th June, 2024

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 82nd Annual General Meeting of the Company,
held on Friday, 28th June, 2024.**

Enclosed please find Chairman Statement made at the 82nd Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber, Near Churchgate Station, 76, Veer Nariman Road, Mumbai - 400020, on Friday, 28th June, 2024, at 04.00 p.m.

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



Ladies and Gentlemen

I extend to each one of you a warm welcome to the 82nd 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 2024 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.

The Company achieved Net Revenues for the year 2023-24 of ₹ 10,252 Crores (including ₹ 58 crores by way of trading in other related products) as against ₹ 9283 crores (including ₹ 72 crores by way of trading in other related products) during the previous year.

The Company has sold 6,39,701 tons of Plastic products as against 5,06,501 tons of Plastic products in the same period of previous year, reflecting a growth of 26% in product turnover by volume.

The Profits before interest, Depreciation, exceptional items and Taxes during the year under review were at ₹ 1,666 crores as against ₹ 1,282 crores in the previous year. Net Profit, after providing for aggregate Tax provisions of ₹ 338 crores (previous year ₹ 247 crores) remained at ₹ 1,009 Crores in 2023-24 as against ₹ 762 crores in 2022-23.

The Board of Directors had earlier declared, and the Company had paid interim dividend during the year @ 400 % i.e. ₹ 8/- per equity share. Further Final dividend @ 1100% i.e. ₹ 22/- per equity share has been proposed by the Board of Directors. Thus, the total dividend for the year shall work out @ 1500% i.e. ₹ 30/- per equity share of Face Value of Share of ₹ 2/- each as against total dividend @1300% i.e. ₹ 26/- per equity share of face value of ₹ 2/- each in the previous year. Total Dividend payout would amount to ₹ 381 Crores, as compared to ₹ 330 Crores in the previous year. After making necessary provisions, a sum of ₹ 635 Crores has been transferred to the General Reserve.

The net sales and other income during the first two months of the current year are ₹ 1708 crores (including ₹ 3 crores by way of trading in other related products) as against ₹ 1527 crores (including ₹ 6 Crores by way of trading in other related products) in the corresponding period of previous year. During this period, the Company has achieved a Product Turnover Volume of 1,17,278 MT (inclusive of 94,674 Tons of Plastics Pipe System) as compared to sale of 96,138 MT (inclusive of 74687 tons of Plastics Pipe System) in the corresponding period of previous year having a value growth of about 12% and volume growth of about 22% (comprising of around 27% in Plastic Piping System and around 6% in other segments)

The year began on a positive note as Indian economy continued its growth path.

The Country has initiated several steps in the previous year to boost manufacturing. Recently concluded national elections will ensure continuity of various reform measures. The thrust to invest huge sums of money in development of infrastructure will continue. All the business segments of the Company are poised for growth and the Company expects to achieve a volume growth of more than 20% during the current year.

To avail the opportunities along with large investments made in the previous year, the Company has committed to invest further monies in brownfield expansion in ten sites amongst its existing units and plans to set up additional greenfield two sites in the current year.

The Company is also at an advanced stage of negotiations to put up one more Unit at Malanpur near Gwalior, one Unit in Bihar near Patna and one Unit in Andhra Pradesh near Vijayawada. It is expected that land for all these new sites will be in Company's possession by September this year. The Company plans that inclusive of these additional three sites, all these five new Greenfield sites will go into production between July 2024 to December 2025.

The Units at Andhra Pradesh, Bihar and two units at Malanpur will have manufacturing facilities of multiple varieties of Plastics Piping System products and at Kanpur new Greenfield site will make Plastics Profiles and Windows.

This will enable the Company to meet growth in demand for Plastic Piping System, which is poised to grow at around 25% in volume during the current year and maintain adequate growth in the next year as well.

The Company is going to add five new systems this year in the Plastic Piping Business in addition to its existing 36 Systems. Further Company is putting necessary investments and other resources in place to promote value-added and specialized product range. The Company is launching new applications & systems and continues to enlarge its product basket. PP Low Noise system, Polyethylene Gas Piping System, PERT Piping System, PE single wall

corrugated pipes, Rainwater harvesting system along with increased capacities of OPVC Pipes, HDPE Pipes, DWC Pipes, Water Tanks, Varieties of new SKUs etc. all would enable the Company to achieve desired growth, both in volume and profitability.

The Company is expanding its product portfolio in Bath Fittings made from high quality engineering Plastics.

The Company has entered into collaboration with LIXIL, a Japanese Company, to make SATO Brand Plastics sanitary-ware useful for low cost sanitary solutions.

The new green field unit dedicated for production of varieties of Industrial and ball valves is at the advanced stage of completion at Malanpur (M.P.) and shall be going into commercial production in July this year.

The brownfield expansion at its existing ten sites for making plastic pipes systems will boost the capacity of its Piping system business.

By end of FY 25, installed capacity of Plastics Piping division is expected to reach to 8,35,000 M.T. per annum against present capacity of 7,40,000 M.T. per annum.

The Company is putting up PVC Profile manufacturing with 5000 tons annual capacity in first phase at its new site at Kanpur Dehat along with Window making at the same site and also plans to make UPVC Windows at Kharagpur. Long lead equipments have been ordered and ordering of the balancing equipments are progressing as per the schedule. These products are expected to hit the market in the 1st half of 2025-26.

The Business of Cross Laminated Film (XF) & Products witnessed a nominal growth. The below normal & erratic rains in several parts of the country adversely impacted the demand for tarpaulin. The Company has introduced many new made-up products from XF film and has been successful in acquiring customers by entering new world markets. All the equipments for manufacturing Cross Plastics are in the final stages of installation & the trial production is likely to commence in 2nd Quarter 2024.

The Company's furniture business delivered a nominal negative performance in value and volume in first two months of the year. The Company has identified different segments of plastic furniture such as Premium Products, Almirah, Blow Molded Tables & School Furniture which will help it to return to its growth journey. The Company's consistent business policies, intensive marketing efforts coupled with superior quality and premium product range and plans for adding new range of products and increasing its coverage will ensure growth in FY 2024-25.

Industrial Component division did not grow due to sluggish demand from appliances / white goods sector where Company has a significant presence. The auto sector continued to look promising. The Company expects medium and long-term scenarios to remain bullish, supported by various reforms of Government and upbeat in the overall growth of the economy. The Company has planned need-based capacity augmentation in the division, to service projected increased demand going forward.

The Material Handling division had a mix of good and bad outcomes. Sectors like Automobile, Engineering performed well whereas FMCG, Whitegoods, E Commerce Companies stagnated. Growth in injection and roto moulded pallets was good. The Division has expanded its range of Dustbin models. The Soft Drinks and Beverages segment has again consolidated its footprints and returning part of supply chain to returnable Glass Bottles (RGB) where plastic crates are extensively used. Your Company having been a trusted associate and supplier to major soft beverages Companies, benefited with increased demand and the same trend is likely to continue.

The year under review remained subdued for the Composite Cylinder division, as purchases from its major customer IOCL have not fructified as projected earlier. Discussion with other OMCs to introduce composite Cylinders in their portfolio is also continuing. The Company continued exports to its valued customers and is also working on penetrating new exports markets.

In Performance Films Division, persistent efforts in New Industrial /Food application helped the division in creating value-added products to its portfolio. The Division expects to increase its revenue from value-added products with distinct brand names and positioning itself as a trusted provider of high-quality products.

The Protective Packaging Division has been successful while working closely with customer/end users and developing new applications for varied industries keeping their need in mind. New product development, adopting new technologies in manufacturing and focusing on Export business have resulted in the division witnessing value growth of 16% in first two months along with 9% volume growth. The Company expects higher growth in this segment with the introduction of several value-added products.

To meet the growth in demand, Company has initiated steps to put up new plant near JNPT Port. The site near JNPT port will facilitate exports of Protective and Performance Packaging products at economical cost to its international customers and will cater to increased requirement in Domestic market as well.

The Company envisages good business growth opportunities in all its business segments and is fully geared to reap the benefits.

The Company has planned to commit capex of about ₹ 1500 Crores including carry forward commitments of ₹ 496 Crores at the beginning of the year. The committed / proposed capex is primarily for -:

- a. To put up a state-of-the-art manufacturing facility at Malanpur (M.P.) to manufacture varieties of Industrial valves and Ball valves.
- b. To put up a state-of-the-art manufacturing facility at Kanpur (U.P.) to manufacture uPVC Profiles/Windows & Doors and to put capacity to make windows. The profiles will also be used to make Windows at Kharagpur.
- c. To increase O-PVC Pipe manufacturing capacity at Sangli and also put up O-PVC capacity at Gadegaon.
- d. To put up state-of-art manufacturing facility at new site for making varieties of Plastic Pipe System at Malanpur in M. P., Bihar and Andhra Pradesh.
- e. To expand capacities of PVC pipes at Kanpur, Sangli, Kharagpur, Gadegaon, Jadcherla, Cuttack and Erode.
- f. To put up/ expand capacities for CPVC piping products at Kanpur, Gadegaon, Jadcherla, Guwahati and Cuttack.
- g. To put up/ expand Roto Moulding capacities at Erode, Cuttack, Sangli and Guwahati.
- h. To put/expand Blow Tank capacity at Sangli/Erode
- i. To put up capacities to manufacture HDPE and DWC pipes at Kanpur, Erode, Jadcherla and Cuttack.
- j. To increase PE pipe manufacturing capacity in Kanpur, Erode and Jadcherla.
- k. To increase the range of systems in its plastic Piping division such as Pe gas piping system, Industrial piping system, PERT Pipe System and Rainwater System.
- l. To put a new facility in Gadegaon for making PP silent piping, for low noise requirement and Three layer PPR Piping for Plumbing.
- m. To expand capacities and product range of its bath fitting and Sanitaryware products at Puducherry and Durgapur.
- n. Adding varieties of new injection moulded fitting products and increasing capacity of PVC and CPVC fittings at Jalgaon and Kharagpur. Setting up capacity to make complete range for Agricultural sprinkler Pipe fittings in Malanpur.
- o. To add new models of Injection moulded furniture, Crates & pallets in the Company's range of furniture and Material Handling Products
- p. To set up new facility for Protective Packaging Products in Maharashtra both for domestic and export market
- q. To add necessary equipments at its Protective Packaging units to increase the range of value-added products and to cater to customized solutions
- r. To install Rooftop/ Structure mounted Solar energy generation plants at its various locations
- s. To install balancing equipment at various locations.

Entire Capex shall be funded from internal accruals.

The Company is continuously working to increase its market reach by closely monitoring its presence at tehsil/ taluka level by increasing its channel partners, retailers & influencers. The active channel partner strength of the Company for all its divisions was at 5060 nos. as on 31st March 2024. The turnover of value-added products has grown to ₹ 3737 Crores in 2023-24 as against ₹ 3329 crores in the previous year. The Company exported goods worth US\$ 24.29 million in 2023-24 as against US\$ 29.27 million during the previous year. The turnover of value-added products for first two months of the current year is ₹ 539 crores against ₹ 450 Crs. in the corresponding two months of previous year. The Company achieved an export turnover of \$ 4.22 million in two months of the current year against \$ 4.37 million in the corresponding period of the previous year. The Company remains focused and will continue its direction to increase the Nos of channel partners, retail connect, increase the turnover of value-added & branded products and boost exports.

The Company is proactively working and committed to increasingly meet its energy requirements from Renewable sources and reduce its carbon footprint. The Company has met about 14% of its energy requirement from renewable

energy sources during the year 2023-24. The Company has invested a sum of ₹ 39 Crores in the year 2023-24 and plans to invest further about ₹ 50 Crs. in the current year to increase captive solar energy generation. Company aims to meet about 30% of its energy requirements from renewal sources by March 2025. The aim of the Company is continual increase in Green energy utilization & mitigating the climate risks and leave positive impact on mother earth.

The Company had a net cash Surplus balance of ₹ 1253 Crores at the end of May 2024 and would continue to meet all its capex and working capital requirements from internal accruals.

Polymer prices remained range bound with upward bias. The red-sea movement restrictions led to abnormal increase in logistic costs, which resulted in prices of Polyvinyl Chloride (PVC) which has gone up by about ₹ 13 per kg since the beginning of April 2024. i.e. an increase of about 16%. Availability of polymers augurs well for boosting the demand of Company's products supported by new SKUs, new Systems, increase in capacities and increase in market penetration through extensive coverage and spreading the manufacturing reach by the Company.

The Company's CSR arm- Supreme Foundation works towards making available excellence in education through its educational programs, which include access to educational facilities, providing of resources, and necessary training. It is providing the platforms for the rural children of the feeder villages to join education program, so that their educational skills can be improve. It is supporting the Government schools on General Education, Govt. Sanskrit School for primary, secondary & higher secondary education, Sanskrit Colleges in State of Rajasthan, Jagadguru Ramanand Acharya Rajasthan Sanskrit Vishwavidyalaya at Jaipur and Rajasthan Sanskrit Academy.

To meet the above objective, Supreme Foundation from time to time has renewed the existing Agreements/ MOUs regarding recruitment of volunteers, teachers in the primary/ secondary schools and Lecturers in Colleges in various Districts of Rajasthan. Supreme Foundation also operates Mobile Computer Buses to provide digital learnings to village children. It is heartening to inform that initiative of Supreme foundation is well appreciated by all and has resulted in positive outcome in form of increased student admissions in Govt. schools and Colleges improved results and various awards & recognitions to meritorious students have been provided. During 2023-24, more than 1,10,000 students were benefitted in various schools supported by Supreme Foundation against about 95,000 students in previous year.

During the year under review, a sum of ₹ 21.57 Crores has been spent on various CSR activities. Company continues to provide its contribution in the field of education, support Medical & healthcare facilities, Sanitation and drinking water supply and other areas of social welfare and contributing to various local authorities to support their social initiatives.

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

I must also compliment all our colleagues & associates who are working with dedication and commitment and serving all the customers & other stakeholders with utmost efficiency. I convey my appreciation to all the 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 the year. 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
28th June, 2024.