

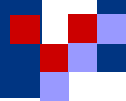


# Corporate Presentation

September - 2015



[www.supreme.co.in](http://www.supreme.co.in)



# Flow of the Presentation



- **The Supreme Group**
- **A Curtain Raiser – Supreme Industries**
- **Supreme Industries – At a Glance**
- **Shareholding Pattern**
- **Business Verticals**
  - Comprehensive Portfolio of Value Added Product
  - Revenue Break Up
- **Plastic Piping Division**
- **Consumer Products**
- **Packaging Products Division**
- **Industrial Products**
- **Composite Products**
- **Plant Locations**
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- **Technical Collaborations**
- **Andheri Commercial complex –Supreme Chambers**
- **Financial Highlights**
- **The Intangibles – Beyond Numbers**
- **Addressing Risks**
- **The Way Forward**
- **Commitment to Shareholders**
- **A Responsible Corporate Citizen**
- **Supreme Petrochem Limited**
- **Safe Harbour Statement**

# The Supreme Group



## Supreme Industries :

- Engaged in processing of polymers and resins into finished plastic products
- 29.99 per cent stake in Supreme Petrochem
- Supreme Industries Overseas (FZE) - A wholly owned subsidiary, in the United Arab Emirates.

## Supreme Petrochem:

- Manufactures Polystyrene, Expanded Polystyrene (normal and cup grade), Extruded Polystyrene Insulation Boards, Compounds of Polystyrene and Polyolefins

# A Curtain Raiser – Supreme Industries



## VISION STATEMENT

“TO GROW BUSINESS WITH DIGNITY & RESPECT”

## CORE VALUES

- INTEGRITY
- CUSTOMER’S DELIGHT
- CONTINUOUS IMPROVEMENTS & INNOVATIONS
- UNCOMPROMISING QUALITY
- EMPOWERMENT TO INDIVIDUALS

## MISSION STATEMENT

- To conduct business with ethical practices and WALK OUR TALK
- To offer consistent products Services with uncompromising quality supported by continuous improvements and Innovations, thereby exceeding Customer Expectations
- To ensure the culture of utmost respect and empowerment to individuals and be catalyst in enhancing their competencies

# Supreme Industries at a Glance



Plastics and related products

## Industry

## Business

## Highlights

- One of the largest plastic processor in India, processing over 3 lakh MT annually
- Presence in the Indian plastic industry for over 49 years under present management
- Diversified revenue model with a large product portfolio across 5 verticals.
- 23 plants situated across India with an asset base of over Rs. 1800 crores. Two plants are under construction and likely to commence operations during July-Sept., 2015
- Bank Loan Rating : CRISIL AA/Stable
- Short Term Debt Programme Rating : CRISIL A1 plus
- Capitalisation

| Year            | 30-Jun-09 | 30-Jun-10 | 30-Jun-11 | 30-Jun-12 | 30- Jun-13 | 30- Jun-14 | 30- Jun-15 |
|-----------------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Rs. in Cr.      | 643.65    | 1441.63   | 2299.19   | 2794.60   | 4445.94    | 6637.79    | 8577.49    |
| US\$ in Million | 131.36    | 294.21    | 469.22    | 502.54    | 808.35     | 1102.62    | 1347.60    |

# Supreme Industries at a Glance



## USP

- Manufacturing facilities **spread across the country.**
- **Diversified product portfolio** with established Brand Equity
- **Significant Market Share** in each of the verticals
- **Strong Cash Flows** to fund expansion plans and Reducing Debt Burden
- **Pan India Distribution Network** and Reach
- Consistent increase in revenues from **speciality and value added products**
- Cost efficient raw material **procurement capability**
- User of **diverse material of plastics**
- **Invulnerable from import** substitutes.
- **Optimisation of value**
  - Buy Back of shares
  - Higher ROCE
  - Liberal dividend payout

# Shareholding Pattern

| Shareholders        | Nos.  | Holding % as on 30 <sup>th</sup> Jun., 15 |          |
|---------------------|-------|-------------------------------------------|----------|
| Promoters           | 17    |                                           | 49.71 %  |
| Institutional       | 165   |                                           | 28.62 %  |
| - FII               | 116   | 22.36%                                    |          |
| - FI / Mutual Funds | 49    | 6.26%                                     |          |
| Bodies Corporate    | 512   |                                           | 3.71 %   |
| Individual & Others | 27718 |                                           | 17.96 %  |
| Total               | 28412 |                                           | 100.00 % |

# Organisation & Management Team

## Board of Directors

B L Taparia, Chairman  
M P Taparia, Managing Director  
S J Taparia, Executive Director  
V K Taparia, Executive Director  
B V Bhargava  
H S Parikh  
N N Khandwala  
Smt. Rashna Khan  
Y P Trivedi  
R Kannan  
Rajeev M Pandia

## Management Team

J M Totla, Sr. V P (Plastic Piping System)  
A K Tripathi, V P (Plastic Piping System)  
V L Malu, Vice President (Industrial Components)  
P C Somani, Chief Financial Officer  
A K Ghosh, Vice President (Protective Packaging)  
R K Malani, Chief Technology Advisor  
Sanjeev Jain, Asso. Vice President (Furniture)  
Sanjay Mishra, Sr. GM (MHD)  
Vivek Taparia, Sr. GM (Business Development)  
R J Saboo, Asso. Vice President (Corporate Affairs  
& Company Secretary)  
Manish Poddar, Asso. Vice President (Commercial)  
Siddharth Roongta, Asso. Vice President (Cross  
Laminated Films & Composites)  
Parag Prabhu, Asso. Vice President (Finance)

# Recent Awards & Recognitions

- Noida was the 1<sup>st</sup> plastic processing plant and 3<sup>rd</sup> plant in India to be awarded EN16001-2009 (Energy Management System) from BSI.
- Khushkhera was the 2<sup>nd</sup> plastic processing plant and 4<sup>th</sup> plant in India to be awarded EN16001-2009 (Energy Management System) from BSI.
- Supreme was awarded the Top exporter award in “Fittings for Plastic Pipes and Hoses” and “Tarpaulin” categories consecutively for last four years by Plexcouncil.
- Supreme was awarded the Second Best exporter award in “Plastic Pipes and Hoses” category consecutively for last four years by Plexcouncil.
- Supreme Chambers awarded Platinum certification under LEED India Core and Shell Rating System by IGBC. Only the second building in Mumbai in this category.
- Pondicherry Unit won the TPM Excellence Award Category A – 2011 organized by Japan Institute of Plant Maintenance. First Plastic Injection Molding Organization in India to achieve this award.
- Gadegaon Unit has been selected for “Green Manufacturing Excellence Award” 2012 by Frost & Sullivan.
- Company has been awarded Top Spot under “Plastic & Plastic Products” Category by Dun & Brad Street Corporate Awards – 2012, 2013 & 2014.
- Gadegaon unit has bagged most coveted 8<sup>th</sup> State level Energy Conservation Award 2011 - 2012

# BUSINESS VERTICALS

## Plastic Piping Division

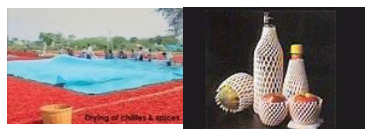


## Consumer Products



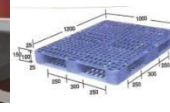
## Packaging Products

- Specialty Films
- Protective Packaging Products
- Cross Laminated Films



## Industrial Products

- Industrial Components
- Material Handling Division



## Composite Products

- LPG Cylinders



# A comprehensive portfolio of Value Added Products



| Business Vertical     | Product Portfolio                                                                                                                                                                                                            | Targeted Customer Segment                                                                                                                                                                                                                                                                                  |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plastic Piping System | uPVC Pipes, Injection Moulded fittings, Handmade fittings, Polypropylene Random, Co-polymer Pipes & Fittings, HDPE Pipe Systems, CPVC Pipes Systems, Inspection Chambers, Water Tanks, Septic Tanks, Bath Fittings, Solvents | <ul style="list-style-type: none"> <li>▪ Potable Water Supply</li> <li>▪ Irrigation</li> <li>▪ Drainage &amp; Sanitation</li> <li>▪ Housing</li> </ul>                                                                                                                                                     |
| Consumer Products     | Furniture                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>▪ House Hold</li> <li>▪ Office Establishments</li> <li>▪ Institutions</li> </ul>                                                                                                                                                                                    |
| Industrial Products   | Industrial Components<br>Material Handling Products ( Crates, Pallets, Bins & Dustbins)                                                                                                                                      | <ul style="list-style-type: none"> <li>▪ Auto Sector</li> <li>▪ Electronic Household Appliances</li> <li>▪ Water Purification - filters</li> <li>▪ Soft Drink Companies</li> <li>▪ Agriculture &amp; Fisheries</li> <li>▪ Industrial Users</li> </ul>                                                      |
| Packaging Products    | Specialty Films<br>Protective Packaging products<br>Cross Laminated film products                                                                                                                                            | <ul style="list-style-type: none"> <li>▪ Electronics</li> <li>▪ Food Industry</li> <li>▪ Sports Goods</li> <li>▪ Insulation</li> <li>▪ Construction</li> <li>▪ Agriculture</li> <li>▪ Floriculture</li> <li>▪ Horticulture</li> <li>▪ Grain Storage</li> <li>▪ Tarpaulin</li> <li>▪ Pond lining</li> </ul> |
| Composite Products    | LPG Cylinders                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>▪ Retail / Household</li> </ul>                                                                                                                                                                                                                                     |

# Plastic Piping Division



## Highlights

- Leading Quality Player with 6500 products for 22 different application systems and only Company to supply pipes and fittings from major polymers like PVC, CPVC, PE & PPR.
- 14 per cent of the organised domestic plastic piping market
- High Quality Raw Materials, structural accuracy and perfect designing techniques resulting in Light Weight , Durable, Non-Corrosive and cost effective solution alternative to conventional products
- Market serviced by organized & unorganized players. The organized players service around 70% of the market. Their share is growing faster than players in unorganized market.
- Custom Designed products to suit Specific Applications
- Meets the specifications of various National & International standards.
- Has 726 channel partners .
- Introduced various Path Breaking Technologies in India
  - S.W.R. Drainage System
  - Aqua Gold High Pressure Plumbing System
  - Indo-Green PP-R hot and cold water system
  - Eco-Drain structured wall hi-tech pipes
  - Nu-drain underground drainage system
  - Inspection Chambers
  - Silent Pipe System
  - Man Hole
  - Aqua Craft Bath Fittings
  - Industrial Requirement

| Estimated Market Size in Rs. Crores | Supreme's Share in 2014-15 |
|-------------------------------------|----------------------------|
| 22,500                              | 9.50 %                     |

# Consumer Products – Furniture



## Highlights

- Second-largest player in the plastic moulded Furniture with current Processing Capacity-30,000 MT
- One stop solution for all furniture needs, made from 100% virgin polymers, using computer designed moulds at ISO certified Plants
- First in the Industry to use the Gas Injection technology in moulding process
- Range of Indoors and outdoors high quality furniture tested for ergonomic comforts, resilience and environmental resistance
- Pioneers in introducing
  - Lacquered furniture
  - Upholstered moulded plastic furniture
  - Hybrid Furniture
- Clients – House Hold, Office Establishments & Institutions

| Estimated Market Size in Rs. Crores | Supreme's Share in 2014-15 |
|-------------------------------------|----------------------------|
| 2900                                | 9.75%                      |

# Packaging Products



## Highlights

- Key Categories: Specialty Films, Protective Packaging Products & Cross Laminated Films products
- Product Range: Thermoplastic PE foam sheets and profiles, cross-linked and blended PE foams (block & extruded), air bubble films and composites and **Customized products** include anti-static, UV resistant and aluminum foil laminated foam & bubble films, besides EPDM blended and other specialty rubber foams. Composites – aluminium, Metalized PET, Speciality film & Cross Laminated Film Products.
- A turnkey packaging solutions provider –oversees the actual packaging operations at the customer's site, sourcing and incorporation of other materials in the process
- Access to latest technologies and innovations - tie ups with global industry leaders
- Introducers of various Path Breaking Technologies in India:
  - Reticulated foam for air filtration
  - Sound absorbing open cell foam
  - High temperature & Fire Resistant Melamine foam
  - Water Proofing Membrane made from a composites of Foam products
- Only Indian company to have the technology to manufacture Patented Cross Laminated film Products under Brand name Silpaulin. It is one-seventh the weight of conventional cotton tarpaulin, but has a high strength-to-weight ratio.

### Protective Packaging Products

| Products                          | Estimated Market Size in Rs. Crores | Supreme's Share in 2014-15 |
|-----------------------------------|-------------------------------------|----------------------------|
| EPE Foam                          | 600                                 | 34 %                       |
| Air Bubble Film                   | 350                                 | 15 %                       |
| Cross Linked Foam (Block)         | 330                                 | 22 %                       |
| Cross Linked Foam Rolls(Chemical) | 90                                  | 56 %                       |
| Nitrile PVC Rubber Foam           | 95                                  | 7%                         |

# Industrial Products

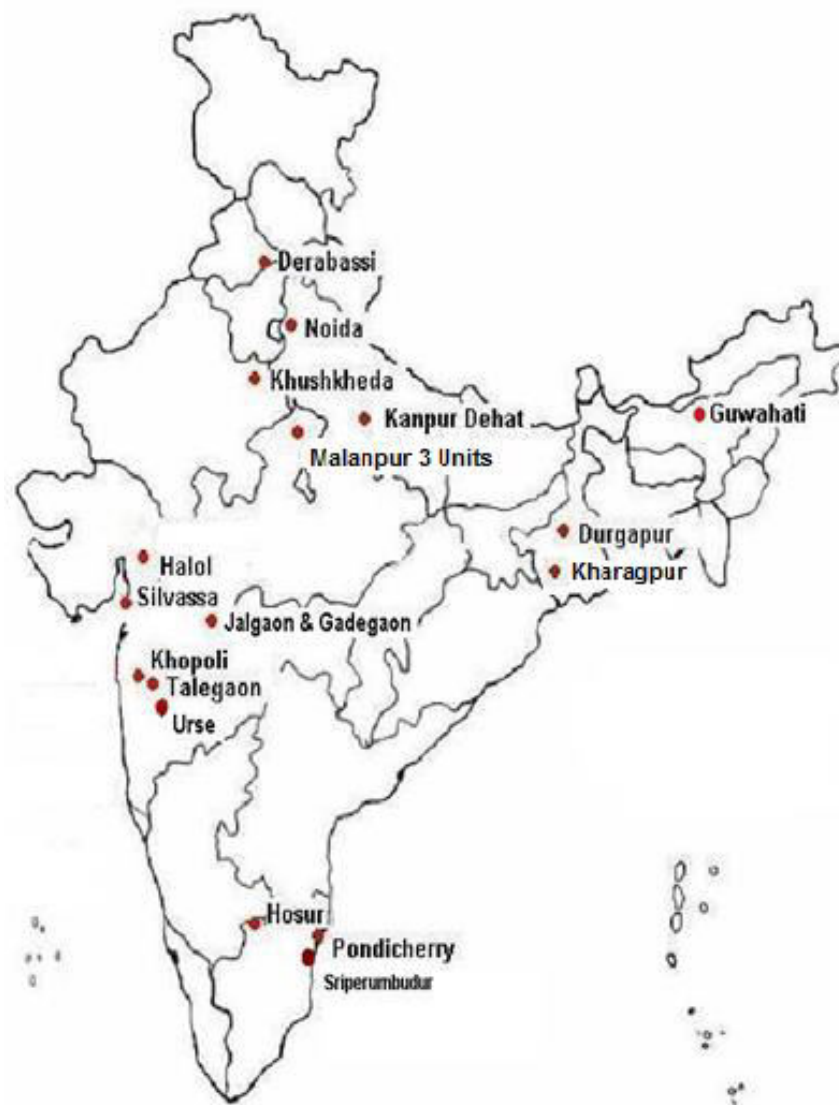
## Highlights

- Major player in the industrial products segment manufacturing
  - Industrial components
  - Material-handling products
- Ability to provide cockpit assemblies for the Auto Segment
- Presence in water purification segment
- Presence in Electronic Voting Machine
- Largest Supplier to the Soft Drinks Industry
- First to launch the Injection Moulded Plastic Pallets

### Material-handling products

| Estimated Market Size in Rs. Crores | Supreme's Share in 2014-15 |
|-------------------------------------|----------------------------|
| 1600                                | 15%                        |

# Plant Locations



| Sr No | Location                             | Industrial Products | Consumer Products | Packaging Products | Plastic Piping | Composites |
|-------|--------------------------------------|---------------------|-------------------|--------------------|----------------|------------|
| 1     | Derabassi (Punjab)                   | ✓                   | ✓                 |                    |                |            |
| 2     | Durgapur (West Bengal)               | ✓                   | ✓                 |                    |                |            |
| 3     | Gadegaon (Maharashtra)               | ✓                   | ✓                 | ✓                  | ✓              |            |
| 4     | Guwahati (Assam)                     |                     | ✓                 |                    |                |            |
| 5     | Halol – Unit I (Gujarat)             |                     |                   | ✓                  |                |            |
| 6     | Halol – Unit II (Gujarat)            |                     |                   | ✓                  |                |            |
| 7     | Halol – Unit III (Gujarat)           |                     |                   | ✓                  |                |            |
| 8     | Halol – Unit IV (Gujarat)            |                     |                   |                    |                | ✓          |
| 9     | Hosur Unit I (Tamil Nadu)            |                     |                   | ✓                  |                |            |
| 10    | Hosur Unit II (Tamil Nadu)           |                     |                   | ✓                  |                |            |
| 11    | Jalgaon – Unit I (Maharashtra)       |                     |                   |                    | ✓              |            |
| 12    | Jalgaon – Unit II (Maharashtra)      |                     |                   |                    | ✓              |            |
| 13    | Kanhe (Maharashtra)                  | ✓                   |                   |                    |                |            |
| 14    | Kanpur (Uttar Pradesh)               |                     |                   |                    | ✓              |            |
| 15    | Kharagpur (West Bengal)              |                     | ✓                 | ✓                  | ✓              |            |
| 16    | Khopoli (Maharashtra)                |                     |                   | ✓                  |                |            |
| 17    | Khushkheda (Rajasthan)               | ✓                   |                   |                    |                |            |
| 18    | Malanpur – Unit I (Madhya Pradesh)   |                     |                   | ✓                  |                |            |
| 19    | Malanpur – Unit II (Madhya Pradesh)  |                     |                   | ✓                  | ✓              |            |
| 20    | Malanpur – Unit III (Madhya Pradesh) |                     |                   |                    | ✓              |            |
| 21    | Noida (Uttar Pradesh)                | ✓                   |                   |                    |                |            |
| 22    | Puducherry (Union Territory)         | ✓                   | ✓                 |                    |                |            |
| 23    | Silvassa (Union Territory)           |                     |                   | ✓                  |                |            |
| 24    | Sriperumbudur (Tamil Nadu)           | ✓                   |                   |                    |                |            |
| 25    | Urse (Maharashtra)                   |                     |                   | ✓                  |                |            |

Note: Malanpur Unit III and Kharagpur unit are under construction and likely to commence operations during Jul – Sep, 2015.

# A Virtual Tour of the Plant - Gadegaon

**Supreme**<sup>®</sup>  
People who know plastics best



-- Mega Project at Gadegaon spread over 132 acres



# A Virtual Tour of the Plants

**Supreme**<sup>®</sup>  
People who know plastics best



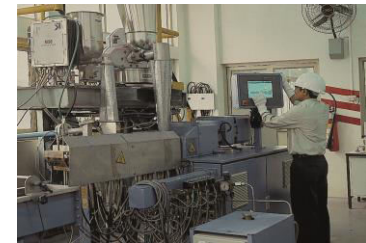
Durgapur



Halol



Hosur



Jalgaon



Gadegaon



Kanpur



Khushkera



Malanpur



Noida



Pondicherry



Silvassa



Talegaon



Chennai

# Technical Collaborations



## COMPANY

- Rasmussen Polymer Development, Switzerland
- Wavin, Netherlands
- Foam Partner, Switzerland
- Sanwa Kako, Japan
- PE Tech, Korea
- Kumi Kasai Co. Ltd., Japan
- Kautex GMBH
- Spears Mfg. Co. Los Angeles
- Calcamite Sanitary Services (PTY)

## PRODUCT LINE

Cross-laminated Films

Plastic Piping Systems

Reticulated PU Foam

2 stage Foam

Cross Linked Foam

Automotive Components

Composite LPG Cylinders

Fire Sprinkler Pipes from CPVC

Septic Tanks

# Supreme Chambers

**Supreme**<sup>®</sup>  
People who know plastics best



# Andheri Commercial Complex Project

- Total Land Area: 94,347 sq. ft.
- Purchased TDR : 92,463 sq. ft.
- Architect: Sanjay Puri, one of the leading architects of India.
- Total Construction: Ground+10 storey + 2 level basement
- Other facilities in complex include health club, Conference Room, parking of 350+ cars, DG back up, Green building with platinum rating from the USGBC, pocket terraces at different levels, terrace garden, cafeteria, 6 high speed elevators and 2 service elevators.

# Andheri Commercial Complex Project

- Total Saleable Area : around 2,82,835 sq. ft.
- Total Project Cost : about Rs. 145 crores .
- Till June 2015 , Sold about 2,12,286 Sq.ft. with net revenues of Rs 338.70 Crores already received.
- One Unit at Ground floor of about 6,681 sq. ft. has been kept by the Company for self use.
- Estimated revenues from balance unsold area of about 63,868 sq. ft. is about Rs. 125 Crores.

# Financial Highlights (Consolidated)

| Year               | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|
| Share Capital      | 25.4    | 25.4    | 25.4    | 25.4    | 25.4    | 25.4    | 25.4    |
| Reserves & Surplus | 278.7   | 388.7   | 522.3   | 671.32  | 853.58  | 1013.75 | 1186.09 |
| Net Worth          | 304.1   | 414.1   | 547.7   | 696.72  | 878.98  | 1039.16 | 1211.49 |
| Total Assets       | 719.83  | 801.44  | 1058.95 | 1448.82 | 1941.71 | 2059.93 | 2267.51 |
| Secured Loans      | 286.42  | 269.16  | 353.22  | 241.89  | 322.63  | 369.99  | 294.92  |
| Unsecured Loans    | 129.35  | 118.24  | 158.02  | 109.22  | 147.22  | 102.65  | 97.93   |
| Total Debt         | 415.77  | 387.4   | 511.24  | 351.11  | 469.85  | 472.64  | 392.85  |
| Net Block          | 544.3   | 565.6   | 741.67  | 739.39  | 1060.79 | 1105.99 | 1132.31 |
| Investments        | 49.6    | 69.3    | 91.62   | 88.74   | 109.83  | 107.35  | 120.69  |
| Debt to Equity (x) | 1.3     | 0.9     | 0.9     | 0.5     | 0.53    | 0.45    | 0.32    |

# Financial Highlights (Consolidated)



| Year                 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | CAGR (%) |
|----------------------|---------|---------|---------|---------|---------|---------|----------|
| Total Income         | 2013.29 | 2460.30 | 2870.86 | 3409.51 | 3914.32 | 4128.95 | 15.45    |
| Y-o-Y Growth %       | 21.46   | 22.20   | 16.69   | 18.76   | 14.81   | 5.48    |          |
| EBIDTA               | 304.39  | 364.30  | 440.24  | 548.40  | 564.28  | 584.21  | 13.93    |
| EBIDTA %             | 15.12   | 14.81   | 15.33   | 16.09   | 14.42   | 14.15   |          |
| Depreciation         | 52.94   | 61.91   | 72.49   | 81.71   | 101.55  | 138.99  |          |
| EBIT                 | 251.45  | 302.39  | 367.75  | 466.69  | 462.73  | 445.22  | 12.10    |
| EBIT %               | 12.49   | 12.25   | 12.81   | 13.69   | 11.82   | 10.78   |          |
| Financial Expenses   | 33.05   | 42.51   | 54.81   | 52.35   | 76.14   | 57.96   |          |
| Profit Before Tax    | 218.50  | 259.88  | 312.94  | 414.34  | 386.59  | 387.26  |          |
| PBT %                | 10.85   | 10.56   | 10.90   | 12.15   | 9.88    | 9.38    |          |
| Profit After Tax     | 147.36  | 178.85  | 211.05  | 283.97  | 257.66  | 259.47  | 11.98    |
| PAT %                | 7.32    | 7.27    | 7.35    | 8.33    | 6.58    | 6.28    |          |
| EPS (basic FV Rs. 2) | 11.60   | 14.08   | 16.61   | 22.35   | 20.28   | 20.43   |          |
| ROE (%)              | 41.28   | 37.30   | 33.99   | 36.10   | 26.90   | 23.07   |          |
| ROACE (%)            | 43.86   | 38.45   | 38.76   | 42.10   | 33.70   | 29.07   |          |

# Financial Highlights (Consolidated)



Rs in crores

2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15

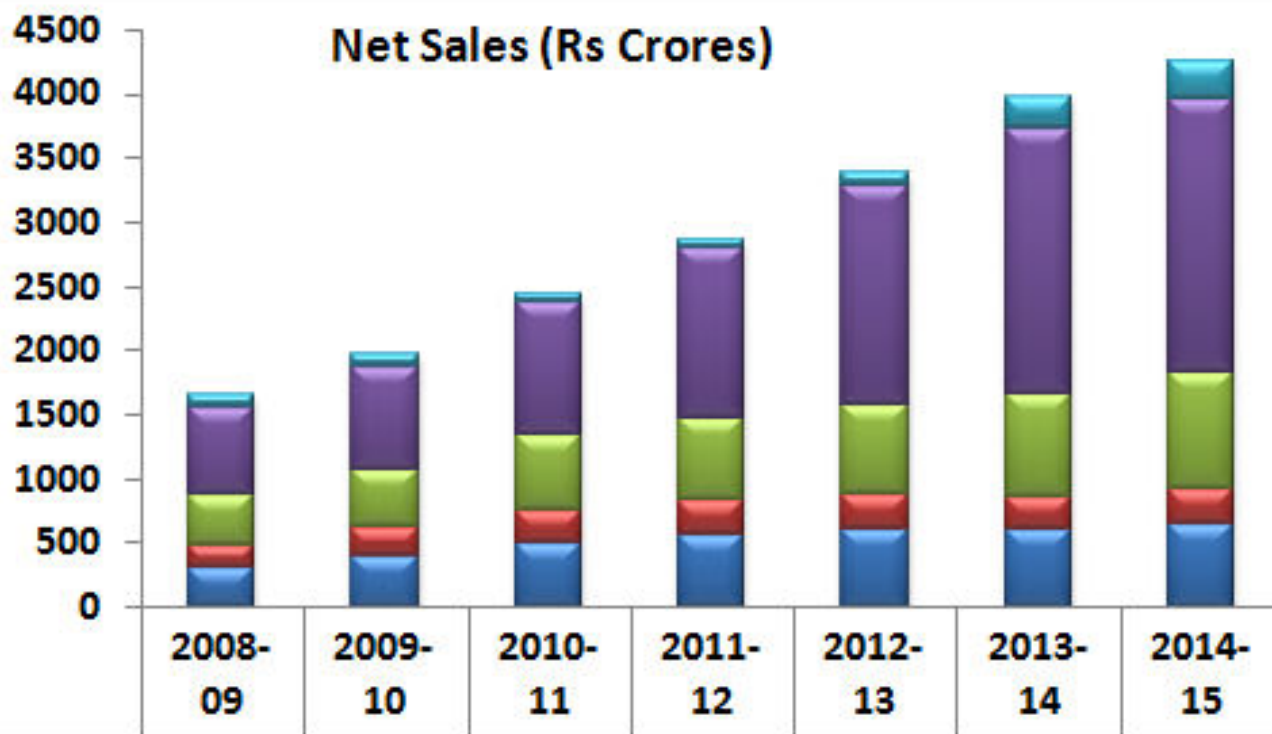
## Cash Flow Summary

|                                                |         |        |         |         |         |         |         |
|------------------------------------------------|---------|--------|---------|---------|---------|---------|---------|
| Cash and Cash Equivalents at Beginning of year | 13.4    | 5.2    | 15.0    | 10.1    | 9.2     | 19.9    | 23.8    |
| Net Cash from Operating Activities             | 198.3   | 147.0  | 169.4   | 350.8   | 405.8   | 325.2   | 600.8   |
| Net Cash Used in Investing Activities          | (140.4) | (67.5) | (240.4) | (64.3)  | (362.7) | (133.7) | (186.0) |
| Net Cash Used in Financing Activities          | (66.1)  | (70.2) | 66.1    | (287.4) | (32.4)  | (190.3) | (187.6) |
| Net Inc/(Dec) in Cash and Cash Equivalent      | (18.0)  | 7.9    | (4.4)   | 0.2     | 10.7    | 3.91    | 155.2   |
| Cash and Cash Equivalents at End of the year   | 5.2     | 15     | 10.1    | 9.2     | 19.9    | 23.8    | 179.0   |

***Strong cash accruals and favourable capital structure, which provides financial flexibility to raise resources as and when required***

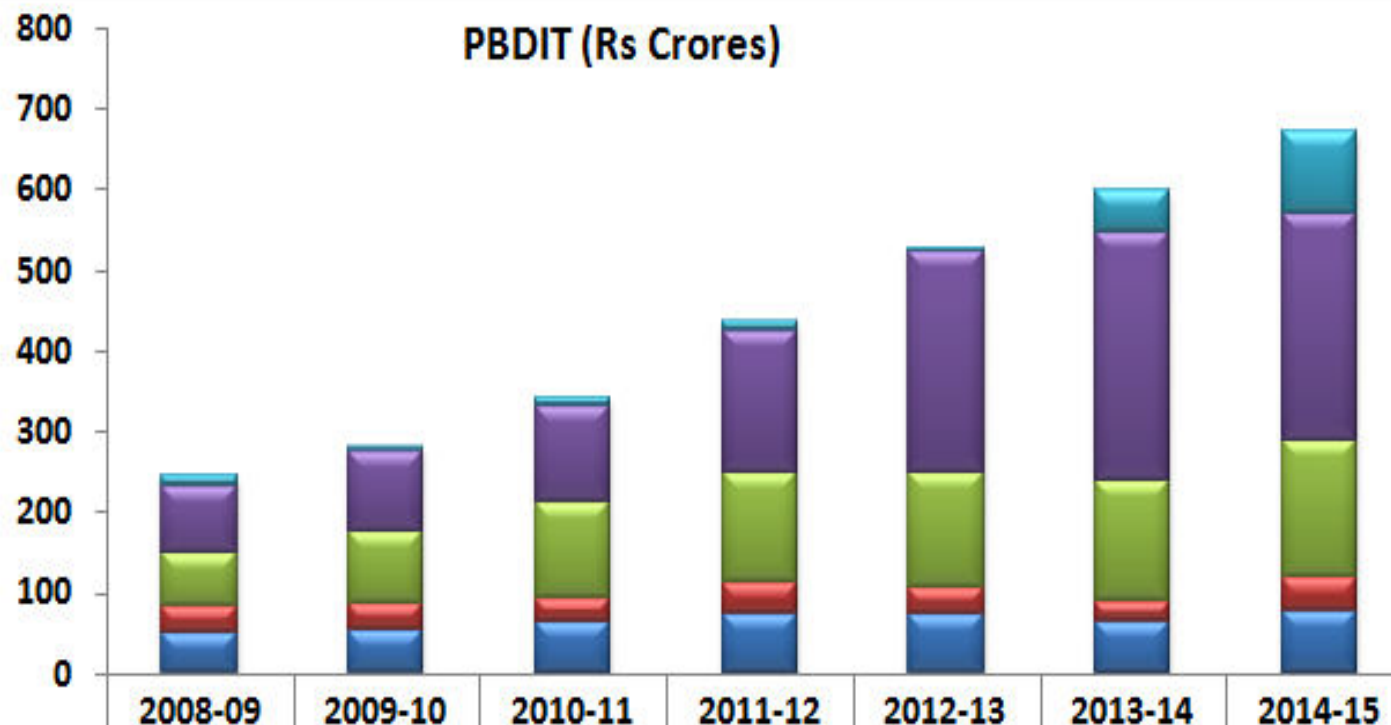
- Positive cash flows at its operating as well as net level
- Even during tough times of FY09 company has made investment towards future

# Financial Highlights – Segment Wise



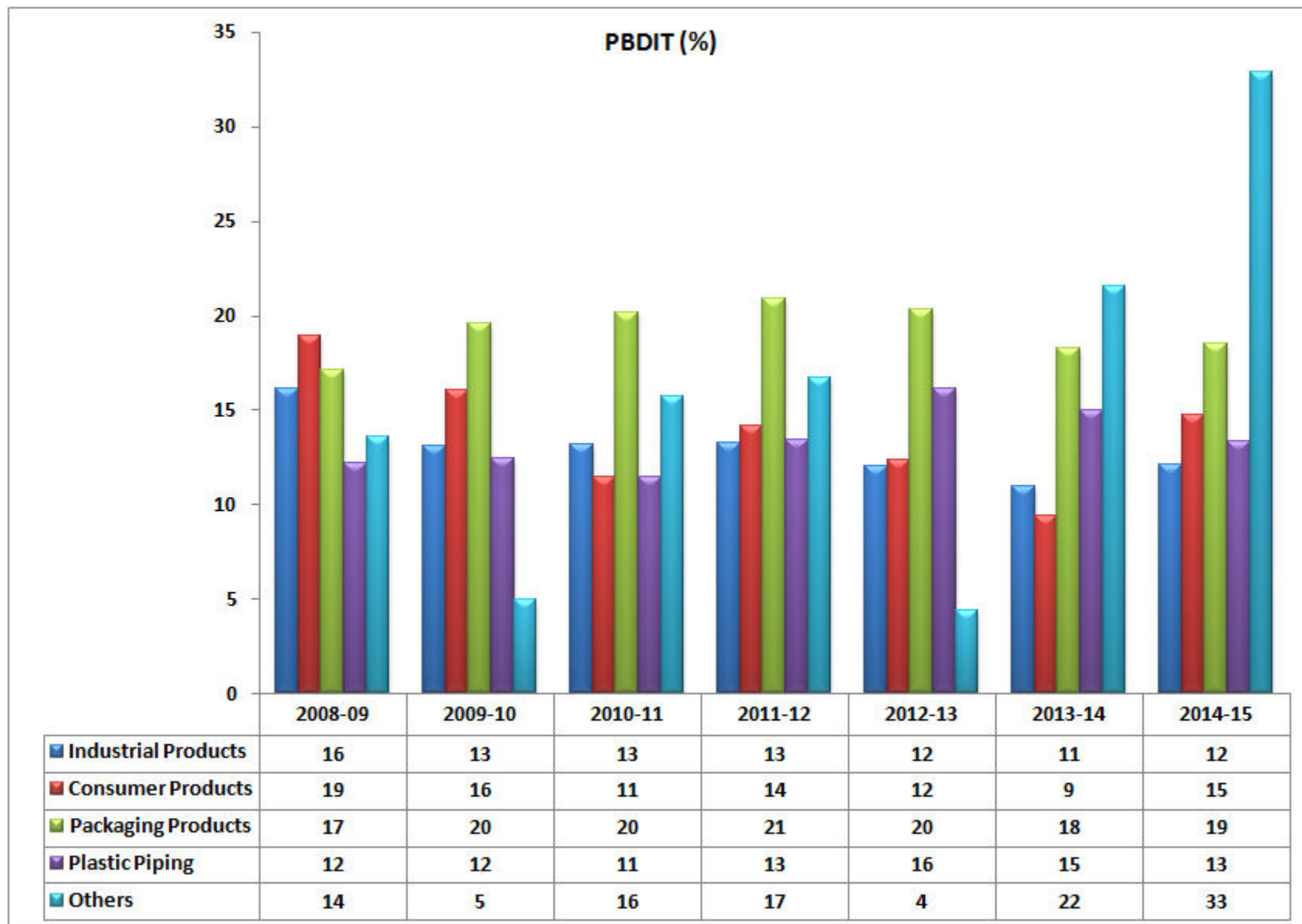
|                       |      |      |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|------|
| Others                | 103  | 101  | 70   | 72   | 113  | 242  | 310  |
| Plastic Piping        | 682  | 803  | 1036 | 1320 | 1692 | 2060 | 2113 |
| Packaging Products    | 385  | 460  | 580  | 650  | 700  | 811  | 914  |
| Consumer Products     | 180  | 212  | 262  | 268  | 276  | 259  | 276  |
| Industrial Products   | 310  | 406  | 492  | 560  | 607  | 600  | 649  |
| Net Sales (Rs Crores) | 1660 | 1982 | 2440 | 2870 | 3388 | 3972 | 4261 |

# Financial Highlights – Segment Wise



|                          | 2008-09    | 2009-10    | 2010-11    | 2011-12    | 2012-13    | 2013-14    | 2014-15    |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|
| Others                   | 14         | 5          | 11         | 12         | 5          | 52         | 102        |
| Plastic Piping           | 83         | 100        | 119        | 177        | 273        | 309        | 282        |
| Packaging Products       | 66         | 90         | 117        | 136        | 142        | 148        | 169        |
| Consumer Products        | 34         | 34         | 30         | 38         | 34         | 24         | 41         |
| Industrial Products      | 50         | 53         | 65         | 74         | 73         | 66         | 78         |
| <b>PBDIT (Rs Crores)</b> | <b>247</b> | <b>282</b> | <b>342</b> | <b>437</b> | <b>527</b> | <b>599</b> | <b>673</b> |

# Financial Highlights – Segment Wise



# The Intangibles – Beyond Numbers



- **Large and diverse production network** - Saves on freight costs and time to market its products
- Portfolio of several **Patented Products & Brands with focus on value added products.**
- **Fiscal benefits** due to plants located in backward areas – savings to invest for better infrastructure
- **Technical collaborations** with international players, to supplement its production capabilities and cater to new application coupled with low cost Indian manufacturing base
- **In-house design centre** – enabling to launch innovative products
- High economies of scale and **efficient centralised procurement of raw material**
- **Countrywide Distribution Network**
- **Play on INDIA's growth story** – Agriculture, Infrastructure, Housing , Packaged Foods, Sports Goods , Potable Water Supply & Sanitation , Auto, Electronics, Horticulture, Floriculture etc. Most industries are the thrust areas of the Government discernible by the huge outlays earmarked for their development

# Addressing Risks

## ■ Raw Material Costs

- Supreme Industries' operating profitability is moderately susceptible to volatility in prices of its key raw materials—poly vinyl chloride resin, polyethylene, and polypropylene; the prices of these commodities are linked to movements in crude oil prices
- The company is taking initiatives to enhance the share of the high-margin speciality products in its portfolio
- Maintain cost competitiveness through
  - Continuously enhancing operational efficiencies
  - Leveraging on Economies of Scale
  - Effective Working Capital Management

## ■ Unorganized Markets

- The plastics industry is considered to be highly fragmented, with a large unorganised segment.
- Insignificant competition from unorganised sector to Company's product mix except in Furniture.
- Brand Building Exercise, Technological Innovations to launch innovative products to enhance reach, image and loyalty factor
- High Operational Efficiencies to maintain cost competitiveness

## ■ Macro Economic Parameters

- Government policies have a direct impact on certain industry verticals such as infrastructure spending and high cost of money affecting domestic appliances and 4 wheeler sector..
- These segments have witnessed increased budgeted outlays over the years and given their relevance in the overall economic development, they are expected to remain key focus areas.

# The Way Forward

Increase channel partners and widen as well as deepen the distribution network

Focus on technological innovation and enhance product portfolio of existing offerings as well as new offerings



Increase Share of Value Added Products

Diversify Product Portfolio

Capacity Expansion

Focus on technological innovations and designs and enhance the overall contribution of VA products from 34% to 35% Plus

**By 2019-20**

- ***Aim to become a Rs. 8500 crore turnover company with a CAGR of 17% in value terms.***
- ***Volumes to grow at 10% CAGR to 5,00,000 MT***
- ***Maintain 13.50 - 14% operating margins***
- ***Maintain interest & depreciation together below 4% of turnover .***

## Product Segment Wise Expansion Plan

- Total plants to go up to 28 from existing 25 by 2018-19, with total capex of around Rs 1500 crores

| Division                                                         | Proposed Locations for 2015-16 to 17-18 |
|------------------------------------------------------------------|-----------------------------------------|
| Plastic Piping System                                            | Rajasthan                               |
| Plastic Piping System                                            | Assam                                   |
| Plastic Piping System, Protective Packaging Products & Furniture | Southern India                          |

- Expected to add more new locations going forward i.e. from 2018-19 to 2019-20.

## **Diversify Product Portfolio**

- Increase range of Products within existing product lines
- Develop/ Introduce innovative products for new applications
  - underground sewer & Drainage systems
  - Patented Cross Plastic Film Product
  - Underground Tanks & Sceptic Tanks
  - Large Varieties of Pipe Fittings
  - PPR Pipe System for Industrial Application
  - Large Range of Bath Room Fittings including Electroplated Products
  - Industrial Valves
  - Fusion Furniture
  - Protective Packaging Innovative Products
  - CPVC Fire Sprinkler System
  - Larger Range of Solvents
  - Composite Products for Piping System

# Expansion Strategy in Detail

## Increase Share of Value Added Products

- VA products are those where OPM > 17%

| Product Group      | 2013-14            |                             |                             | 2014-15            |                             |                             | Estimated share in 2019-20 |
|--------------------|--------------------|-----------------------------|-----------------------------|--------------------|-----------------------------|-----------------------------|----------------------------|
|                    | Total Net Turnover | Share of Specialty Business | Specialty Business Turnover | Total Net Turnover | Share of Specialty Business | Specialty Business Turnover |                            |
| Plastic Piping     | 2011.54            | 27.73%                      | 557.74                      | 2084.37            | 30.33%                      | 632.09                      | 30 %                       |
| Molded Furniture   | 258.36             | 48.56%                      | 125.47                      | 275.14             | 47.64%                      | 131.07                      | 65 %                       |
| Cross Lami. Films  | 394.11             | 100%                        | 394.11                      | 450.70             | 100.00%                     | 450.70                      | 100%                       |
| Prot. Packaging    | 308.38             | 31.66%                      | 97.64                       | 342.21             | 30.40%                      | 104.04                      | 45 %                       |
| Composite LPG Cyl. | -                  | -                           | -                           | 3.04               | 100.00%                     | 3.04                        | 100%                       |
| Others             | 700.35             | 1.61%                       | 11.28                       | 763.01             | 2.51%                       | 19.12                       |                            |
| Total              | 3672.74            | 32.30%                      | 1186.24                     | 3918.47            | 34.20%                      | 1340.06                     | 35 % Plus                  |

## Widen Distribution Network

- Increase reach in existing locations and capture market share in untapped locations
- Strengthen channel partners and increase the distribution network, which at present is over 2,450 channel partners.

## Export Thrust

- Plan to increase current Export Turnover of around 2.50% of total turnover, significantly over next five years.

# Supreme Petrochem Limited - Introduction



**Supreme**<sup>®</sup>  
People who know plastics best

- One of the largest single site Polystyrene (PS) producer accounting for 2% of world capacity. Owns 60% of domestic installed capacity.
- Current Effective Capacity :

|                          |              |
|--------------------------|--------------|
| Polystyrene (PS)         | 2,55,000 TPA |
| Compounded Polymers      | 30,000 TPA   |
| EPS - normal & Cup Grade | 65,000 TPA   |
| XPS                      | 1,00,000 M3  |
- Location :
  1. About 120 kms. From Mumbai on Goa highway in District Raigad. Plant site area - 333 acres.
  2. At Manali near Chennai in South India.

# Supreme Petrochem Limited - Update



- Technical Collaboration with NOVA INC of USA with Buy Back arrangement of EPS cup grade production.
- Supreme Industries own 29.99% equity of Supreme Petrochem.

# Commitment to Shareholders

## Last 5 years Dividend Payout History

| June Year Ending | Total Dividend-Outgo Crores | As a % of Face Value | Per Share Amount Paid in Rs. on FV Rs.2 per share |
|------------------|-----------------------------|----------------------|---------------------------------------------------|
| 2015             | 137.18                      | 450                  | 9.00                                              |
| 2014             | 118.89                      | 400                  | 8.00                                              |
| 2013             | 111.27                      | 375                  | 7.50                                              |
| 2012             | 88.58                       | 300                  | 6.00                                              |
| 2011             | 63.55                       | 215                  | 4.30                                              |
| 2010             | 53.37                       | 180                  | 3.60                                              |

## Regular Bonuses since Inception

| Year | Ratio |
|------|-------|
| 2006 | 1:1   |
| 1992 | 1:1   |
| 1988 | 1:1   |
| 1986 | 4:5   |
| 1981 | 2:5   |
| 1978 | 3:5   |

**Stock split in the ratio of 5-for-1 on October 19, 2010 as a record date.**

- I. Over the years , Supreme has rewarded its shareholders with constant dividends year after year. Payout ratio between 35 to 50% of PAT.
- II. There is timely bonus given to shareholders to create wealth for them
- III. Efficient capital allocation – Buy back of shares in 2008-09 at average price of Rs.22 against present price of Rs. 655. Appreciation in value by about Rs. 700 crores
- IV. Unlocking the wealth by developing Commercial Complex at Andheri ( Mumbai )
- V. The Total Shareholder Return (TSR) for last 10 years is CAGR 31% i.e. an amount of Rs. 100 invested in The Supreme Industries Limited Shares on 30Jun2006 have increased 15 times as on 30Jun2015.

# A Responsible Corporate Citizen

- **The Company's Gadegaon Unit, in furtherance of the above objectives undertakes following social work activities**
  - ☐ Supply of clean drinking water to the village of Gadegaon, on continuous basis.
  - ☐ Provided sanitation facility for ladies to Gadegaon village.
  - ☐ Provided decoratively constructed "Meditation Centre" of around 2,000 sq.ft. near the shrine of Sant Totaram Maharaj in Gadegaon village for the benefit of villagers.
  - ☐ The Company conducts blood donation camps for Indian Red Cross Society.
  - ☐ Company has shown it's commitment towards Physically Disabled persons by taking a mission "Positive towards Disabled People (PDP)", and provided employment initially to four PDP at Gadegaon factory.
  - ☐ Company provided Mobile Health Centre with all basic medical amenities in tribal and remote area of Dhadgaon in Dist Nandurbar.
  - ☐ Tree plantation drive being organised by the Company.
- **Monetary Contribution towards**
  - ☐ Medical Facilities
  - ☐ ITI's
  - ☐ Aurvedic Hospitals
  - ☐ Education

**The Company is in advanced stage of discussion for Public / Private partnership mode for extensive work in the field of SANITATION .**

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# THANK YOU

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