

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, 2019.

Mumbai, 7th May, 2019

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, 2019, at its Board Meeting held today.

[A] Standalone Results (Excluding Construction Business and Exceptional Items)

(Rs. in Crores)

	Quarter ended 31.03.2019	Quarter ended 31.03.2018	Year ended 31.03.2019	Previous year ended 31.03.2018
Plastic goods sold (MT)	113921	103215	397983	371176
Plastics product turnover	1487	1389	5437	4826
Total income	1534	1451	5552	4962
Operating profit (PBDIT)	205	277	751	790
Net profit before tax	150	230	541	602
Net profit after tax	105	157	364	401

Construction Business

During the year under review, Company has realised Rs. 81 Crores from sale of 38718 sq. ft. of the premises. After allocating Proportionate cost and overheads, Profit before tax accrued Rs. 54 Crores and Profit after tax Rs. 35 Crores from construction business.

Exceptional Items includes

1. Gain of Rs. 7044 lacs in Standalone Results on divestment of Khushkheda Unit on 30th June' 2018 to a Joint Venture/Associate Company
2. Gain of Rs. 1131 lacs on sale of land and building of Hosur Unit - I

After including above, Total Income for the year under review is Rs. 5632 Crores, Operating Profit Rs. 805 Crores, Profit before Tax Rs. 677 Crores and Profit after Tax Rs. 461 Crores.

[B] Consolidated Results (Excluding Construction Business and Exceptional Items)

[Including results of (a) the Company's 100% Subsidiary Company viz. "The Supreme Industries Overseas (FZE) incorporated in SAIF Zone, UAE and (b) Two Associate Companies viz. "Supreme Petrochem Limited" and "Kumi Supreme India Private Limited", in which the Company holds 29.99% and 20.67% of their's paid-up equity share capital, respectively

(Rs. in Crores)

	Quarter ended 31.03.2019	Quarter ended 31.03.2018	Year ended 31.03.2019	Previous year ended 31.03.2018
Consolidated total income	1534	1451	5539	4949
Consolidated operating profit (PBDIT)	205	277	752	791
Net profit before Share of profit of an associates	150	230	542	603



Share of profit of Associates	11	12	14	35
Consolidated net profit before tax	161	242	556	637
Consolidated net profit after tax	116	169	379	436

After including Construction Business and Exceptional items, Total Consolidated Income for the current year under review is Rs. 5620 Crores, Consolidated Operating Profit Rs. 807 Crores, Consolidated Profit before Tax Rs. 664 Crores and Consolidated Profit after Tax Rs. 449 Crores.

[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, 2019 which together with Interim Dividend paid @ 200% i.e. Rs. 4/- per equity share aggregates to @ 650 % i.e. Rs.13/- per equity share for the current year (Previous year @ 600% i.e. Rs. 12/- per equity share). Total outflow for dividend including tax on distribution absorb a sum of Rs. 199 Crores as against Rs. 184 Crores in previous year.

[D] Product Group Wise Performance

Segment	Volume (MT)			Value (Rs. In crores)			OPM %	
	2018-19	2017-18	% Change	2018-19	2017-18	% Change	2018-19	2017-18
Plastic Piping System	279748	256330	9.14%	3173	2729	16.28%	12.75%	14.25%
Industrial Products	44523	44530	-0.02%	885	801	10.43%	11.13%	12.72%
Packaging Products	52284	49931	4.71%	1042	1022	1.96%	15.75%	20.41%
Consumer Products	21428	20385	5.12%	399	352	13.51%	17.41%	20.55%
Total	397983	371176	7.22%	5499	4904	12.14%	13.40%	15.40%

[E] The Company sold 397983 MT of Plastic goods and achieved net product turnover of Rs. 5437 Crores during the year under review against sales of 371176 MT and net product turnover of Rs. 4826 crores in the previous year achieving volume and product value growth of about 7 % and 13 %, respectively.

[F] The overall turnover of value added products increase to Rs. 1944 crores as compared to Rs. 1734 crores in the previous year achieving growth of 12%.

[G] Total Borrowing of the Company stands at Rs. 162 crores as on 31st March,2019 as against Rs. 248 crores as on 31st March, 2018. Average Net Borrowing level during the current year remained at Rs. 266 crores against Rs. 336 crores in the previous year. Average Cost of Borrowings as on 31st March, 2019 increased to 8.23 % p.a. as against 7.12 % p.a. as on 31st March, 2018. Total Debt-Equity ratio as on 31st March, 2019 came down to 0.08 times as against 0.14 times as on 31st March, 2018.

[H] Capex

The initiatives taken up-to-date by the Government are gathering momentum. With an expected growth in the businesses of several verticals, the Company took steps to put new production units and also expand capacity in several of it's existing units and incurred capex of Rs. 384 crores in the year 2018-19.



During the current year i.e. 2019-20, the Company envisages Capex in the range of about Rs. 300-350 crores, mainly on the following:

- Putting Moulding shop at Kharagpur complex
- Establishing capacity to manufacture PVC Pipe System/HDPE Pipe System/CPVC Pipe System/PEX Piping system at Jadcherla
- Expanding Roto Moulding Capacity at Jadcherla
- Putting another unit at Puducherry new site to increase Bath fitting capacity
- Adding several varieties of Injection Moulding and Blow moulded furniture in the Company's range of furniture
- Installing additional equipment to increase production of XL Bonded XF film at It's Silvassa and Get Muvala Units.
- Increasing PVC Pipe manufacturing capacity at Kanpur Dehat Unit
- To add innovative fabricating machines to produce several varieties of new fabricated products from XF film.
- To add end of the line fabrication machines for performance packaging films.
- To install balancing machines in Protective Packaging Division
- To increase capacity at Gadegaon and replace certain old machines at Lalru plant and to invest in moulds for increased product range in Material Handling Products
- To expand capacities in Industrial Product Division at Ghiloth and Chennai Moulding unit

(I) Business Outlook

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

The various initiatives taken by the Central and State Governments have started showing fruitful outcome in the year. The focus on construction of affordable houses, effective implementation of RERA, Swachha Bharat Mission, Amrut Yojana and other infrastructure building activities are enabling the Company to grow its Plastics Piping System Business.

With an expected growth in the businesses of several verticals, the Company took steps to put new production units and also expand capacity in several of it's existing units. All the investment plans have fructified or are fructifying by June 2019 within the planned investment and time frame.

The raw material availability was adequate and affordable. The PVC prices in the first ten months maintained upward bias. Suddenly the prices dropped in March by 12.5% in five week times. This resulted in steep inventory loss in the working of the Company for the year eroding it's operating margin to some extent. The prices of other Polymers have improved to some extent from their lowest level. The Company converts mostly commodity plastics where prices have tendency to remain volatile. However, for the current year, the Company expects Polymer prices to remain affordable. Availability of raw material is also going to remain adequate.

When the GST was introduced it was expected that informal sector may graduate faster to move to formal sector. However, pace of moving to formal sector by informal players is quite slow.

The Company remains committed to increase it's export turnover. The Company participated last year in 20 international Exhibitions for it's various products. This has boosted it's export turnover from \$ 16.93 million to \$ 23.05 million. Company continues to work aggressively to boost it's export business by intensive marketing and making investments in products which can generate larger growth in export business.

During the FY 2019-20, the Company expects to attain turnover in the range of Rs. 6100 Crores to Rs. 6250 Crores with estimated operating margins of about 13.5% to 15%.



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


R. J. Saboo

(AVP Corp. Affairs & Company Secretary)