



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_36/2024-2025

April 28, 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 April 17, 2025, wherein we had informed you that Earnings Conference Call with investors of the Company will be held on April 25, 2025 to discuss Q4-FY25/FY25 earnings.

Please note that the said conference call as scheduled was held at 04:00 PM (1ST) on 25th April, 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**
COMPANY SECRETARY



Certificate No. INAAACS7249C3F258



Supreme Petrochem Limited
Q4 FY25 Earnings Conference Call
April 25, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Supreme Petrochemical Limited Q4 FY25 Earnings Conference Call hosted by Valorem Advisors. 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 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 Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you, ma'am.

Nupur Jainkunia: Good evening, everyone, and a warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the Investor Relations of Supreme Petrochem Limited.

On behalf of the company, I would like to thank you all for participating in today's earnings call for the 4th Quarter and Financial Year 2025. 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 management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the management participating with us in today's earnings call, and hand it over to them for opening remarks. We have with us Mr. Rakesh Nayyar - Executive Director and CFO, Mr. Dilip Deole – Chief Executive of Finance and Accounts, Mr. D. N. Mishra - Company Secretary of the Company.

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

Rakesh Nayyar: Thank you, Nupur. Good evening, everyone. It's a pleasure to welcome you all to our earnings conference call for the 4th Quarter and Financial Year 2025. Let me give you a brief overview of the financial performance for the quarter and the Financial Year 2025. In the 4th Quarter, operating income was Rs.1,539 crores, up 99.5% from the previous quarter, but down by



1.5% on year-on-year basis. Total EBITDA was INR 163 crores, increasing over 40% on quarter-on-quarter basis, though it was down by 15.9% on year-on-year basis. Net profit after tax was Rs.107 crores.

For the financial year ending 2025, the operating income is at Rs.6,023 crores, which is an increase of 14.6% on year-on-year basis. The EBITDA stood at Rs.605 crores and the net profit after tax for the year stood at Rs.390 crores. In Financial Year '25, we recorded a 9.4% increase on year-on-year basis in manufactured product sales, driven by strong demand. In the fourth quarter alone, sales volume rose by 11.7% from the previous quarter, though there was a marginal decline of 0.75% year-on-year. Styrene monomer prices fluctuated within a range of $\pm 10\%$ during the year. Styrene monomer is showing a downward trend since March 2025. The capacity utilization for the year for all products put together was 79%.

To support our growth strategy, we acquired X mold Polymers Private Limited, a Tamil Nadu based compounding company specializing in engineering polymer compounds with a capacity of 15,000 tonnes. This facility is ideally located near Chennai's automotive corridor and Siri City, which is a major hub for consumer electronics. X mold acts as a tier 2 supplier to automobile OEMs and appliance manufacturers, strengthening our footprint in these key industries.

I am pleased to share that the company has maintained a debt-free status with an investable surplus of Rs.872 crores as at the end of March 2025. This reflects our strong balance sheet and prudent financial management. The Board of Directors have recommended a final dividend of Rs.7.50 per equity share, bringing the total dividend for the year to Rs.10 per equity share of the face value of Rs.2 each. Phase 1 of the Mass ABS project is progressing well and is expected to be mechanically complete by May 2025.

With this, now I open the floor for the question-and-answer session. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sailesh Raja from B&K Securities. Please go ahead.
- Sailesh Raja:** Sir, we have noticed, the recurring trend since FY21, that employee cost in every March quarter constantly, it is coming down below 1% of sales. Is there any specific reason?
- Rakesh Nayyar:** Sorry, I couldn't get you what you said?
- Sailesh Raja:** No, every March quarter, starting from FY21, the employee cost as a percentage of sales is coming down. Is there a specific reason?
- Rakesh Nayyar:** Okay, you are talking about employee cost?
- Sailesh Raja:** Yes, correct.



- Rakesh Nayyar:** Because in the previous quarter, the December quarter, generally annual performance incentive is given to the employees or there is an ex-gratia payments or the Diwali bonus, all that comes in there. And the second quarter has generally the annual appraisals coming in and the arrears are given. So, compared to the two previous quarters of the year, the fourth quarter salaries have become normal then.
- Sailesh Raja:** Okay, got it sir. Sir, regarding that X mold Polymers, of the 15,000 tonnes of installed capacity, what is the split between P3 lite and thermoplastic compound line?
- Rakesh Nayyar:** These are all thermoplastic compounds lines only.
- Sailesh Raja:** Okay. So it's a fully thermoplastic line, sir?
- Rakesh Nayyar:** Yes.
- Sailesh Raja:** Okay. So based on this 15,000 tonnes per annum capacity, so what is the potential revenue and EBITDA we can report sir, in FY24 it was Rs.73 crores and Rs.4.4 crores of EBITDA. So what is the potential revenue?
- Rakesh Nayyar:** Earlier utilization was only around 60%, as out of the 15,000 tonnes the 5,000 tonnes capacity was implemented only towards the end of the last financial year. And on a 60% utilization, meaning of the total capacity it is 40% utilization, X mold had a revenue of Rs.72 crores. So, going by that, the total potential is closer to Rs.200 crores for this business.
- Sailesh Raja:** Okay. Sir, at full potential what kind of EBITDA we can see there?
- Rakesh Nayyar:** See, the product mix will change going forward, so I really can't give you that estimate at the moment, please.
- Sailesh Raja:** Okay. Sir this X mold has a subsidiary, K-Polymer Private Limited, engaged entirely in trading plastic raw material. So all our transactions, current transactions with X mold inclusive of this trading operation?
- Rakesh Nayyar:** No. The K Polymer is not the subsidiary of X mold, K- Polymer is also a company owned by the previous promoter of X mold. So that's a separate unit.
- Sailesh Raja:** Okay. So what is the current user industry is there, how much is automotive, how much is appliance, how much is electrical and electronic can you give us an industry mix?
- Rakesh Nayyar:** This unit is currently almost 60% of this is going into the appliances and electrical electronics, and around 30% to 40% is with the automotive industry.



- Sailesh Raja:** Okay. Sir, our press release mentioned that we gain access to X mold lab facility. So what is the USP of this lab and how does it align with our goal of expanding the compound business, can you please explain, sir?
- Rakesh Nayyar:** They have good equipment there. Their lab is well-equipped and since they are totally focused on the compounds, the development of new compounds in their facility would be an advantage to us, because with our ABS coming we have ambition to grow in the compound business. So then that adds to our resources.
- Sailesh Raja:** Okay. The document that specifically states that upon deal closure, so we are obligated to pay an additional 20% of X molds increased net worth, so in this context, are we still permitted to expand capacity within X mold during the interim period or ultimately, we can consider setting up thermoplastic compound lines within the existing business?
- Rakesh Nayyar:** There is no restriction on our operating any business in that company.
- Sailesh Raja:** Okay. Do we have enough space, sir for expanding capacity in X mold in Chennai?
- Rakesh Nayyar:** There is enough capacity, but then going forward, when we have to grow further there, we will require more areas there. The land is available in that belt.
- Moderator:** Thank you. The next question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.
- Aditya Khetan:** Sir, my first question is on to the volume side. Sir, for FY26, we are assuming a volume growth of 15-16%. If you can sir, break this down, how much the growth would be from the base business and what volumes we are assuming for the ABS business?
- Rakesh Nayyar:** Who gave you an estimate of 15-16%, Aditya?
- Aditya Khetan:** I saw it in the interview.
- Rakesh Nayyar:** I never mentioned 15-16%, I think I mentioned around 13%. I also mentioned there that it will come from our new capacity which is coming up of ABS as well as from the growth of our current businesses.
- Aditya Khetan:** Okay. And sir this ABS capacity, we would be starting to ramp up from H2. So, I believe what would be the break-even level, like for an ABS business when a capacity goes beyond 40%, 45%, the break-even happens at that moment, or it would be much earlier?
- Rakesh Nayyar:** It's very difficult for me to answer at this stage. What is given to us by our technical collaborators, and what actually happens, really there could be a difference, it could be



better than what they have given. Your assuming breakeven at 50% capacity basis is possible on EBITDA basis.

Aditya Khetan: Okay. Sir, on to the polystyrene spreads. Sir, we have noticed like last two years, the trend has been quite into a narrow range only, somewhere around Rs.20, Rs.25 per kilo. Sir, we have also reported nearly that our numbers. Sir, with ABS line coming in, do you see like, this gross spreads and EBITDA spread per tonne, like to move up from current level. So what numbers are we assuming for the next two years?

Rakesh Nayyar: I won't be able to guide you with that right now. I won't be able to help you with that number.

Aditya Khetan: Okay, sir. Sir, my next question is on to the EPS. I believe, sir, you had mentioned earlier that polystyrene and EPS generally commands a similar spread. So, like now into the Haryana unit where we are planning to install EPS downstream, how much incremental EBITDA like or incremental you can say per kilo or per tonne spread we would be enjoying from this business, from the Haryana plant? Any sort of an EBITDA number if you can share?

Management: Yes, as far EPS is concerned, we shall also have EPS downstream unit, which is the 3D board there. That is what we have talked about is setting up 3D board there. And 3D boards are 1,00,000 square meters. That should give us a revenue of Rs.100 crores or so and the EBITDA margins would be in line with our current extruded insulation board or maybe marginally less than that. We expect that it should be 35% or so.

Aditya Khetan: Okay. Sir my last is onto the Styrene, sir we have seen like US has imposed a duty on China, now Styrene supplies from China to US would be limited instead they could India, so this would benefit Supreme in any way?

Rakesh Nayyar: China was never sending Styrene to USA. China is consuming Styrene in-house. So that does not alter the trade flow for us.

Aditya Khetan: Okay. So no benefit on to tariffs or any sort of things on to the Styrene trade?

Rakesh Nayyar: On this Styrene trade, yes.

Aditya Khetan: Okay. Sir, one last question sir, what would be the trading revenue figure for this quarter and for FY25?

Rakesh Nayyar: 23% on an annual basis is our trading revenue.

Moderator: Thank you. The next question is from the line of Manish Oswal from Nirmal Bang Securities Private Limited. Please go ahead.



- Manish Oswal:** Pardon me if I am asking the repetitive question. I joined the call slightly late. So, sir if I look at our volume visibility, so we have one is the ABS project which is going to start in F26 along with the acquired entity of engineer polymer compound business. That will also give some volume visibility and plus we have currently 79% capacity utilization. So, these three things put together, what is the volume visibility we see for F26 given the demand condition?
- Rakesh Nayyar:** We expect to grow around 13% in volumes this year.
- Manish Oswal:** And given the mix in changing due to the new business, any outlook on margin, sir?
- Rakesh Nayyar:** It's the first year, so I would not comment on the margins at this stage.
- Manish Oswal:** Okay. And, sir, next phase of capacity expansion of ABS, when we can see?
- Rakesh Nayyar:** The work is on that, but then still it's maybe another 18 to 24 months down the line.
- Moderator:** Thank you. The next question is from the line of Nirav Gemoda from Envil Wealth Management. Please go ahead.
- Nirav Gemoda:** I have few questions. Sir, first is on one of our slides in the investor presentation. We have spoken about the recyclability of EPS. So, if you can share your thoughts here and how it can help our EPS business?
- Rakesh Nayyar:** Our initiative in the EPS recycling is born out of the fact that generally there was a negative perception about EPS because thermocol blocks after post-consumer use, were all thrown around on the roads. People did not know how to dispose it off. So, we took initiative, engaged some NGOs, involved ICPE into it, hired our own team, essentially to encourage the collection of the waste. We joined hands with the OEMs. We joined hands with the appliance marketing retail chain shops. So, with that, now you do not see EPS waste lying on the streets because it is all getting collected and it gets recycled. So, one it is sustainable, it proves that the EPS can be recycled. Two, it does not carry a bad name. Three, the recycled EPS is being used by the industries like the photo frame industry or the wall panels. They use the recycled material, either imported or scrap. Now, they are using this material. So, that helps the EPS market to sustain in the business and to grow.
- Nirav Gemoda:** Perfect. Sir, any plans here to expand the capacity of EPS that our existing plant, like Karnal plant has time to come up. So, I presume that possibly our capacity utilization there would be higher than the 79% on a company basis. So, any plans to expand the capacity of EPS here or to introduce some value-added grades for the export market?
- Rakesh Nayyar:** Our second phase of expansion of EPS is as per schedule and it will be on stream by the end of this first quarter of 26 or in the second quarter. But then, as far as the local demand is concerned, because there are some players up North have also expanded we don't see any



appreciable increase in the volumes in the coming year because of everyone having increased their capacity. But then, we have worked on our grades with the overseas buyers. Our grades have been approved in the GCC countries and in Europe. So, we hope to increase our exports of EPS this year.

Nirav Gemoda: Correct. Correct me if I am wrong, sir. This incremental capacity would be close to around 23,000-24,000 tonnes which is going to get commissioned by the end of this quarter?

Rakesh Nayyar: Yes, around what you said.

Nirav Gemoda: Okay. The second question is on the value-added polystyrene in last one of the conference calls you have explained us that, it commands some sort of premium pricing because of the application based products we have developed on. So, how much now this value added grade within PS would be forming the part of our polystyrene volumes?

Rakesh Nayyar: It sits around 40%.

Nirav Gemoda: Okay. And the ratio was similar last year or?

Rakesh Nayyar: Yes. Generally the value added grades are for the OEM market, or the high-end non-OEM market. In this quarter for polystyrene segment this is a peak season for the OEM.

Nirav Gemoda: Sir, you were explaining something about the value-added grades getting sold to the OE players, so if you can just continue over that.

Rakesh Nayyar: I said that the generally the value-added grades get sold to the OEMs. And since the demand from OEs is very good in the last quarter of the financial year, so in that particular quarter, the PS value-added sale is more. But then on an annual basis, it is around the same 40% to 42%.

Nirav Gemoda: Got it. Sir last question from my side, like in terms of our manufacturing sales for FY25, if you can just break it down between polystyrene EPS compounds and XPS, percentage numbers would also do.

Rakesh Nayyar: Of the manufactured products, two-third comes from polystyrene, one-fourth comes from EPS, and the remaining 10% comes in from the compounds and XPS business.

Moderator: Thank you. The next question is from the line of Gargi Singh from Value Investments. Please go ahead.

Gargi Singh: Sir, my first question was with respect to the Haryana plant, where we are setting up the capacity for PS sheeting, which in previous calls you have mentioned the capacity to be 1



million square meters, with a revenue potential of 150 crores. So, I wanted to understand the EBITDA potential of PS sheeting at full utilization and also 3D panels?

Rakesh Nayyar: They both would be in, the EBITDA potential of around 25%.

Gargi Singh: Okay sir. Sir, next question is that, for PS sheeting for 1 million square meters of capacity, is it a correct understanding that we will require 6,000 metric ton of PS?

Rakesh Nayyar: Difficult to say at the moment because it will all depend upon the product mix there then. The various things, the thicknesses and all that will matter, so it is difficult to predict at the moment, exact volumes of the polystyrene.

Gargi Singh: Am I going right, if we just take on a blended basis, is it near to the correct number?

Rakesh Nayyar: I will have to actually check with my technical team then, whether this is the right number or not. So, I won't comment on that, please.

Gargi Singh: Okay. Sir, next question is that you mentioned the 13% volume growth. So, that gives an additional 45,000 tonnes of sales on FY25 SALES. So, of this, how much of ABS sales are you expecting to sell this year?

Rakesh Nayyar: Around 50% of this would be ABS, or maybe 60% of this could be ABS.

Gargi Singh: So, if we take 60% of this to be ABS, then.

Rakesh Nayyar: See, the ABS will not be ABS, there will be ABS compounds made from this ABS, so it will be all blended. So, just saying that it will be ABS will not be correct.

Gargi Singh: Okay, sir. So, if we take 20,000 tonnes of sales from ABS, so from the existing capacity, and the existing products, that gives us around 4% to 5% of volume growth, which is lower compared to the?

Rakesh Nayyar: The 45,000 if you take 20,000 and it is 25,000 there, that will make it something around 7% to 8% for you.

Gargi Singh: 3,55,000 sales, sir. And sir last question is that, in the March quarter the inventory has gone up by Rs.220 crores. And you have mentioned in the opening remarks that the Styrene monomer prices are also coming down since March. So, do we expect inventory loss due to fall in these prices in the subsequent quarter?

Rakesh Nayyar: Some of that is getting used this month only. These are the inventories which have arrived. So, they have already getting used. I don't foresee any major impact of these price falls at this stage on these very inventories.



- Gargi Singh:** And sir any analysis or your understanding on how the pricing trend should pair out for the remaining quarter?
- Rakesh Nayyar:** We don't foresee any further fall because all depends upon the crude as well benzene, ethylene, all the products which are raw materials for the styrene. So, if the crude stabilizes or the benzene prices stabilizes then there should not be any impact.
- Moderator:** Thank you. The next question is from the line of Yash Manthala from Equita Investments. Please go ahead.
- Yash Manthala:** I have a few questions. Based on the tariff situation, is there a possibility of dumping of products in our product line from our competitors outside India?
- Rakesh Nayyar:** It all depends upon the trade flows. If the trade flows were moving towards the U.S. from China, possibility but then our polystyrene was not getting exported to U.S.A. so I don't foresee that happening. But then other countries where the duties are high or the reciprocal tariffs which are proposed from July, if they are high, and then they are not able to export there, they will certainly look at India. But we are prepared for that. These players are always there, we are in a global market. So we will have to compete with that.
- Yash Manthala:** So based on your understanding, how much of China's products are exported to U.S. in our category?
- Rakesh Nayyar:** In our category, China does not export any volumes to U.S.A. as far as our understanding goes because they consume all of this within China and they export actually the processed products.
- Yash Manthala:** Okay. So the processed products as in derivatives of polystyrene?
- Rakesh Nayyar:** Yes, derivatives of polystyrene.
- Yash Manthala:** Understood. So on a different track, can you give us any visibility on the freight prices which we experienced in the last quarter because we primarily import our raw material?
- Rakesh Nayyar:** Sorry, I couldn't get you. Can you repeat that?
- Yash Manthala:** Could you give us any sight on the freight prices which we experienced in the last quarter compared to the preceding quarter?
- Rakesh Nayyar:** No, the freight prices have become normal now. They are almost closer to the pre-COVID levels now.



Yash Manthala: Okay. Freight prices are back to pre-COVID. On the investment front, we have based on the current statement, we have around Rs.430 odd crores in investment. How is it spread across mutual funds and corporate debt or government debt?

Rakesh Nayyar: No, we don't have corporate debt. It's only in the mutual funds or into the sovereign bonds.

Yash Manthala: So how much of the Rs.430 crores is in mutual funds?

Rakesh Nayyar: Majority of that.

Yash Manthala: And are these mutual funds equity linked?

Rakesh Nayyar: No, they are all debt linked.

Moderator: Thank you. The next question is from the line of Dhruv Muchhal from HDFC AMC. Please go ahead.

Dhruv Murcha: Sir, if I look at the overall annual volume over the last, two, three years or even four years, overall we have done very, in context of the overall macro and everything, volumes have been reasonably strong. And if you look at particularly this year, it seems autos have not done as well, but still our volumes are very reasonably healthy. So what's helping, from a macro perspective what's helping us, is it probably export market, import replacement is it some new segment which has emerged and is taking up a lot of volumes?

Rakesh Nayyar: The appliances have grown in the country. And particularly the PLI incentives going to the air conditioners market, that has also helped the demand for polystyrene. And similarly, the other appliances, the refrigerators or washing machines, they have also grown. And India is also kind of becoming an export hub for all the appliances. So that demand is growing there.

Dhruv Murcha: Alright. So, drilling down to that level, what was your customer mix in terms of end-use segment, three years back, the autos would be some share, these appliances would be some share and what would it be now?

Rakesh Nayyar: No, we were not in the auto segment. We have been always in the appliances segment. And now, with our X mold which we have acquired now, we will now be entering the auto segment. We have been into the appliances OEMs.

Dhruv Murcha: Okay. So always we were into appliances OEMs. And that segment has grown reasonably well, so we are not impacted by whatever happened, at least in the past we are not impacted.

Rakesh Nayyar: We are not impacted by the auto sector.



- Dhruv Murcha:** Okay, perfect. And, sir last question is on the CAPEX for FY26, sir. What is expected for FY26?
- Rakesh Nayyar:** FY26, we expect to spend only around Rs.200 odd crores.
- Dhruv Murcha:** So this completes the ABS CAPEX?
- Rakesh Nayyar:** No, that isn't, ABS phase one gets completed. That already, almost all the expenditure has been incurred on that for the phase one. So this Rs.200 includes part of the ABS second line and the EPS as well as the compounding business. There will be major expense on the compounding business.
- Dhruv Murcha:** Okay. So this is cash CAPEX that you are guiding for Rs.200 crores cash CAPEX?
- Rakesh Nayyar:** Yes.
- Moderator:** Thank you. The next follow-up question is from the line of Aditya Khetan from SMIFS Institutional Equities. Please go ahead.
- Aditya Khetan:** Sir, my question was on to the export market. Sir, any number you can share, like for FY25 how much was exports in terms of volumes and in terms of percentage of total revenue?
- Rakesh Nayyar:** Aditya, I am sorry, we are not bifurcating our export or domestic revenue. I won't be able to help you there.
- Aditya Khetan:** Okay, sir. On to the CAPEX side, sir you mentioned Rs.200 crore. So, sir I believe total ABS was around Rs.850 crore. So how much was phase one on that?
- Rakesh Nayyar:** This one this including the cost for the infrastructure and utilities for phase two also, including the main utilities, costs, everything, that will be closer to Rs.600 crores for us.
- Aditya Khetan:** Okay. And sir, into this Rs.200 crores which we are doing, how much would be the compounding CAPEX?
- Rakesh Nayyar:** Around 50%.
- Aditya Khetan:** 50% compounding. Okay, sir my next question is, this acquisition of Xmol Polymers we had done, we were already having a compounding line. So, is it addition of some newer grids from Xmol Polymers or is it more of a continuation of the same grids only?
- Rakesh Nayyar:** No, we are into the automobile sector also. They have been doing the automobile compounds. So, this will be new area for us.



- Aditya Khetan:** Okay. Sir, if you could help me, what would be the total capacity of compounding business post-expansion of FY26, including the X-mold Polymers?
- Rakesh Nayyar:** We should be closer to 70,000 tonnes.
- Aditya Khetan:** Okay. Any rough idea, like what would be the peak revenue potential on this 70,000 tonnes?
- Rakesh Nayyar:** 70,000 tonnes, will be a peak revenue of Rs.1,000 crores.
- Moderator:** Thank you. The next question is from the line of Dhawal from Sequent Investments. Please go ahead.
- Dhawal:** Sir, I wanted to know, in the current quarter what would be the expenses towards the new plant which we have expensed in the P&L?
- Rakesh Nayyar:** I couldn't get you, sorry.
- Dhawal:** Sir, the plant, it seems mechanically it is complete in this quarter. Is there any expense that is expensed in the P&L?
- Rakesh Nayyar:** No, it is still not, as of 31st of March it was not complete, we have said that it will be complete by May only.
- Dhawal:** Okay.
- Rakesh Nayyar:** And till the plant is not commissioned, no expense is going to be expensed out.
- Moderator:** Thank you. The next question is from the line of Nirav Gemoda from Envil Wealth Management. Please go ahead.
- Nirav Gemoda:** Sir, when we see our compounding business, over the years we have been operating in a very narrow band in terms of the overall volumes. We already have PS as our base material, and now ABS also coming up. How do we see the opportunity size in terms of our size of the opportunity or the addressable market for the compounding, and what extra needs to be done from our side, like in terms of customer approvals or building up the distribution network or getting closer to the customers in terms of their own requirements how do we see, because in earlier remarks you mentioned that this business has the potential to touch around 1,000 crores of top line, so how near, or how much time this would be taken in terms of achieving those numbers, and if you can share those qualitative parameters in achieving this, that would be helpful.
- Rakesh Nayyar:** See, there is a work in progress on all fronts which you have mentioned. And as and when our capacity gets built in the years going forward, with our ABS available to us, and now with the



expertise and experience and client base of X-mold in our fold, we will be growing on that. So we already have some experience on the PS, PP, PE compounds. X-mold has also experience on the PP and ABS compounds. And with our own ABS now, and with our own PS, we will be growing. We have a decent customer base. Applications are known to us and we will be working on that. So, we have a dealer distribution network, we have relationship with our clients, so only thing is that we have to go and target some more new clients which is a work in progress for us.

Nirav Gemoda: Correct, and sir In terms of the major compounds which are being used by the auto OEMs, if you can rank in terms of the application wise like it is more of PS based or it is more of ABS based or it's a combination of ABS PC or ABS PP so, in terms of ranking which of the.

Rakesh Nayyar: Yes, PP and ABS.

Nirav Gemoda: They are all PP based or ABS, okay. And the other polymers are being mixed into it to give better applications.

Rakesh Nayyar: I am not the right person to comment on that.

Nirav Gemoda: Okay. Sir last bit is, on one of the presentation slides you have mentioned that like, now bathroom fitting, scooters are the newer application areas for ABS, so how do you see this volumes over a period of time building up in the overall ABS market in India like currently we are close to around 3,20,000 tonnes of ABS market in India. So how do you see this newer applications growing up the entire market?

Rakesh Nayyar: This is now started, we are already doing compounds for some of the bathroom fittings also. And the business, the construction business grows and particularly the affordable housing segment where people will not like to go for the premium branded fittings. So these fittings demand will be linked to the new construction coming up for affordable housing or the middle-income group housing.

Moderator: Thank you. The next question is from the line of Pritesh Cheda from Lucky Investments. Please go ahead.

Pritesh Cheda: Sir, on this ABS capacity of 70,000 tonnes, so what is the status of this capacity in terms of when it should start contributing to your revenues?

Rakesh Nayyar: Second quarter of this financial year FY26.

Pritesh Cheda: Okay. And I see a 680 crore CWIP in the balance sheet. So this ABS 70,000 tonne capacity, what should be the total CAPEX that you will incur?

Rakesh Nayyar: Approximately around Rs.600 crores.



- Pritesh Cheda:** And you have called out a total CAPEX of Rs.1,000, right. So there is some additional Rs.400 to be spent anywhere else?
- Rakesh Nayyar:** Rs.1,000 on what?
- Pritesh Cheda:** I have heard wrong. Okay, can you give out the CAPEX number, sir, total CAPEX number?
- Rakesh Nayyar:** We have only the second line of ABS number, which is still to be spent, which should be closer to Rs.250 to Rs.300 crores.
- Pritesh Cheda:** So is it that the second line means over and above this 70,000 tonnes?
- Rakesh Nayyar:** Yes, that's right.
- Pritesh Cheda:** Okay. So the first 70,000 tonnes comes at Rs.600 crores, correct?
- Rakesh Nayyar:** Yes.
- Pritesh Cheda:** And then the additional second line means additional 70,000 tonnes comes at Rs.250 crores?
- Rakesh Nayyar:** Rs.250 to Rs.300 crores. All the infrastructure, all the civil, the utilities, the tank farms, everything has already been built.
- Pritesh Cheda:** Okay. And when should the second line be planned for?
- Rakesh Nayyar:** We hope to be commissioning it in the next two years or so.
- Pritesh Cheda:** Okay. And the last thing is, this particular product line, will it, is it similar to what is already available with a couple of other players in the market?
- Rakesh Nayyar:** It is ABS really, it's only that the process, the route to produce ABS is different. At the end of the day, it is ABS.
- Moderator:** Thank you. The next question is from the line of Sarah from UVR Natural Foods Private Limited. Please go ahead.
- Sarah:** Sir my first question is, what is the breakup of user industries in PS, EPS for us and also, what is the potential user industry breakup of ABS?
- Rakesh Nayyar:** Generally, all these industries have a similar client base, which is close to 50% is the OEMs, and the remaining non-OEM segment is 50%. So, when I say OEM, they are all appliances, where polystyrene is used. And the ABS will come, its usage is in appliances, as well as automobile segment. And the non-OEMs have various uses, including starting from daily



house hold to packaging , to the sheeting business, stationary, pens, household items. So the business is divided almost 50:50 between the OEMs and non-OEMs.

Sarah: Okay, got it sir. Sir last year, the power cost was Rs.50 crores, and logistics cost was Rs.110 crores. Can you please give us the figures for these two costs for FY25?

Rakesh Nayyar: Last year, you said power was?

Sarah: Rs.50 crores.

Rakesh Nayyar: This year, it should be marginally lower because, we have used our solar power from October onwards, but with the costs going up, as well as the capacity utilization going up, but the overall power cost would be similar to last year, or it would be marginally lower than the last year.

Sarah: How much marginally lower, sir can we expect?

Rakesh Nayyar: Maybe 2% to 3%.

Sarah: Okay, sir. So who are the other major players in North India that have expanded the capacity in EPS?

Rakesh Nayyar: There is a company called Styric and there is this new company which has come up in Gujarat, EPACK.

Sarah: Okay. So, like in the previous question, I didn't get the figures for logistics cost. Like, last year, it was Rs.110 crores, this year, how much can we expect, how much is it?

Rakesh Nayyar: Logistics cost for what area?

Sarah: The freight outwards.

Rakesh Nayyar: Rs.110 crores, which is logistics cost for.

Sarah: Freight outwards, sir.

Rakesh Nayyar: Outwards?

Sarah: Yes, sir.

Rakesh Nayyar: It was Rs.100 crores last year?

Sarah: Rs.110 crores.



Rakesh Nayyar: Yes, this will be around Rs.125 crores this year.

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

Rakesh Nayyar: Thank you all for participating in this earnings concall. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations managers at Valorem Advisors. Thank you so much.

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