



SUPREME PETROCHEM LTD

Regd. Office :

Solitaire Corporate Park, Building No. 11, 5th Floor, 167, Guru Hargovindji Marg,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400 093. INDIA
☎ : 91-22-6709 1900 Fax - 022 - 4005 5681 • CIN : L23200MH1989PLC054633
Website : www.supremepetrochem.com • Email : corporate@spl.co.in

Ref: CFA/CS/86/AGM_36/2025-2026

October 31, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
Mumbai - 400 001
Script Code - 500405

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra East,
Mumbai - 400 051
Scrip Code - SPLPETRO

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call of Supreme Petrochem Ltd ('The Company')
Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Please refer our letter dated October 20, 2025, wherein we had informed you that Earnings Conference Call with investors of the Company will be held on Tuesday, October 28, 2025 to discuss Q2 & H1-FY26 earnings.

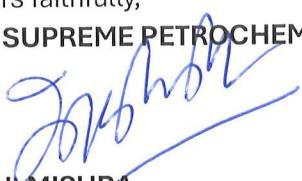
Please note that the said conference call as scheduled was held at 04:00 PM (IST) on October 28, 2025. In this regard, pursuant to Regulation 30 of Listing Regulations, please find attached Transcript of the call with investors of the Company.

This is for your information and record.

Thanking you

Yours faithfully,

For **SUPREME PETROCHEM LTD**


D. N. MISHRA
ASST. VICE PRESIDENT (LEGAL)
& COMPANY SECRETARY





Supreme Petrochem Limited
Q2 and H1 FY'26 Earnings Conference Call
October 28, 2025

Moderator:

Ladies and gentlemen, good day and welcome to the Supreme Petrochem Limited Q2 and H1 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mrs. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma'am.

Purvangi Jain:

We represent the investor relations of Supreme Petrochem Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the 2nd Quarter and First Half of the Financial Year 2026.

Before we begin, let me mention a quick cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the company's fundamental business and financial performance for the quarter under review.

Now let me introduce you to the Management participating with us in today's Earnings Call. We have with us Mr. Rakesh Nayyar – Executive Director and CFO, Mr. Dilip Deole – Chief Executive of Finance and Accounts, and Mr. D. N. Mishra – Company Secretary.

Without any delay, I request Mr. Rakesh Nayyar to start with his opening remarks. Thank you and over to you, sir.

Rakesh Nayyar:

Thank you, Purvangi. Good afternoon, everyone. It is a pleasure to welcome you to the Earnings Conference Call for the 2nd Quarter and First Half of the Financial Year 2026.





Let me start by giving you a brief overview of the financial performance for the quarter ended 30th September 2025:

On a standalone basis:

The operating income for the 2nd Quarter is Rs. 1,100 crores as against Rs. 1,500 crores in the previous year. Reduction in the top line is mainly due to lower raw material prices, which during the previous quarter prevailed in the range of \$850 to \$950, as against \$1,150 in the corresponding quarter in the previous year. The total EBITDA including the income stood at Rs. 86 crores and net profit after tax is Rs. 48 crores.

For the first half of the financial year 2026, the operating income is Rs. 2,487 crores. The total EBITDA is Rs. 216 crores with a total EBITDA margin of 8.69%. The net profit after tax stood at Rs. 129 crores. Company sales volumes of manufacturing products stood at 76,962 Tons and for the first half stood at 170,826 metric tons as compared to 174,813 metric tons in the corresponding period of the previous year.

The volumes and margins were impacted due to extended monsoon leading to lower demand for cooling devices such as air conditioners and refrigerators, deferment of purchases due to advance intimation of GST rate reduction, subdued economic activity across major economies, and change in trade flows due to trade barriers in the form of tariffs imposed by the USA, and decline in styrene monomer prices with current prices at about \$800 per metric tons down from around \$940 per metric ton at the end of June 2025. This led to the destocking by the processors.

On a positive note, I am happy to share that ABS plant, in technical collaboration with Messrs. Versalis, with a capacity of 70,000 metric tons per annum, has commenced production. The integration of X-mold Polymers is progressing as planned. Company continues to remain debt-free and all capital expenditure is funded through internal accruals. As of 30 September 2025, we have maintained an investible surplus of **Rs.522** crores. The board has recommended interim dividend @ 125% that is Rs. 2.50 per equity share of face value of Rs. 2 each.

With this, I conclude now and open the floor for question and answer session.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

Aditya Khetan:

Yes, thank you, sir, for the opportunity and happy Diwali to you and your team, sir. Sir, just a couple of questions. Sir, first on the volume side, I missed your initial remarks. Have you mentioned what was the reason for a big dip in volume? Apart from the GST cut and all those reasons, is there anything structural change in demand you have seen and you feel like this would pick up in the coming quarter? Any commentaries on this side?





Rakesh Nayyar: As I explained, the demand is low because of the extended monsoons which led to the damp sale of cooling devices like air conditioners and refrigerators, leading to the lower lifting by the OEMs and air conditioning manufacturers. Secondly, there is a trade flow change in the the tariffs put by USA. The supply flow has changed. The countries where we were exporting, there other nations are competing since they are unable to export to USA or processed goods are not going to USA. Everybody is in the global market to sell their material. There is a competition there as well. Also the processors generally avoid stocking material when there is a continuous fall in the raw material prices. This fall in the styrene monomer prices led to some amount of destocking by the processors.

Aditya Khetan: So, sir, this lower styrene prices, has this been fully reflected in this quarter or we could see further weakening of realizations because it is a pass-on. So, next quarter also, we could see muted realization?

Rakesh Nayyar: The styrene monomer is a global event. India does not produce a single kilogram of styrene monomer. The global events impact styrene monomer, the global demand supply, crude prices, everything is going to determine the price of styrene. As of now, styrene is ruling for the last two weeks at about US\$ 800. If this level continues, so maybe starting from December onwards, it will be a normal thing then.

Aditya Khetan: Okay. Sir, on the ABS side, as we have started the phase one, sir, is there any change on the guidance? I think earlier we have stated so 20, 000 tons, 25, 000 tons, we would be doing by this fiscal. And any thoughts on second phase? Are we planning to complete that by FY'27?

Rakesh Nayyar: The second phase will complete by FY'28. So far it remains the same. There is no change in that. And as far as the ABS is concerned, because that was based on the earlier completion date of June. But now the plant got delayed. And the product trials are going on with the processors, the testing is going on with various processors. So, the guidance would change. I think it should be closer to maybe 15,000 tons or so in this year.

Aditya Khetan: Got it. Sir, there are lower volumes in this quarter. I understand you have mentioned like it is a monsoon period. So, there are high chances so that it could be recouped in the next quarter. Again, we could be back to that for 95, 000 to 1 lakh to volume current rate.

Rakesh Nayyar: The 3rd Quarter is always a weak quarter, post-Diwali, post-festival. So, the 3rd Quarter starts picking up only towards the end of November or December only. And the 4th Quarter is always the best quarter that way. If from December to March in those four months, the demand is good from the OEMs, yes, we should be able to recover.

Aditya Khetan: Got it sir. Thank you. I will come back in the queue.





Moderator: Thank you. The next question is from the line of Nirav Jimudia from Anvil Wealth. Please go ahead.

Nirav Jimudia: Yes, sir. Good afternoon and festival wishes to the entire team of Supreme Petro. Sir, I have a few questions to ask. So, the first is on the styrene part. As we see that Chinese have become more self-sufficient in their styrene capacities as against their earlier reliance on imported styrene. Has this led to the start-up of additional capacities for PS and ABS in China? And that is why we are seeing some compression in the spreads or is it a general demand issue globally? Also, add to it like the other benzene value chains have not been doing well, like Apro or Phenol or the rest of the products. So, has styrene, with the styrene being more of a stable commodity over the last so many quarters, does those additional capacities have put pressure on starting up the further capacities of PS and ABS in China? Your thoughts here, sir.

Rakesh Nayyar: China has become self-sufficient in styrene monomer. They have put up large capacities, rather 2 million tons of additional styrene capacity is coming up very shortly. And with this 2 million tons, China would be close to 100% self-sufficient for styrene monomer. But they also have large downstream capacities, which they have implemented for polystyrene and ABS. But then more than the export of the polymers, they are actually in the export of the processed goods. And with the trade barriers, they are unable to export the processed goods. And currently, as we are told China is running all their polymer plants at 50% to 60% capacity utilizations. With the large buildup of capacities in China, there is always a threat of imports coming in if they are unable to utilize it for the processed goods, and they could be aggressive in exports. That threat remains.

Nirav Jimudia: Got it, sir. Got it. Very helpful. The second is on the X mold part. Like last time you mentioned that the capacity is close to around 15,000 tons, which with 5,000 tons they expanded it, I think Q4 of FY'24. So, if you can share what is the status there in terms of the utilization for first half A and B are they also doing some expansions over and above those 15,000 tons?

Rakesh Nayyar: Currently we are not doing any expansion above 15,000. Right now, we are only setting up all their systems because they were a small company. We want to bring them in line with our processes. They never had an ERP and we just finished installing an ERP SAP system there also. And we are changing the product mix there. Therefore, it is still work in progress. It will take another four to five months before we can say, they are in line with our thought process.

Nirav Jimudia: Okay. Got it. And sir, any numbers on the utilization part you can share? Is it possible?

Rakesh Nayyar: As far as capacity utilization is concerned in the first half of the year, we have operated at almost close to 79%. In the last quarter, our capacity utilization was low. We were close to 72% or so only.





- Nirav Jimudia:** Got it. Sir, next question is, we have seen the volumes falling in 2nd Quarter vis-a-vis last quarter last year. So, was this predominantly the fall in volumes for polystyrene or also the EPS volumes were also impacted?
- Rakesh Nayyar:** No, it is all the volume because even EPS goes into the packaging of the durables. And with the extended monsoons, even in the construction, the activity has been slow. And as far as the fish boxes are concerned, where EPS is used extensively, there also the demand has come down. So, the volumes are impacted both in PS and EPS.
- Nirav Jimudia:** Got it, sir. And sir, last question is, since you mentioned in your opening remarks that there is a fall in the styrene prices, was there an element of inventory losses in Q2 A? And if you also can share the trading sales for 2nd Quarter? Thank you so much.
- Rakesh Nayyar:** When the prices fall, that is bound to happen. But then it is a dynamic thing where the materials keep coming and moving out regularly. To quantify the numbers, it is a long exercise and we have not, to put an exact number on the inventory loss is very difficult. But yes, some kind of an impact is there.
- Nirav Jimudia:** Okay. And sir, if you can share the trading sales for 2nd Quarter.
- Rakesh Nayyar:** Total number trading would be closer to 22%.
- Nirav Jimudia:** Got it. Thank you so much and wish you all the best.
- Rakesh Nayyar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Sailesh Raja from B&K Securities. Please go ahead.
- Sailesh Raja:** Thank you, sir. My first question, in August 2025, Europe, they have imposed provisional anti-dumping duty on ABS originating from South Korea and Taiwan, which together it accounted for around 2.2 lakh tons annually. So, this volume is expected to redirect it to Middle East or any other Asian market. Do you see any impact, do you see any changes in demand and supply scenario in India, sir? Can you please talk about that?
- Rakesh Nayyar:** In India, already sufficient imports are coming because the demand in India was close to 300,000 tons and in the FY'25, the imports were close to 160,000 tons. And currently also the, in the first half of the year, we see that the imports have been almost in the, in line with what was imported last year. There is no additional imports or as what you are saying because of the anti-dumping duty imposed on the Korea by Europe, we do not see that impacting any additional imports coming into India.





Sailesh Raja: Okay. Sir, can you please give the split between, within the ABS imports, the general purpose ABS and special grade, what is the mix? Can you please share it?

Rakesh Nayyar: No, I am sorry, I do not have any breakup of general purpose or, but generally the ABS comes in mainly either for molding or for extrusion purposes. They are different grades for molding and within that just specific applications they have different grades, but then I do not have a breakup of that.

Sailesh Raja: So, where we will be targeting, sir, general purpose or specific grades like ABS, we have a lot of

Rakesh Nayyar: We are in both, we will be in both in molding as well as in extrusion and our grades would be more specific to the applications. For which application, which grade will go. So, once all the grades are in the market and once the trial or the testing has been done by the processors and the OEMs and molders, then, you know, we will be able to give the full slate in the market then.

Sailesh Raja: Okay. Sir, on the compound side, currently we are producing around 18,000 to 19,000 tons annually and we are planning to expand capacity to 75,000 tons and X-mold also, we have around 15,000 tons of capacity and with this R&D capability of X-mold, so, how much do you think it will accelerate us to ramp up our Supreme Petro capacity of around 75,000 tons? Does that lab really help us in expanding the, our compounds capacity or do you think it is completely different? Could you please talk about that? And also, we attended the exhibition recently and one of the players, Sudarshan Polymers and Compounds, they indicated that, EBITDA margin in this business is 13% and which could decline to 9% in two, three years because lot of players are adding capacity, particularly players like Kingfa they are coming out with significant capacity. So, how we are going to address that, what is our plan to reduce this? Could you please talk about that?

Rakesh Nayyar: 75,000 tons is what we have planned, which will be increased in stages and currently we have installed 20,000 tons for ABS compounding and that has just now become operational and as far as the margins are concerned, it actually depends upon what kind of a compound you are making, which niche area you are there. So, to generalize that it will be 9% or 13%, it is very difficult because there are compounds where the margins are as high as 15% or 20% or maybe more even. So, to average it out is one thing but then again, the margins depend more in compounding business on what niche you are in and what kind of compounds you are doing and what recipes you have developed. So, I would not comment on the margins part that what would be the margins eventually because I know that the margins can always be better than even 9% and 13%.

Sailesh Raja: But whatever Kingfa is making, those grades are available with us?





Rakesh Nayyar:

I am not aware of what they are making because they are into many things and what we are in some niche areas, where they may not be there.

Sailesh Raja:

Okay. As Mr. Nirav mentioned that in China, they are adding a lot of capacity downstream products, particularly this polystyrene EPS and compounds also we are seeing domestic lot of expansion is happening and EPS particularly, there is one company EPAC, they are also adding capacity in EPS around 50,000 tons. So, given these developments, how do you see the overall demand and supply evolving for the entire styrene chain over the next two, three years? Do you anticipate margin pressures here or we can with the different grades, we could be able to still perform better? So, if you see, basically, where I am coming from this question is if you see excluding the Haryana plant, do you still expect to achieve 6.5 lakh tons of volume, including 1.4 lakh tons of EPS and we do Rs. 15 per kg of EBITDA that is Rs. 1000 crores in the normalized market scenario or do you see a risk to this assumption?

Rakesh Nayyar:

As far as China is concerned, they are not expanding any, we have not heard of any more expansions or any new capacities of EPS coming in. Even last two years, we have not heard any new EPS capacity coming up in China. All EPS capacities were set up many years back and they are currently operating those capacities at 50% to 60% only and historically in the last few years also they have been operating at those levels only. The smaller or unviable plants there may get mothballed, that is a different story, but then currently, we have not heard of any new capacities coming up. As far as India is concerned, again, we are not aware of any expansion of EPS capacity happening in India apart from whatever has been in the pipeline. There is only one small player I know who is expanding or who is actually setting up, others we have not heard. And in India, there is an excess capacity of EPS today. Because of that, the margins here have got squeezed. But as is the nature, over the years, somebody will sell out, somebody will shut down. So, currently, the margins will remain under pressure because of the competition in India. There are no imports of EPS, hardly any imports come as far as EPS is concerned.

Sailesh Raja:

Okay. Sir, by Q4, do you expect our state to be normalized?

Rakesh Nayyar:

Unless otherwise, the geo-economic situation changes, it is very difficult to say when. Because until China's exports of processed goods start to USA and the utilization of Polystyrene or EPS or ABS capacities of the other Asian countries gets normalized it is very difficult to predict when it will get normalized. But we expect that by the last quarter of the current financial year, it should stabilize. Last quarter is busy season in India also, and styrene prices and crude prices would have also been stabilized by then.

Sailesh Raja:

So, how much volume we are targeting for this year?

Rakesh Nayyar:

With this kind of situation globally, what happens is difficult to say. But suffice to say that we will be doing certainly better than last year. But by what percentage, with the decline in the





volumes in the last quarter, very difficult to predict. Even in the month of October, we do not see any major improvement in volumes. OEM lifting in India is also slow.

Sailesh Raja: Okay, sir. Thank you, sir.

Moderator: Thank you. The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul Kumar Shah: Hi, sir. So, sir, I missed your opening remarks. So, what are the styrene prices now and what they were same period last year?

Rakesh Nayyar: Currently, the styrene prices are around \$800 per ton. The last year around this time, the styrene prices were close to \$1100.

Vipul Kumar Shah: And what was the same last quarter, sir?

Rakesh Nayyar: End June, the prices were \$940.

Vipul Kumar Shah: And sir, for the second line of ABS, what will be the CAPEX and what will be the capacity of that line?

Rakesh Nayyar: That line will be of 70,000 tons and the CAPEX would be around Rs. 300 crores.

Vipul Kumar Shah: Rs. 300 crores. So, in view of our reduced cash generation, will we allow to resort to the borrowings to fund that CAPEX?

Rakesh Nayyar: No. In my opening remark itself, I have said that we will be meeting all our CAPEX from internal accruals.

Vipul Kumar Shah: Okay, sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Rahul Agarwal from Ikigai Asset. Please go ahead.

Rahul Agarwal: Yes, thank you so much. Good evening, sir. Best wishes to you. Sir, one question and then a couple of clarifications. Firstly, you shared your view on what is really happening on the downstream side for China. And because they are running at lower utilization, because processed goods are not able to get exported to US that has to be seen from a PS perspective. Could you similarly delve a bit deeper onto the ABS side of this? Do we see a lot of ABS imports from China as well? Because my sense is it is more Taiwan and Korea who import into India. But purely from a pricing perspective on ABS and incremental ramp up of your phase one, how do you look at business going forward for ABS for the industry overall and then specifically for Supreme Petro?





Rakesh Nayyar: 95% of ABS imports are currently happening only from Taiwan, Korea and Thailand. China exports of ABS are not there at all. At the moment, it is not there. Since large capacities are getting built in China, going forward the threat remains.

Rahul Agarwal: So they are essentially building up ABS capacities is what you mentioned?

Rakesh Nayyar: They are currently building some ABS capacities, but that is all meant for their own use for the processed goods, because they import also ABS. But then if they are not able to export the processed goods, which eventually I am sure they will be doing it. But if they are unable to do it, then yes, the threat remains.

Rahul Agarwal: Got it. Fair point.

Rakesh Nayyar: China has built large capacities of all polymers. It is just not the ABS or EPS, but they have built large capacities for all polymers so that if they are not processing it, then that threat will continue to remain.

Rahul Agarwal: Just to put on a number here, my sense was 12 million tons of global ABS and PS capacity each of them and about 4 million tons for China. Is that correct? Are these numbers correct?

Rakesh Nayyar: 4 million tons of what you said?

Rahul Agarwal: ABS capacity in China.

Rakesh Nayyar: ABS capacity in China is currently close to 9 million tons. The global installed capacity of ABS is around 17 million tons, of which around 9 million is in China, 8 million tons is the rest of world capacity and of which the current demand of ABS is close to 11 million/11.5 million tons only. And China currently imports close to a million tons of ABS.

Rahul Agarwal: Got it. And similar thing for polystyrene. I mean, how much would that be for China capacity right now and the world capacity?

Rakesh Nayyar: The world capacity of polystyrene is again close to 12 million tons. And China has around 4.5 million tons or there about.

Rahul Agarwal: Got it, sir. And a couple of clarifications, you said the phase two for the ABS plant starts in fiscal'28. That basically means production starts somewhere end of 2028 and then we see sales in fiscal'29. Is that what you mentioned?

Rakesh Nayyar: We are saying that by FY'28, the second line would be ready. And with the product already in the market it should not take long to be fully operational then.

Rahul Agarwal: Right. So it should like it should see some revenues into fiscal'28 itself is what you meant.





- Rakesh Nayyar:** Some yes. Otherwise in 2029 fully it would be there.
- Rahul Agarwal:** Got it. And similar question on the trading sales, when you mentioned 22%, that 22% is of the total top line, is it?
- Rakesh Nayyar:** Of the top line.
- Rahul Agarwal:** Okay. So when you give the volume number in the presentation, which is manufactured volume that does not include any trading volume, right?
- Rakesh Nayyar:** That does not include any trading volume.
- Rahul Agarwal:** Okay. And for the 70,000 tons of phase one ABS, which you have done, which I think also costed about Rs. 300 crores, Rs. 350 crores. What would be the peak revenue or a peak EBITDA number, like three, four years out at 100% utilization? Basically, I am trying to calculate the return on capital. So just wanted to understand.
- Rakesh Nayyar:** The investment in that project is not Rs.300 crores. Investment in the line one, with infrastructure and utilities for both the lines is around Rs.600 crores. And the asset turnover ratio of both the lines put together would be two.
- Rahul Agarwal:** Okay. And what kind of EBITDA should we assume here, like percentage or ton wise or whatever?
- Rakesh Nayyar:** Right now I cannot give but the global spreads that you calculate and based on that one can work out. Once our product is fully in the market and our plant is fully running, then real EBITDA numbers would be known to us.
- Rahul Agarwal:** All right. I get that. Thank you so much. And best wishes.
- Rakesh Nayyar:** Thank you.
- Moderator:** Thank you. The next question is from the line of Prateek Singhania from Sage One Investments. Please go ahead.
- Prateek Singhania:** Hi, sir. So, taking forward the previous participant question, so majority of the capacity, like you said, in Korea, Thailand, Indonesia, have been set up keeping China in mind, because this capacity is far more access in comparison to their local demand. Now, with China coming up with their own capacity of ABS lines of import coming down, do you think that this import pressure from Korea, Thailand, and Indonesia, Thailand, this will remain static for India as a whole, and this could eventually lead to a lower normalized spread for ABS?





Rakesh Nayyar: They have capacities. China has set up, they were already exporting to some other locations or to the USA. And the trade barriers are there, but once these trade barriers are out, those pressures will also not be there. But as far as Korea is concerned, or Thailand is concerned, their imports have not increased into India despite the trade barriers being in place for the last couple of months. So I do not see that as far as ABS is concerned, there will be any major impact.

Prateek Singhania: Okay. So then, so basically, then this reduction of this spread is predominantly with respect to the fall in the styrene prices rather than majorly coming from the import pressure of the volumes coming into India. Is that correct to assume?

Rakesh Nayyar: The pressure, the styrene is not the concern. The concern here is the import of ABS. And ABS still was 160,000 tons. And till the first six months also, it is in line with the last year's imports.

Prateek Singhania: Okay.

Rakesh Nayyar: There is no extra imports which have come in and the local players have also sold their quantities.

Prateek Singhania: Got it. And how is the booking market with respect to the importers booking, like any two, three months trend that we have with respect to further imports, how it would increase or like it is the same?

Rakesh Nayyar: That nobody can know which trader is importing or which trader is placed an order. That is not in the marketplace and one cannot get that information.

Prateek Singhania: Okay. And sir with respect to pricing your product, will it be safe to assume that your product will be priced a 3%, 4% discount to your competition since we want to increase our market share now? And secondly, with respect to your engagement with the processors, how has been the acceptance from the processor side with respect to value flow index and characteristic and uniformity of your product getting into the mold? Any feedback from them?

Rakesh Nayyar: As far as the pricing is concerned, it is a market strategy. Whatever our market team feels good to penetrate into the market, we will take the decisions based on that at the right time. And as far as the feedbacks are concerned, we are receiving some feedbacks and we will be accordingly making those changes to meet the market expectations.

Prateek Singhania: Okay. And you will be also selling the colored?

Rakesh Nayyar: For each application, every processor has their own requirements. So we have to fit in their requirements into our grades. We are working on that.





Prateek Singhania: Okay. And typically, what is the product timeline to get it approved from the OEM? Because obviously, the product is processed at the processor level, but it has to get approved by the OEM. So a typical timeline, say if you want to get into any automobile or household consumer durable goods, the OEM product approval, ST approval timeline would be?

Rakesh Nayyar: I would say anything between three to six months.

Prateek Singhania: Okay. And you will be selling the colored as well, right? The colored ABS apart from the natural grade and the white grade?

Rakesh Nayyar: Yes, we will be selling colored. We will be selling compounds of ABS and the natural ABS as well.

Prateek Singhania: Sure. Okay sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa and Company. Please go ahead.

Amit Agicha: Sir, is it true that our CAPEX cost is one of the lowest for any new plant that has been put up? And would this be comparable to someone putting up a plant in China also? This is for the ABS plant.

Rakesh Nayyar: I would not comment on that. Amit, I would not be able to comment on that.

Amit Agicha: Second question is, sir, are we facing any kind of competition from honeycomb industry, particularly in our thermocol products?

Rakesh Nayyar: From which industry, you said?

Amit Agicha: Honeycomb industry, which is made from paper?

Rakesh Nayyar: No. We have not seen any competition from there so far.

Amit Agicha: Okay. And, sir, one more thing is that our place, as well as Panipat, sorry, North India, Haryana plant is concerned. When will we be able to come into production there?

Rakesh Nayyar: We have gone there because of the styrene monomer availability from IOC, which IOC had announced. But IOC's plans to set up their styrene plant has also got delayed. That is what we understand from the market. And earlier they were talking of by 2027/ 2028. Now we gather it is by 2029. So, we are not putting in our money there at the moment till their plans are very firmed up and we know that yes, their styrene would be available to us.

Amit Agicha: Okay. Thank you very much, sir.





- Moderator:** Thank you. The next question is from the line of Shreya Bhantia from Oakland Capital Management, LLP. Please go ahead. As there is no response, we will go ahead and invite the next participant. The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.
- Vipul Kumar Shah:** Sir, regarding this ABS line, so we will be selling downstream products or we will be selling to the processors? We will not
- Rakesh Nayyar:** We will be selling to the processors.
- Vipul Kumar Shah:** We will not do any downstream products, right?
- Rakesh Nayyar:** We will be only doing compounding of ABS and otherwise we will be selling ABS.
- Vipul Kumar Shah:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.
- Aditya Khetan:** Thank you, sir, for the follow-up. Sir, you had mentioned that ABS imports are quite sticky. Around 1.6 lakh tons we could conclude for this fiscal also. So, sir, if this is the argument, then, sir, the domestic capacity addition done by you and other players because the demand is, sir, so that is around 3.5 lakh tons only and if we exclude 1.6 lakh tons again, so we could be sitting at 2 lakh tons again demand. So, how come the domestic players would be selling their inventory?
- Rakesh Nayyar:** See, till now, Aditya, our product was not in the market. I said that first six months the imports which have come, they are in line with the last year's exports. But by then, our material was not in the market. Once our material is tested, tried by the processors and approved by the OEMs, then automatically those imports will go down.
- Aditya Khetan:** Okay. Any differentiation, sir, you can highlight, like, so better quality or what is superior, like, compared to imports which are coming in?
- Rakesh Nayyar:** All the emulsion-grade ABS, they are yellowish color, they are like dark creamish color, whereas we are a white color ABS and the, with that your pigments, coloring, all that is reduced. Our consistency is better because it is all reactor produced material. It is not batch processes. So, there is a consistency in the material there. This is the advantage. Then, as far as the odor is concerned, there is zero order in it as compared to the emulsion-grade. Then, the thermal stability is very high. There is a high thermal stability in mass ABS, whereas emulsion has generally the moderate thermal stability.





- Aditya Khetan:** Okay. And, sir, this asset turnover of two times, like earlier, sir, so we were investing Rs. 950 crore in ABS and expecting a Rs. 2000 crore sort of a top line. Some two years back, we had given this number. Now, sir that has been reduced to 1800. So, this is because of the lower prices, current prices are lower, that you have factored in.
- Rakesh Nayyar:** I said twice. So, Rs. 600 crores and Rs. 300 / Rs. 350 crores for the second line. So, this will come to the same number. But with styrene price going down and the top line coming down, they are all a matter of, you know, calculation. But otherwise, the asset turnover would be more or less, remains at two only.
- Aditya Khetan:** Got it, got it. And, sir, just to clarify the point on special compound polymer, sir, our current capacity installed, that is around 60k tons. Is this the right figure, sir?
- Rakesh Nayyar:** No. That is not the right figure. Right figure would be, we are currently at, effective by June, around 50,000 tons.
- Aditya Khetan:** 50,000 tons. Okay. So, 15 from X mold, 25 earlier we had, and 20,000, sir, we had expanded just now.
- Rakesh Nayyar:** No. I will tell you. 25 plus 20 and 15. 60,000 including X mold. You are right. 60,000 with X mold.
- Aditya Khetan:** Okay. Got it. Correct. Got it, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Prateek Singhania, from Sage One Investments. Please go ahead.
- Prateek Singhania:** Sir, thanks for the follow-up. So, with respect to the CAPEX that this industry is putting, almost like Rs. 1,500 crores to Rs. 1,600 crores in ABS has been put by the industry after such a long time in the ABS in India. So, any protection that you may seek from the government with respect to anti-dumping duty on any, like if any country is like doing a spoiled port with respect to dumping ABS in India, anything, because loss of profit is also one of the criteria which can be used upon for this anti-dumping duty. So, anything which is expected or you might like anticipate a scenario in, say, next 12 months or so, that would be required.
- Rakesh Nayyar:** Pratik ji, we are just getting into this. So, the anti-dumping application or anything which has to be made for safeguard or any protection, that has to be initiated by the existing players because I would not have the data to support this request if I go to the government today because we are just entering. I do not have any historical data. Even the current data is not sufficient. So, I will not be the right person to answer this question. But yes, if the existing players make this move, we are there to support.





Prateek Singhanian: Sure. Great. And second question, sir, with respect to this China adding so much capacity, normally Chinese wants to be the lowest cost producer of any goods over the world. And since the technology which you have adopted makes you with respect to the lowest cost producer with respect to ABS. So, what is your view with respect to China not preferring your route of manufacturing ABS versus they going for a continuous process-based process for setting such a big expanded capacity that they have done in last two, two and a half years? Your view?

Rakesh Nayyar: China is also going in for mass ABS in China, Versalis only has set up a plant for 450,000 tons. They are already in Mas ABS. Then there are other plants also there. I think close to almost a million tons of mass ABS plants are operational or in the pipeline now there.

Prateek Singhanian: Okay. One million tons is in the pipeline.

Rakesh Nayyar: Nobody knows the exact numbers about China. But the Versalis has given to one company, 450,000 tons. And of that, I think two lines or one line is already operational there.

Prateek Singhanian: So, this will be which company, sir?

Rakesh Nayyar: I would not have the name readily available. I do not remember the name.

Prateek Singhanian: Sure, sir. Okay, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management from Supreme Petrochem Limited for closing comments.

Rakesh Nayyar: Thank you all for participating in this Earnings Conference Call. If you have any further questions or would like to know more about the company or our operations, please reach out to our investor relations manager at Valorem Advisors. Thank you so much. Thank you.

Moderator: On behalf of Supreme Petrochem Limited, that concludes this conference. Thank you for joining us today, and you may now disconnect your lines.

