



# SUPREME PETROCHEM LTD

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January 24, 2025

BSE Limited  
Phiroze Jeejeebhoy Towers,  
1st Floor, Dalal Street,  
**Mumbai - 400 001**  
Scrip 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 January 16, 2025 wherein we had informed you that Earnings Conference Call with investors of the Company will be held on January 21, 2025 to discuss Q3 & 9M FY25 earnings.

Please note that the said conference call as scheduled was held at 4.00 PM (IST) on January 21, 2025

In this regard, pursuant to Regulation 30 of Listing Regulations, please find attached transcript of the call with the Investors/Institutional Investors.

This is for your information and records.

Thanking you

Yours faithfully,

For SUPREME PETROCHEM LTD

**D. N. MISHRA**  
**COMPANY SECRETARY**



**Supreme Petrochem Limited**  
**Q3 & 9M FY25 Earnings Conference Call**  
**January 21, 2025**

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**Moderator:**

Ladies and gentlemen, good day and welcome to the Supreme Petrochem Limited Q3 and 9-month FY25 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 call, please signal an operator by pressing '\*' then '0' on your touch-tone phone.

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 all of you. 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 the Company's earnings call for the Q3 and 9 Month FY25. Before we begin, 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; and 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, and good afternoon, everybody. It's a pleasure to welcome you to the earnings conference call for the 3Q and 9 Months FY2025.

Let me start by giving you a brief overview of the financial performance for the third quarter, ended 31st December, 2024. The operating income for the third quarter was Rs. 1,405 crore and the total EBITDA was at 116.70 crore. The net profit after tax grew by around 5.5% to Rs. 71 crore with PAT margin at 5.08%.

For the nine months ending up to December 2024, our revenues stood at Rs. 4,484 crore, with a total EBITDA of Rs. 443 crore. Total EBITDA margin stood at 9.87% for nine months. The net profit after tax for this period was Rs. 284 crore, which increased by approximately 32% year-on-year with a PAT margin of 6.32%.

On the operational front, the prices of our key raw material of styrene monomers were declining in this last quarter. They are, however, now getting stable. And this declining trend put some pressure on the margins during the quarter.

For the quarter, Company sales volumes of manufactured products increased by 21.1% on year-on-year basis, while for the 9 months' period, the sales volumes of the manufactured products increased by 13.7% year-on-year.

The Company remains debt-free with an investible surplus of INR 680 crore at the end of December 2024, and is continuing to invest in all its capital programs through internal accruals and reserves.

On the capital expenditure front, the implementation of our first phase of Mass ABS Project, with capacity of 70,000 tonnes per annum is progressing well, and the mechanical completion is expected by end March of 2025, with commissioning scheduled for Q1 FY '26.

With this, now I open the floor to a question-and-answer session.

**Moderator:**

The first question is from Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

**Aditya Khetan:**

Sir, my first question is, in this quarter performance, we are witnessing some compression in your gross and operating spreads per tonne. Any particular reason, sir? And if you can also highlight what is the average spread of polystyrene and styrene during the quarter? I believe it is at around \$200, \$250 per tonne. If you can throw some light, how are the spot spreads global and in India?





- Rakesh Nayyar:** Styrene trends have been on the declining side from August end onwards/ early September onwards. The styrene prices fell around 11% in the September to December quarter. With the declining styrene prices, there were some pressures on the margins.
- And on the spot basis, today, the margins are \$200 and \$250, and that reflects into the Indian margins as well. But then, that is on a spot basis. But the raw material always comes at prices which are almost 4 to 6 weeks prior to the arrival of the cargo. This always impacts the margins.
- Aditya Khetan:** Got it. Sir, just to clarify on to this. You mentioned that the styrene prices are on a declining trend, as that is also reflected into the trend. So, sir, declining raw material prices should generally have to protect EBITDA per tonne? Or is it vice versa like?
- Rakesh Nayyar:** No, it does not help when your raw material prices are declining, meaning you are getting your raw material, which was contracted earlier and when the prices were high. When cargo arrives here, it is at a higher price, whereas the selling prices are on spot basis then.
- Aditya Khetan:** Okay. Got it. Sir, any particular idea if you can give for the longer term, like for FY '26 and FY '27, what sort of EBITDA or gross spreads we could work on?
- Rakesh Nayyar:** I can't give you any guidance on those, Aditya, because the base spreads are all determined by the global deltas, prevailing the Northeast Asian countries and Southeast Asian countries. So it is very difficult to predict that.
- Aditya Khetan:** Got it. Okay. Sir, on to the volume side, our earlier guidance holds 7% to 8% volume growth. And what is the outlook in the export side also? Export volumes also earlier, I believe we have given some number. So, does that number holds?
- Rakesh Nayyar:** In the last year, we sold total volumes of 325,000 tonnes. And we maintain that we should have a volume growth of around 8% for the full financial year. We should be doing around 350,000 tonnes this year.
- Aditya Khetan:** Okay. And sir, on to the Mass ABS, are we through with the sampling part? I believe that will start post the commissioning of the plant, March 2025. So just wanted to know how much time the sampling will take? And are we getting like some orders, preorders or the order book is starting to fill in right now?
- Rakesh Nayyar:** We would be coming out with the product in the first quarter of FY '26. And our discussions with some of our customers are already on, with the help from our collaborators. So once the product is out, we are confident that we should be able to sell the product comfortably.
- Aditya Khetan:** Okay. Okay. And sir, post this Phase-1, any idea when we will start the Phase-2? And apart from this, we were also looking to start the Haryana plant. I think we have planned some INR





800 crore of CapEx over there. Any idea, sir, you can give, how this Phase-2 and that Haryana plant will phase out?

**Rakesh Nayyar:** We are working on the Haryana plant,. The pre-project activities have started. We expect that towards the third quarter of FY '26, we should be starting the project implementation at the site.

**Aditya Khetan:** Okay. And sir, Phase-2 of ABS?

**Rakesh Nayyar:** Phase-2 of ABS, also, we hope to start in the coming financial year.

**Moderator:** The next question is from Sailesh Raja from B&K Securities. Please go ahead.

**Sailesh Raja:** Two years back, we began trading ABS product with the intent of showcasing to the customers like Supreme Petro is entering this segment, even before the commercial launch. So, was this trading focused on mass technology ABS product or the conventional ABS variant?

**Rakesh Nayyar:** We are currently doing ABS compounds. And we also do some trading in ABS, but that is all the conventional technology ABS.

**Sailesh Raja:** Okay. So, you seem confident about ramping up capacities in 2 years' time, Phase-1. So, what feedback have you received, sir, following the trial runs of this Mass ABS technology product in terms of quality, specification, future?

**Rakesh Nayyar:** Benefits of Mass ABS are already known. Alongwith the Versalis team, meetings with some of the prospective customers have already been done, and the customers are already very enthused about using the material. We are confident that we would be able to market the whole quantity.

**Sailesh Raja:** Can you give specific, that feature, it is much better than the conventional one, sir? Cost side, yes, definitely, it is much, much better. But in terms of product features?

**Rakesh Nayyar:** Mass ABS has a better lot-to-lot consistency. It has a lower base colour, and it is very efficient for colouring. There is a better UV stability in this. There's a thermal stability in this. There are lower gel content in this, so that helps in improving the surface quality. There is lower volatile organic compounds, which helps in reducing the odour in the interiors. It has also improved thermoforming properties. So, these are the inherent advantages of the Mass ABS. And that would certainly be the selling USP of Mass ABS.

**Sailesh Raja:** Okay. Sir, on the XPS product, it was launched in 2008-09, yet we have not surpassed INR 50 crore in sales. So despite this, we are expanding capacity by 1 lakh in 1Q and plans to add capacity at the Haryana facility as well. So, during my discussion with the Chennai-based





Supreme XPS distributor, he mentioned that we are primarily focusing on projects rather than the consumer market.

On the project side, private projects like last year, Foxconn, Chennai, Bangalore, they have procured a significant volume from our Chennai XPS distributor, and we got very positive feedback. And distributors find it easier to convince any MNC Taiwanese and Korean players, and they prefer using green products in their projects.

However, on the government side, since we don't have ISA certification in our XPS, so that seems to be a barrier and PWD does not grant approval. So, we suggested that Company should step in to address this issue. And also, sir, what is our plan on both consumer side and project side to increase the scale of this business? How quickly we can ramp up to fully utilize the 1.73 lakh include capacity from current level of 50,000?

**Rakesh Nayyar:**

There is no government mandation for any insulation. Unlike the mandation in the European or the Gulf or China, India does not have any mandation for using any insulation product, be it XPS or be it PU or be it any other product. Though we are working on that with the Bureau of Energy Efficiency but that still has not happened.

Now as far as approval by the PWD is concerned, our material has already been cleared by the CPWD long back, and that is how the central government projects use our product.

As far as the various state governments are concerned, some of the state governments have also already approved our product, and it is there in the booklet of PWD for list of approved materials.

But then as I had said last time also, the smaller contractors, when they do the individual housing, they hesitate using it because they don't want to use it or they tell the owners that it will increase their cost, but they do not inform them the benefits of using this. But in the bigger projects, the architects and contractors are aware of this. They know what the benefits of using XPS are. The institutional projects prefer using this product. We continue to work on this, but it is a long-drawn work.

**Sailesh Raja:**

Okay. Okay. But how quickly we can ramp up the full utilization level, sir?

**Rakesh Nayyar:**

We have a team also, which is doing the marketing in the smaller towns. We continue doing roadshows, though we have done many in the past. We are interacting with the various architecture colleges to enlighten people about this product. And these are the steps which the Company has taken and continues to take. So, we hope that now in the near future, in the next 2 to 3 years, we should be able to load not only the current capacity, but also the expanded capacity. For those who have used it, those who have experienced the product, they swear by it.







**Sailesh Raja:** Sir, in the export business, see roughly we are doing 45,000 metric tonne of sale. In last call, you mentioned that it is fully polystyrene. So, in exports XPS volume, how much it goes for the XPS, and for the other applications, sir?

**Rakesh Nayyar:** You mean to say the application of the polystyrene, which we export?

**Sailesh Raja:** Yes.

**Rakesh Nayyar:** I won't have that number with me. We export to the OEMs, we export to the XPS manufacturers. In Italy and in Greece, we export to some customer who uses it for XPS. Customers in Turkey or Egypt or Bangladesh are OEMs. It depends upon the country to country, customer to customer, but very difficult to give you this number at the moment please.

**Sailesh Raja:** Okay. In general, HIPS commands better margin than GPPS. So, for the XPS supply more of GPPS or HIPS sir?

**Rakesh Nayyar:** For XPS, it is GPPS.

**Sailesh Raja:** Okay. Sir, how much volumes we have done, in 9 months in exports?

**Rakesh Nayyar:** I won't be able to give you that number. We are giving only the consolidated numbers now, please.

**Sailesh Raja:** Okay. Okay. Sir, one last question. In the SPC business, how many compounds that we currently make in our volume of 18,000 metric tonne. We are roughly doing around INR 250 crore, INR 275 crore of sale. What are the plans to increase...

**Rakesh Nayyar:** Compounds are application-based and we produce compounds of PP/ PE/ ABS and polystyrene. There are 'n' number of compounds which we are doing. They are in small volumes and they are in large volumes also. It depends upon the orders and the applications.

It is difficult to give any definite number of compounds, we produce, because we produce all kinds of compounds. But going forward, we will be mainly focusing on ABS compounds. Compounds are made for specific applications. If the requirement is large, we do specific customization also. We not only develop the compound, we produce it and market it.

**Sailesh Raja:** How fast we can double our volume, sir, in the SPC business?

**Rakesh Nayyar:** The SPC business, with our ABS coming online, we should be able to grow it very fast. And I expect that in the next 2 years, we should be able to double the compound business.

**Moderator:** The next question is from Nitin Gandhi from Inoquest Advisors.





**Nitin Gandhi:** How do you expect the ramp-up of this utilization of mABS facility, which is starting now?

**Rakesh Nayyar:** Sorry, can you repeat your question, please?

**Nitin Gandhi:** Yes, I'm sorry. Am I clear now?

**Rakesh Nayyar:** Yes, yes.

**Nitin Gandhi:** Okay. So can you share some thoughts on ramping up the capacity after 1 or 2 quarters of mABS that 70,000 tonnes?

**Rakesh Nayyar:** Almost more than 50% of the ABS requirement is imported into the country. The Mass ABS or the emulsion grade ABS, they are finally ABS. It's only that the Mass ABS is being produced with a different technology, a different process, and has some inherent attributes and benefits, which are in addition to what the emulsion grade ABS is providing, like it has more better consistency, it has better efficiency. It has lower gels, lower VOC. So, they are the other benefits of Mass ABS. Demand being there, we don't see that there would be any issues in marketing the product. Already 140,000 tonnes or thereabout is imported. We are just adding only 50% of that.

**Nitin Gandhi:** That's right. And in Phase-2, we are adding the similar again, right?

**Rakesh Nayyar:** Yes. But by the time our Phase-2 comes, the demand in India would have further grown up also.

**Nitin Gandhi:** And another question, which is a bit little out of box, it's like there were some studies being conducted for ABS being used as a fuel for rocket engines and other things and also for 3D. Can you share some thoughts if you have something on that? It's more of a..

**Rakesh Nayyar:** I am not the right person to answer that question, please.

**Moderator:** The next question is from Aditya Khetan from SMIFS Institutional Equities. Please go ahead.

**Aditya Khetan:** Sir, I have questions on to the Haryana expansion. Sir, I believe one of the projects into that plant, we are expanding, that is the EPS 3D panels. And that you had also mentioned that has a potential revenue of around INR 100 crore. So, sir, what would be the other projects like which are into the pipeline?

**Rakesh Nayyar:** We will be doing derivatives of polymers. We had also talked about the sheeting business, for sheeting of polystyrene and sheeting of ABS. And going forward, to put XPS project. So downstream, there are 3 projects. And on the polymer side, we had announced polystyrene and EPS. Polystyrene and EPS is being timed with the implementation of the styrene monomer of IOC.







- Aditya Khetan:** Okay. And sir, what would be the expected turnover from the sheeting business?
- Rakesh Nayyar:** Sheeting business will give almost INR 200-odd crore of the revenue.
- Aditya Khetan:** Okay. Sir, my next question was considering polystyrene spreads are at \$200 per tonne, so how much premium would the XPS spreads be or EPS spreads be like?
- Rakesh Nayyar:** No, EPS has nothing to do with the polystyrene spread. EPS has its own spread and EPS has local competition. EPS imports are negligible. And EPS price is determined not only by the international price, but also by the local competition here. There are many players of EPS now.
- And as far as the XPS is concerned, the spread of over \$200 for PS is the base price, but then XPS commands much, much higher margins on that. And internationally, I wouldn't know that. I'm sorry, I have no information internationally on XPS price right now.
- Aditya Khetan:** Okay. So, sir, EPS also like would be at a premium, so to polystyrene or that would be similarly?
- Rakesh Nayyar:** That is a similar price. That is not at a premium.
- Aditya Khetan:** Okay. So, sir, this value-added grade, so out of the total portfolio, so 35%, 40% is the value-added grades. And if polystyrene and EPS, both are commanding similar spreads and these 2 businesses, I believe, is around 70% to 80% of the total top line. So, the value-added grades, sir, which businesses we are talking of?
- Rakesh Nayyar:** We have some value-added grades of polystyrene, where our margins are higher than the normal grades. They are higher margins for us. So, such grades are value-added grades for us.
- Similarly, EPS has some value-added grades like flame retardant. We don't count the commodity grades. All our compounding business, the SPC business, is our value-added. Our XPS is a value-added product for us. They are around 38% to 40% of our business. It is the business where we have better margins than the normal grades.
- Aditya Khetan:** Okay. Got it. Sir, in this quarter, we had also seen this impact of rupee depreciation of 2% to 3%. Any impact, sir, like we have taken on the higher styrene imports?
- Rakesh Nayyar:** Styrene imports are impacted by the foreign exchange hit, but we cover major part of our Forex. A part of it gets recovered, because the landed price of our product also goes up. The selling price also goes up. And on the exports on the value-added part of the exports, we get better realization.
- Aditya Khetan:** Got it. Got it. Sir, ex of ABS, what is the volume guidance for FY '26 ex of ABS?





- Rakesh Nayyar:** Other than ABS, we expect we should be doing also next year around the same 7%, 8% growth next year.
- Moderator:** Next question is from Pritesh from Lucky Securities.
- Participant:** Sir, I have 2 questions. One, what is the consumption of Mass ABS today in the market annually?
- Rakesh Nayyar:** We are the first one to come out with the Mass ABS. So as of date, India has been consuming only the emulsion grade ABS.
- Participant:** So whatever imports are happening in India, those are also emulsion grade?
- Rakesh Nayyar:** They are all emulsion grade because the Mass ABS carries a premium in other markets. Nobody is importing here.
- Participant:** Okay. Do the customer need to be educated or the applications have to be first tested upon for someone to start using Mass ABS or they can straightaway start as plug and play?
- Rakesh Nayyar:** Depending upon their application, they only decide on which grade they want to use, based on the properties of the grade. And once they start using it, they would find that it is beneficial to use this, because it has better properties in terms of consistency, in terms of the UV stability or in terms of the lower gels, lower volatile organic compounds or higher melt strength and all that. So, they would then prefer to use it later on.
- Participant:** And what's the premium over the emulsion grade?
- Rakesh Nayyar:** In India, once we start marketing, it will be certainly at the same price because everyone is currently using the emulsion grade. But as I said in markets like Europe, it carries a premium.
- Participant:** Do you see a scenario where on the incremental usage of product is where the market will use? Or do you think market will go ahead and replace even in the existing?
- Rakesh Nayyar:** Markets immediately will start replacing it. Those who are importing, they will use it initially maybe that, at the same price. If they're getting it, they will use it. And once they see the advantages of this, maybe they will give a better price also to us.
- Participant:** Okay. And my last question is, in your presentation, these compounds, the polymer compounds, out of 350,000 tonnes of your annual volume, how much is polymer compounds?
- Rakesh Nayyar:** Polymer compounds, see they would be around 8% or so, all together, the 8% polymer compounds and our XPS business.





- Moderator:** Next question is from Gargi from Value Investments.
- Participant:** Sir, wanted to understand that with the upcoming ABS product, do you expect the receivables, inventory, et cetera, the working capital cycle, similar to the current business?
- Rakesh Nayyar:** Yes, we expect the same.
- Participant:** Okay. And secondly, if you can help me with the products that we make in this SPC segment. So, what is the demand size of these products in India? And are there any imports happening of these products?
- Rakesh Nayyar:** Compounds, have many applications. And as and when the applications grow, the compound market will grow. In India, actually, there are both organized and unorganized players in the masterbatches and compounds. The organized sector is there in the EV batteries, the electricals and electronics, the automotives, appliances. So that is where the compounds are used mainly.
- And also, compounds are also used in the many other applications like the freezers etc. compounds are being used even in the same pipes and some other piping and bathroom fittings as well. So, there is a growing market for compounds.
- And somewhat of the styrenics compounds may be getting imported. Any definite data is not available on that.
- Participant:** Okay sir. So for this segment, what are the blended realizations for our Company and the EBITDA?
- Rakesh Nayyar:** For which segment you are talking about?
- Participant:** SPC.
- Rakesh Nayyar:** No, I'm sorry, I won't be able to give you that information, please.
- Participant:** Okay, sir. Sir, last question would be if you can just highlight from here on, are there any measures that can be taken to reduce some costs? So, you have mentioned about power cost reducing. So, a little bit more colour from here on, how much do you expect to reduce on the power as well as the freight cost? And any other, if you feel?
- Rakesh Nayyar:** See we have already done the maximum permissible solar power installation for our projects. What the guidelines provide us, we have already done. And now after the ABS is implemented, for additional power requirement for ABS, whatever is the permissible limit for the enhanced requirement, we would be implementing solar power for that also. Currently,





based on our installed solar power and our consumption, we have been able to save almost 25% of our power cost.

And as far as freight, the global freights are still very, very high, when one compares with the pre-pandemic freight rates. For some markets, they are as high as 3x still. That is why the exports is now not very remunerative. The margins are very low in the export market.

**Participant:** So, sir, from here on, is it safe to understand that in terms of cost reduction measures, we are already operating at optimum level?

**Rakesh Nayyar:** No, with the higher production, like our ABS comes in, it is at the same location. Our fixed cost may not be going at the same level. Our fixed cost would be, our administrative cost, the plant management cost. They won't be going up. So, the fixed cost economics would always reflect in. And as far as upgrading the plant, automation of the plant, more and more automation of the plant to reduce the cost, that is an ongoing effort, which will always go on.

**Participant:** Okay. Sir, one last question, if I can squeeze in. So raw materials, we are fully importing. So, with the depreciation of rupee, what is our hedging policy?

**Rakesh Nayyar:** We hedge. Generally, we are always hedged to the extent of 50% to 65%, depending upon the dynamics of the dollar-rupee. But in any case, the depreciation impacting our cost is also built in our selling prices. So indirectly, we get hedged. We are also hedged to the extent of exports.

**Moderator:** The next question is from Krunal Shah from ENAM Investments. Please go ahead.

**Participant:** I have one question. So, in case of Mass ABS, how would the gross spreads be in comparison to the emulsion ABS?

**Rakesh Nayyar:** Gross spreads. Gross spreads would be better, because our operating costs should be lower since it's a continuous plant.

**Participant:** Okay. So, my point was because in, say, other countries, Mass ABS sells at a premium. So, just wanted to understand if the cost of manufacturing it is also higher or lower?

**Rakesh Nayyar:** No. The operating cost would be less because it's a continuous plant. And it's only if somebody wants anything extra to be done, then we will do it in second stage in compounding. Otherwise, the natural ABS would be available here, and it is all reactor produced.

**Participant:** Okay. Okay. So, the premium price globally for Mass ABS would be a reflection of the better quality of the product.





**Rakesh Nayyar:** Better quality, because of the better attributes which it has. So that gives it a better premium there.

**Participant:** Right.

**Rakesh Nayyar:** That eventually should happen in India also.

**Participant:** Yes, true. Fair enough. And in terms of the growth, we have a 9-month volume growth of around 13%, can you break it down across segments, which have seen good growth and segments which are lagging growth?

**Rakesh Nayyar:** No all segments have done well for us. I wouldn't say that any particular segment has done well. Polystyrene has done marginally better than the others. EPS has also done well. Even XPS has done well. So, all of them have done well, and we have done 9 months 13% growth.

**Moderator:** Next question is from Nitin Gandhi from Inoquest Advisors. Please go ahead.

**Nitin Gandhi:** Sir, can you share some guidance for the Q4 vis-a-vis last year or vis-a-vis Q3, if you can share overall volume-wise, it will be helpful.

**Rakesh Nayyar:** Sorry, can you repeat your question again?

**Nitin Gandhi:** For Q4, that's Jan to March quarter, whatever volume we are expecting, can you share some thoughts vis-a-vis Q3 or last year's Q4?

**Rakesh Nayyar:** We should be doing around 350,000 to 355,000 tonnes of volume this year. And last year, we did 325,000 tonnes of volume. This will give us a growth of around 8% plus. And we shall be achieving this. I think there should not be any issue barring anything unforeseen if it happens in this quarter i.e. in the next 2 months, otherwise we are on line to achieve this.

**Nitin Gandhi:** So that means on a Y-o-Y basis as compared to last year where we had 96,000, it will be a bit negative growth.

**Rakesh Nayyar:** No, it should be the same. This quarter, we should be having the same growth. Exports maybe lower this quarter. But overall we hope to be at the same level.

**Nitin Gandhi:** So, 96,000 will be repeated more or less, if not growth...

**Rakesh Nayyar:** More or less, we should.

**Nitin Gandhi:** And now coming to little longer-term view, like we have seen almost 8%, 9% deterioration in margin over the last 3, 4 years. What do you think in that? And what can happen best for us, so that we can clock best 13%, 14%, at least on a sustainable basis over 2 or 3 years? Is it





possible? Or does it look still away from us with implementation of MBS and other value grade transition, which would happen like what developed countries use. Is it possible that we can back to those margins in 3 years?

**Rakesh Nayyar:** What you are comparing is with the '21-'22, right.

**Nitin Gandhi:** Deterioration constant.

**Rakesh Nayyar:** No, but '21-'22 was an abnormal year. It was an aberration when the global deltas because of the freight rates, because of the post-COVID, many plants were shut down, some plants had accidents globally. So, the deltas were very high and resulted in higher margins. But otherwise, historically also in the normal times also, the business has been in the higher 2 digits EBITDA.

And secondly, EBITDA is actually a myth in the sense, because higher the raw material prices, the EBITDA goes down in terms of percentages.

With the Mass ABS coming in, and their volumes going up, and with the second line of Mass ABS coming up, we expect that, we should from high single-digit EBITDA, cross to double digits then.

**Nitin Gandhi:** Even I was trying to reach at 13% only, not 17%, 18% of '21-'22.

**Moderator:** The next question is from Vipul Kumar Anupchand Shah from Sumangal Investments. Please go ahead.

**Participant:** I have joined late, so I apologize if I'm asking any repetitive questions. So, my question is regarding our new land acquisition in Haryana. So which products we are going to manufacture there? And what will be the capacity there?

**Rakesh Nayyar:** We plan to manufacture there polystyrene, expandable polystyrene, and downstreams of styrenics, which includes the 3D boards from EPS and sheetings of polystyrene and ABS and also XPS, extruded polystyrene insulation board. So that will be the product profile of that complex, and some other downstream may get added over a period. But then right now, that is what has been planned and announced.

The CapEx for that site is estimated at around INR 800 crore. And the pre-project activities for that site are going on. We expect to start with the downstream units sometimes in the financial year '26. And then in phases, all the other projects will come up there.

**Participant:** What will be the capacity of that plant, sir, in tonnage?







**Rakesh Nayyar:** Polystyrene would be 100,000 tonnes, EPS would be 50,000 tonnes, and the 100,000 cubic meters for XPS. And for the 3D panels, it will be, again, 1 million square meters and similarly for the sheeting business.

**Participant:** So once fully complete, what type of asset turns we can expect from that plant, sir?

**Rakesh Nayyar:** The asset turn from that plant would be in the region of almost 2.5 to 3x. 2.5x, yes.

**Participant:** And with margin profile similar to our current products, sir?

**Rakesh Nayyar:** No, with the downstream units being there, which are the more value-added products, the margin profile should change there then.

**Participant:** Change for better?

**Rakesh Nayyar:** Yes, change for better.

**Moderator:** That was the last question in queue. I would now like to hand the conference back to the Management team for closing comments.

**Rakesh Nayyar:** Thank you all for participating in this earnings' con call. If you have any further questions or would like to know more about the Company, please reach out to our IR managers at Valorem Advisors. Thank you.

**Moderator:** Thank you very much. On behalf of Supreme Petrochem Limited, that concludes the conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.

