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The Supreme Industries Limited

Press Release

THE SUPREME INDUSTRIES LIMITED (Supreme) ANNOUNCES UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER / HALF YEAR ENDED 31ST DECEMBER, 2014.

Mumbai, 22nd January, 2015 – The Supreme Industries Limited (Supreme), India's leading Plastics processors, announced its Un-audited consolidated financial results for the second quarter / half year ended 31st December, 2014, at its Board Meeting held today.

(A) The Company sold 73,044 MT of Plastic goods and achieved net product turnover of Rs.971.79 Crores during the 2nd quarter of the current year against sales of 66,318 MT and net product turnover of Rs. 892.10 crores in the corresponding quarter of previous year achieving volume & product value growth of about 10% and 9% respectively. The Company sold 1,22,154 MT of Plastic goods and achieved net product turnover of Rs.1686.81 Crores during the 1st half year of the current year against sales of 1,16,296 MT and net product turnover of Rs.1,563.13 crores in the corresponding half year of previous year achieving volume & product value growth of about 5% and 8% respectively..

The Company expects volume growth between 12% to 15% and value growth between 8% to 10% during the current year over previous year.

(B) The consolidated financial performance highlights (excluding Construction business) for the 2nd Quarter ended 31st December, 2014, are as follows –

- Supreme's Total Income and Operating Profit for the 2nd quarter of the current year amounted to Rs. 1019.84 crores and Rs. 101.23 crores, as compared to Rs. 936.05 crores and Rs. 124.10 crores, for the corresponding quarter of the previous year, recording an increase of about 8.95% and decrease of 18.43%, respectively.

- The Profit before Tax and Profit after Tax, for the 2nd quarter of the current year amounted to Rs. 52.08 crores and Rs. 17.07 crores, as compared to Rs. 77.48 crores and Rs. 47.41 crores, for the corresponding quarter of the previous year, recording decrease of 32.79% and 64.00%, respectively.

(C) The consolidated financial performance highlights for the half year ended 31st December, 2014, excluding non-recurring construction business activities, are as follows –

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- Total Income and Operating Profit for the 1st half of the current year amounted to Rs. 1779.39 crores and Rs. 182.63 crores as compared to Rs. 1641.19 crores and Rs. 216.10 crores, for corresponding period of the previous year, recording an increase of 8.42% and decrease of 15.49%, respectively.

- The Profit before Tax and Profit after Tax, for the 1st half of the current year amounted to Rs. 85.17 crores and Rs. 42.14 crores respectively, as compared to Rs. 130.13 crores and Rs. 90.42 crores, for the corresponding period of the previous year, recording decrease of 34.55% and 53.40% respectively.

(D) The consolidated financial 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], is summarized below :-

(Rs. in crores)

Particulars	Financial Results for the 2nd quarter ended 31st December			Financial Results for the Half year ended 31st December		
	2014	2013	Change (%)	2014	2013	Change (%)
Total Income	1065.84	974.56	9.37	1825.39	1679.70	8.67
Operating Profit (PBDIT)	128.78	145.90	(11.73)	210.19	237.89	(11.64)
Cash Profit (PAT + D)	68.59	87.34	(21.47)	128.49	154.08	(16.61)
Profit Before Tax	79.63	99.27	(19.78)	112.73	151.92	(25.80)
Consolidated Net Profit after Tax	35.26	62.65	(43.72)	60.33	105.66	(42.90)

(E) The Board of Directors has approved payment of Interim Dividend @ 100% (Rs. 2/- per Share) on 12,70,26,870 Nos. of Equity Shares, which together with tax on distribution of Dividend will absorb a sum of Rs. 30.49 Crores.

Expansion Plans

Company has increased its Capex plan during the year from earlier Rs. 250 Crores to about Rs. 270 Crores. All investment plans are progressing well. Brief details of the same is summarised here-in-below :-

I. To build the Kharagpur Complex having facilities for –
   a) Protective Packaging Products;
   b) PVC and HDPE Pipe production capacity &
   c) Rotomoulding and Blow moulding facility to make varieties of plastics products.

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II. To introduce several additional varieties of Pipe fittings & Bath fittings
III. To augment premium range of Furniture with new design products;
IV. To replace / install additional injection moulding machines by new energy efficient machines and other balancing equipments for better production efficiency in Industrial product division and Pipe Fitting Division at Jalgaon and Malanpur;
V. To increase production capacities of PVC and CPVC Pipes at Kanpur and Malanpur plant respectively;
VI. To install roto moulding facility at Malanpur, in a new Unit other than existing two units;
VII. To expand capacity of Protective Packaging Products at Hosur and Malanpur;
VIII. Automation of plant at Jalgaon.

Composite LPG Cylinders:

The company is pleased to inform that it has already received approval for one of its Composite LPG Cylinder of 10kgs for domestic market from Petroleum & Explosives Safety Organization (PESO), Nagpur, Government of India & the approval of one more size of Composite LPG Cylinders of 5kgs is at an advanced stage and expected to be received shortly.

Construction Business :

The company has realized Rs.4600 lacs from sale of 29511 sq.ft of the premises. It has further negotiated sale of 52320 sq.ft premises at Supreme Chambers at an aggregate consideration of Rs.9331 lacs & the same is progressing towards completion. An amount of Rs.4580 lacs has since been received & likely to be completed during the current quarter. Appropriate accounting effects shall be given on completion of the transaction. After envisaged sale remaining area for further sale would be about 64000 sq.ft.

Raw Material Scenario:

During the quarter Oct-Dec, Polymer Prices continue to fall steeply consequent to crude prices scenario globally. Raw Material prices have fallen between 24% to 30% from their peak level across various Polymers thereby causing inventory losses across various product segments.It is expected that the prices should get stabilized by mid february. Looking forward, it would be beneficial for business in terms of better demand opportunities & reduced requirements of working capital.

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About Supreme Industries Limited

Supreme Industries Limited is India's leading processors of plastics, offering a wide and comprehensive range of plastic products in India. The company operates in various segments 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 23 technologically advanced manufacturing facilities located at various places spread across the country and 2 more plants are under construction. 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 Ltd.

(R. J. Saboo)
Sr. General Manager (Corporate Affairs)
& Company Secretary