

The Supreme Industries Limited

Press Release

THE SUPREME INDUSTRIES LIMITED (Supreme) ANNOUNCES UNAUDITED STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2019.

Mumbai, 25th October, 2019

The Supreme Industries Limited (Supreme), India's leading Plastics product manufacturing company, announced its Unaudited Standalone & Consolidated financial results for the Quarter and half year ended 30th September, 2019, at its Board Meeting held today.

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

(Rs. in Crores)

	Quarter ended 30.09.2019	Quarter ended 30.09.2018	Half year ended 30.09.2019	Half year ended 30.09.2018	Previous year ended 31.03.2019
Plastic goods sold (MT)	93500	83173	206928	183080	397983
Plastics product turnover	1255	1228	2673	2544	5437
Total income	1277	1251	2714	2597	5552
Operating profit (PBITD)	179	174	346	360	751
Net profit before tax	120	116	235	256	541
Net profit after tax	133	79	207	170	364

[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 30.09.2019	Quarter ended 30.09.2018	Half year ended 30.09.2019	Half year ended 30.09.2018	Previous year ended 31.03.2019
Consolidated total income	1271	1241	2708	2587	5539
Consolidated operating profit (PBDIT)	184	167	364	360	752
Consolidated net profit before tax	126	110	253	255	556
Consolidated net profit after tax	138	73	225	170	379



[C] Product Group Wise Performance

Segment	Volume (MT)			Value (Rs. In crores)			OPM %	
	Q2'19	Q2'18	% Change	Q2'19	Q2'18	% Change	Q2'19	Q2'18
Plastic Piping System	67812	56627	19.75%	812	683	18.80%	16.44%	13.00%
Industrial Products	9953	11453	-13.10%	169	254	-33.55%	3.84%	11.11%
Packaging Products	11062	10443	5.93%	198	208	-4.67%	7.11%	15.70%
Consumer Products	4673	4650	0.49%	86	95	-8.73%	17.00%	16.45%
Total	93500	83173	12.42%	1265	1240	2.02%	13.33%	13.33%

[D] The Company sold 93500 MT of Plastic goods and achieved net product turnover of Rs. 1255 Crores during the 2nd quarter of the current year against sales of 83175 MT of Plastic goods and achieved net product turnover of Rs. 1228 Crores in the corresponding quarter of previous year achieving volume and product value growth of about 12 % and 2 %, respectively.

The Company sold 206928 MT of Plastic goods and achieved net product turnover of Rs. 2673 Crores during the 1st half year of the current year against sales of 183080 MT and net product turnover of Rs. 2544 crores in the corresponding half-year of previous year achieving volume and product value growth of about 13 % and 5 %, respectively.

[E] During the 2nd quarter, The Company has provided for and forming part of Industrial Product Segment:

- Rs. 9.70 crores towards quality settlement claim pertaining to supply of Composite LPG Cylinders to Bangladesh
- Rs. 4.04 crores towards Provision for doubtful debts against receivables of Rs. 8.08 crores from one of industrial component division customer as the Company has moved to NCLT for recovery of it's dues.

[F] The overall turnover of value added products increase to Rs. 491 crores during the current quarter as compared to Rs. 430 crores in the corresponding period of previous year achieving growth of 14%.

[G] The Board of Directors has considered the payment of interim dividend for the financial year 2019-20 @ 200 % i.e.Rs. 4 per share of Rs. 2 each and will be paid to the shareholders on the shares held as on the record date i.e. 5th November, 2019.

[H] Average Borrowings of the Company for the half year ended 30th September, 2019 was Rs. 204.54 crores as against Rs. 223.15 crores for the corresponding period of previous year. Average Cost of Borrowings as on 30th September,2019 is at 5.89 % p.a. as compared to 8.23 % p.a. as on 31st March, 2019.

[I] Business Outlook

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

The Company could overcome the quality issue of Composite Cylinder. The product is now well accepted in international market. The Company is supplying the cylinders to several international markets.



The Demand for the Pipe System remained robust. The Demand in current month in agricultural segment was crippled due to extended rainy season in several states. It is expected that going forward the demand will broaden for all its systems in the country.

Encouraged by the growth outlook The Company has increased its investment plan in Plastics Pipe System in the current year. It is now going to be in excess of Rs. 250 crores which will include putting up a new plant in Odisha and to start Polyolefin pipe fittings and Pex Pipe Systems at Jadcherla.

Expanded capacity of performance packaging film has smoothly gone into production. The Company made a breakthrough in several international markets for this product with newer structures for various applications.

The Capacity to manufacture Furniture items at Jadcherla is now well established. The demand is slow but with launch of new varieties of products, it is expected that demand will absorb the increased capacity by next year.

The demand for industrial components and protective packaging products remained subdued.

The raw material prices remain on bearish path. It is forecasted that the prices have reached close to the bottom. The low polymer prices were partly responsible for lower value growth compare to volume growth.

For the full year, Company expects Volume growth to be between 10 to 12%. The Value growth will be lower than volume in this year.

The Company has stepped up its investment plan to about Rs. 400 crores in the current year. All the investment plans are going smoothly. The Corporate tax reduction has enabled the Company to boost its investment ambition without adding any additional debt.

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
VP (Corporate Affairs) &
Company Secretary

