

May 30, 2025

To,
BSE Limited
Dept. DSC_CRD
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai 400 001
BSE Scrip Code: **506222**

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, 'G' Block,
Bandra- Kurla Complex,
Bandra ('E')
Mumbai 400 051
NSE Symbol: **STYRENIX**

Subject: Transcript of Earnings Call with Investors / Analysts held on May 25, 2025

Ref: Regulation 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

In continuation to our letter dated May 21, 2025 informing about the earnings call organized by the Company on May 25, 2025, please find attached Investor Call Transcript for your record purposes.

The transcript is also being uploaded on website of the Company and the same can be downloaded from following path:

www.styrenix.com – Investors – Earnings Call – Call recordings & Transcripts

You are requested to kindly take the above information on your records.

Thanking you.

Yours faithfully,
For **Styrenix Performance Materials Limited**

Chintan Doshi
Manager – Legal & Company Secretary

Encl: As Above





“Styrenix Performance Materials Limited Q4 FY-25 Earnings Conference Call”

May 25, 2025



**MANAGEMENT: MR. RAHUL AGRAWAL – MANAGING DIRECTOR,
STYRENIX PERFORMANCE MATERIALS LIMITED
MR. BHUPESH P. PORWAL – CHIEF FINANCIAL
OFFICER, STYRENIX PERFORMANCE MATERIALS
LIMITED
MR. CHINTAN DOSHI – MANAGER – LEGAL AND
COMPANY SECRETARY, STYRENIX PERFORMANCE
MATERIALS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Styrenix Performance Materials Limited Conference Call.

We have with us today from the Management of Styrenix Performance Materials Limited, Mr. Rahul Agrawal – Managing Director; Mr. Bhupesh P. Porwal – Chief Financial Officer; and Mr. Chintan Doshi – Manager – Legal and Company Secretary.

As a reminder, all participants' 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 conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

Further, on behalf of the management of the company, we would like to remind the participants that this call is being conducted subject to, and in line with the disclaimer mentioned in the investor presentation as is available on the stock exchanges.

I now hand the conference over to Mr. Bhupesh P. Porwal. Thank you, and over to you, Mr. Porwal.

Bhupesh P. Porwal: Thank you very much. Ladies and gentlemen, Namaste everyone. I am pleased to welcome you to our Q4 and the period ended March 2025 Conference Call. As we reflect on our performance in Fiscal Year 2025, I am delighted to announce that we have witnessed a robust demand for our products in FY '25, marking a significant growth trend.

As informed earlier in the last quarter, we have executed the management handover for INEOS Styrolution of the Thailand company on January 17, 2025. Some details of its assets, infrastructure and business has been mentioned by MD in his message in the investor's presentation.

Coming to the financial performance:

Q4 FY '25 highlights. Sales volume for Q4 was 48.3KT versus 47.5KT in Q3 FY '25. That is, it has increased by 1.7%, and by 9.5% compared to Q4 FY '24, which was 44.1 KT. Revenue stood at Rs. 702 crores in FY '25 Q4 versus Rs. 691 crores in Q3 FY '25, that is increased by 1.6% and increased by 17.2% compared to Q4 FY '24, which was Rs. 599 crores. PBDIT stood at Rs. 83 crores that is 11.8% versus Rs. 75.4 crores that is 10.9% in Q3 FY '25, and Rs. 74.2 crores, 12.4% in Q4 FY '24. PAT stood at Rs. 53.1 crores in Q4, that is 7.6% versus Rs. 47.7 crores, 6.3% in Q3 FY '25.

Coming to the yearly highlights:

Sales volume has been increased by 12.8%. It has gone from 164 KT to 186 KT. Revenue has grown by 23.5% in comparison to the previous year, growing from Rs. 2,222 crores to Rs. 2,744 crores.

PBDIT stood at Rs 356 crores, that is 12.9%, which is better by 0.7% compared to FY '2024. And PAT stood at Rs. 232 crores that is 8.5% which is better by 0.8% compared to FY '2024. The company has acquired Styrenix Performance Materials (Thailand) Limited in January 2025 only, and the consolidated results for the year ended March 31, 2025 includes financial results of subsidiaries.

But in the previous year 2023-'24, the company did not had any subsidiaries. Therefore, only stand-alone financial statements were prepared. Accordingly, the previous years and quarter's figures, both presented in the consolidated financial statements are derived from the stand-alone financial statements of the company, and are not comparable with the current year's consolidated figures.

Coming to the consolidated highlights for Quarter 4:

Sales volume was overall 65 KT, revenue stood at Rs. 940 crores, PBDIT stood at Rs. 90 crores that is 9.57%, PAT stood at Rs. 56.2 crores that is 6%.

Consolidated for the yearly highlights, sales volume was 203 KT, revenue was Rs. 2,982 crores, PBDIT stood at Rs. 362 crores that is 12.2%, and PAT was Rs. 235.1 crores in Q4, that is 7.9%. This is all about financial highlights for the quarter and year-ended March 2025. And now we may proceed to answer the questions you may have.

Thank you very much.

Operator: Thank you very much, sir. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Dhaval Shah from Girik Capital. Please go ahead.

Dhaval Shah: Yes, hello, sir. Great set of numbers. So, first small clarification from the presentation. In our Chairman's comments, we mentioned about starting 50,000 ton production earlier, and it mentioned 2026 itself. So, does it mean FY '26 or Calendar Year '26?

Rahul Agrawal: So, Calendar Year '26.

Dhaval Shah: Okay. Understood. Okay. So, that capacity will be reflected like in FY '27 then.

Rahul Agrawal: That's correct.

Dhaval Shah: Sorry, '27, you will be studying the capacity?

Rahul Agrawal: Yes. It will be towards the end of financial year, you can say '26-'27. So, you will get some benefit of it potentially in the next financial year, and the full benefit would come in the following financial year.

Dhaval Shah: Understood. So, our installed capacity as of today would be 2,05,000 ton, ABS and polystyrene combined?

Rahul Agrawal: The combined capacity now that we would have for this year, because in the last year, we did a lot of debottlenecking activities and we did some improvements as well. The total capacity which we believe for this financial year would be to the tune of around 200,000 tons roughly. Yes.

Dhaval Shah: 200,000 tons which will be available for the entire current year?

Rahul Agrawal: Correct.

Bhupesh p. Porwal: Yes.

Dhaval Shah: Okay. So, now we did around 1,85,000 ton. Sure. Please go on, sir.

Rahul Agrawal: We do believe that we would be carrying out some additional work, which could further augment some of that capacity in the middle of this year, but exactly how much that will enhance the overall capacity too is a little difficult to ascertain at this stage.

Dhaval Shah: Got it. So, if the demand is there, can we grow our volumes by 10% over FY '25 volumes, which is around 1,85,000 ton?

Rahul Agrawal: We believe so.

Dhaval Shah: We will have that much capacity to add another 10% on 1,85,000 ton.

Rahul Agrawal: Yes, we could.

Dhaval Shah: Okay. So, 200,000 ton for the current year capacity, and then you have some debottlenecking. And then for FY '26, how much capacity will we have? How much growth can be supported?

Rahul Agrawal: I think if you refer back to our old investor presentation, we have outlined some numbers where we have mentioned exactly how the capacities will grow. Now, some of these are estimates, based on the activities which come in the middle of the year and are hard to predict exactly what that would happen. However, that forms a rough guideline and that would be true in this instance as well.

So, essentially even this year, we do believe that our effective capacity will be actually a little bit more than 200,000 ton. Whether it will be 205 or 210 will depend on exactly when we are able to complete these activities in the middle of this year.

Again, like I mentioned, we do intend to add additional ABS capacity in the middle of the next financial year. So, that will add some capacity for us in the next financial year as well. So, I think we have given some guidelines on where those capacities will end up, and I think it will be in line with that.

Dhaval Shah: Got it. So, now coming to the P&L, if you look at the other expenses, now our other expenses for the quarter is around Rs. 80 crores and we have done 48,000 tons, vis-a-vis compared to the last quarter, December quarter, it was Rs. 68 crores of other expenses and for a 47,500 ton volume. So, the additional increase in other expenses around Rs. 12 crores would be attributed to what?

Rahul Agrawal: So, we have had some extraordinary expenses, one-off expenses in the quarter. Essentially, we have had roughly Rs. 11 crores, which can be attributed to certain name change expenses in GIDCs. We have 2 GIDC plants. We have a plant in Dahej, and we have a plant in Nandesari, which is under GIDC.

And when we took over management control of the company, this required us to change the name registered with GIDC from INEOS Styrolution to Styrenix, and this process sometimes takes longer. So, this process while it has not been completed fully, it is coming to an end and we have taken a provisional expense to the tune of Rs. 11 crores for that, which obviously is not a recurring expense. So, it's a 1-time expense, which has been incurred in the last quarter.

Also, there has been an additional expense, kind of an extraordinary expense, which is related to acquisition of the Thailand company, which is to the tune of Rs. 4 crores. So,

about you can say Rs. 15 odd crores is an additional expense we have had in the last quarter, which is a one-off expense and would not be a recurring cost to the company.

Dhaval Shah: Okay. So, let us say that this change of name is costing Rs. 11 crores or does it have some like...

Rahul Agrawal: So, the industrial development corporation in Gujarat, I am assuming this would be similar for the rest of India as well, whenever there is a name change, basically the property is transferred to the new company's name. At that time, there is a fee, which has to be paid to the industrial development corporation, and essentially this is a provision towards that.

Dhaval Shah: Understood. Got it. And sir, last question.

Bhupesh P. Porwal: And also payment to the revenue authorities is there. So, both GIDC as well as Stamp Duty to revenue authorities.

Rahul Agrawal: Correct. Basically towards that line item, multiple expenses would be there.

Dhaval Shah: Would be there. Okay. And sir, how will be your outlook on spreads for the current quarter, Q1 '26? Does the current trend continue?

Rahul Agrawal: Dhaval, we do not give forward-looking statements, but all I can say is that we are in line to meet our targets for this year as well. And to the extent capacity is available for us, we should be able to have the revenue and growth which we predict.

Dhaval Shah: Noted, sir. Thank you very much. Good luck.

Moderator: Thank you, sir. The next question is from the line of Kalash Jain from AlfAccurate Advisors. Please go ahead.

Kalash Jain: Hello. Thank you for the opportunity, sir, and congratulations on good set of numbers. So, sir, firstly, I just wanted to gain your view on the path for the Thailand acquisition and how the business will go on. So, any light you can give on the Thailand business?

Rahul Agrawal: Do you have any other questions, Kalash? Because I would like to capture all your questions before answering.

Kalash Jain: Yes, yes, sir. And my other question would be related to our sales volume in the Thailand plant. So, just 2 questions from my end.

Rahul Agrawal: Okay. So, as far as the Thailand business is concerned, I think Mr. Porwal already mentioned, we took management control on the 17th of January. So, effectively, in the last quarter, we had a little less than 2.5 months of running the plant and the business.

In that time, in terms of overall volumes, it is to the tune of around 17,000, 18,000 tons of sales, which we have done from there, which is in line with what the plant has been doing. Overall, we do have a target to increase that capacity utilization in the plant over there.

And we have taken a lot of steps, such as expanding our sales infrastructure and strengthening the efforts in terms of validation with newer products as well from that plant. We do believe there is a great opportunity for us to do that.

One of the positives that we have observed in the last quarter is that we have run the plant at a very high capacity utilization, just to be sure that the plant and the asset can support higher volumes when they would be required from that facility, with the demand coming in. So, that has been effectively achieved, and that's a very positive sign.

We do believe that, with all the efforts that we are putting in, we would have within a reasonable period of time, be able to achieve very high capacity utilizations with the Thailand business. So, we don't give, again, like I said, forward-looking statements. That business, in terms of the customer profile, the profile is similar, but the markets are a little bit different. So, we will need a little bit of time before we can be exactly sure of when those capacities would be completely filled up.

Kalash Jain: Okay, got it, sir. And, sir, just on the realization at the Thailand plant. So, like what would the path look like, and in how much time can we take our realization on the upward scale? And secondly, on the cost perspective. So, for the Thailand part, how would the cost work and will it be in the higher range only or how does it work? So, just wanted your view on it.

Rahul Agrawal: So, it's a process, Kalash. Like I mentioned, it's a business we have recently taken over. For the price that has been paid for the asset, we do believe there is significant value that will be generated from that asset for the organization as a whole. There are multiple technologies which will also be of great benefit to the organization in Thailand as well as in India.

Market access is another key aspect as well as the capacities. So, based on these 3 strengths that the Thailand entity offers, we do believe from a medium to long-term perspective, there will be significant value which will be generated in terms of product mix, in terms of markets.

And obviously, eventually all of this will affect the realizations in the business as well. Exactly what those realizations are going to be is very difficult to assess at this stage. Obviously, as you can tell from the result, we have had a positive quarter in the first quarter of the acquisition itself. I think that's a positive sign and a good sign.

There is a lot of work to be done in terms of improving our cost position in Thailand, in terms of capacity utilization, which would obviously also improve our cost position, in terms of capacity product mix improvements.

So, all of these things we are working on and we do believe that after a reasonable period of time, we will be able to shed more light on that. But I think it's a positive sign for all the investors to note very clearly that there is a positive contribution from Thailand from the first quarter itself.

Kalash Jain: Okay. And sir, just last, the volumes that we did in our Thailand subsidiary, so it was totally for the domestic-only or like you had exported some of the volumes?

Rahul Agrawal: Are you talking about Thailand business for domestic as in within Thailand?

Kalash Jain: Yes, yes, within Thailand. So, all these volumes were within Thailand or you had exported some?

Rahul Agrawal: So, we do export a fair bit of product from our Thailand facility. We do have significant exports into China, into Japan, into Korea, Vietnam, Indonesia, and Thailand as well. We don't give the exact breakup right now. This is a little bit sensitive information with regards to our competition in that region right now. But I can say that more than 50% is definitely exported out of Thailand.

Kalash Jain: Okay, sir. That was really helpful. Thank you so much.

Rahul Agrawal: Sure.

Kalash Jain: Thank you.

(Operator Instructions). Should you have a follow-up question, please rejoin the queue. We'll take the next question from the line of Radha from B&K Securities. Please go ahead.

Radha: Hello, sir. Thank you for the opportunity. Sir, my first question was, in an AC, refrigerator or a washing machine, I wanted to understand what is the total content in terms of kg separately for PS and ABS? And also, over the years, how has this content evolved?

Rahul Agrawal: Hi, Radha. Do you have any other questions?

Radha: Yes, sir, 2 more. Okay, I will state it.

Rahul Agrawal: Ask all your questions.

Radha: Okay, sir. Second question, I wanted to understand customer preferences for conventional ABS when compared to mass ABS, especially in terms of cost and surface finish. So, could you please explain in detail why a customer might choose conventional ABS over mass ABS?

And the third question is that, what are the advantages of having SAN as a backward integration, especially in context of our ABS production? So, does our business model with in-house SAN integration offer a competitive edge over players, focused solely on mass ABS? Those are the 3 questions I have.

Rahul Agrawal: Okay. So, with regards to refrigerators, washing machines, and ACs, the content of ABS and PS does vary quite a bit. If I look at the ABS consumption in, say, refrigerators and washing machines, it can be anywhere from 700 grams to as high as about 2.5 kilograms to 3 kilograms, depending on the size and the model, which we are talking about.

In air conditioner, it can be either HIPS or ABS, broadly speaking, which is the body. And that is, again, around 1.5 kilograms per unit on the PS side. The polystyrene in refrigerators and washing machine, again, is to the tune of, again, around between 500 grams or 600 grams to about 3 kilos, again, depending on the size and model of the machine or the appliance.

The evolution of usage of both these polymers, it has grown over the years. In fact, as more premiumization of consumer appliances has taken place, there is certain

aesthetics which are important. And in those aesthetics, ABS plays a key role. As it's a paintable product. Also, offers electroplating and offers a very high level of gloss. And you can do pre-colors in many, many different shades, including metallic stuff. So, there are a lot of advantages of these polymers. And as the models have become bigger, the consumptions have increased. And obviously, as they have become more premium, we have seen higher volumes grow in that per unit as well.

With regards to your question on conventional versus mass ABS, in India, currently, there is no mass ABS which is being sold. We are not exactly sure what would be the preference. So, I am not sure exactly how this will play out in the marketplace.

We do understand that as far as conventional ABS is concerned, we have a lot of versatility in being able to provide several different grades and customization, which can be carried out because it's not a continuous process, obviously.

So, like you asked a question about SAN as backward integration. So, this question is also interlinked, because when we produce SAN and we produce rubber, we have a great deal of flexibility on what grade we can produce for the end customer. So, even for different applications within, say, ABS, there are different SAN grades, which can be developed, because SAN, for instance, provides the chemical resistance for the final product. It also provides high tensile. So, when these properties are required, at a higher level, then we can adjust the dosage or the percentage of SAN accordingly.

There are, of course, a lot of other nuances of how the SAN would be used and what properties it would add. And I have just captured very few of these in explaining this advantage to you. But definitely, SAN, I would not say it's purely backward integration, SAN actually is an end-use product as well. We do sell in the market close to 18,000 tons.

In fact, we do a lot of sale of SAN from our Thailand facility as well. And we have some very special SAN also in our Thailand facility, which eventually will help us in developing more applications in India as well, not to mention other markets.

Yes, so, there is a lot of advantages of having SAN. And we will see as far as conventional and mass ABS goes, how the market develops. But currently, 100% of the market is the emulsion ABS route which we produce currently.

Radha:

Sir, you mentioned that in AC, HIPS and ABS is used. So, since ABS is costlier per kg compared to HIPS, please explain a bit on how is both used in the same product?

And second follow-up is in terms of cost of production, will in-house SAN have lower cost of production for manufacturing ABS, when compared to mass ABS?

Rahul Agrawal: So, as far as ACs are concerned, typically, it is a philosophy of the manufacturer, because both the products are used essentially for the body of the indoor unit. And for the outdoor unit, for instance, there is also some glass-filled ABS, which is used. Polystyrene is not used in that instance. But it's only for the indoor unit where you could use HIPS or ABS.

So, some of it has to do with exactly how the positioning of the manufacturer is of the particular model that they offer, and the properties they wish to have within their unit. And that would determine.

In terms of pricing, while the pricing generally of ABS would be a little bit higher, we have seen the reverse happening as well between HIPS and ABS at times for that specific application. But many times, companies when they are doing a specific usage, they stick to that for a longer period and do not change based on the volatility associated with it very quickly.

Radha: In terms of cost of production, sir? For the in-house and...

Rahul Agrawal: So, in mass ABS, I am not an expert on mass ABS since we don't produce. But from what I understand in mass ABS, there is no SAN which is per se produced. It's an in-situ process of producing mass ABS directly. So, there is no real comparison between SAN and mass ABS.

Radha: Understood sir. Thank you for answering all my questions. I will join back the queue.

Rahul Agrawal: Sure.

Moderator: Thank you. The next question is from the line of Nirali Gopani from Unique PMS. Please go ahead.

Nirali Gopani: Yes, hi. Thanks for the opportunity. Rahul, just 1 clarification. So, if I take out the exceptional nature of other expense, the Thailand EBITDA margin is also quite reasonable of around 8% to 9%. So, is that understanding correct? And if yes, how were we doing this in the first quarter?

- Rahul Agrawal:** No, no. Bhupesh, can you shed more light on exactly the EBITDA margin of the Thailand? Because the exceptional items are for the Indian business, not for the Thailand business. But Bhupesh can give more idea on exactly what the EBITDA is on our Thailand business.
- Bhupesh P. Porwal:** Yes, sure. So, the extraordinary expenses which was explained by MD in 1 of the earlier questions are for the stand-alone basis for the India company. For the Thailand company, the EBITDA has been 4.1% for this quarter. And I think from last, since we have taken over, this is the first quarter and it is a positive one, and earlier all quarters have been in red, in fact. So, this is a very, very big change, and welcome change in this quarter for the Thailand business.
- Nirali Gopani:** Okay, perfect, perfect. And also, in our earlier presentation when we indicated the growth plan, so we have some deep bottle-necking plan for FY '26, which you also mentioned in your remarks for FY '27 also. And then we are preponing our ABS capacity. So, what gives you this confidence of utilizing this capacity as and when it comes up? Because we have now additional capacity from Thailand also. So some qualitative comments will be very helpful.
- Rahul Agrawal:** So the Thailand entity, essentially the product made in the Thailand entity, there is no significant sale to India from the Thailand entity. The market is a little bit different in terms of the product that we produce from Thailand.
- In India, of course, whatever we have done over the last few years, we have been able to effectively produce more and sell whatever we have been able to produce. So that is a basis of confidence for us. We started at an average run rate of about 120,000 tons of all products put together.
- We were doing about 60,000 tons of ABS when we took over management control from the previous management in '22. From there, we are at about 186 last year, which is growth of more than 50%. And we have been able to do that without compromising, in terms of realization.
- So we do believe that the market will grow over the period of expansions, which we are planning and additional capacities which are coming in the market. And the market overall would still be able to support, essentially all the capacities which should be available from local producers.

- Nirali Gopani:** Right. And I know you never comment on the EBITDA margin, but what we have done in Q4 is quite reasonable. So you feel that this number can be sustained for the full year FY '26?
- Rahul Agrawal:** So notwithstanding, any significant events, and there are quite a few which go on in the world, I think our strategy has held us well, which is we are augmenting capacities, we are expanding product lines, and we are reducing costs. And this is an ongoing effort in every quarter, every day.
- And that has helped us ensure that regardless of whatever geopolitical shocks, are going on, we are still able to maintain or do better than what we have done previously. So we still maintain the same line of working.
- Nirali Gopani:** Perfect. That's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Meet Parikh from Mihir Shah and Company. Please go ahead.
- Mr. Parikh, I have unmuted your line. Please proceed, sir.
- Meet Parikh:** Thank you. So congratulations on a good set of numbers, sir. I had a basic accounting question. So if you look at our cash flow statement, so the working capital has gone up significantly, like inventory has gone up by, there has been a year-on-year change of almost Rs. 385 crores or something like that. And the debtors has also gone up quite a bit. So could you shed some light on that?
- Bhupesh P. Porwal:** So, Meet, you are talking about the stand-alone part?
- Meet Parikh:** Sir, stand-alone or consolidated? Like stand-alone 385, I am not sure of the consolidated number, but there also there has been quite a big swing. So could you shed some light on that?
- Bhupesh P. Porwal:** Yes, sure. So basically, you must be hearing about debottlenecking exercises and all other things going on. And for future expansion plans also, there has to be a lot of things going into the plant. So we have built up some inventories in between, so that the business does not suffer for that. So yes, the inventories have increased, which will be normalized again in a year or so once our all projects are getting completed.

And at Thailand also, if you see the inventory has increased a bit, as MD had mentioned in a question just few minutes back, to understand the assets, and to see how those assets are working, we have run the full throttle there.

And so these are the 2 reasons at both the places, 2 different reasons for increasing the inventory. Thailand, it will be normalized soon maybe. Yes. So that increase will not carry forward going on. It will be as per the business norms and our practice only.

Meet Parikh: Right, sir. And, sir, my second question is related to CAPEX. So the number that we had guided for this year. So are we on track for that?

Bhupesh P. Porwal: So CAPEX is as per plan only. So as mentioned, we will be commissioning 50 KT, we will be getting ABS capacity of 50 KT in mid of the calendar year or later part of the calendar year of 2026. And the plan is as it is. So no change in the plan. In fact, this has been preponed. In fact, we had planned earlier later. But as informed you in the last quarter, it has been preponed and we are sticking to that, and we are sure we will be able to achieve those dates.

Meet Parikh: Thank you, sir. That was helpful.

Moderator: Thank you. The next question is from the line of Rahul Agarwal from Ikigai Assets. Please go ahead.

Rahul Agarwal: Yes. Hi. Thank you for the opportunity. Very good evening to everybody on the call. Just a few clarifications on whatever has been discussed so far. So Fiscal '26 and '27, volume growth essentially depends on 2 things. One is, of course, the debottlenecking which will happen during the year, which is why we are carrying higher inventory in India.

And second is we could see some ramp up on Thailand as well. Just we wanted to understand, at 1,85,000 tons of sales already, which is almost like 90% utilization. Can these plants run at 100% in India? That's one question.

And second is, is it very different between ABS, PS, or both plants can run at 100% in India? And if we include debottlenecking, of course, we can try and increase some bit of sales volume this year. So about 10%, 15% is something which we should build or not, I wanted to clarify. That's the first question.

Rahul Agrawal: Rahul, if you can ask your other questions as well, I will appreciate it.

Rahul Agarwal: Sure. Second was on CAPEX, as Mr. Bhupesh explained, it's sticking to earlier plan, just wanted to know the HIPS expansion. I think about 45,000 tons is something which we are supposed to add. Will that be preponed as well? Like, will that happen in Fiscal '26? And if yes, then just wanted to know the overall CAPEX budget for the company for Fiscal '26 overall and '27, if that is possible.

And third question was on working capital. Can we optimize from here on? I understand that current inventory is high. I completely understand that. What I just wanted to know when I look at some of other listed peers, especially on polystyrene, I think they operate like very, very efficiently on something like a 0 to 10 day working capital cycle.

And I look at numbers in more detail, I see a lesser receivable cycle. So maybe is the difference more so because of polystyrene versus ABS, that ABS is more of a credit market versus polystyrene. And in your view, how much can we optimize, let's say if we take a 2 year view on India business, do you foresee that our working capital cycle can actually come down to like those levels? Those are my 3 questions. Thank you.

Rahul Agrawal: Okay. Rahul, first of all, thanks for joining on, to all of you, all the participants joining on a Sunday. I appreciate everyone making sure it's convenient. I know it's not the ideal day, but the time that you are giving to the organization.

First, your question on whether the plants can be run at 100%. So the plant is running at 100%, Rahul. It has been running for the last at least 2 years that we have taken over management control. It's just that definition of what that 100% has kept on changing, based on what we are doing each year, right. I have explained this in the past that as we carry out some process improvement or debottlenecking, we realize that certain additional capacity is possible. And that is the same philosophy with which we are planning to run in this financial year as well.

And we do believe there is some additional capacities which are possible. So we did complete some exercises, say towards the end of December last year, when we did debottlenecking of our Nandesari plant for rubber, which we end up to 27 KT, which allows us to make more ABS. And that will translate to a higher volume this year on PS as well.

We did some work towards the middle of last year, which again, the full capacity would be available this year. So those additional capacities would be available to us as well.

To that extent, we will have higher volumes. So this is going to happen. And we are continuously working in that direction. So we do believe that, again, going back to the earlier forecast of what volumes we had mentioned, we should be very similar to that.

On HIPS, in my note, I have mentioned that we have brought an indication from our engineering firm that they would be ready with some estimation very, very soon. So once that estimation is ready, and this is obviously a certain estimate, which is within 10% to 20% of the overall CAPEX, while we had made an estimation earlier, we would have a more accurate data, based on their engineering study. So once that is out, we will be able to tell you exactly how much that will cost and when that will come online as well. That would be the result of that engineering study.

With regards to working capital cycles if you, again, look at the last 2 years, there has been a lot of changes. And this is primarily because, as Bhupesh already detailed, that when we do debottlenecking we essentially look at certain parts of the process, which need to account for a larger inventory for us, and we do that. And that increases our inventories.

On working capital, as far as receivables and debtors are concerned, there is not a major difference between, again, PS and ABS. In fact, I would say it is very similar in terms of the credit terms. So there is no major gap over there. I think overall working capital is getting affected largely, based on the inventories rather than anything else.

And we do believe that till we are growing, while some of our peers already have very high capacities, we are running at very much higher capacity utilizations overall, which is why we are in the situation we are at.

As far as ABS is concerned, I think we are a little bit better than our peers. So I think on polystyrene as well, we would be doing fine, if not for having to account for higher buildup of inventory to manage sales. So I think that is what it is. And this is what we are trying to maintain.

Rahul Agarwal: Just few follow-ups. So firstly, would you hazard a guess for volume growth for Fiscal '26 for India business?

Rahul Agrawal: Like I said, I think, we should be able to do growth in line with what capacities would be available to us, and this would be higher than 200,000 tons. Whether it is 205 or 210, I am not exactly sure right now. But to order of that magnitude, we would have growth in volumes in India.

Rahul Agarwal: And HIPS will definitely not be part of Fiscal '26, right? Even if we finalize the destinations very soon, the production will start sometime in Fiscal '27. Is that correct?

Rahul Agrawal: Yes. Yes. Let us see what the engineering studies say. I do not want to put the horse before the cart. So let the study come in, and I am in a better position to answer that question.

Rahul Agarwal: Got it. Any overall CAPEX number for the business overall Fiscal '26? What budgets are you working with?

Rahul Agrawal: Bhupesh, do we have a number on that right now?

Bhupesh P. Porwal: So maybe we can, the things are getting finalized soon, maybe in next fortnight or so, 15 days or so. And then we can definitely let you know exact numbers which we will be spending in this year, and what numbers we will be spending in next year. Yes.

Only one additional point here for working capital, maybe slightly more, one reason is more here. So what I had mentioned, we had some vessels coming together because of some problem at 1 of the vendors, and then 2 to 3 vessels that came in the last week of March. Otherwise, it would have been staggered, and then we would have not got so much of inventory and screwed up my working capital at the March end. So maybe an operational issue which all companies have. So this is also one of the things in the working capital which is there.

Rahul Agarwal: Got it. One last question on Thailand business, then I will just get back in the queue. On the volume outlook for '26, you said we ran this capacity at full throttle this quarter, which yields about 18,000 tons. If I analyze that, we are almost closer to 75% utilization. So just wanted to know in terms of volumes, what could be the peak performance of this entity? And I understand it will take a long time, but just wanted to know that as of now, Thailand can actually sell ABS, SAN, and rubber, all 3 to third parties? That is one.

And the second question on that was, assuming that it's only ABS and some merchant sales for SAN and some sales of rubber, is this entity like a Rs. 300 crore EBITDA, full year at peak utilization whenever it happens? That's the 2 questions.

Rahul Agrawal: Where did the Rs. 300 crore number come from, Rahul? I am curious.

Rahul Agarwal: I am just multiplying Rs. 30 a kg into 100,000 tons of sales volume.

Rahul Agrawal: No, I would not look at it like that. See, it's a different market. It's a different product profile. So it works a little bit differently in Thailand than what we are used to seeing in India. It's still going to take a little bit of time for us to come to numbers which we can assess. So, we have not given really any guidance on that. And we are not very comfortable giving any guidance today.

In terms of overall capacity, the nameplate capacity of the plant has been mentioned in our presentation earlier, which has been shared with the larger community. It's to the tune of 120,000 tons, roughly, which includes rubber, SAN, compounding, everything. And that number, I do believe, based on what we have done in the first quarter, is achievable from our productions.

In terms of sales, when and how that will happen is something which we will require a little bit of time to assess and answer.

On EBITDAs, again, will be a function of how the capacity utilization takes place in terms of specific product mixes, all the markets that we cater to. So, multiple questions need to be answered before we can answer such a question. It's only been 2.5 months, right?

Rahul Agarwal: Sure, appreciate that. But we do sell SAN and rubber outside, right, to third parties apart from ABS, is that correct?

Rahul Agrawal: That is correct.

Rahul Agarwal: All right. Okay, I will get back in the queue. Thank you so much, and all the best for coming times.

Bhupesh P. Porwal: Thank you.

Rahul Agrawal: Thank you.

Moderator: A reminder to all the participants to kindly limit their questions to 3 per participant. Should you have a follow-up question, please rejoin the queue.

Moderator: The next question is from the line of Ranbir Singh from Yash Securities. Please go ahead.

- Ranbir Singh:** Hi, Rahul ji. Rahul ji, you said that the volumes for Thailand were around 17,000-18,000. So, if I see the India realization, they stand at around Rs. 1,45,000 approximately. And the Thailand business which is around Rs. 1,35,000 per ton realization.
- Moderator:** Mr. Singh, your audio is not clear, sir, because there is a lot of background noise from your end. Please try asking your question once more.
- Ranbir Singh:** I am asking that the India realization stand at approximately Rs. 1,45,000 a ton, whereas the Thailand realizations are like Rs. 1,35,000 a ton. What is the reason for the delta?
- Rahul Agrawal:** Ranbir, the product profile in Thailand is completely different from the one in India. There is no comparison. So, one can't say, we are not essentially, lot of the products we are selling are in terms of formulation, in terms of application are also very, very different. So, there is no clear way to tell you exactly why they are different. It is just that, I guess, the market for the products in Thailand, again, is different from the market that we have in India, the type of grades that we supply, and the type of product mix that we have.
- So, that would effectively make the realization what it is. So, there is no clear cut way to compare the 2. But in terms of cost position, again, there is a lot of difference between what we do in India and Thailand. So, there is no way to compare. It is not apples to apples.
- Ranbir Singh:** Okay. Thank you, Rahul ji, this answers my question and all the best.
- Bhupesh P. Porwal:** Thank you.
- Rahul Agrawal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pratik Kothari from CR Kothari and Sons. Please go ahead.
- Vidhi Shah:** Hello, sir.
- Moderator:** Ma'am, I am sorry to interrupt you. Please introduce yourself and proceed with your question, please.

Vidhi Shah: Hello, sir. My name is Vidhi Shah. I am speaking from CR Kothari, broker. Sir, my first question is, I want to understand what is the realization in India and compared to Thailand, will those realizations be higher in line or same?

And my second question is, could you just correct me again? The Thailand capacity is 185 kilo ton, and the existing India capacity is 200 kilo ton. So, the new capacity will be close to 385 kilo ton in FY '26. So, is that understanding correct?

Rahul Agrawal: No, the capacity in Thailand is not 185 KT. I already just mentioned on the previous call as well and it's there in the earlier presentation. The capacity in Thailand is closer to 125,000 tons, including all products. India capacities are closer to 200,000 tons. You are correct in that sense.

So, the overall capacity comes to about 320 as of now at this moment, which is of course a changing number, based on what we are able to achieve in terms of certain improvements during the course of this year.

As far as realizations in India and Thailand are concerned, realizations in India are fairly stable or growing year-on-year. These numbers are easy to calculate, based on the results which are in front of you.

With regards to Thailand, of course, it's early days, and there is a lot of work which is going on to understanding where these realizations are coming from, what we can do in terms of improving it. And there are multiple factors at play, such as capacity utilization, product mix, in terms of cost position as well in Thailand, there is a lot of work to be done. So, realizations in Thailand is something which we do believe there is a lot of room to improve on, to what extent and where they can be is hard to determine at this stage.

Vidhi Shah: All right. And also, the 17,000 tonnes that is produced for Thailand, so that is produced for, you said 1.5 months approximately. So, based on that annualized, it can produce closer to 136 kilo tons in a year. But if I look previously...

Rahul Agrawal: 17 KT is for the quarter, ma'am. It's from the 1st of January until the 31st of March. And that is not a production number, that is a sales number. Okay. Production number is different from the sales number. Go ahead.

Vidhi Shah: Thank you, sir, that answers my question.

Moderator: Thank you. The next question which is a follow-up question is from the line of Dhaval Shah from Girik Capital. Please go ahead.

Dhaval Shah: Yes, sir. Sir, just 1 question. Any positive or negative surprises, post the acquisition of our Thailand unit in terms of cost of operations, in terms of receivables, in terms of contract with suppliers, anything you would like to highlight?

Rahul Agrawal: So, Dhaval, thanks for the question. So, we did a fairly extensive due diligence process when we had taken over the Thailand entity in terms of a financial tax, environmental, legal due diligence. We do believe that whatever the findings in that due diligence are in line with what we are seeing at the asset.

Generally speaking, we are quite encouraged by the quality of the asset and the team. Some of the questions which had to be answered for us was essentially ensuring that the plant can actually indeed produce at a much higher level, which it has not been previously. So, we tested that theory by doing it ourselves when we took over management, hence, also resulted in some higher inventories. So, that is something which is, I guess, it is not a surprise, but I would say it is a positive affirmation of what we wanted to see.

As far as the business is concerned and what we are doing over there, it is very much in line. Of course, there are geopolitical events which are taking place globally, and those do have an impact on our business as well. This has got nothing to do with the entity in isolation, but since there are global factors at play here, that does have an impact on how we conduct our business as well.

Dhaval Shah: Got it, sir. Okay, thank you very much.

Moderator: Thank you. The next follow-up question is from the line of Radha from B&K Securities. Please go ahead.

Radha: Hello, sir. Thank you again. Over the past 2 to 3 years, China has added significant styrene monomer capacities. So, do you believe that this would lead to a wave of downstream capacity additions in products like PS and ABS, which could potentially increase imports into India?

And subsequently, how competitive are we with the Chinese players? And in that context, what are the export opportunities for us?

Rahul Agrawal: Yes, thanks, Radha. Very good question. So, essentially China's capacities have not only increased in styrene monomer, they have increased in the entire petrochemical chain across all polymers, across all monomers, and basic chemicals. So, already in terms of capacities of ABS, SAN and polystyrene, not to mention other polymers, China is already producing far more than it actually needs even today.

And that's not the case this year. Not just the case last year, but even before that. So, this has always exerted pressure in the subcontinent, including India as well, from manufacturers not only in China, but also in Korea, Taiwan, Thailand, and the entire region. So, this is something that we are accustomed to. We do understand how this works. The idea is for us as an organization, how we are able to differentiate in our products. And in terms of our offering to our customers, what we can do.

So, I think we have been able to demonstrate that in India effectively. I do believe in Thailand as well, we have some very differentiated technologies, which hold us in good stead today and will continue to do so going forward. So for a lot of the products we produce in Thailand, we are one of very few producers. And in some grades, for instance, there is no producer for that in China. So, to that extent all the capacities which have come up in that region are not directly comparable to what we do currently as a company.

Radha: But sir, if there is an overcapacity in China in polystyrene, then why is there not much dumping happening from China to India in polystyrene?

Rahul Agrawal: Well, dumping does happen from time to time, opportunistically, but it is not a continuous phenomenon from China. I think, in terms of, again, preferences by customers in India, there is a preference for domestic manufacturers. There are multiple reasons for that. And we are still able to, so to speak, keep our relationships and business intact in India, in spite of competition.

Radha: Sir, in other chemical companies, we have seen that whenever there is an overcapacity, then the dumping happens at such a price that the margins of Indian players could get affected, unless there is an anti-dumping duty. So, given that there is an overcapacity, and there is still margin stability in Indian players, so I am unable to understand why isn't it happening, why isn't this phenomenon happening in polystyrene?

Rahul Agrawal: So, we believe that even within polystyrene, we have certain products which are not very, very easy, and straightforward to replace. So in the markets, in packaging as well

as in appliances, there is a fair amount of validation, fair amount of customization, which also takes place. Probably not as much as ABS, but still, to some degree, it is there. And the preference, again, as long as we are competitive, this does not work like a pure basic commodity where switching from one product to the other is as easy or as straightforward.

Radha: How much capacity China would have in ABS, sir?

Moderator: Ms. Radha, I am sorry to interrupt you ma'am, there are others who are waiting. I would request you to kindly rejoin the queue, ma'am.

Radha: Okay. Thank you, sir, and thank you for answering all my questions.

Moderator: Thank you ma'am. Ladies and gentlemen, we will take the last question for today, which is from the line of Rahul Agarwal from Ikigai Assets. Please go ahead, sir.

Rahul Agarwal: Thank you so much for the follow-up. Just 1 thing on the presentation for the company for the 4th quarter results, the industry outlook slide talks about a very weak start to first quarter. I just wanted to understand, should we read more into it or is it more like a quarterly volatility where it would settle down over the year? That's one.

Second was on this entire discussion of styrene monomer imports from China, just wanted to know is there a BIS risk here? Because I am not really sure if the BIS standards are applicable, the QC and all that applicable for styrene.

And the third was any comments on the pricing of ABS and polystyrene in India right now? If you could just help me understand the outlook for the full year. That's all. Thank you.

Rahul Agrawal: Yes, so with regards to our comments on quarter volatility, you are right, Rahul. It is in line with typically what we see every year. And there is no major change in that. And not too much to read into it, I guess.

At the beginning of the quarter, yes, there was a little bit of, you can say a more muted sentiment on account of tariffs in the U.S. But I think this has settled down. We don't see a major change, I guess, from previous years. So it's similar.

With regards to BIS for styrene, we do believe it is to be implemented this year. It's not happened yet. So styrene monomer itself, from China, anyways, doesn't come. It's not very competitive in India historically as well.

I think in terms of downstream from styrene, yes, there is a BIS on ABS. So to that extent, ABS coming in from China, it becomes a little bit trickier. For polystyrene, currently there is no BIS. But that we do believe would come up in time as well. So that would limit some amount of polystyrene from China. Well, currently, while there is not, we still don't see dumping to the extent which people fear. So there is no issue there.

In terms of pricing for ABS and PS, currently we believe it is stable. There is no major change from what we have seen in previous years, since we are managing the company. And it is largely expected to remain in line with that.

Moderator: Thank you, sir. As that was the last question for today, I would now like to hand the conference over to Mr. Chintan Doshi for closing comments. Thank you and over to you, sir.

Chintan Doshi: Thank you. Thank you everyone for joining us today on our earning call. We appreciate your interest and time in the company. We look forward to answering you in the next meeting, which will be announced at suitable time in future. Thank you.

Bhupesh P. Porwal: Thank you.

Rahul Agrawal: Thank you very much.

Moderator: Thank you very much, sir. Thank you, members of the management. On behalf of Styrenix Performance Materials Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.