



Chairman's Statement

36th Annual General Meeting July 04, 2025

Good afternoon, Ladies and Gentlemen,

A warm welcome to all of you to the 36th Annual General Meeting of Supreme Petrochem Ltd. I thank you all for sparing the time to join us today for this virtual Annual General Meeting of the Company. The Annual Report together with Directors' Report and the Annual Audited Financial Statements for the year ended March 31, 2025 have been with you for some time now and with your permission I take them as read. I am sure it gave you a clear picture of the working of the Company for the year under review.

I welcome Shri Akshay Raheja as Non-Independent Non-Executive Director and Shri Anup K. Ghosh, Shri Basavaraj Bankapur, Ms. Rita Teatota, Shri Sanjay Chougule and Ms. Mona Desai as Independent Directors who joined Company's Board during the year under review and place on record the valuable contribution made to the affairs of the Company by the Directors – Shri M.S. Ramachandran, Shri R. Kannan, Dr. S. Sivaram and Ms. Ameeta Parpia who retired during the year on completion of their respective tenure.

Company's net revenue during the year was Rs.6,097 crores as compared to Rs.5,321 crores in the previous year and the sales volume of its manufactured products increased during the year by 9.4% to 3,55,967 MT. Capacity utilization for the Company as a whole was 79% during the year. Export volumes were down as compared to previous year due to subdued demand from Eurozone and high freight costs caused by the Red Sea crisis in C.Y. 2024.

Company's sales volume of its manufactured products during the first quarter of current financial year is 93,853 MT as compared to 93,323 MT in the previous year. Domestic sales of cooling appliances viz. Air conditioners and Refrigerators witnessed weak demand in 1st quarter of current financial year due to unseasonal rains and milder summer. Export volumes however, improved over the previous year.



Global Styrene prices and availability were reasonably stable without any major disturbance despite geopolitical risks. With China becoming self-sufficient in Styrene Monomer production its reduced dependency on imported Styrene helped keep prices stable in a range of +/- 10% through out the year. First quarter of current year has also shown stability in Styrene prices despite the recent war between Israel and Iran. Company sources its requirement of Styrene from various suppliers which has helped the Company in securing stable supplies during the year.

Demand for Polystyrene in India during the year under review grew by over 8%. Increased appliances demand particularly of Refrigerators, Air conditioners, pens and stationery, rigid sheets and dairy packaging were the main catalyst for this growth in Polystyrene demand. Company's total Polystyrene sales volume including exports increased by 11.5% during the year.

Polystyrene trade flow in Asia has changed significantly due to the self-sufficiency drive of China. Major Polystyrene producers in Southeast Asia & Northeast Asia who traditionally exported to China are now seeking alternative export outlets including India. Going forward this may put pressure on the margins in the domestic market.

Company's large overseas customer base developed over the years, is helping it sustain its export sales of Polystyrene. Company's customers in Gulf region and neighbouring countries consider India as their primary source of Polystyrene supply. Company ensured its long standing customers in neighbouring countries continued to receive supplies even during political and economic crisis in these countries thus further strengthening its relationship with its customers. With normalisation of ocean freights Company is confident of increasing its exports significantly during the current year.

Expandable Polystyrene (EPS) market grew by a modest 6.4% in 2024-25, due to slow down in fish cultivation which is one of the major applications of EPS. Company has started exporting regularly some volumes of EPS which should significantly increase in times to come with our customer relationships getting stronger.



Company organized technical seminars in all major metros in the country by inviting experts from Europe, Turkey etc. to showcase applications of EPS in building construction and also new technologically superior machines for upgrading EPS processing industry in India. These efforts are highly appreciated by the Company's long standing customers. This will not only help to encourage local processors to look at new applications of EPS but also upgrade to more efficient and technologically advanced processing.

Continuous interaction with various Central and State Government bodies including BMTPC (Building Materials and Promotion Council), CPWD, state PWDs and large construction companies and contractors in the private sector goes on to showcase new building technologies using EPS components and to incorporate EPS elements in upcoming government building projects. All these efforts, in addition to continuous upgradation of quality offered by the Company and excellent customer relationship will help Company retain its volumes and the leadership position despite emerging competition from two new plants set up by competition.

Specialty Polymers and Compounds (SPC) business grew by 5% in the year under review. This being a knowledge business Company is placing reliance for growth of business on developing consistently high quality compounds. Several new compound recipes are currently being developed for new applications and to replace compounds currently being imported into the country by many end users with particular focus on ABS for entry into ABS business.

Extruded Polystyrene Insulation Board (XPS) used for Building insulation shows steady growth particularly in institutional / commercial projects. Demand growth from single unit housing continues to be low. India is turning to be a manufacturing hub for electronic items with the introduction of PLI scheme by Government of India. This has necessitated construction of modern factory buildings that need air conditioners and clean room conditions which in turn call for insulation of such factory buildings. Many more such high-tech buildings are in design phase in various parts of the country. Such insulated buildings consume substantial volumes of high-grade FR insulation board produced by the Company.

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Temperature sensitive packing of medicines/ vaccines for long-distance air transport as well as last mile transportation in cold chain infrastructure is also developing well which going forward is expected to be a strong segment for consumption of XPS boards..

Pre-commissioning activities for the first line of ABS project have started with assistance from personnel of technical collaborator M/s. Versalis. Startup team of M/s. Versalis is expected in the second week of July for final safety checks and startup activities. Company expects to commence sales of ABS in the current quarter with coloured and compounded grades following in a phased manner. Dedicated sales and marketing team is in place and necessary ground work for introducing ABS in the market is in progress. With above efforts and the already developed customer base for compounded products created by using imported ABS, Company is looking forward to a successful entry into ABS business.

Company acquired X mold Polymers P. Ltd., a boutique compounding company, located near Chennai engaged in manufacture of engineering polymer compounds aimed at automobile and appliance industry with an installed capacity of 15,000 TPA w.e.f. 1st April, 2025. X mold's closeness to Sri city, the emerging centre of air conditioner business in India as well as the automotive corridor of Chennai, will help Company service its customers in timely manner. Integration of X mold business with the Company's SPC business is in progress and is expected to be completed in next few months.

Pre-project activities including actions for environmental clearance for its Munak project at Haryana are under way.

Company is committed to sustainable business practices not only in its operations but also in environmental impact of its products being offered. Post commissioning of solar power plant in October 2024, jointly set up with Tata Power Renewable Energy Limited for supply of solar power to Compay's Amdoshi complex, Company used 46% of its energy requirement through solar power. For its Manali plant in Tamil Nadu, Company used 77.6% of its power requirement through renewable energy sourced from third party producers. Company has not only reduced fresh water intake for its process but also significantly reduced effluent discharge with the installation of Zero Liquid Discharge (ZLD) system at both its manufacturing locations.

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Company is also focussed on developing a circular economy framework around post-consumer plastic waste particularly EPS. Company has initiated several awareness programmes jointly with ICPE as well as many other NGOs including creating awareness about collection and responsible recycling of post consumer waste by players in unorganised sector. SPL has been participating in various recycling/ circular economy exhibitions to bring awareness and demonstrate various applications where recycled EPS can be effectively used.

During the year under review Company spent an amount of Rs.13.02 crores on various CSR activities undertaken directly or through various NGOs in the areas of health and hygiene including support to a paraplegic centre and to cancer patients; education, development of rural areas near Amdoshi complex covering school, health centre, anganwadis and public toilets; and environment sustainability.

Company has established a robust Health, Safety and Environment (HSE) system and Quality Management System in the organization. HSE performance index for the period under review was in 'Excellent Range'. Company's Amdoshi Plant completed 8930 accident-free days and Manali Plant 6504 days, as at March 31, 2025. Company regularly reviews safety of its plant operations including storage and handling of liquid raw materials at all its locations to ensure safe and secure functioning of its manufacturing plants.

I wish to place on record my gratitude to the Board Members for their valuable guidance and support, the insights and advice given to the management from time to time, which I deeply value.

I also convey my sincere thanks to all the customers, vendors, bankers, Government authorities, employees, and all other business associates and stakeholders for their continued support and confidence reposed in the company and its management. I wish the very best to all of you and your loved ones and look forward to your continued support in the journey forward.

**Thank you,
M. P. Talaria
Chairman**