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Ref: CFA/CS/86/AGM_36/2025-2026

December 17, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
Mumbai - 400 001
Script Code - 500405

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra East,
Mumbai – 400 051
Scrip Code - SPLPETRO

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

We wish to inform you that India Ratings and Research Private Limited, vide its e-mail dated December 16, 2025, has communicated regarding the publication of a press release on the revision in outlook for the Company and its bank loan facilities and has assigned the following ratings:

Details of Instruments

Instrument Type	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Issuer rating	-	IND AA-/Stable	Affirmed; Outlook revised to Stable
Bank loan facilities	INR 19,000	IND AA-/Stable/IND A1+	Affirmed; Outlook revised to Stable

The copy of Press Release is enclosed herewith for ready reference.

Kindly take above information/document on records.

Thanking you,

Yours faithfully,
For Supreme Petrochem Ltd

DEOKI NANDAN MISHRA
Digitally signed by DEOKI NANDAN MISHRA
Date: 2025.12.17 15:04:12 +05'30'

SUPREME PETROCHEM LTD. SPL MUMBAI

KMM **D. N. Mishra**
A.V.P (Legal) & Company Secretary

Encl.: As above

India Ratings & Research
A Fitch Group Company

India Ratings Revises Outlook on Supreme Petrochem & its Bank Loan Facilities to Stable; Affirms 'IND AA-'

Dec 16, 2025 | Commodity Chemicals

India Ratings and Research (Ind-Ra) has revised the Outlook on Supreme Petrochem Ltd. (SPL) and its bank loan facilities to Stable from Positive, while affirming the rating at 'IND AA-'as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Issuer rating	-	-	-	-	IND AA-/Stable	Affirmed; Outlook revised to Stable
Bank loan facilities	-	-	-	INR19,000	IND AA-/Stable/IND A1+	Affirmed; Outlook revised to Stable

Analytical Approach

Ind-Ra has revised its analytical approach to a full consolidated view of SPL and its subsidiary M/s Xmold Polymers Pvt Ltd (Xmold; SPL acquired 80% in April 2025) from the earlier standalone view to arrive at the ratings, owing to the strong strategic linkages between them.

Detailed Rationale of the Rating Action

The Outlook revision to Stable reflects a weaker than-Ind-Ra-expected performance of SPL's existing businesses over 1HFY26 and a six-month delay in the commencement and ramp-up of production at its acrylonitrile butadiene styrene (ABS) facility, deferring the increase in the proportion of value-added products and limiting the near-term visibility on the EBITDA reaching INR5.5 billion- INR6 billion levels. Furthermore, a lower year-on-year EBITDA generation in 1HFY26, capex and a rise in net working capital requirement as of end-1HFY26 led to an increase in the net debt (including acceptances), against a net cash position since FY15.

However, the ratings are supported by SPL's leadership position in the oligopolistic polystyrene (PS) industry and its strong financial risk profile. Ind-Ra expects the ramping up of the ABS facility will improve diversification as well as reduce the volatility in profit margins. The agency expects the company to turn net cash positive again post the normalisation of net working capital levels and ramping up of the ABS facility over FY27. Furthermore, SPL's strong financial risk profile is underpinned by management's stance of relying on minimal external debt and the remaining net cash across business cycles. The company has maintained a net cash position since 2015, which is likely to continue in the foreseeable future. The ratings, however, are constrained by susceptibility of the company's margins to volatility in raw material prices which are linked to crude oil prices, and exposed to forex risk, and substitution risk from comparably priced alternatives, albeit in limited applications.

List of Key Rating Drivers

Strengths

- Leadership position in oligopolistic PS industry; business profile to strengthen post ramping up of ABS capacity
- Increasing share of value-added products to offset inherent volatility in PS market

- Planned capex to continue to be fully funded by internal accruals
- Credit profile to remain strong

Weaknesses
- Fall in prices and subdued demand to affect EBITDA in FY26, ABS ramp-up to contribute to recovery in FY27
- Inherent volatility in profitability; threat of substitutes
- Forex risks; high import dependency

Detailed Description of Key Rating Drivers

Leadership Position in Oligopolistic PS Industry; Business Profile to Strengthen Post Ramping up of ABS Capacity: SPL has strengthened its leadership position in India's oligopolistic PS and expandable polystyrene (EPS) market over the last five years. Its market share within PS stood at around 56% in FY25 (FY24: 60%; FY20: around 50%) and EPS at 59% (FY20: 54%). SPL completed its PS and EPS expansion projects in FY24 increasing its capacity to 300,000 metric tonnes(MT) from 220,000MT and 118,000MT from 72,100MT, respectively. The company has over 25 years of operating track record with an established supplier/customer network. SPL has also forward integrated itself to other value-added downstream segments such as extruded PS (XPS), and specialty polymers & compounds (SPC). Furthermore, the company has commenced production at its ABS capacity from 2HFY26, and the segment is likely to have a higher through-the-cycle margin profile than its existing business especially since it would be producing ABS through continuous mass polymerisation technique, which would enable consistent product and colour quality while being cost efficient as compared to batch processing. The stabilisation of the capacity and its subsequent ramp up would be a key monitorable since it would materially enhance SPL's business profile by diversifying its product mix, reducing margin volatility and supporting margin expansion over the medium term.

Increasing Share of Value-added Products to Offset Inherent Volatility in PS Market: SPL is present in higher-margin, value-added products such as EPS, XPS and SPC; the share of which stood at around 32% of manufactured products revenue in 1QFY26 compared to 29% in FY22 (FY25: 33%; FY24: 35%). The ramp up of the phase-1 ABS plant over FY27 would enable the value-added share to increase further. ABS is a higher value-added product compared to SPL's existing mix and is likely supporting its superior through-the-cycle profitability. The higher value-added share shall reduce the end-use concentration risk by catering to distinct sectors such as automotive, consumer durables, electronics, and healthcare, and serving as a structural mitigant against the inherent cyclicality of the PS market.

Planned Capex to Continue to be Fully Funded by Internal Accruals: SPL expects to maintain its capex intensity over FY26-FY28 with budgeted capex spends of around INR7,050 million. SPL's average capex intensity (capex/revenue) has been around 5% over FY22-1HFY26 with the company incurring a cumulative capex of INR14,176 million (1HFY26: INR1,264 million; FY25: INR3,778 million). The large capex spends have been funded entirely through its on-balance sheet cash and operational cash flows. Management intends to continue funding its future capex in the similar manner. A large portion of the capex planned over 2HFY26-FY28 pertains to Phase 2 of its ABS expansion plan (around 70,000MT), for which it estimates to spend INR3,000 million-3,500 million. Management intends to incur this capex based on the pace with which the Phase 1 (70,000MT) capacity ramps up. The phase 1 facility was completed by end-1HFY26, with a delay of six to nine months from the initially envisaged completion date due to disruptions in the supply of proprietary equipment and a shortage of skilled construction workers, which extended project timelines.

Ind-Ra believes the domestic import-dependency for ABS provides SPL with a ready market, which would facilitate a swift ramp-up of the new capacity and support operating leverage; although, pricing and sector competitiveness remain key monitorable. The volume ramp up of the ABS facility is a function of the demand-supply dynamics. Besides the capex spends towards the ABS phase 1 capex in 1HFY26, SPL acquired 80% stake in Xmold in April 2025 for around INR392.7 million. The acquisition aims at increasing SPL's presence in specialty compounding and providing direct access to automotive and appliance original equipment manufacturers, and unlock synergies through integrated resin and compounding. This follows SPL's strategy to increase forward integration and value-added product share, along with increasing operating efficiencies as in its existing chemistries such as PS, EPS, XPS, SPC compounds and ABS over FY22-1HFY26. Indian Oil Corporation Ltd. (IOCL; 'IND AAA'/Stable/'IND A1+')) is planning India's first styrene monomer project (around 387,000 MT) in Haryana basis which SPL may decide to enhance its PS and EPS capacity (estimated investment of INR8,000 million) and deliver logistical advantages from proximity to IOCL's upcoming styrene monomer plant. However, the execution remains contingent upon the timely progress and clarity in relation to the project.

Credit Profile to Remain Strong: While SPL's net debt (including letters of credit (LC) acceptances) was INR191 million at 1HFYE26, Ind-Ra expects this to be temporary and SPL to again turn net cash positive over the near term. The elevation in net debt (including LC acceptances) at 1HFYE26 was on account of doubling of net working capital to INR3.6 billion (FY25: INR1.7 billion) primarily due to maintenance of higher raw material inventory and higher LC acceptances due to the increase in raw material imports as well as the ongoing capex. SPL's inventory increased by INR1345 million over 1HFY26 due to lower lifting and destocking by customers. Furthermore, the LC acceptances stood higher at INR5,378 million at 1HFYE26 (FYE25: INR5,138 million; FYE24: INR5,189 million). With the liquidation of inventory over 2HFY26-1HFY27, management expects a working capital release and a resultant reduction in LC acceptance levels, which should aid SPL in again turning net cash positive. Barring 1HFY26, SPL has consistently maintained a net cash position (including LC acceptances) since FY15, remained negative during FY21-FY25, reflecting the absence of fund-based borrowings. The net cash (excluding LC acceptances) was around (FY25: INR8,722 million, FY24: INR10,728 million; FY23: INR9,121 million; FY22: INR9,312 million).

SPL's EBITDA interest coverage was robust at 31.7x in 1HFY26 (FY25: 35.6x; FY24: 46.6x), due to the negligible interest expenses. Management has reiterated its commitment to a conservative financial policy, with no plans to raise external debt over the medium term. Management expects the capex planned of INR7 billion and dividend payouts over FY26-FY28 to be funded entirely through internal accruals. Accordingly, Ind-Ra expects SPL to remain net cash positive over the medium term, despite ongoing capex, which provides a significant cushion against earnings volatility and ensures financial flexibility during adverse market cycles.

Fall in Prices and Subdued Demand to Affect EBITDA in FY26; ABS Ramp-up to Contribute to Recovery in FY27: After a 15% yoy growth to INR60.2 billion in FY25, SPL's revenue fell around 18% yoy in 1HFY26 due to price corrections and lower volume offtake on account of subdued demand from downstream sectors such as appliances due to a weaker summer as well as postponement after announcement of goods and services tax rate reduction. Furthermore, the margins fell to 7.7% in 1HFY26 (FY25: 8.9%; FY24: 8.9%), due to falling PS prices emanating from a global oversupply, which weakened product spreads and caused inventory losses resulting in the EBITDA falling to INR1.95 billion (1HFY25: INR2.85 billion). As a result, after 14% yoy growth to INR5.4 billion in FY25, Ind-Ra expects SPL's EBITDA to fall in FY26 as global demand and prices remain under pressure amid Chinese oversupplies and the nascent stage of the production of the ABS plant. However, with a likely bottoming of prices in FY26 and a gradual ramp-up of the higher value ABS facility, Ind-Ra expects a pick-up in EBITDA in FY27. However, a prolonged margin weakness or inability to mitigate import risks could exert pressure on operating performance and remain a key monitorable.

Inherent Volatility in Profitability; Threat of Substitutes: Being a price taker in a largely commoditised business, SPL's EBITDA margins remain susceptible to variations in the spread between PS and styrene. While the decadal average is around 9%, EBITDA margins have witnessed wide fluctuations, rising to 20% in upcycles and falling to 3% in a downturn. The company's products may face substitution risk from comparably priced alternatives such as polypropylene in limited applications, which also caps its margin. However, Ind-Ra draws some comfort from the company's ability to maintain a net cash position through the cycle and expected increase in share of value-added products over the near-to-medium term.

Forex Risks; High Import Dependency: SPL imports its entire styrene monomer requirement, which accounts for around 85% of the total raw material consumption, due to unavailability; while SPL's exports formed just 9% of its total FY25 revenue (FY24: 10%, FY23: 6%, FY22: 8%, FY21: 7%). As a result, the company is exposed to forex risk and raw material supply risks. While SPL has a natural hedge to the extent of its exports and by pricing its products locally on import-parity basis, it also hedges a large part of its unhedged forex exposure through forward contracts. Therefore, SPL has recorded limited forex losses (FY25: loss of INR50 million, FY24: nil, FY23: loss of INR195 million, FY22: loss of INR75 million). Further, despite being dependent on imports for its entire styrene monomer requirement, SPL has been able to navigate through various on-going geopolitical events ensuring no disruption to production through development of a robust supply ecosystem.

Liquidity

Adequate: SPL's liquidity position is backed by its unencumbered cash and bank balances, strong operating cash flows and efficient working capital management. At 1HFYE26, SPL had unencumbered cash and current investments of around INR5.2 billion (FYE25: INR8.7 billion; FYE24: INR10.7 billion). SPL's financial flexibility is further underpinned by its INR1 billion fund-based limits that have remained unutilised over the 12 months ended September 2025. The average utilisation of the non-fund-based limits was 40% for the 12 months ended September 2025. The company primarily uses non-fund-based limits in the form of LC to import styrene monomer and other input materials, leading to high trade payables, effectively funding its working capital requirement through this. Consequently, the net working capital cycle has remained short and stable, averaging 12 days over the past five years. While SPL has a track record of generating positive cashflow from operations (CFO) since FY05, CFO moderated to around INR3.7 billion in FY25 (FY24: INR5.8 billion) on account of inventory build-up at year-end. The free cash flow turned negative in FY25, driven by the lower CFO amid the ongoing capex outflows.

Ind-Ra expects SPL to sustain positive cash CFO over the medium term, supported by healthy EBITDA generation and low finance costs. The annual dividend outflows were around INR1.7 billion over FY23-FY25 and is likely to maintain the payout ratio over the medium term.

Rating Sensitivities

Positive: The ramp up of recently completed capex coupled with a recovery in the existing business leading to sustained profitability level of INR5.5 billion-6 billion, with enhanced product diversification, while maintaining the credit profile could lead to a positive rating action.

Negative: The following events, could individually or collectively, result in the outlook could lead to a negative rating action:
- sustained lower-than-expected profitability due to a weaker performance in existing business and/or a delay in the ramping up of recently commissioned ABS Phase 1 project,
- a higher-than-expected capex and/or a large increase in the working capital requirements, leading to the net adjusted leverage exceeding 1.0x, on a sustained basis,
- significant depletion of liquidity buffers.

Any Other Information

Not applicable

About the Company

SPL is India's largest producer of PS products. The company has an annual installed capacity of PS, EPS, specialty polymers and compounds and XPS of 3,00,000MT, 110,000MT, 33,580MT and 5,000MT, respectively. SPL has commenced production at its ABS plant with a total capacity of 70,000 MT in 2QFY26, which it plans to increase to 1,40,000 MT by FY28.

Key Financial Indicators

Particulars	FY25	FY24
Revenue (INR million)	60,234	52,533
EBITDA (INR million)	5,353	4,696
EBITDA margin (%)	8.9	8.9
Interest coverage (x)	36	47
Net leverage including LC acceptances (x)*	-0.7	-1.2

Source: SPL, Ind-Ra
*Net cash

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook	Historical Rating/Outlook		
				4 October 2024	7 September 2023	5 July 2022
Issuer rating	Long-term	-	IND AA-/Stable	IND AA-/Positive	IND AA-/Stable	IND AA-/Positive
Bank loan facilities	Long-term/Short-term	INR19,000	IND AA-/Stable/IND A1+	IND AA-/Positive/IND A1+	IND AA-/Stable/IND A1+	IND AA-/Positive/IND A1+

Bank wise Facilities Details

The details are as reported by the issuer as on (16 Dec 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Bank of Baroda	Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
2	IDBI Bank	Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
3	ICICI Bank	Fund Based Working Capital Limit	150	IND AA-/Stable / IND A1+
4	Kotak Mahindra Bank	Fund Based Working Capital Limit	250	IND AA-/Stable / IND A1+
5	Axis Bank Limited	Fund Based Working Capital Limit	250	IND AA-/Stable / IND A1+
6	Hongkong Shanghai Banking corporation	Fund Based Working Capital Limit	50	IND AA-/Stable / IND A1+
7	Standard Chartered bank	Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
8	Bank of Baroda	Non-Fund Based Working Capital Limit	1900	IND AA-/Stable / IND A1+
9	IDBI Bank	Non-Fund Based Working Capital Limit	900	IND AA-/Stable / IND A1+
10	ICICI Bank	Non-Fund Based Working Capital Limit	3350	IND AA-/Stable / IND A1+

11	Kotak Mahindra Bank	Non-Fund Based Working Capital Limit	2500	IND AA-/Stable / IND A1+
12	Axis Bank Limited	Non-Fund Based Working Capital Limit	2500	IND AA-/Stable / IND A1+
13	Hongkong Shanghai Banking corporation	Non-Fund Based Working Capital Limit	1950	IND AA-/Stable / IND A1+
14	Standard Chartered bank	Non-Fund Based Working Capital Limit	1900	IND AA-/Stable / IND A1+
15	Yes Bank Ltd	Non-Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
16	Axis Bank Limited	Non-Fund Based Working Capital Limit	100	IND AA-/Stable / IND A1+
17	Sumitomo Mitsui Banking Corporation	Non-fund-based working capital limits	1500	IND AA-/Stable / IND A1+
18	IDBI Bank	Non-fund-based working capital limits	1000	IND AA-/Stable / IND A1+
19	NA	Proposed- Non-fund-based working capital limits	300	IND AA-/Stable / IND A1+

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process