MANALI PETROCHEMICALS

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Listing Department,
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Corporate Relationship Department
1st Floor, New Trading Ring,
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Stock Code: 500268

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
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Mumbai – 400 051
Stock Code: MANALIPETC

Dear Sir:

Sub: Investor Presentation/Conall on 25th May 2022 – Transcription of proceedings

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcription of the proceedings of the Investor/Analyst Meet held on Wednesday, the 25st May, 2022.

As required under the Regulations, this information has been made available on the website of the Company.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Manali Petrochemicals Limited

R Kothandaraman
Company Secretary
Encl.: As stated

Manali Petrochemicals Limited
Earnings Conference Call
May 25, 2022

Moderator: Ladies and gentlemen, Good day and welcome to the Q4 FY22 Earnings Conference Call of Manali Petrochemicals Limited. We have with us today Mr. Ashwin Muthiah – Chairman, Mr. M. Ravi – Managing Director of MPL and CEO of Petrochemicals Group, Mr. Anis Hyderi – Chief Financial Officer. At this moment, all participants are in the listen-only mode. Later we will conduct a question-and-answer session. At that time, you may click on the raise hand icon to ask a live question. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashwin Muthiah – Chairman. Thank you and over to you, Sir.

Ashwin Muthiah: Thank you very much. Good morning to all of you who have tuned into to participate in this conference of Manali Petrochemicals Limited. I am very happy that all of you could find some time to listen to us. So, I just want to open this meeting with a few comments from my side on the vision for the company. So, at Manali Petrochemicals our focus is to create a company with sustainable performance. The things which are important for us to note is that - to maintain a sustainable performance – we need to basically have good operational efficiencies, focus on capturing opportunities for enhancing our production capacities, look at integrating our operations or our production system into greener operating avenues.

Look at corporate governance, invest in research and development, invest in technology, investing in a good team of professionals to hold the sustainable performance of the company and last but not the least also to create a company that will be trusted by the society. A company that will give back to the society through our corporate social responsibility. So, these are some of the larger visions or the broader picture that I would like to put in my opening remarks. I have with me here - Mr. Muthukrishnan Ravi – Managing Director of Manali Petrochemicals and also the CEO of the Petrochemicals Group. I also have with me here with Mr. Anis Hyderi, CFO of Manali Petrochemicals. I would now like to invite Mr. Ravi to speak and of course we will open the meeting for the Q&A session and we are all here to take your questions and answer them appropriately. Over to Ravi.

Muthukrishnan Ravi: Thank you Chairman. Good morning to everybody. So, Manali Petrochemicals Limited is in the business of polyurethane. We manufacture polyurethane which go into a wide range of applications and additional product range that we have is propylene glycol which primarily goes into pharma and then put in fragrances. This company has been in existence for over 40 years now and our main focus today, as the Chairman mentioned is on operation efficiency and growth.

In the case of Manali Petrochemicals one of the key areas and key differentiating factors for us is that we are the only company in India which is truly integrated into the manufacture of polyurethane. We have three raw materials, two of them are through pipeline and one through imports. These raw materials are converted into an intermediate product and into the final product of polyols and propylene glycol. This integration uses the advantage of being able to supply the market and change the product mix according to market demand. Our applications like I said go into both commodities and specialties and in the specialty segment we are able to fine tune our products to meet the needs of individual industries and within each industry individual customers, so our our focus is on investing in R&D.

It is not only less fundamental, product development and research also helps increase the products to meet the individual customer needs. Our capacities and all those details are in the presentation engagement that we made today, but more importantly our focus is on sustaining and growing our operations like last year - i.e. growing the top line and bottom line of the company through both organic and inorganic growth. I would stop at this point and open it up for further questions.

Anis Hyderi: I will just show some slides on Q4 and the year. Good morning everybody. This is just a Disclaimer Statement. In course of the presentation we may have some forward looking statements made. This is a slide capturing the summary of the performance of FY21-22. So, we ended up the year with a total revenue of Rs. 1,690 crore with EBITDA of Rs. 547 crore, PBT of Rs. 511 crore and EPS of 22.16. So, comparing with the previous year, that is a growth of almost 63% over turnover, 74% growth in EBITDA compared to last year, PBT grew by about 90.6% over last year and ETF lies at about 89%. This is a snapshot of how the quarter performance was for Q4 of FY21-22. Consolidated revenue stood at Rs. 421 crore for the quarter with EBITDA of Rs. 110 crore, PBT of Rs. 98 crore and EPS for the quarter at 4.8. So that is a revenue growth of about 14% as compared to Q4 of last financial year and there has been a small drop in the EBITDA by 15% and 20% in PBT.

This slide shows how the revenue break up is for the current financial year and the previous financial year. So, as can be seen out of the total revenue, PG contributed about 33%, Slash Stock (SS) which is a commodity polyol sold in bulk constituted about 22%, base Polyols about 9%, Systems Polyol 4%, prepolymer 7% which includes the system and the other products manufactured in UK and India and other constituted 25% which includes sales of bye products. This shows the growth in numbers for the revenue and EBITDA quarter-on-quarter compared to last year. So, as can be seen in Q1 our revenue top line was Rs. 334 crore with EBITDA of Rs. 117 crore, Q2 topline of Rs. 441 crore approximately with EBITDA of Rs.164 crore, for Q3 topline was Rs. 494 crore with EBITDA of Rs.165.45 crore and Q4 top line was Rs. 421 crore with EBITDA of Rs. 110 crore.

This slide comprises PBT comparison quarter-on-quarter of current year over previous year. So, for Q1 our PBT stood at Rs.107 crore compared to Rs. 4 crore last year same quarter. Q2 had

Rs. 157.53 crore as compared to Rs. 27 crore approximately last year, Q3 was Rs. 147.7 crore as compared to Rs. 113.64 crore and Q4 the PBT stood at Rs. 123.47 crore as compared to Rs. 98 crore last year. This slide shows how the free cash flow were generated and CAPEX spends and the cash and cash equivalent. So, for the FY21-22 we generated about Rs. 346 crore of free cash flow as compared to Rs.194 crore last year and capital spent was almost on the same range at around Rs.27 crore. We closed the year with cash and cash equivalent of almost Rs. 612 crore as compared to Rs. 281 crore last year and as far as the returns are concerned we had a return on equity of 37% for this FY21-22 as compared to 30% last year and return on capital employed for this year is shown at 48% as compared to 41% for last year.

And some of the key ratios from the balance sheet. Manali has a very strong current ratio of almost 5 (4.9) , a quick ratio of 4.4 and the days receivables outstanding was 36, day inventory outstanding was 29 and days payables at about 14; an improvement from last year; net cash cycle reduced from about 52 to almost about 34 this year. Networth grew from about Rs. 680 crore to a level of Rs. 1,030 crore and debt-to-equity ratio remains very low at 0.02% which has been the average for the last four - five years. Earnings per share as you can see has had a growth of about 90% as compared to last year.

So again a quick snapshot about the result which is summarized in the previous slide - a top line of almost Rs. 1,690 crores; PBT of Rs. 381 crore and EPS of 22. So, that is all on the results we will now hand it over to Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pawan Nahar an Individual Investor. Please go ahead.

Pawan Nahar : My question is for the chairman Mr. Muthiah. Number one - thank you so much for doing this call and would this be a recurring thing, ongoing thing in terms of reaching out to investors? Basically what I want to understand is the groups philosophy at a broad level in terms of investor relations in the other two companies. Would you do conference call there as well and if you can talk a little bit about the group in general? I actually have quite a few questions given that this is the first conference call, but it is more at a broader level to understand how the group would treat minority shareholders?

Ashwin Muthiah: Let me answer your questions. First of all this is a call relating to Manali Petrochemicals and I would be happy to say that we would try to, we would endeavor to make this an event that can happen frequently so that is something that I would very much like to do and we would keep the investors informed of the frequency of these meetings. Now this call has not been organized to discuss group related matters. So, I would like to keep that to a separate event so that is what I would like to say.

Pawan Nahar: I just wanted to know - like would you do similar events in other companies like Tamil Naidu Petro or SPIC?

Ashwin Muthiah: Well we have started a trend of doing it and I am taking note of your points and we will try to see if we can also carry over to other companies as well.

Pawan Nahar: I would also make a suggestion - given that companies are all new to the markets at least after a long time; if you could consider doing a group call wherein the management of the different companies are there and one by one you can take up issues relating to the group companies?

Ashwin Muthiah: Okay. Point noted. Thank you.

Moderator: Thank you. The next question is from the line of Deven Mehta from Omkara Capital. Please go ahead.

Deven Mehta: In which of the areas are we increasing the capacity and which are the other areas where we are going to enter in coming years due to high cash in our balance sheet and also are we planning to enter into polypropylene, resin, IPA segment and solvent segment due to our forward integration capabilities?

Muthukrishnan Ravi: So, the focus areas are actually in Propylene Glycol today. As you might have noticed we have announced an expansion of the Propylene Glycol facility and the approvals are in progress and once the approval come through we will start implementing the project. In the case of solvents and in forward and backward integration, backward integration for a company of our capacity and size is not something that we can look at because the backward integration takes straight into something like a refinery or a petrochemical facility. Forward integration is definitely something that we can consider. Of course we have to be mindful of the market that we supply into and whether we have any chance of cannibalizing the current customer base, but that is something that we constantly look at and evaluate for growth options.

Ashwin Muthiah: Just to add, I think our focus will be – our business is segregated into two parts - we have commodities and we have specialty. Today our commodity business is much larger than the specialty business. So, our focus will be to first see if there exists opportunities for us to expand into commodities. Expansion of commodity can come either through Brownfield expansion or through Greenfield. So, right now what we are looking at is Brownfield commodity capacity expansion which is what we have so far announced. Greenfield capacity expansion is also something we are constantly looking at, but that will depend on the availability of raw material and until today we are not yet able to confirm a security of supply of raw material to go for a greener capacity expansion for commodities. Coming to specialty, this is the modern business of the two, but this is an area where we can invest in technology, we can invest in research and development and greenfield capacity will be something that we will continuously keep looking at which, of course can either be through an M&A process or can be through some organic developments. So, both these things will help us propel our position on the specialty side, but the idea of the company is to grow both on commodities and specialty so that we have a basket of products to offer to our stakeholders.

Deven Mehta: As per you which are the products in a specialty segment we are manufacturing currently?

Muthukrishnan Ravi: We have several applications in specialty segment. As you know the specialty application is quite a broad range of applications. To name a few we have cast elastomers that we manufacture in UK. We have actually setup a facility in India to manufacture as well. We also supply to the footwear segment which is something that is a growing segment in India. We also supplied to the car seating automotive segment which has both commodity and specialty applications. So, there are a broad range of specialty applications that we can focus on and each of these industries have a different growth pattern and based on those growth patterns we kind of develop the market from our side.

Deven Mehta:: So are we planning for some import substitution products in the specialty segment in coming years?

Muthukrishnan Ravi: In fact the product that we today supply in the industry is all import substitution. As you know India is a growing market and there is definitely a demand supply gap of a lot of these petrochemical products, be it commodities or specialties. So, our endeavor will be to actually look at products that have a demand supply gap and satisfy the Indian market.

Deven Mehta:: Sir, are you planning for any buyback of shares or declaring onetime dividend for shareholders because of balance sheet cash of Rs. 600 crore?

Muthukrishnan Ravi: Sorry, say that again. I could not hear you. Sorry, I cannot comment on that as we do not have any such decision on those matters as yet.

Deven Mehta: Will it be used for organic growth – the entire amount of Rs. 600 crore in the next few years?

Ashwin Muthiah: No. So we will be, as I said, keep looking at expansion both on the commodity side and on the specialty side. So, on the commodity side as I told you, we are already looking at our Brownfield growth, but we constantly look for Greenfield opportunity also. Now if any stage we do come across Greenfield opportunities where we are able to secure supply of our base raw material, to go for an expansion of commodity it will require a lot of cash. So, unless we are very sure that we have exhausted all our growth opportunities, we are not in a position to take a decision on the cash utilisation. So, for now the cash is being accrued to grow the business in the areas that I have just mentioned.

Moderator: Thank you. The next question is a text question from Anshul Mittal from Care PMS.

Anshul Mittal: What is the Polyol and PG domestic industry side and how much is imported? Can you please elaborate on the prices of PG and Polyol currently and the year back? Which of the raw material is imported and what is the pricing and supply chain scenario?

Muthukrishnan Ravi: So, I will try to attempt one by one. The PG capacity is around 100,000 tons in India and the Polyol capacity is roughly around 100,000 tons per month. So, today, we being the only producer of PG and Polyols in India the balance of the demand is being met through supply from international players who are importing the products in India and supplying the domestic market. Of the three raw materials that I mentioned, we use lime which is imported today from many different sources and these sources could widely vary from Malaysia, Vietnam to the Middle East. Of these three products, lime is the only product that we import besides some other small ancillary products that we use to enhance the specialty chemicals business of the company. Can you please tell me the rest of the question please?.

Anshul Mittal: The next question was which of the raw material is imported and what is the pricing and supply chain scenario of the same?

Muthukrishnan Ravi: Like I said lime is the only product which is being imported and because we have multiple sources there is no issue with availability of the material on time. So, what we do is because it is imported we carry about 15 days to 20 days of inventory and we try to keep it at that level because the availability of lime is plenty. As far as the product prices go there has been a slight decrease in the product price from last year, but then we have been able to maintain the margins because the raw materials helped us and the margins have remained at robust.

Moderator: Thank you. The next question is from the line of Pranay Jhaveri from JNJ Holdings Private Limited. Please go ahead.

Pranay Jhaveri: Sir basically since this is the first call and first interaction with the management if you can just throw some light..just going through next say between 2012 and 2020; in the 9 - 10 years we were stuck in the range of Rs. 500 crore to Rs. 700 crore top line and EBITDA in the range of 10% - 11% and later on in the two years i.e. March 21 and March 22, the EBITDA shot up to 31% and 56% respectively. So what has actually changed and can you just give a broader picture whether that is a structural change or something one off as that will be really very helpful?

Ashwin Muthiah: Thank you for appreciating this system of meeting with stakeholders. I will just give you some very broad comments and then I will let Mr. Ravi tell you exactly what has happened. Broadly speaking as I told you our focus has been always to improve the efficiency of our operation, to focus on optimization of the balance sheet in terms of the debt and in terms of cash availability. So, we have been focusing quite a bit on operational efficiency and balance sheet optimization and that has given us a good base to basically take the company from what it was earlier to a level where it is today. Now Ravi will comment to you on how profitability has changed from year-to-year, what is it that is sustainable, what is that has happened on a one off basis all this I think Ravi can throw some light because also you would appreciate that last two years have been there have been a lot of surprises for the good and for the bad. So, I think Ravi will explain to you what is sustainable and what is one off.

Muthukrishnan Ravi: I would split this answer into two parts - Over the years what we have done is that we have tried to maximize our operational efficiency and unlocking whatever we can unlock in terms of the capacity that we have. Therefore, we set the base to supply the market in full, to the extent that we can, as and when the demand picks up. So, that is one thing that we did. An example of what we have done in this regard is the terminal that we setup at the port where the imported propylene oxide which is the intermediate product to unlock the potential of downstream. So, in case there is a disruption to propylene supply from refinery or there is a need for us to produce more than what the refinery can supply; then we are not constrained by the unavailability of the intermediate raw material. So that is the base that we set. The other thing that we did was that we unlocked the trains or the operating system in our front to be able to actually changeover smoothly from commodity to specialties. Also within commodities, the kind of commodities that have an immediate demand, we set ourselves up to immediately meet the customer demand as it changes overtime and the third thing that we have done is we operate the license capacity and we have secured to the extent possible small increases in license capacity which actually helped us when the demand picks up. The fourth point I would like to add is that Propylene Oxide being a key intermediate raw material we actually had run persistent companies, set up Propylene Oxide facility and supply as and when they need some stuff and this Propylene Oxide has also helped us reduce the dependence on imports when the demand picks up. So, these are all something that we have done over the years to reset the base as and when the market helps us to use the facility. Now coming to the immediate part of the last two years I think I would split that those numbers into again two parts. One is where we actually did some smart buying of the raw material ahead of the uptick in the raw material price. So, as the lockdown started we started to the extent possible converting the raw material into finished product and stocking of the raw materials as to the maximum extent we could stock up. So, that as the curve went up with easing of curbs due to COVID we captured the benefit of that. Now on the demand side, the supply chain constraints that the world saw due to the COVID and also the restrictions on imports that caused the supply chain restrictions basically helped us capture both wider share of the market as well as have a better pricing power. So, these two helped the number which actually saw the result come the way it did in the last two years. So, I would say that there is a structural part to this number and there is also an immediate benefit that we got due to COVID. So, I will split it into two parts.

Pranay Jhaveri: Just to question on the same aspect – one you said your capacities which were there which were probably if I have understood it right which were underutilized you made your raw material supply intact so that it can be used to the maximum usable capacity, so if you can just throw some light on what is our installed capacity and how the utilization level moved in a broader range in last three years, five years whatever?

Muthukrishnan Ravi: We have two main products as I told you. We make Propylene Glycol which used to be 20,000 tons of licensed capacity which we got extended to 22,000 tons and in terms of licensed capacity we can make 50,000 tons of polyol. The way we unlock this potential and the result of that we are operating around 30% to 40% on the polyol capacity utilization which has now come up to about 60% to 70%. That is primarily because of the unlocking of the intermediate products. Recently it remains at 70% and not 100% because polyol by its very nature is a product that we need to change the train frequently to meet the demand of different applications. Therefore, it is not possible to achieve 100%. So, 70% is probably equating to somewhere around 90%.

Pranay Jhaveri: And how is the commodity specialty mix change in last say, three years to four years?

Muthukrishnan Ravi: So we were very highly aligned towards commodity we were almost 90 - 10 in the initial years and we are about 80-20 now which is still not ideal and as Chairman said it is our endeavor to increase the specialty exposure.

Pranay Jhaveri: So, this 90-10 maybe two years back?

Muthukrishnan Ravi: No, I think it was about 6 years - 7 years ago?

Pranay Jhaveri: And ideally where you would like this number to be 80-20 number to be.

Ashwin Muthiah: See ideally I think first of all we have to increase the overall volume. We do not want to cannibalize our commodity for increasing specialty because as far as India is concerned we have a very good position on the commodity side and we should be able to maintain that position if not gain a higher market share because by virtue of doing that you will have more control over the sustainability of the performance of the company for the stakeholders. So, commodity also has to keep growing. The volume has to grow in total both on commodity and specialty and in terms of mix as Ravi said what was 10 is now 20, but I still think our bread and butter would be the focus on commodity. So, specialty will grow, but not to an extent where it can become a majority, I mean as the volume grows, as the total top line grows based on our investments and future I would be very happy if we can come to close to 30% or a little more than that, but never will specialty be more than the commodity because at the end of the day we are a large commodity player and we would like to maintain that position to provide a sustainable performance.

Moderator: Thank you. The next question is a text question is from the line of Gunmeen Kohli from KRChoksey.

Gunmeen Kohli: Thank you for the opportunity. Can you give us a breakup of revenue growth in terms of volume and pricing? Secondly can you give us split of the margins in the commodity and specialty verticals?

Anis Hyderi: In terms of our total volumes we did a total 60,000 tons approximately last year so it is 2021 and the volumes grew to about 68,000 tons so that can be approximately about 8%. I think the majority of the growth has come from the price increase which we have seen both across our two major products PG and polyol. PG contributing the most followed by SS. Margins in the range of the gross contribution has been about 49%; again that is an average for the company for 21-22, but PG still lead at a high of 54% approximately followed by SS which is close to 40%.

Moderator: Thank you. The next question is from the line of Jayant Mamania from Care Portfolio Managers. Please go ahead.

Jayant Mamania: Actually you have said that again import at the level of pre COVID levels again the price erosion has started and to what extent our margins will be impacted?

Muthukrishnan Ravi: We are not able to place the number on the margins erosion or growth because we do not know how the situation will change in a future, but I think the imports have started coming in. I would not say that they are at the level of pre COVID, but they are growing so that is the situation now, this geopolitical situation with the war in Ukraine and the high crude oil prices. So, I think it is a bit, how do you say, uncertain times now and I think until the war ends and things clear up there is till now no clear indication how this situation will improve, but as of now raw material input cost and increase in imports is leading to a situation where it is not the same situation as last year.

Jayant Mamania: Can we assume that the poor performance upto 20 - now that there is a structural change it would not be repeated?

Muthukrishnan Ravi: Like I said we will probably not be at the levels of last year, but at the level to which we have reached is anybody's guess we don't know that yet.

Jayant Mamania: Can you tell us about the expansion plan which was declared in September 2020 in the PG capacity? What is the status? How much time will it take to complete the project?

Muthukrishnan Ravi: The project will get completed 18 months from receipt of all approvals and we are at the final stages of approval process with the ministry of environment.

Jayant Mamania: When can it be expected?

Muthukrishnan Ravi: So, we could expect the approvals to come through in the next two to three months so it is 18 months from there.

Jayant Mamania: Sir we have entered into agreement with the UK base Econic Technologies for CO2 based polyol trial runs, so can you tell us about the progress in that case?

Ashwin Muthiah: Now the Econic project is very interesting because it is opportunity for us to get into the green space without an impact to either our cost structure or our production unit. So, what we are now doing is that we have signed an MoU with them which is being converted into a contract after which the trials will be done in two phases. The first phase will be a pilot plan trial that we will set up and run jointly with Econic. Based on results of the pilot plan trials we will then convert one of our trains into a CO_2 enabled train and that will run and produce polyol and again that trial will be just to do more with Econic technology.

Jayant Mamania: So what kind of cost is involved in that as in what is the project cost?

Muthukrishnan Ravi: The project cost will be somewhere… the pilot plant would be somewhere around $200,000 to $300,000.

Jayant Mamania: When it is expected to start?

Muthukrishnan Ravi: The pilot plant should start as soon as the contract is signed which is we are talking about one odd year.

Moderator: Thank you. The next question is from the line of Jignesh Shah an Individual Investor. Please go ahead.

Jignesh Shah: So my first question is regarding the CAPEX plan what we have which was we are talking on September 2020, could you please update on what is the CAPEX cost and what is the capacity we are planning for PG expansion?

Muthukrishnan Ravi: There are two phases of this project this PG expansion project. The first phase is expansion which is a low cost expansion because the Brownfield expansion which will give us about 20,000 tons of PG and that will come at about Rs.65 crore and the second expansion will be a similar capacity and that will come at about Rs. 160 crore.

Jignesh Shah: The next point I have if I look at the financial we have clocked much higher revenue as compared to last Q4, but our EBITDA is much lower, could you please elaborate why the EBITDA is lower in this quarter as compared to last Q4 - which are the major driving factors of that?

Muthukrishnan Ravi: Basically as you know raw material prices have run up and that is primarily the reason for that.

Anis Hyderi: As you rightly said Ravi, the raw material prices are increased compared to last quarter because of the crude prices going up. Also we have witnessed small correction in realization for PG and polyol because of the supply chain this year as compared to last year. Last year Q4 realization was slightly better than what we were getting from Q4 of current financial year.

Ashwin Muthiah: Well, to add here I would say that the realizations we have seen has been a very special realization. So, this is something that was dependent on the global pandemic situation. So, I think it was a very special time where our realizations have been extraordinary. So I would think that what we are going to be seeing from now on would be more sustainable and realistic in terms of numbers.

Jignesh Shah: And the last point I have we have a polyol capacity is 50,000 ton per annum, but we could operate at 60% to 70% utilization only due to frequent changeover, so are we thinking to setup new production line on polyols in near future?

Muthukrishnan Ravi: So, we recently increased from two trains to three trains and we will definitely look at that based on the demand situation because it is not a straight forward correlation. If you have trains immediately the capacity goes up because it also depends on how the train is designed and the market demand, but that is something that we do constantly do this.

Ashwin Muthiah: And as I said this also depends on our constant search for availability of raw material. So, as and when we are able to we will keep on working on sourcing raw material within India. So as and when we are able to secure a more sustainable supply of raw material we will not hesitate to expand capacity.

Moderator: Thank you. The next question is a text question from Pranjul Agarwal from Green Portfolio.

Pranjul Agarwal: Polyol accounts for more than 50% of the revenue; still capacity utilization is at 60% ; could you please share the reason for it - are we not seeing enough demand?

Muthukrishnan Ravi: I think we answered that already because of frequent changes to the train - maybe there is a need for more rigor operation.

Moderator: Thank you. The next question is again a text question from Aditya Sen from RoboCapital.

Aditya Sen: Can you please give us broad outlook on resumption of import of finished goods what are the possible circumstances when the suppliers will resume supplying to India?

Muthukrishnan Ravi: Like we mentioned the supply chain has eased already and we are seeing imports significantly gone and I think in the current financial year they should go back the pre pandemic level.

Ashwin Muthiah: But the focus will be to compete and secure the market for us. I think that is what we will have to be constantly working on. So, import can come in, as long as they find that there is a competitive environment for them, but our focus and our job at Manali Petrochemicals is that we constantly keep our efficiencies high and our cost as optimum as possible so that we can face off the competition and continue to sustain the market share.

Muthukrishnan Ravi: Just to add to our Chairman's comment, our local presence given the nature of the product gives us an edge over the importer because we are able to just in time support technically whenever it is required and our endeavor to increase the capacities will obviously contribute to better top and bottom.

Moderator: Thank you. The next question is from the line of Kalai Jyoti from Snow Wealth Financial Service.

Kalai Jyoti: Thank you Chairman Sir for giving us the opportunity to take part in this session. The last two years growth is very good; whether this may continue to future? Second, what steps has company taken to maintain the EBITDA level in future also?

Ashwin Muthiah: I think we have touched upon this earlier. As I said the last year especially has been a very special year for the company and this has been basically because of the surprises. The market has eased due to the lockdowns and the pandemic. However, it is our endeavor to put in operating parameters that will sustain our business over a longer period of time. So, as we have discussed, our focus will be on improving efficiencies, our focus will be on managing the raw material supply, our focus will be on managing our financial parameters, our focus will be on our balance sheet health. Also as we have explained we will work towards bringing in a technology like Iconic where if we are successful then that helps us to at least partly replace our raw material with a raw material that is made from CO2 which helps us on costing, which in turn helps us in reducing the input cost. So, these are the efforts we will put in to make sure that we are able to sustain a good performance parameters. So, that is our whole approach and not get carried away by what we have seen in the last year which is basically a surprise for everybody.

Moderator: Thank you. The next question is from the line of Gunmeen Kohli from KRChoksey. Please go ahead.

Gunmeen Kohli: I had a follow up question what is the current pricing environment for your product and how will it affect both going forward since you mentioned bulk of your revenue growth for this year is coming from pricing power, so could you just elaborate on that?

Muthukrishnan Ravi: I think compared to last year the prices have definitely softened a bit; the raw material prices have gone up as well so that is the immediate situation, but like I said this is an evolving scenario so we need to wait and see how the margins will change over this year.

Moderator: Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Hyderi for closing comments.

Anis Hyderi: We thank the participants for having joined for this very first analyst investor call that company have organized. As mentioned by the Chairman we will try to make this a more frequent event. I hope we have addressed concerns and questions that the investors had in call today. So, thank you very much ladies and gentlemen and we hope to connect with you soon going forward.

Ashwin Muthiah: I would also like to convey my thanks to everybody who has participated in today's call and it is also a great source of motivation for us to continue to have this engagement with the stakeholders and as I have said our focus is on creating a solid foundation in the company to provide good governance, commitment and the sustainable performance. My special thanks to the organizers for organizing this very nice and opening analyst meet for the company. Thank you.

Moderator: Thank you. Ladies and gentlemen on behalf of Manali Petrochemicals Limited that concludes today's session. Thank you for your participation. You may now click to the exit meeting to disconnect.