Supreme Petrochem Ltd

Chairman's Statement

37th Annual General Meeting July 14, 2026

Good afternoon, Ladies and Gentlemen,

I welcome you all to the 37th Annual General Meeting of Supreme Petrochem Ltd. The Annual Report together with Directors' Report and the Annual Audited Financial Statements for the year ended March 31, 2026 have been with you for some time now and with your permission I take them as read.

Today, I stand before you with a deep sense of anguish for an irreparable loss and to pay tribute to our beloved Director and my eldest brother, Late Shri B.L. Tapariaji, who made his celestial departure on 30th January 2026. Shri B.L. Tapariaji was an integral part of Company's journey. He joined its Board on 22nd November 1993 and served it for more than 3 decades. His visionary approach and efforts contributed significantly to the growth of the Company. He was also deeply committed to the social causes through extensive charitable activities to benefit the under-privileged and marginalized sections of society. He leaves behind a legacy that extends far beyond business operations.

On behalf of all the stakeholders, I would like to express our heartfelt condolence and gratitude for a life so richly lived and so generously shared. We pray Almighty that his noble soul rest near HIS LOTUS FEET.

Company's net revenue during the year was Rs.5,382 crores as compared to Rs.6,097 crores in previous year. The sales revenue was lower compared to previous year due to drop in the prices of Styrene Monomer, the main raw material, by about 17% on annual average basis as compared to previous year. Company's sales volume of manufactured products increased by only 2% during the year (to 363201 MT) due to unseasonal rains and milder summer resulting in weak demand for cooling appliances viz. Air conditioners, air coolers and refrigerators. Volume growth was also impacted due to increased imports during the year and negligible exports in March 2026 due to West Asia war. Demand was also impacted in F.Y. 2026 due to uncertainty caused by high trade tariffs imposed by U.S.A. on India.

During the year capacity utilization for the Company as a whole was 80% of the available effective installed capacity.

Styrene Monomer availability was reasonably stable during the year till start of West Asia war and stoppage of Strait of Hormuz. Post closure of Strait of Hormuz movement of liquid and containerized cargo came to a standstill. All three Styrene plants in the West Asia region shut down their operations for safety reasons. Company, however, through its many sources of supply of Styrene could manage to get required raw material to fulfill the total requirements of all its domestic customers.

Exports, however, had to be stopped, firstly for non-availability of quantities of Styrene for exports and secondly, due to significant increase in shipping freight rates, reduction in available shipping capacity and increased voyage time. Due to high prices of raw material, end product demand also took a hit.

Demand for Polystyrene in India during the year under review grew by 3%. Due to extended rains and cold weather demand for cooling devices such as air conditioners and refrigerators was weak. Company's sales volumes including exports were lower by 2.3% since the usually high sale month of March was impacted by the war in West Asia and resulted in virtually Nil exports and lower domestic sales. Apart from increased imports in F.Y. 2025-26 particularly from Thailand and China, low priced imports of reprocessed PS from many regions nibbled at some of the low end applications of trade market.

Company's Expandable Polystyrene business grew by 4% in 2025-26 in line with the domestic market growth in the country despite several new players emerging in the marketplace. The Company is continuing its efforts to increase its share by showcasing several new technologies, particularly in building construction segment by organizing seminars in major metro cities for its customers. Company is also consistently working on making EPS packaging sustainable by involving various stake holders and NGOs.

With enhanced capacity of Nagothane plant in place, exports of EPS shall now be pushed post West Asia war. Some of Company's EPS grades have already been approved in target export markets.

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Company's 70,000 MTA mABS project was commissioned successfully in September 2025 alongwith 20,000 MTA of compounding lines to produce variety of value-added grades of ABS. Unfortunately, after successful run for about two months the plant operations had to be stopped due to malfunctioning of a critical production equipment. The malfunctioned equipment is sent back to overseas supplier for repairs. In the interim with the assistance of technology supplier company is operating the plant with reduced capacity at 65% of original capacity. Company's product in trade market has been well accepted.

Polymer compounds business of the company is matured. Increased demand for compounds from appliance producers has helped to grow this business. With company being a large supplier of PS and EPS to appliance producers, it, therefore is a preferred choice for appliance industry not only for compounds of PS but also for compounds based on other polymers. Going forward increased supply of mABS compounds will provide additional volumes to this business.

Company has initiated the process of adding 30,000 MT of compounding capacity which once installed will take effective installed capacity of compounding business of company to 80,000 MTA. Additional capacity shall be commissioned by June 2027.

Company's available capacity for Extruded Polystyrene Insulation Board is largely fully utilized. A new modern line with capacity of 150000 M^3 with capability to produce wide width boards has been initiated. This line is expected to be commissioned by March 2027. Reefer container business which was earlier concentrated in the West and Southern regions of India, has now picked up well in North region also.

A temporary peace arrangement between U.S.A. and Iran in June had briefly increased shipping traffic through the Strait of Hormuz. However, following attacks on ships by Iran in the last week and US strikes on Iranian targets in retaliation has again surfaced the clouds of uncertainty. If talks between U.S.A. and Iran progress well in coming days with regular shipments through the Strait of Hormuz, normalcy in trade may return by the third quarter of F.Y. 2027.

Suspension of import duties on most commodity polymers to offset the impact of increased cost of imports extended upto July 15, 2026, not only put pricing pressure on local producers in the 1st quarter of F.Y. 2027 but has also eaten away some of the market volumes due to unnecessary imports by traders.

Company acquired Xmold Polymers Pvt. Ltd., located at Gummidipondi, near Chennai in April 2025 to meet demand for compounds from the automobile and appliance manufacturers located particularly in the state of Tamil Nadu and in Sri City (Andhra Pradesh) which is a hub for manufacture of air conditioners and other appliances.

Integration of Xmold business with Company's business is largely completed. Xmold is now a full fledged polymer company to meet all requirements of automotive industry. Sales and marketing team of Xmold are being strengthened to grow its business. Company is focused on developing a circular economy framework around post-consumer plastic waste particularly of EPS.

Company continues to work in this direction jointly with ICPE as well as other NGOs to create awareness about collection and responsible recycling of post-consumer waste particularly to the players in the unorganized sector. Company continues to proactively participate at various forums and exhibitions relating to recycling and development of circular economy to bring awareness and demonstrate various applications where recycled EPS can be effectively used. Company is committed to sustainable business practices not only in its operations but also in environmental impact of its products being offered. Company used 43.4% of its energy requirements through solar power at its Amdoshi complex. For its Manali plant in Tamil Nadu, Company used 85.5% of its power requirement through renewable energy sourced from third party producers.

During the year under review Company spent an amount of Rs.11.63 crores on various CSR activities undertaken directly or through various NGOs on various social welfare projects/ activities particularly in the areas of health and hygiene, education, support to paraplegic and old age home, rural development and promotion of circular economy including recycling of post consumer waste of polymers.

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 9295 accident-free days and Manali Plant 6869 days, as at March 31, 2026. 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.

My sincere thanks to all customers, vendors, bankers, Authorities, employees, business associates and other stakeholders of the Company for their constant support and confidence reposed in the organisation and its management.

I also wish to place on record my deep gratitude and sincere appreciation to the Board Members for their counsel, the insights and advice given and support extended to the management from time to time, which I deeply value.

Thank you,
M. P. Taparia
Chairman