

The Supreme Industries Limited

Press Release

THE SUPREME INDUSTRIES LIMITED (Supreme) ANNOUNCES AUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2018.

Mumbai, 26th April, 2018

The Supreme Industries Limited (Supreme), India's leading Plastics product manufacturing company, announced its audited Standalone & Consolidated financial results for the Quarter and Year ended 31st March, 2018, at its Board Meeting held today.

[A] Standalone Results

| Particulars | (Rs. in Crores) | | | |
|-------------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------------|
| | Quarter ended 31.03.2018 | Quarter ended 31.03.2017 | Year ended 31.03.2018 | Previous Year ended 31.03.2017 |
| Plastic Goods Sold (MT) | 103215 | 95870 | 371176 | 340906 |
| Net Plastics Product Turnover | 1389 | 1242 | 4826 | 4376 |
| Total Turnover | 1471 | 1283 | 4966 | 4462 |
| Operating Profit (PBDIT) | 290 | 242 | 804 | 770 |
| Profit before tax | 243 | 198 | 615 | 585 |
| Profit after tax | 167 | 125 | 409 | 377 |

[B] Consolidated Results

[Including results of (a) the Company's 100% Subsidiary Company viz. "The Supreme Industries Overseas (FZE) incorporated in SAIF Zone, UAE and (b) Associate Company viz. "Supreme Petrochem Limited", in which the Company holds 29.99% of its paid-up equity share capital

| Particulars | (Rs. in Crores) | | | |
|--|-----------------------------|-----------------------------|--------------------------|--------------------------------------|
| | Quarter ended 31.03.2018 | Quarter ended 31.03.2017 | Year ended 31.03.2018 | Previous Year ended 31.03.2017 |
| Consolidated Total Income | 1475 | 1285 | 4971 | 4467 |
| Consolidated Operating Profit (PBDIT) | 303 | 263 | 827 | 821 |
| Consolidated Profit before tax | 256 | 219 | 637 | 636 |
| Consolidated Profit after tax | 179 | 146 | 431 | 428 |

- [C] The Board of Directors has recommended payment of final dividend @ 450 % i.e. Rs. 9/- per equity share on 12,70,26,870 Equity Shares of Rs.2/- each for the year ended 31st March, 2018 which together with Interim Dividend paid @ 150% i.e. Rs. 3/- per equity share aggregates to @600 % i.e. Rs.12/- per equity share for the current year (Previous year @ 750% i.e. Rs. 15/- per equity share including special dividend @250% i.e. Rs. 5 /- per equity share to commemorate the completion of 75th year of the Company). Total outflow for dividend including tax on distribution absorb a sum of Rs. 184 Crores as against Rs. 229 Crores in previous year.



[D] Product Group wise Performance

| Segment | Volume (MT) | | | Value (Rs. In crores) | | | OPM % | |
|-----------------------|---------------|---------------|-----------------------|-----------------------|-------------|-----------------------|--------------|--------------|
| | 2017-18 | 2016-17 | % Increase / Decrease | 2017-18 | 2016-17 | % Increase / Decrease | 2017-18 | 2016-17 |
| Plastic Piping System | 256330 | 235257 | 8.96 | 2695 | 2453 | 9.87 | 14.25 | 16.17 |
| Packaging Products | 49931 | 47616 | 4.86 | 1010 | 978 | 3.27 | 20.41 | 21.87 |
| Industrial Products | 44488 | 38984 | 14.12 | 771 | 623 | 23.76 | 13.65 | 13.37 |
| Consumer Products | 20385 | 18797 | 8.45 | 348 | 313 | 11.18 | 20.55 | 19.58 |
| Composite | 42 | 252 | - | 2 | 9 | - | - | - |
| Total | 371176 | 340906 | 8.88 | 4826 | 4376 | 10.28 | 15.76 | 17.17 |

(E) The share of overall Sales in the Value added products has been 36% of the Total Sales in the year ended 31st March, 2018 as against 38% in the corresponding previous year. The Company's focus remains to increase the share of value added products in its turnover.

(F) Total Borrowing of the Company stands at Rs. 248 crores as on 31st March, 2018 as against Rs. 228 crores as on 31st March, 2017.

Average Net Borrowing level during the current year remained at Rs. 336 crores against Rs. 382 crores in the corresponding period in the previous year. Average Cost of Borrowings as on 31st March, 2018 increased to 7.12 % p.a. as against 6.56% p.a. as on 31st March, 2017.

Total Debt-Equity ratio as on 31st March, 2018 came down to 0.14 times as against 0.15 times as on 31st March, 2017.

(G) On April 4, 2018, the Company has entered into a Definitive Agreement with the Kumi Kasei Co., Ltd. (Kumi), Japan to form a Joint Venture Company namely Kumi Supreme India Private Limited ("JVC") inter-alia, including also business transfer of Automotive Component manufacturing facility having carrying value of Rs. 2865 Lacs as on 31st March 2018, situated at Khushkhera in Rajasthan (Auto Component Business-part of Company's Industrial product Segment) as a going concern on a slump sale basis for a cash consideration of approximately Rs.10800 Lacs subject to closing adjustments. The Company shall hold 20.67% equity stake in the newly formed JVC. The transaction is likely to get completed by end of June, 2018.

(H) Composite LPG Cylinders

The much awaited BIS Standards is complete and BIS 16646 has been published for Type IV composite cylinders. This was necessary so that oil market companies can now take effective steps to introduce composite cylinders in Indian market. It is encouraging to note that Bangladesh has been using cylinders for last one year and the Company is hopeful of getting order for larger quantities in the current year.



The Company has developed 15.6 Kg and 20 Kg Cylinders and got approval from TUV, PESO and KGS. Company has acquired 10% business interest in HPC Research S.R.O. a startup company focusing on R & D in Composite Cylinders in the Czech Republic which will strengthen its R & D footprint in the field of Pressure Vessels.

(I) Capex

Considering the better business growth potential going forward the Company has increased investment plan to around Rs 450 crores in this year as compared to Rs. 350 crores as planned in the beginning of the year. Out of the above investment plan of Rs.450 crores, the Company incurred Capital Expenditure (Capex) of Rs. 260 crores. The balance committed investment will go in production in the year 2018-19.

During the current year i.e. 2018-19, the Company envisages Capex in the range of about Rs. 300 to 350 crores, mainly on the following:

- Taking effective steps to put up a new Unit at Assam
- Start a Greenfield Plastics Product Complex in A.P. by acquiring land and initiating preliminary action.
- Put up a plant to make Protective Packaging Product at Jadcharla
- Put up plastic pipe manufacturing at Jadcharla
- Increase HDPE plant capacity at Kharagpur
- Put additional Roto Machines and moulds at different locations
- Add moulds and moulding machines in Pipe, Furniture and material handling division
- To increase capacity of Industrial components business
- To increase capacity of Protective Packaging Products
- To invest in automation.

The Company shall continue to finance its Capex programme through internal accruals and Supplier's Credit.

(J) Business Outlook

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

The effect of Demonetization , GST and RERA looks to have settled down to a large extent. The economy is moving to formal sector slowly, but surely from informal sector. The several initiatives taken by Government to boost rural income and infrastructure are now fructifying to boost business in several segments which are catered by the Company . The Company, therefore, envisaged a faster growth in business from April 2019 and beyond.

Due to hardening of Polymer Prices and lack of new capacity build up of the PVC resin all around the world, the PVC prices have moved to higher band. For the year 2019-20, it is expected that the PVC price trend will remain on higher side. In spite of increase in Crude prices, the prices of Polythene will move to a lower level over the year as several new plants are starting in USA based on the low feed stock cost of Shale gas. Overall, the polymer prices will remain affordable.



The Company expects to commission two new Greenfield plants in production this year - one at Telangana and another at Rajasthan. The Company's additional construction of buildings in existing plants and start up of production at those sites will also go in production this year at Malanpur, Khopoli, Hosur and Kharagpur.

The Company intends to start two new plants at Andhra Pradesh and Assam. Land acquisition process has started. They may partially go into production next year.

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:-

Ms. Kavita Nagavekar
Ketchum Sampark Pvt. Ltd.
09619138779



For The Supreme Industries Limited

R. J. Saboo
(AVP Corp. Affairs & Company Secretary)