

Formerly Known as Supreme Heatreaters Pvt. Ltd.

SEL/CA/NSE/19-20/10

Date: 07th September, 2019

To,
The Manager,
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

TRADING SYMBOL: SUPREMEENG

Dear Sir/Madam,

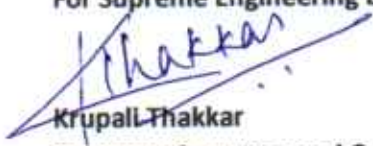
Pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements), 2015, this is to inform you that you that analysts from below mentioned institutions/organizations had a meeting with Senior Management of the Company today at the Registered Office and they also had Factory Visit at Rabale.

Date	Visitors/Analysts	Venue
07 th September, 2019 at 4.00 P.M.	<ul style="list-style-type: none">• Beyond Quant• Inventure Securities• HBD Consultancy• India Nivesh Securities• Sunidhi Securities• Batlivala & Karani Securities• Manoj Alimchandani (Individual)	Registered Office: R-223, MIDC Complex, Thane Belapur Road, Rabale, Navi Mumbai - 400701

The discussion as mainly on Company's operations and its business and was not involving any Unpublished Price Sensitive Information. The presentations for the meeting used are hereby enclosed.

Kindly take the same on records.

For Supreme Engineering Limited


Krupall Thakkar

Company Secretary and Compliance Officer ★

ACS- 42594

Encl: As above





Press Release - 10th August, 2019

SUPREME ENGINEERING LTD

SECTOR : ENGINEERING / DEFENSE

(Rabale, Maharashtra) listed on the NSE Exchange in August, 2018 with an Initial Public Offering of 65 lakh shares at Rs.27@, raising Rs.17.5 crores. Starting from a small factory in Rabale - New Mumbai, three decades back, the company expanded into Special Steels by setting up a plant at Khopoli in 2007 which now contributes 88% of revenues. Further, over the last three years, through own R&D, the company has started sales of Critical Defense Products, after getting product and plant approvals from many Navratna & Defence PSU's.

Recent Order Wins

The shift to high margin Critical Defence Products continues in FY20. This segment accounted for sales of Rs.35 crores in FY19 vs Rs.5 crores in FY17. The order book on hand for this segment currently stands at Rs.32.83 crores. Supplies of Rs.9.2 crores has already taken place in the first quarter, with approvals from prestigious customers like ISRO, DRDO, Brahmos, HAL, BDL crystalizing into new order wins.

In the last three months there have been considerable developments in the speciality steel business with major development in the civil aviation business which has been initiated after the AS 9100 D (aerospace certification) from our plant. Some of the developments / orders are as follows:

- Bharat Dynamics Ltd (BDL) order for supply of Russian grade high strength low alloy steel
- Prototype order for supply for high temperature superalloys for end use by Honeywell
- Bulk order by Indian Navy for supply of material for 1200 fins for LRSAM missile
- Pilot lot for qualification of pre-forms for Pinnaka missile has been supplied

Awards & Recognition

In a proud moment for the company Mr. Abhinav Chowdhri, Executive Director received the award 'ENTERPRENEUR OF THE YEAR – MANUFACTURING BUSINESS, ENGINEERING'. Abhinav Chowdhri received the award in recognition of emerging as a leading young dynamic Business Leader and Entrepreneur in India. The award ceremony was the culmination of a two week Leadership Summit where an assembly of the best minds in business come together for discussions to build and grow Entrepreneurship in India.



PROFIT & LOSS STATEMENT (In Rs.Crores)				
Particulars	FY19	FY18	FY17	FY16
Revenue from Operations	173.57	151.74	120.40	113.06
Other income	1.16	0.55	0.48	0.59
Total revenue	174.73	152.30	120.87	113.65
Total Expenses	156.30	134.47	108.66	103.43
EBITDA	18.43	17.82	12.21	10.22
Depreciation and Amortization	1.89	1.51	1.96	1.32
Interest	7.53	9.11	7.68	7.47
EBT	9.02	7.21	2.57	1.43
Income Tax	2.26	2.21	0.15	0.31
PAT	6.76	5.00	2.43	1.12

BALANCE-SHEET STATEMENT (In Rs.Crores)				
Particulars	FY19	FY18	FY17	FY16
Equity & Liabilities				
a. Share capital	25.00	18.42	3.00	3.00
b. Reserves & surplus	25.97	10.06	11.71	11.59
Total Shareholders fund	50.96	28.48	14.71	14.59
Non-Current liabilities				
Long-term borrowings	16.17	25.61	42.71	39.10
Others	2.61	1.27	1.22	0.71
Current liabilities				
Short-term borrowings	72.15	55.18	42.05	42.12
Trade payables	41.43	53.62	31.61	1.58
Others	8.26	9.99	7.06	15.43
TOTAL	191.58	174.15	139.36	113.57
Non-current assets				
Net Block	21.24	29.34	31.74	24.17
Investments	7.67	0.00	0.00	6.93
Others	1.56	2.37	1.89	4.41
Current assets				
a. Inventories	91.55	81.71	58.78	46.06
b. Trade receivables	62.09	52.65	40.30	27.29
c. Cash and cash equivalents	5.45	4.98	3.24	2.67
d. Short term loans & advances	1.17	1.63	2.88	2.02
e. Other current assets	0.84	1.47	0.52	0.01
TOTAL	191.58	174.15	139.35	113.57

ABOUT SUPREME ENGINEERING LTD

Supreme Engineering was incorporated in 1987, expanding operations over the last 30 years under the leadership of Mr.Sanjay Chowdhri by investing in high-end technology & infrastructure. Presently there are two main manufacturing divisions - special alloys (at Khapoli) and special wire products (at Navi Mumbai). Both the manufacturing units have strong quality management systems certified by ISO 9001 and AS9100 D.

Unit 1 being the Special Steels division, located at Khopoli, and engaged with the manufacturing of special alloys such as super alloys, precipitation hardening steels, martensitic stainless steel, austenitic stainless steel, ultra high strength steel and high speed steels which have their end use in sectors such as aerospace, space, defense, nuclear power, thermal power, oil & gas, and heavy engineering;

Unit II being the Wire division, located at Rabale, Navi Mumbai, engaged with the manufacturing of wires, bright bars, fine wires and profiles. These products find their end use in sectors such as automotive, oil & gas, industrial machinery and hand tools industries.

For more details please visit: www.supremesteels.com

For any Investor Relations query, please contact:

Ms.Krupali Thakkar, Company Secretary, Email Contact: cs@supremesteels.com

Ms.Shahina Mukadam, Investor Relations, Email Contact: shahina@valuewiseir.com (m) +91-9769726689

Note: Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. Supreme Engineering Ltd and its associates will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

SUPREME ENGINEERING LIMITED

CORPORATE PRESENTATION - May 2019



Disclaimer

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Promoted by Sanjay Chawdhri, BE



Qualified Engineer from Karnataka University, since inception Mr.Sanjay Chawdhri is instrumental in developing the overall business strategy.

Starting from a small factory in Rabale - New Mumbai, three decades back, the product line has been expanded with inhouse R&D. The Special Steels unit was set up at Khopoli in 2007, now contributes 88% of revenues.

Listed in Sept.2018 on NSE Exchange with 65 lakh shares at Rs.27@,raising Rs.17.5 crs

Major capex already been done, infrastructure can support doubling of revenues.

Equipped with Advanced Strong R&D Capabilities, manufacturing high tech critical products including import substitutes for PSUs.

Milestones

2019

Revenues from Critical Steel Products surge from Rs.5crores in FY17 to Rs.35 crores in FY19.
Current order book on hand equal to the segment Revenues of FY19.

2017
&
2018

Critical Product approvals from prestigious customers like ISRO , DRDO, Brahmos, HAL.
These are high margin products used in strategic application, the only other competitor being a PSU

2016

Signed MOU with HAL to indigenize 25 Russian Alloys for SUKOI 30

2010

Launched Super Alloys products through internal R&D

2007

Setting up our Unit I (Khopoli – Special Steels Division) with an installed capacity of 3,600 MT per annum

Preferred Supplier To Marquee customers



NPCIL

न्यूक्लियर पावर कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)

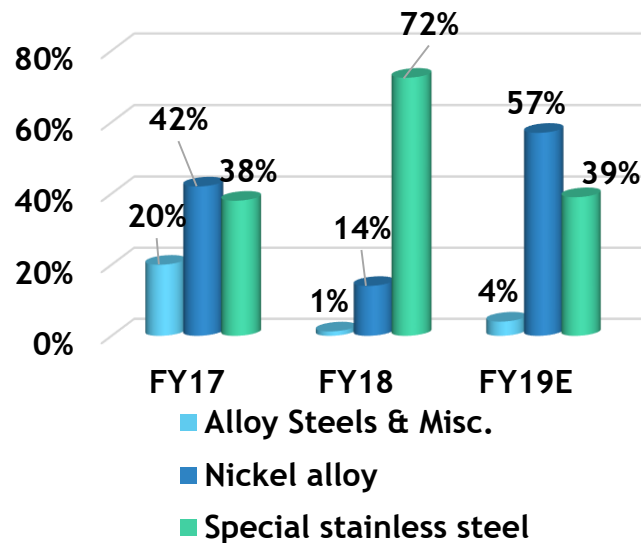


Business Overview : Critical Special Steels Drive Growth

REVENUE SEGMENTS - TWO DIVISIONS

SPECIAL STEELS

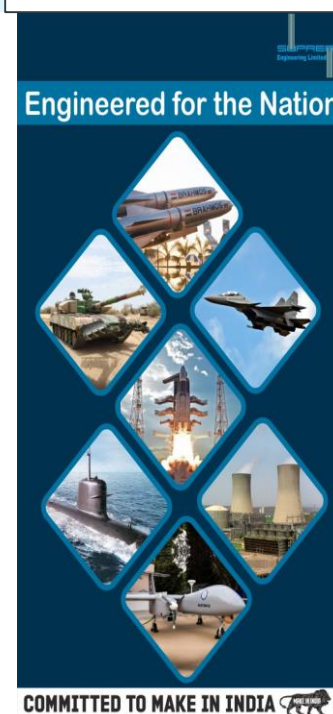
Steels : Revenue Contribution %



WIRES

- FY19 estimated revenues of Rs.172 crs, accounts for 88% of total revenues
- Super critical application products contribute Rs.35 crs to sales vs Rs.5 crs in FY17, have negligible competition and enjoy high margins ~ 35%+. This segment is the profit driver and remains as the focus area for exponential growth.
- Only Two Special Alloy manufacturers are preferred suppliers in its segment for GOI. New clients added include Bharat Dynamics Ltd (BDL), Armament Research Development Establishment (ARDE) & Rolls Royce.
- Strong order book, working capital being the only constraint
- Nickel-Based Super Alloys have additional advantages for high temperature applications and hence are popularly used in aerospace, oil & gas and petroleum applications. Special steel products are import substitutes, replacing stainless steels. The revenue from these products in FY19 is approx. Rs.117 crs, flatish on a YoY basis.
- **Wires** - Contributes around 12% of revenues, is a stable business with strong customer base over last 3 decades and consistent growth.

Orders In Hand Rs.35 crores



- **Indigenization of Special Steel Alloys:** Supreme specializes in indigenization of special alloys and steels used in critical sectors such as Defence, Aerospace, Nuclear & Power, manufacturing of these products requires special engineering techniques which company is able and capable of executing.
- The commitment towards 'Make in India' programme initiated by the Government of India have helped in developing new specialised and import substitute products and winning new orders from public sector undertakings.
- **Approvals (Defence and Allied Sectors):** Approvals received from these Public sector undertakings takes 2-3 years but provides sufficient moat and higher margins. In the last two years, a number of Supreme's critical products have been approved by undertakings belonging to aerospace, automotive and energy sectors.

Strong Order book of Orders in Hand for FY18-19 and also quoted tenders as mentioned below: (Rs. Crores)

Special Steel Division			Wire Division		Total Order Booked
Sector	Order Book	Quoted Tenders	Sector	Order Book	Special Steels Rs.25 crores
Aerospace	6.00	6.85	hand tools	0.58	Wires Rs.10 crores
Defence	4.42	11.87	oil and gas	4.80	
Nuclear	3.06	15.42	textile	0.82	
Power	6.72	13.01	baring	2.14	
Oil & Gas	4.25	28.67	automotive	1.96	
					TOTAL ORDER BOOK & QUOTED TENDERS Rs.110 crores

STRONG DEMAND FOR ALLOYS AND SPECIAL STEELS



- Under Union Budget 2018-19, allocation to the defence sector was raised to US\$ 45.57 billion. In addition, Make in India policy is being pursued to achieve greater self-sufficiency in defence equipment
- India's nuclear power installed capacity was 6.78 GW in January 2019. Nearly 3,300 MW of nuclear capacity is expected to be commissioned during 2017-2022, representing a business opportunity of US\$312 million
- India set to surpass UK and become the third largest aviation market around 2024 as per IATA forecasts. The Indian government is planning to invest US\$1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.
- The Centre has allocated around **Rs 107.83 billion** to the **Department of Space** in the Union Budget for 2018-19 against 2017-18's Rs.91.55 billion, as per the revised estimates. Recently, 30 Satellites plan is also sanctioned.
- As per **Automotive** Mission Plan 2016-2026, Indian auto component industries could attain an impressive **USD 200 billion** in revenue by 2026, with exports of USD 80 billion.
- **Oil & gas** contributes over 6% of the overall demand for specialty steel and super alloy products. As per 12th Five Year Plan, oil production would increase investment of approx. **USD 43.69 billion**

INDUSTRY OVERVIEW - ALLOYS & SPECIAL STEELS

- Due to major investments in aerospace, defense and other industrial sectors in India, Aerospace and defense had the maximum demand contribution with over 70% of the overall demand for high value specialty, Super alloys and titanium alloy products during 2016.
- The cumulative demand for high value specialty steel, Super alloys and titanium is expected to witness minimum growth of around 6.5% during 2016-2021 (5.8% during 2011-2016), owing to the proposed investment plans of end user segments

CAGR in Stainless Steel Industry since last 6 years is 5.5%

SUPREME has grown > 3.5 X Industry Growth i.e 18.87%

Forecast of iron, steel demand & Production MT

Parameters	Projected 2030-31
Total crude steel capacity	300
Total crude steel demand/production	255
Total finished steel demand/production	230
Sponge iron demand/production	80
Pig iron demand/ production	17

Source : National Steel Policy 2017

Sector wise steel consumption in India MT

Sector	2015-16	Projected 2030-31
Construction & Infrastructure	50.50	138.00
Engineering & Fabrication	18.00	50.00
Automotive	8.20	28.00
Other Transport	2.40	8.00
Packaging & Others	2.40	6.00
Total	81.50	230.00

Source : National Steel Policy 2017

Special Steels Capacity Sufficient to Double Revenues

Capacity Utilisation (MT pa)

Process Stage	FY18		FY19E	
	Installed	Actual	Installed	Actual
Primary Melting	3,600	1,875	3,600	1,875
Secondary Melting	1,200	1,000	1,200	1,000
Radial Forging	3,000	2,250	3,000	2,250
Heat Treatment	4,000	3,000	4,000	3,000

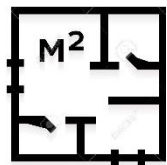


Special Steel Revenues (Rs Crores)

Product	FY18	FY19E
Nickel Alloy	21.0	87.8
Special Steels	109.0	60.1
Miscellaneous	1.9	7.1
Total Revenues	131.9	154.1

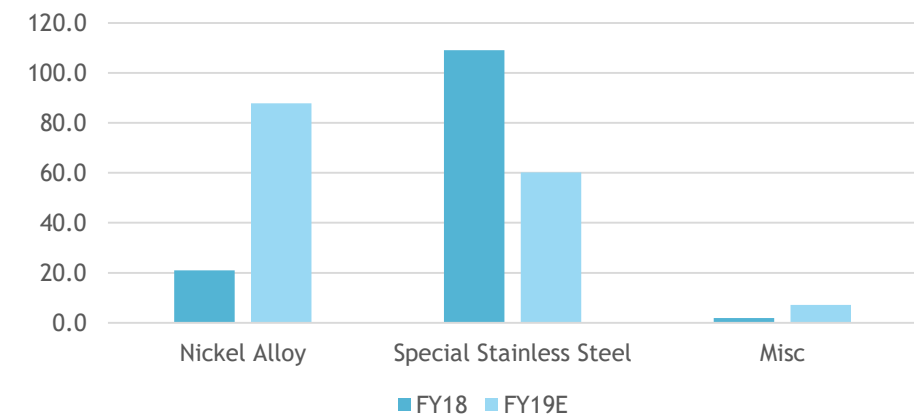


Capacity
Unit I- Special Steel Division- 11800 mtpa



Located at Khapoli & Spread across an area of 24,341 Sq. Mts.

Special Steels - Revenue (Crores)



Special Steel Manufacturing Process



Manufacturing Process

- Vacuum Induction Melting (VIM)
- Argon-Oxygen Decarburisation (AOD)
- Electro-Slag Refining (ESR)
- Long-Radial Forging Machine (GFM)
- High-Speed Bar Peelers



Process Output



- Micro cleanliness
- Inclusion morphology
- Degassing of Hydrogen, Oxygen & Nitrogen
- Close chemical composition & temperature control



- Decarburisation
- Desulphurization
- Inclusion distribution
- Hot workability characteristic



- Fine grain size
- High density of the product
- Homogenous structure
- Flexibility of size & shape



- Kieserling WDH 50: Size range 12mm to 50mm
- James Farma CBT3: Size range 35mm to 75mm
- Hartex & Schriviner Grinding machines (4 nos): Size range 6mm to 60mm

Wire Division - Small & Steady Segment

Capacity Utilization (MT pa)

Process Stage	FY18		FY19E	
	Installed	Actual	Installed	Actual
Annealing	4,800	4,500	4,800	4,725
Drawing	5,000	4,688	5,000	4,922
Peeling	3,000	2,813	3,000	2,292
Bars-De-coiling, Cutting, Grinding	3,000	2,813	3,000	2,292
Cold Rolling	1,000	938	1,000	984

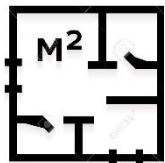


Wire Revenues (Rs Crores)

Product	FY18	FY19E
Oil & Gas Sector	5.2	8.3
Textile Sector	3.9	1.4
Bearing Components	7.4	3.7
Alloy Products	2.1	5.5

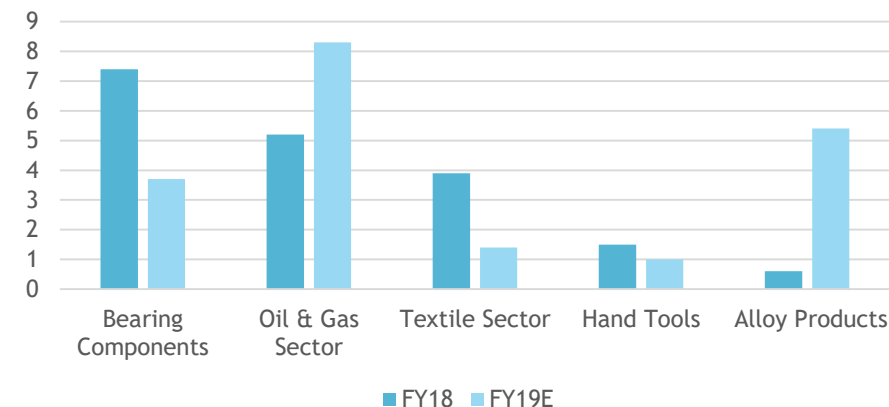


Capacity
Unit 2- Wire Division- 16,800 MT pa



Located at Rabale & Spread across
an area of 2,363 Sq. Mts.

Wire Segments - Revenue (Rs.Crores)



Wire Segment & Testing Facility



Manufacturing Process

- Drawing
- Spheroidized annealing
- Coil to coil peeling
- Pickling
- De-coiling and cutting
- Bar straightening/polishing
- Centerless grinding and profile manufacturing

Geometric and non-geometric profiles as per customer's specification. This includes Rectangle, square, triangle and any special profiles



Testing Facility

- To ensure that the products meet the highest standards of requirements, we also have a state-of-the art testing facility.
- Testing is conducted at every stage to ensure that the product is meeting all the quality requirements as per the application's need.
- We also have a R&D laboratory that helps us develop new steels & alloys to serve the customer's requirement.

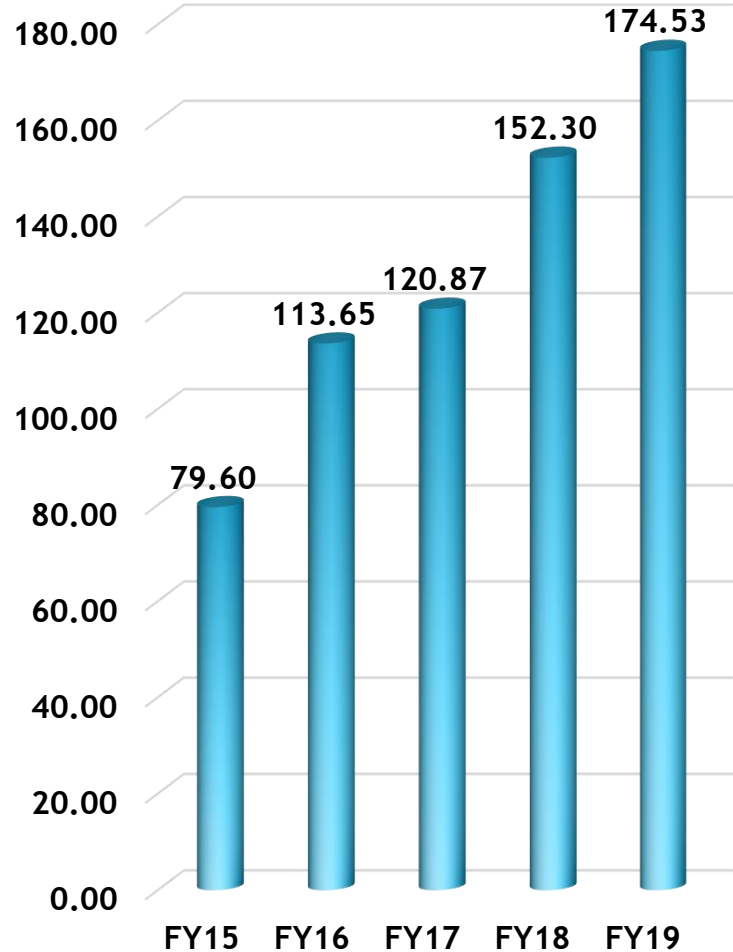


Features

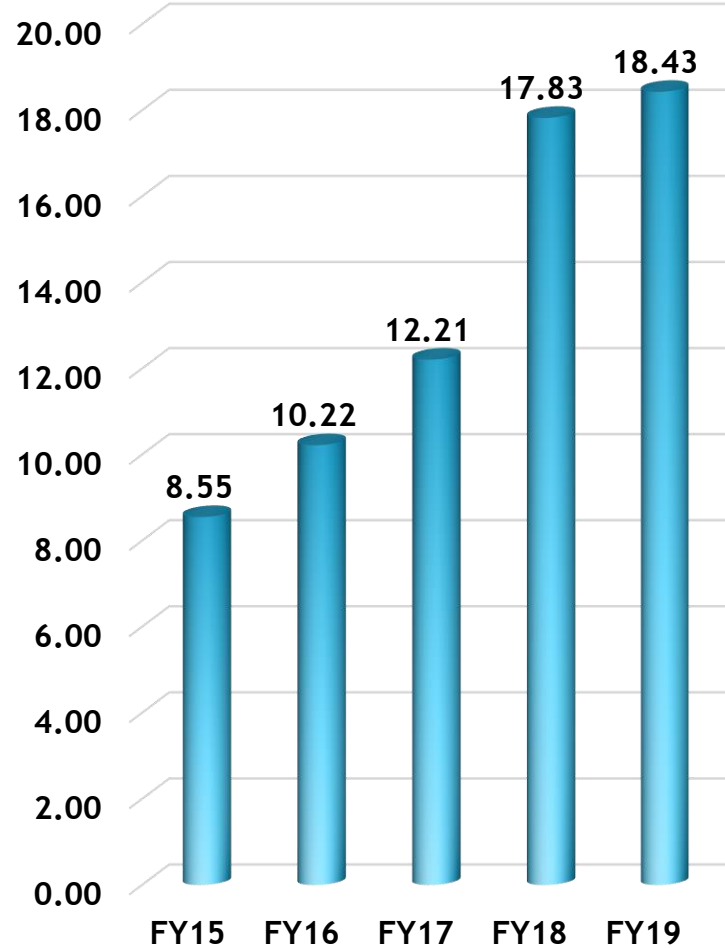
- Spectrometer- Accurately shows chemical composition. Uses optical emission technique
- Ultrasonic Testing (UT)-100% bars are UT Tested. Back-wall echo, DGS, FBH methods available. AMS, ASTM, JIS standards followed
- Ultimate Tensile Testing
- Hardness Tester
- Microscope- Micro, Grain size, Inclusion testing conducted
- Dye-Penetrant testing (DP)
- Magnetic Particle Inspection (MPI)
- Radioactivity Testing
- PMI

Growth Across All Parameters (Rs.Crores)

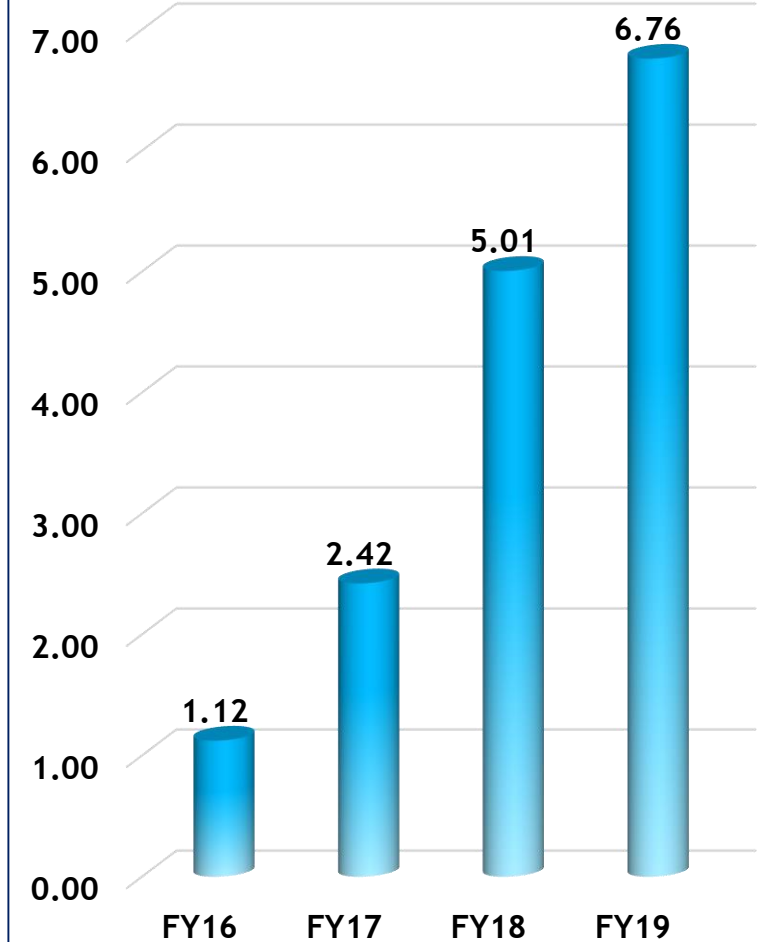
Total Revenue



EBITDA



PAT



Financial Performance (Rs. Crores)



Profit & Loss Highlights						
Particulars	2HFY19 6Mths 31 st Mar.19	2HFY18 6Mths 31 st Mar.18	Y-O-Y Gr.%	FY 19 12Mts 31stMar.19	FY 18 12Mts 31stMar.18	Y-O-Y Gr.%
TOTAL REVENUE	91.75	91.79	0%	174.73	152.30	14%
EBIDTA	9.57	8.73	10%	18.43	17.83	3%
EBIDTA MARGIN %	10.43%	9.51%		10.55%	11.70%	
INTEREST	3.46	4.58	-24%	7.53	9.11	-17%
DEPRICIATION	0.96	0.69	39%	1.89	1.51	25%
PBT	5.56	3.46	60%	9.02	7.21	25%
TAX	1.43	0.92	55%	2.26	2.21	3%
PAT	4.12	2.54	62%	6.76	5.01	35%
PAT MARGIN%	4.50%	2.77%		3.87%	3.29%	
EPS (RS)	1.68	1.36	23%	2.71	2.72	-

Profit & Loss Statement (Rs.Crores)



Particulars	FY19	FY18	FY17	FY16
INCOME				
Revenue from Operations	173.57	151.74	120.40	113.06
Other income	1.16	0.55	0.48	0.59
Total revenue	174.73	152.30	120.87	113.65
EXPENSES				
Cost of materials consumed	154.87	123.94	116.99	97.12
Purchase of stock in trade	0.00	5.05	6.85	7.57
Change in inventory of Finished Goods	-4.46	-4.17	-24.05	-4.43
Employee benefit expenses	3.01	1.76	1.52	1.32
Other expenses	2.88	7.89	7.36	1.85
Total Expenses	156.30	134.47	108.66	103.43
EBITDA	18.43	17.82	12.21	10.22
Depreciation and amortization expenses	1.89	1.51	1.96	1.32
EBIT	16.55	16.31	10.25	8.90
Interest	7.53	9.11	7.68	7.47
EBT	9.02	7.21	2.57	1.43
Previous year items				
Tax expense:				
(i) Current tax	1.86	2.16	0.36	
(ii) MAT Credit Utilised	0.39			
(ii) Deferred tax	0.01	0.05	-0.21	0.31
PAT	6.76	5.00	2.43	1.12

Balance Sheet Statement (Rs.Crores)



Particulars	FY19	FY18	FY17	FY16
Equity & Liabilities				
a. Share capital	25.00	18.42	3.00	3.00
b. Reserves & surplus	25.97	10.06	11.71	11.59
Total Shareholders fund	50.96	28.48	14.71	14.59
Non-current liabilities				
a. Long-term borrowings	16.17	25.61	42.71	39.10
b. Deferred tax liabilities (net)	1.27	1.27	1.22	0.71
c. Other Long Term Liabilities	0.91			
d. Long-term provisions	0.43			
Current liabilities				
a. Short-term borrowings	72.15	55.18	42.05	42.12
b. Trade payables	41.43	53.62	31.61	1.58
c. Other current liabilities	6.24	8.50	6.28	14.85
d. Short term provisions	2.02	1.49	0.78	0.58
T O T A L	191.58	174.15	139.36	113.57
Non-current assets				
a. Fixed assets				
Gross Block	21.24	22.88	25.29	16.90
Capital Work in Progress	0.00	6.45	6.45	7.27
Net Block	21.24	29.34	31.74	24.17
b. Non Current Investments	7.67	0.00	0.00	6.93
d. Long term loans & advances	0.60	1.03	0.61	2.96
e. Other non-current assets	0.96	1.34	1.28	1.45
Current assets				
a. Inventories	91.55	81.71	58.78	46.06
b. Trade receivables	62.09	52.65	40.30	27.29
c. Cash and cash equivalents	5.45	4.98	3.24	2.67
d. Short term loans & advances	1.17	1.63	2.88	2.02
e. Other current assets	0.84	1.47	0.52	0.01
T O T A L	191.58	174.15	139.35	113.57

Thank you

Supreme Engineering Limited

Plot No. R-223,, Belapur Rd, MIDC Industrial Area,
Rabale, Navi Mumbai, Maharashtra 400701
India.

Website: www.supremesteels.com

Investor Relations

Ms.Shahina Mukadam - Tel: +91 9769726689

Email – Shahina@ValueWiseIR.com