Supreme Petrochem

Operator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 conference call of Supreme Petrochem Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you, and over to you, Ms. Jain.

Purvangi Jain – Valorem Advisors: Thank you. Good evening, everyone, and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors, and we represent the Investor Relations team of Supreme Petrochem Ltd. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the second quarter and first half of financial year 2027.

Before we begin, let me mention a quick cautionary statement. Some of the statements mentioned 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 beliefs, as well as assumptions made by and information currently available to management. Audiences are therefore cautioned not to place undue reliance on these forward-looking statements when making any investment decisions.

The purpose of today's earnings conference call is purely to educate and create awareness about the company's fundamental business and financial performance for the quarter under review.

Now, let me introduce you to the management participating in today's earnings call. We have with us Mr. Rakesh Nayar, Executive Director and CFO; Mr. Dilip Deole, AVP of Finance and Accounts; and Mr. D. N. Mishra, the Company Secretary. Without any further delay, I request Mr. Nayar to start with his opening remarks. Thank you, and over to you, sir.

Rakesh Nayar – Executive Director & CFO: Thank you, Purvangi. Good evening, everyone. It is a pleasure to welcome you to the earnings conference call for the second quarter and first half of financial year 2027.

Let me brief you on the financial performance of the quarter, followed by some of the key operational highlights.

On a standalone basis, operating income for the company for the second quarter stood at rupees 1,957 crores against rupees 1,100 crores in the corresponding quarter last year. EBITDA increased to rupees 160 crores, with a margin of 8.12%. Profit after tax almost doubled to rupees 95 crores. The jump in turnover is partly due to an increase in volumes, and the balance is entirely due to an increase in selling prices, consequently resulting from an increase in raw material prices.

For the first half of financial year 2027, operating income increased to rupees 3,649 crores, with total EBITDA of rupees 508 crores. Profit after tax grew to rupees 331 crores, with a PAT margin of 9.08%.

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On the operational front, during the first half of financial year 2027, our business navigated a challenging operating environment marked by volatility in styrene prices, a disrupted supply chain, elevated ocean freight rates, and subdued export volumes. Additionally, duty-free imports of PS and ABS from ASEAN countries and China intensified competitive pressure on domestic selling prices during the first 2 months of the second quarter.

Our total sales volume for Q2 FY27 stood at 95,242 MT, registering a 24% year-on-year and 25% quarter-on-quarter increase. However, {? HY ?} H1 FY27 sales volume declined 3% year-on-year to 166,085 MT, primarily due to lower exports amid supply constraints, longer transit times, and higher freight costs. We continue to diversify our sourcing network for imported raw materials to address supply uncertainties from the Gulf region.

On the growth front, our expansion plan remains on track, including the new wide-width insulation board line with a capacity of 150,000 cubic meters and the expansion of compounding capacity from 50,000 tons to 80,000 tons per annum.

The company continues to remain debt-free, with an investible surplus of rupees 886 crores as of September 2026. Our capex expenditure continued to be funded entirely through internal cash accruals, reflecting our strong financial position and disciplined capital allocation.

The board has also approved an interim dividend of 125%, translating to rupees 2.5 per equity share, reaffirming the company's commitment to rewarding shareholders.

With this, I conclude my operating remarks. We now open the floor to the question-and-answer session. Thank you.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Aditya Khetan with SMIFS Institutional Equities. Please go ahead.

Aditya Khetan – SMIFS Institutional Equities: Thank you, sir, for the opportunity. Sir, just a couple of questions. First, a good point is that in the quarter, we saw volumes rebound on a quarter-on-quarter basis. Comparing Q2 with the current month seems like more of a restart. Even currently, styrene prices are moving higher again. How do you see the trajectory moving ahead? Volumes could again decline from the non-OEM side because they could not absorb the higher prices. How do you see things moving ahead in terms of raw material procurement? We are not able to get supplies from Saudi Arabia. How will these things move, first on the volume side and then on raw material procurement?

Rakesh Nayar – Executive Director & CFO: [pause] Currently, demand, at least from the close of the last quarter until now, has been good. Domestic demand is good. Going into the festival season could also be one of the reasons, but demand so far is good.

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Now, as far as styrene prices are concerned, they are very difficult to predict. The landed price of styrene monomer today has crossed $1,600. You are right that going forward, the non-OEM sector may feel the pinch. But if demand is strong and they are able to pass it on, demand will remain firm. So, it is very difficult to predict. However, we expect that after the American midterm elections, if the war clouds settle, things could perhaps improve from December onwards.

Aditya Khetan – SMIFS Institutional Equities: Right, okay. And, sir, on the raw material procurement side?

Rakesh Nayar – Executive Director & CFO: As far as raw material sourcing in the domestic market is concerned, we are meeting the full requirement. We hope that we should be able to continue to do that.

Aditya Khetan – SMIFS Institutional Equities: Okay, got it, sir. Sir, now coming to the recent expansions we have outlined for ABS and polystyrene. For ABS, December 2026 is, I believe, more than 2 years away from today. What sort of utilization for Phase 1 are we targeting by then? Secondly, sir, for polystyrene, do we see that sort of demand growth in India? Because of the single-use plastic ban, demand is still hovering in the low-to-mid single digits. How do you see the trajectory moving ahead, sir?

Rakesh Nayar – Executive Director & CFO: As far as polystyrene is concerned, India's appliance growth is good, and demand is good. India is also becoming a hub for exports. All the major air-conditioning and appliance companies are setting up new units and availing themselves of the benefits of PLI. We see that going forward. It is not that on day one, when we implement the project, the demand will be there. However, we have to be ready. We will be able to sell the material. Demand will be there in the next 3 to 4 years.

As far as ABS is concerned, for our Phase 1 truncated capacity, we are utilizing almost 85% of it at the moment.

Aditya Khetan – SMIFS Institutional Equities: So, you said that ABS capacity utilization is 85%?

Rakesh Nayar – Executive Director & CFO: It is 85% of the truncated ABS capacity because of the equipment that became defective, and it has still not been fully repaired and replaced. We had announced that we would be operating at 65% of our rated capacity, and of that, we are currently utilizing 85%.

Aditya Khetan – SMIFS Institutional Equities: Got it, sir. Sir, my next question is on the volume side. What sort of volume growth are we targeting for FY27 and FY28? And, sir, [cut off]

Aditya Khetan – SMIFS Institutional Equities: Adding to this, sir, during Q2, was there any component of inventory loss because we saw that styrene prices were lower compared to Q1? There could be some carrying cost of inventory. We wanted to know whether you have booked all the carried inventory or whether it is still in the pipeline.

Management: There is no such thing as booking or carrying the inventory. We have SAP systems, and the valuations automatically keep happening on a moving-average basis. So, yes, as far as the market price compared to your own prices is concerned, issues do arise. I would not call that an

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inventory loss or something, but that is all part of the bigger game because when there is volatility, these things are always happening. So, all of that is accounted for.

Aditya Khetan – SMIFS Institutional Equities: And regarding the volume growth number, sir?

Management: If everything is normal after the U.S. midterm elections and everything falls into place, then yes, we would be doing better than last year. Although exports have been down until now, overall, we will be doing better than last year.

Aditya Khetan – SMIFS Institutional Equities: Okay, okay, got it. Thank you, sir. That is it from my side.

Operator: Thank you. The next question comes from the line of Nirav Jimudia with Anvil Wealth. Please go ahead.

Nirav Jimudia – Anvil Wealth: Thank you for the opportunity. I have 2 questions. The first is on the compounding side. We are already at 50,000 tons, and another 30,000 tons is going to come up by September 2027, in addition to the extruder. I wanted to understand from you, in terms of applications rather than customers, because there could be limited customers but the applications could be multifold, where we currently stand in terms of application-wise approvals from customers, and what could be the scope of growth for us as far as that application bandwidth is concerned.

Management: We are targeting all applications, including auto components. We are already present in the battery segment, and we are also present in all appliances. We are not targeting only any particular segment; we are targeting all segments and all applications. As far as growth is concerned, we are currently focusing more on the ABS side. I am happy to say that the acceptability of our compounded ABS material has been good so far, and we will continue to focus on that.

Nirav Jimudia – Anvil Wealth: Correct. Sir, I would like to continue here. If you can share your thought process on when the recoupling would be repaired and return to normalcy for our mass ABS, in addition to the newer ABS line that we are currently building. Let us say that from the first phase of 70,000 tons, whenever it is utilized optimally, how do we see our own consumption of ABS or mass ABS in the compounds, and how much do we intend to sell in the outside market? Also, when can we see this 80,000-ton compounding facility achieving maximum utilization?

Management: The 80,000 tons would be integrated sometime in the third quarter of FY28.

Nirav Jimudia – Anvil Wealth: Okay.

Management: That is the schedule right now. We would certainly not have all the ABS for that. We would also be compounding the other polymers there, which we were doing earlier. Our own second ABS line should be ready by December, again in the third quarter of FY29. So, I see this entire capacity being fully utilized in FY29-FY30.

Nirav Jimudia – Anvil Wealth: Got it, got it. Sir, the last question from my side. Considering the current geopolitical crisis, do we sense any structural opportunity for us in terms of exports of our products to Asia as well as Europe, given the disruptions in capacities or the capacity closures that

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we are currently witnessing there? Could you share your thoughts on that?

Management: Opportunities do arise from time to time, but the issue is the time between receiving the order and the financial closure of the order for shipment. During that interim period, what happens to the raw material price and the freight rates? Ocean freight rates have shot up so much that for an order taken {? at ?} 3 weeks ago, by the time you want to ship, freight rates may have gone up by $2,000, including while the material is in transit. Those issues continue to linger unless we export on an FOB basis and hand the freight cost to the buyers, and unless the raw material prices are firmed up at that point. Opportunities are always there, but considering the current volatile environment, it is very difficult to regularly encash those opportunities at the moment.

Nirav Jimudia – Anvil Wealth: Correct. Sir, just a bookkeeping question: what were our trading sales for the second quarter?

Management: Around 22%.

Nirav Jimudia – Anvil Wealth: Fine, sir. Thank you so much, and I wish you all the best.

Operator: Thank you. The next question comes from the line of Shailesh Raja with B&K Securities. Please go ahead.

Shailesh Raja – B&K Securities: Thank you for the opportunity, sir. As mentioned in our presentation, in the first half of FY27, the net sales volume of PS and ABS through inter-segment transfers to the SCB and XPS insulation board divisions was 11,700 metric tons, as compared to 4,300 metric tons in the first half of last year. Based on my calculation, the corresponding full-year volume last year was only approximately 11,000 tons. We crossed that in the first half itself. Could you help us understand the key drivers of this significant increase? Has the growth been predominantly driven by these ABS-based compounds, as you mentioned, at an 80% utilization level, or have we also seen good growth in the XPS insulation board business?

Management: You see, XPS insulation board volumes are always low during the lean months of the monsoon. However, this growth has really come from our compounding businesses for polystyrene and ABS. You are right that if I add those 11,400 tons to our overall volumes, we have already surpassed the. If you look at the net sales to the market, volumes are down by 2.8%, but considering these volumes that are used internally, our capacity utilization also goes up, and our volumes have actually been higher than last year.

Shailesh Raja – B&K Securities: Okay, sir. Is the pass-through better in the compound segment compared to ABS?

Management: Sorry, I could not get you.

Shailesh Raja – B&K Securities: Compared to ABS, is the raw material pass-through for ABS compounds much better?

Management: Yes, certainly. That is right.

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Shailesh Raja – B&K Securities: That is right, sir. Currently, our end-market mix is roughly 40% consumer durables, 30% packaging, and 30% stationery-related products. As we ramp up Phase 1 and Phase 2 of ABS, as Mr. Nirav was also asking, after fully utilizing 140,000 tons of ABS, how would the mix change? How much would be automotive, and how much would be electronics such as modems and telecommunications equipment products? How would the mix change?

Management: Right now, we have only entered the auto components segment, so I cannot clearly predict how things will shape up. However, we have entered auto components, and we are now targeting the next stage of supplying to electric mobility for two-wheelers. We have also received some acceptance from the two-wheeler segment. However, that is at an initial stage. We still have to work on it, and once we have the full production capacity available to us in Phase 1, that will really take off for us. Going forward, once the 140,000 tons is in place, the mix could change. However, primarily, it will be appliances and autos.

Shailesh Raja – B&K Securities: Okay.

Management: Autos also include batteries.

Shailesh Raja – B&K Securities: Right, yes, sir. One last question, sir. Our inventory has increased by approximately 50%. Could you provide the breakup between raw material and finished goods inventory?

Management: No, it is mainly raw material because raw material prices have almost doubled compared with last year, which is what you are comparing it with.

Shailesh Raja – B&K Securities: Okay, sir.

Management: The price has increased from $900-$950 to $1,650 today.

Shailesh Raja – B&K Securities: Right, right. So, that will be fully consumed this month, in October? The increased raw material that we have will be entirely consumed in October, right, sir?

Management: It also includes material in transit. Material on the high seas is also part of it. This is because the sale is on a CIF basis, so the moment it is loaded on the ship, the risk is ours. Therefore, it is always considered our material. This also includes material in transit. As and when it arrives at the end of this month, it will be used in the next month, and so it is a cycle that will keep continuing.

Shailesh Raja – B&K Securities: Okay, sir. Thank you, sir. Thanks a lot.

Operator: Thank you. A reminder to all participants: anyone can press star and one to ask a question. The next question comes from the line of Rahul Agarwal with Ikigai Asset. Please go ahead.

Rahul Agarwal – Ikigai Asset: Hi, sir. Very good evening. Firstly, to start with, on the spreads, how should we think about GPPS and HIPS spreads? Could you give some indication of how they were in Q2 and how we should look at Q3 and Q4, just an approximate outlook?

Management: Can you repeat your question, please? Hello?

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Rahul Agarwal – Ikigai Asset: Am I audible, sir?

Management: [line issue] Yes. In between, your voice was breaking. Can you repeat your question?

Rahul Agarwal – Ikigai Asset: I was asking for some comments on the spreads for polystyrene and ABS, GPPS and HIPS.

Management: The spreads are not steady because of raw material prices and freight rates. The difference between the freight rates of containerized cargo and liquid bulk cargo has changed. Liquid bulk cargo freight rates have also gone up. This difference between the freight rates has caused the deltas to shrink. The spread between the raw material prices of styrene monomer and the finished product landed in India has also shrunk.

Rahul Agarwal – Ikigai Asset: Could you comment on what we experienced in the second quarter in terms of spreads for GPPS and HIPS?

Management: It was around $200–$250. More specifically, after taking all the freight rate costs and everything into account, it was $200–$250, depending on the week, day, and month during the quarter. For GPPS and HIPS, it was between $300 and $350.

Rahul Agarwal – Ikigai Asset: Got it, sir. Secondly, on imports, after you kept mentioning that the duty benefit would no longer be applicable, have imports started coming down? Could you share some comments on the current monthly run rate of imports for polystyrene and ABS?

Management: Monthly imports are continuing. In May, June, and July, imports this year were higher than the imports made last year because they were duty-free imports. In August, imports came down marginally compared to last year, but imports are continuing. The reason for imports coming down could also be the non-availability of materials. All building blocks are in short supply because of the Gulf situation, and similarly, polymers are also not coming from the Gulf. That could also be one of the reasons. August has seen a small dip in imports.

Rahul Agarwal – Ikigai Asset: Got it, sir. My understanding is that India imports about 80,000 tons of polystyrene and approximately 130,000–140,000 tons of ABS.

Rahul Agarwal – Ikigai Asset: Is that number going to be similar this year?

Management: This year, it could be lower. As far as ABS is concerned, it will be almost similar. Polystyrene may be a little lower, but substantial quantities came in during May, June, and July. At the end of the year, when we look at the total, it could be a similar number.

Rahul Agarwal – Ikigai Asset: Got it, sir. Since there is some domestic capacity, and you are also selling mass ABS, while another new capacity is coming up from a competitor, imports should ideally fall, at least on the ABS side, right?

Management: But demand is also growing. Ultimately, demand is also growing there, is it not?

Rahul Agarwal – Ikigai Asset: Right, right. Okay, understood.

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Management: The other capacities you are referring to are still not operational. They are still in the pipeline, and if they become operational, I do not know in which quarter of this financial year that will happen. It is very difficult to comment on that.

Rahul Agarwal – Ikigai Asset: Got it, sir. My last question is on polystyrene. For FY27–FY28, what quantity of polystyrene do we sell in India? You mentioned that you are operating at 85% of 65% for ABS. That basically implies that we should sell approximately 40,000 tons of ABS for the full year. Could you confirm that number?

Management: This is the number I have so far. As far as FY27–FY28 is concerned, regarding polystyrene, Indian demand for polystyrene should be upwards of 375,000 tons.

Rahul Agarwal – Ikigai Asset: How much polystyrene do we sell in India annually?

Management: [pause] We have a market share of around 60%.

Rahul Agarwal – Ikigai Asset: Got it. Thank you so much for answering my questions. I will get back in the queue, and festive greetings to you and the team. Thank you.

Operator: Thank you. The next question comes from the line of Santosh Keshal with {? SKK HUSB ?}. Please go ahead.

Santosh Keshal – {? SKK HUSB ?}: Hello? Am I audible, sir?

Management: Yes.

Santosh Keshal – {? SKK HUSB ?}: Yes. Sir, I wanted to ask you this: in this quarter, we had very good profit. Compared to last quarter, the profit did not—profit went down, actually, but—

Management: Year-on-year, profit growth was great.

Santosh Keshal – {? SKK HUSB ?}: So, perhaps you have answered this, but I just joined the call late. I want to know how you see the coming quarters. Going forward, how do you see EBITDA and profit growth? Is it going to continue at the same trend, or, depending on the availability of raw material, is profit going to normalize like last year?

Management: [laughs] I do not have a crystal ball with me right now. [laughs] In this changing global environment and under the current geopolitical conditions, it is very difficult to project. I said, I think before you joined, that demand in October has been good so far, and that could be because of the festivities. Demand is good in October. Going forward, if things improve after the U.S. midterm elections, the war clouds settle, raw material availability improves, and constraints ease, then everything is fine. Otherwise, if that does not happen and raw material constraints continue, it is very difficult to predict.

Santosh Keshal – {? SKK HUSB ?}: Okay, I understand, sir. The thing is that in the first quarter, as you mentioned earlier, the government allowed imports of raw material with much lower or even no import duties. How do you see this going forward in terms of domestic buyers having seen the availability of raw material and supplies from outside India? Do you feel that this has affected the competitive position of the domestic industry in some way? Domestic buyers would have seen the

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material from outside and the material that we received in good supply and good quantity. Would there therefore be higher imports compared to previous years?

Management: Those imports came in during May, June, and July because the Government of India announced the duty exemption for all polymers in the first week of April. When something is available without duty, naturally the trading community or end users are tempted to look for cheaper material, which they obtained at that point in time. Otherwise, imported material was already coming into the country. It was nothing new. There is global competition, and India is a large market. However, the spike in imports during those 2-3 months was because of the duty exemption. After the exemption was withdrawn in July, the {? duty now ?} imports have fallen back to normal levels or lower than normal levels. Based on the August numbers, imports are lower than last year's imports. Tasting or sourcing imported material is nothing new for Indian users. They have been doing it for years. It is an opportunity that was available, and everybody wanted to utilize it.

Santosh Keshal - {? SKK HUSB ?}: Okay, sir. Thank you so much. Thank you for answering my questions.

Management: Yes.

Operator: Thank you. The next question comes from the line of Ansh Somawat with Capital One. Please go ahead.

Ansh Somawat - Capital One: Hello. Am I audible, sir?

Management: Yes.

Ansh Somawat - Capital One: Yes, sir. Congratulations on a great set of numbers, and thank you for taking my question. In the previous call, the Q1 call, you mentioned that we had witnessed some impact on demand from the non-OEM segment. Could you comment on how that has been this quarter?

Management: That is visible from the numbers, Ansh, because in the first quarter, the non-OEM market was not there. Now, as I see it, because large volumes of duty-free imports were coming in, they may have sourced or imported the material. In the second quarter, the non-OEM segment is back in the market. Demand from them is also good. Both OEM and non-OEM demand have been good in the second quarter.

Ansh Somawat - Capital One: Could you bifurcate the volumes we do for OEM versus non-OEM?

Management: They are almost the same, 50-50.

Ansh Somawat - Capital One: Okay, sir. That is it from my side. Thank you.

Management: Yes.

Operator: Thank you. The next question comes from the line of Riya Jain, an individual investor. Please go ahead.

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Riya Jain – Individual Investor: The export volumes were impacted by limited styrene monomer availability and higher ocean freight rates. As alternative sourcing arrangements are established, how quickly can we expect exports to recover, and what could this mean for our realizations?

Management: We need alternative sources of supply to cover exports as well. In the current scenario, with raw material prices so high, volatile freight rates, volatile raw material prices, increased ocean freight rates, and the time difference between an export order and its shipment, exports are difficult to undertake. However, once everything is normal and back to normal, restarting exports will not be difficult for us because we continue to engage with our customers in all markets at all times, and they all appreciate our issues at the moment. Once the markets are normal and raw material supplies return to normal, we will recommence exports at the normal pace.

Riya Jain – Individual Investor: Thank you for that. I have one last question. With supplies from the Gulf region being disrupted, the company is exploring alternative sources for importing these raw materials. How do the cost and availability of these supplies compare with our traditional sources, and what could be the impact on our margins?

Management: Raw material prices in general have increased because of the absence of material coming from West Asia, which has been the major source of energy supply for all the other manufacturers as well. Raw material prices that used to be in the region of $900–$1,000 are closer to $1,600–$1,650 today. As far as margins are concerned, these are all pass-through costs. There could be a time lag in passing them on, but they are all passed on.

Riya Jain – Individual Investor: Okay, okay, got it. Thank you.

Management: Yes.

Operator: Thank you. The next question comes from the line of Shlok Sanghvi, an individual investor. Please go ahead.

Shlok Sanghvi – Individual Investor: Thank you for this opportunity. I understand that styrene prices continued to remain volatile during the quarter. I want to know how the styrene monomer-to-polystyrene spread evolved compared to Q1 FY27, and what you are seeing in terms of current spreads.

Management: The spreads in Q2 and the current spreads for GP continue to be around $200–$250, while those for HIPS are around $300. They remain at those levels.

Shlok Sanghvi – Individual Investor: Okay. One last question from my side. With the new wide-width XPS insulation board line, with a capacity of 150,000 cubic meters, progressing as planned, when is commercial production expected to start? What is the demand outlook for that additional capacity?

Management: Commercial production will start in the first quarter of FY28, or 2027-28. The capacity will be ramped up over a period of time. We expect that the full capacity of 150,000 cubic meters should be able to go to the market and be absorbed by the market over the next 24-30 months.

Shlok Sanghvi – Individual Investor: Okay, okay. Thank you so much for that.

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Management: Yes.

Operator: Thank you. The next question comes from the line of Nirav Jimudia with Anvil Wealth. Please go ahead.

Nirav Jimudia – Anvil Wealth: Thank you for the opportunity again, sir. I wanted to understand whether, with all these issues relating to raw material availability and higher energy costs, we have seen plant closures in Europe, where costs have probably increased due to rising gas costs, on which we currently rely, along with increased imports of material from China. European companies have been facing difficulties in operating their plants. Would this structure really provide us an opportunity to make inroads into the European market, particularly from the EPS side?

Management: Very frankly, I have not heard of any such closures. We have heard that some reorganization and restructuring are planned, but nothing has been seen so far. Companies have reduced their operating rates, but I have not heard of any plant closures.

Nirav Jimudia – Anvil Wealth: Okay, okay. From the EPS point of view, we are currently at 145,000 tons of capacity spread across both locations. How has EPS demand performed in India during the first 6 months, and how do we see demand over the next 6 months?

Management: EPS demand has been good so far in India. We estimate that in the current year, total EPS demand in the country should be in the region of 165,000–170,000 tons.

Nirav Jimudia – Anvil Wealth: Is it fair to assume that our market share would be approximately 70%?

Management: No, I would not say that. I would not say that. It will be lower than that.

Nirav Jimudia – Anvil Wealth: All right. Are there any newer applications on the EPS side that could drive growth over the next 2–3 years?

Management: No, not in the recent past. Nothing.

Nirav Jimudia – Anvil Wealth: Got it, sir. Thank you so much.

Operator: Thank you. The next question comes from the line of Rakesh Nayak, an individual investor. Please go ahead.

Rakesh Nayak – Individual Investor: Hello, am I audible?

Management: Yes.

Rakesh Nayak – Individual Investor: Yes, sir. Congratulations on a good set of numbers. I wanted to ask what the growth in X-Mold has been like, and whether you have any plans for inorganic growth apart from X-Mold.

Management: [pause] At the moment, we are not looking at any other inorganic growth [trails off]

Rakesh Nayak – Individual Investor: And, sir, what has the growth in X-Mold been like?

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Management: X-Mold is doing well. We must have seen X-Mold's numbers. Compared with the last quarter or the year-on-year quarter, their numbers have almost doubled. We have been able to streamline their operations and bring in more credit discipline. That has resulted in better margins there. We have also been able to change the product profile, so margins have improved there.

Rakesh Nayak – Individual Investor: Okay, okay, okay. Thank you so much. Another question: in terms of the capital allocation plans, which would be the most capital-intensive project?

Rakesh Nayak – Individual Investor: Hello?

Management: [pause] Hello. I think ABS will be the most capital-intensive.

Rakesh Nayak – Individual Investor: ABS? Okay, okay. Thank you so much. That is all from my side.

Operator: Thank you. The next question comes from the line of Aditya Khetan with SMIFS Institutional Equities. Please go ahead.

Aditya Khetan – SMIFS Institutional Equities: Thank you, sir, for the follow-up. My first question is on the EPS side. Is it possible to quantify the raw material price for EPS, which is pentane gas? How has the trend been over the last 2-4 months?

Management: All raw material prices have increased; none have decreased so far. They have gone up, but pentane is also available locally now. Therefore, the impact of styrene monomer is the maximum because 92% of the raw material for EPS is styrene monomer.

Aditya Khetan – SMIFS Institutional Equities: Okay, okay, sir.

Management: Okay.

Aditya Khetan – SMIFS Institutional Equities: My second question is about the specialty side. We earlier used to state that approximately 30-35% of the overall mix came from specialty products. Now, with the expansion into specialty polystyrene coming in, how will that mix increase?

Management: With all the expanded and increased volume, we are still at around 40%.

Aditya Khetan – SMIFS Institutional Equities: 40%, okay. Okay, sir, got it. Thank you.

Operator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of the question-and-answer session. I now hand the conference over to the management for closing comments.

Management: Thank you all for participating in this earnings conference call. If you have any further questions or would like to know more about the company, please feel free to reach out to our Investor Relations managers as well as our advisors. Thank you.

Operator: Thank you. On behalf of Supreme Petrochem Ltd., that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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Supreme Petrochem

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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