

Mitsuchem Plast Ltd.

(Formerly known as Mitsu Chem Pvt. Ltd.)

329, Gala Complex, Din Dayal Upadhyay Road,
Mulund (W), Mumbai - 400 080, Maharashtra, INDIA.

T : + 91 22 25920055 F : + 91 22 25920077

E : mcpl@mitsuchem.com W : www.mitsuchem.com

CIN : L25111MH1988PLC048925



Date: May 20, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai- 400001

Script Code : 540078

Dear Sir/Madam,

Sub: Transcript of Conference Call with Investors and Analysts held on May 18,2024

With reference to our previous communication dated May 13,2024 intimating you about the Conference Call with Investors and Analysts held on May 18,2024, please find attached transcript of the aforesaid Conference Call.

Kindly take the same on record.

Thanking you.

Yours truly,

FOR MITSU CHEM PLAST LIMITED

Ankita Bhanushali
Company Secretary
Encl: as above

Manufacturing Units

Unit-I: N-83/84, MIDC, Tarapur,
Boisar, Dist. Palghar -401506.
Maharashtra.

Unit-II: J-237, MIDC, Tarapur,
Boisar, Dist. Palghar -401506.
Maharashtra.

Unit-III: Plot No. 24/11, 24/12,24/15, 24/8B & 25/1,
Village-Talavali (Lohop) , Post: Majgaon,
Opp. Birla Carbon Ind.P Ltd., Tal. Khalapur,
Dist: Raigad, Pin: 410220. Maharashtra, India.

• Industrial Containers • Furniture Parts • Automotive Parts • Medical Devices etc.

Blow Molding | Injection Molding | Custom Molding



“Mitsu Chem Plast Limited Q4 Earnings Conference Call”

May 18, 2024



MANAGEMENT: **MR. MANISH DEDHIA - JOINT MANAGING DIRECTOR
& CFO, MITSU CHEM PLAST LIMITED**
**Ms. KASHMIRA DEDHIA -- VICE PRESIDENT(FINANCE
& ACCOUNTS), MITSU CHEM PLAST LIMITED**

MODERATOR: **Ms. CHANDNI CHANDE – KIRIN ADVISORS**



*Mitsu Chem Plast Limited
May 18, 2024*

Moderator: Ladies and gentlemen, good day, and welcome to Q4 FY '24 Earnings Conference Call of Mitsu Chem Plast Limited, hosted by Kirin Advisors.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors. Thank you, and over to you, ma'am.

Chandni Chande: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Mitsu Chem Plast Limited.

From the Management side, we have Mr. Manish Dedhia – Joint Managing Director and CFO; Ms. Kashmira Dedhia – Vice President (Finance & Accounts).

Now I hand over the call to Mr. Manish Dedhia. Over to you, sir.

Manish Dedhia: Yes. Good morning, everyone. I extend a warm welcome to each of you as we convene our FY 2024 Conference Call to dwell into the performance and future prospects of Mitsu Chem Plast Limited.

It's a pleasure to have you join us today. Mitsu stands a prominent player in the plastic manufacturing industry, specializing in blow moulded and injection moulded products.

Our unwavering focus on both business growth and environmental sustainability, we remain steadfastly dedicated to energy conservation and green initiatives. By investing in advanced technologies and implementing efficient machinery, we are actively contributing to a more sustainable future. Looking ahead, we aim to achieve the following goals: Propose a 15% reduction in freshwater consumption and intensity, maintained zero fatalities, propose a 7% reduction in lost time injury frequency rate which is called LTIFR, propose a 20% reduction in carbon intensity and overall emissions.

Furthermore, we are committed to investing in our business growth to finance these business investments. We have successfully raised funds through a right issue. I'm pleased to share that our recent right issue was oversubscribed, exceeding the issue size significantly. The remarkable response underscores the market's confidence in Mitsu's robust business strategy and the dedication of its team.

The company remains steadfast in the commitment to excellence, innovation and continuous progress with a keen focus on sustainable growth and innovation. The success of the right issue position Mitsu for continued growth and expansion, enabling us to capitalize on emerging

opportunities and strengthen our presence in the industry with a strong foundation and a clear vision for the future.

Strategic investment in product innovation and value-added offerings have been central to our efforts to meet the escalating demand for packaging products. Our relentless focus on becoming a preferred partner for the supply of packaging materials has led us to continuously strengthen our product portfolio.

We are committed to growth and bringing valuable contribution to the packaging industry while maintaining sustainability as our focus. Despite various challenges, we are dedicated to sustainable growth and securing a leading market share in the packaging industry. Our expansion and innovation efforts will undoubtedly lead to future growth and your unwavering support will propel our journey forward despite the challenge we may face.

So, now I request Ms. Kashmira Dedhia to provide more information on capacity and financials.

Kashmira Dedhia:

To provide some context on our current operations, our total production capacity now exceeds 26,000 metric tons per annum. With a capacity utilization rate of 71%, our packaging business remains our primary contributor, accounting for 85.70% of our product vertical, followed by hospital furniture at 9.65% and other product verticals, including infrastructure furniture at 4.65%. Moving on to our financial performance. We concluded FY 2024 on a very positive note, reporting a total income of Rs. 312.28 crores, EBITDA of Rs. 26.71 crores and a PAT of Rs. 8.86 crores, reflecting an EPS of Rs. 7.12.

These impressive figures are a result of our strict control over operational costs and innovative measures, that we have reduced wastage and optimized consumption leading to substantial cost savings. For Quarter 4 Financial Year 2024, our revenue stood at Rs. 82.55 crores with EBITDA of Rs. 7.79 crores and a PAT of Rs. 2.83 crores. I extend my heartfelt gratitude to all our stakeholders for their unwavering support during challenging times. I'm confident that as the industry continues to grow rapidly, our established position and strong clientele will enable us to capture a significant share of the expanding market.

Once again, I thank each of you for being with us today and for patiently listening to me. With this overview, we are now open to taking questions from all of you. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yashvanti, an individual investor. Please go ahead.

Yashvanti:

Great to hear you once again on our financial numbers, sir. In packaging industry, we are doing a lot of contribution to the industry and many new innovations, we are continuously doing. Sir, but my question is like our growth is still timid. So, what we can see the things that can turn into a positive direction?

- Manish Dedhia:** Yes. I think a good question, Ms. Yashvanti. See, overall, with the financial things, our turnover remained almost the same, I think, very minute growth. But overall, the sales has been increased by around 13.84% year-on-year. Because of the raw material prices, that's why you can see that the turnover at the same level. So, I think your question maybe was on a growth side. Definitely, there is a big growth in the packaging industry and definitely, we are also trying on many, many new avenues. It takes sometimes more time for approval, it takes more time to get into that, maybe more time to take a design approval or something like that.
- Yashvanti:** And sir, really, I wanted to congratulate for the great efforts you are taking in various initiatives on the sustainability. Sir, you just mentioned in your opening remarks, there would be some saving in the water, there will be saving in the power. So, are this going to contribute to our operational expenses where we can see some expansion in the EBITDA margin in the coming period?
- Manish Dedhia:** Sorry, I did not get your questions right.
- Yashvanti:** Yes. So, I wanted to say that, that you had taken many initiatives where you are looking to conserve water, you are looking to conserve energy. So, this is basically a good effort towards sustainability. But at the same time, you are also taking an initiative to control our costs. So, I just wanted to understand from you all these measures, which we are taking to conserve our scarce resources, how they are going to contribute to our profitability? And when substantial change can be seen in the improving profit margins?
- Manish Dedhia:** Okay. I must say that somewhere, I mean like, till date, if you save water, you'll not make a good profit because plastic requires a very small amount of water. But anyway, see, we are taking some part in small, small things to conserve environmental nature and all these things. So, this is what we are mentioning in our call because on a sustainability part, we are doing many things. Definitely, profitability will not affect. My meaning, profitability will not shoot up like anything or will not go down anything on this. But yes, there will be somewhere at least satisfaction that what we are doing is right for environment. Yes.
- Yashvanti:** Environment, right. Sir, just continuing with your point that your efforts on the sustainability and a contribution to the environment, do we attract any government assistance for this effort? Any kind of a subsidiary, any kind of a tax benefit? Any kind of a benefit that government wanted to lend a hand to you and support your all these sustainability efforts?
- Manish Dedhia:** So, right now, till date, there is no subsidy on any environment or anything unless you go on the recycling product or something like that, so we are not into that product yet. So, there is no subsidy. All 3 units are in Maharashtra, there is no subsidy at all. But we do not know if the new government comes and if something comes up, it will be great welcome move because I think we expect that plastics should be considered in PLI also. That's what our association has already

--

Yashvanti: Forwarded to the government.

Manish Dedhia: Yes, yes.

Yashvanti: So, sir, I will continue with 2 more questions. I just wanted to understand how are our raw material price is behaving? When we can see a positive in terms of saving in cost? This is the one question. And secondly, sir, we used to do export, that's not direct export, but it will be like deemed export. We used to supply to the people with the clients and then they used to use it, our packaging material to supply their material. So, that is a deemed export. So, how are the things? How is the demand stepping up? Because during the COVID and even after the recovery of the COVID, this export has not been seeing a great up move. So, how are the things now? And what is your expectation going forward?

Manish Dedhia: So, I think overall export is not going great from India and instead, there is a big demand in the local. So, local consumption has increased drastically upward side. But yes, export has also gone substantially, but I think by calculating other things, it looks like that export is reduced. But if you see the absolute numbers, then it is a different thing.

Yashvanti: We are seeing a good momentum in the domestic market.

Manish Dedhia: Yes, yes. If you see absolute number, it maybe differs. But yes, if you say so, there is a lesser export than the expectation from India. So, same way it has been somewhere or the other way, it has affected us also somewhere.

Yashvanti: And sir, your explanation on the raw material prices, how are the things behaving now and what are your expectations going forward?

Manish Dedhia: It is completely dependent on demand-supply. Right now, it's a stable market. Because there is no demand, the supply is good, then the prices are stable. When the demand comes drastically and supply is somewhere restricted, then again, the prices shoot up. So, it's completely dependent on demand supply first. Then the external things like crude, ethanol and other things, other raw materials. And the third thing, political, geopolitical.

Yashvanti: The crude has already started softening. So, are we seeing some benefit in our raw material prices? How are the things?

Manish Dedhia: So, crude has gone up and down in last 4, 5 months. Because of the war possibility, it has gone drastically upward, and then it has come down. But nothing has changed here because of the demand/supply only. I'm talking about last 3, 4 months' scenario. Yes.

Yashvanti: And sir, how do you like to define ourselves, regarding other competitors like we are facing this problem with the demand, we are facing problem with the exports. How are other competitors are seeing this growth? And any view on how they are managing this?



Mitsu Chem Plast Limited
May 18, 2024

Manish Dedhia: Ma'am, no good idea on this, particularly, because I think our competitors are not doing con calls. So, I really do not know what they're doing. But yes, overall data, you can't come to know what they are doing. And there are only few companies are listed. So, we don't come to know too many things.

Moderator: The next question is from the line of Narendra from RoboCapital. Please go ahead. Please go ahead.

Narendra: So, my question would be excluding the raw material prices effect, what kind of growth are we looking at in the top line in the next 2 to 3 years? What would be our goal, aspirational target?

Manish Dedhia: I think I will just clarify your question, right. You said with this, what is your target for next 2 years, right?

Narendra: Yes, yes, 2 to 3 years, whatever we have a medium term or long term, any target that you have excluding the fluctuation in the iron prices?

Manish Dedhia: Yes, that's very rare. That's very rare. So, definitely. Okay. So, I must say, see, there is a big demand in packaging industry as earlier person has already said that. And I can also vouch for that, yes, there's a big demand coming up in the packaging industry and the plastic industry. There is a big, big growth. Let's wait for a new government. I think government will come up for sure with some subsidy, some new benefit, looks like. Not sure about that. So, that will boost industry like anything for export for local business. And we are seeing exponential growth in the plastic industry.

Narendra: So, the current volume growth, I believe, is 13%, right?

Manish Dedhia: Yes.

Narendra: Yes. So, going ahead, would the growth be higher than this, lower than this or what's your take on that?

Manish Dedhia: So, I can tell you this is our lowest growth ever we have made.

Narendra: So, it should be high teens. Would that be a fair assumption?

Manish Dedhia: Sorry, what was the last, this thing?

Narendra: No, I said, would it be fair to assume that in the, say, 2 to 3 years' time frame, high-teens growth is possible?

Manish Dedhia: Yes, yes. We are looking for that. See, again, I mean in my earlier calls also, I've mentioned that we are really looking for higher EBITDA and higher PAT margin only in many of the products.

And hence, we are always diverting many more products and looking for good margin business. So, margin is most important than the turnovers.

Narendra: I was asking about the volume growth.

Manish Dedhia: That's what I am saying. So, margin is first and then the volume growth. So, we are looking for more on a margin growth first. Definitely, if the margin growth is there, definitely, we'll get a volume as well.

Narendra: Fair enough. So, our first priority would be to increase the profitability rather than going aggressively, right? Is that the right way?

Manish Dedhia: Right. Correct.

Narendra: And if I'm not wrong, last fall, we had spoken that we have a target to achieve the 12% EBITDA margins. So, are we on track for that or is there some hiccup?

Manish Dedhia: Yes. So, I think we did around 10% this quarter, 9-point-odd figure. So, we did around 10%. So, we are trying to get on the track.

Narendra: Thank you so much and all the best.

Moderator: The next question is from the line of Tara Kaur from VY Capital. Please go ahead.

Tara Kaur: Sir, did we have any recent innovation or technology advancement implement by the company?

Manish Dedhia: Sorry. Ma'am, I'm sorry, I could not get your question.

Tara Kaur: I'm saying that did we had any recent innovation or technology advancement implemented?

Manish Dedhia: Yes. So, the PET machinery was one of that. And earlier, that was initial moulding machines what we have launched. And the new one was a PET machinery.

Tara Kaur: And also, any new product in the pipeline, which you are planning?

Manish Dedhia: Yes, there are many. See, we always have a lot of new products every quarter. So, yes, this quarter also, many, many innovative products are there.

Tara Kaur: Like, when we can expect these to show the impact in the revenue or in the top line, bottom line?

Manish Dedhia: So, yes, definitely. See, we in the packaging side, in the hospital furniture, in the infrastructure side, see, we have R&D department. We developed many, many designs over the period. So, we are ready for the next quarter. So, we already made last quarter, a lot of designs. We went for a new mould. We went for the design, and now we launched in the market. Now some products

gets success. Some products did not get any good volume. So, that way we are trying a lot in the innovative products.

Tara Kaur: And just the last question is, how is the new technology, which you mentioned right now is working for you?

Manish Dedhia: I will say, okay, because still we haven't got any approval from customers because it's very, very new for customers. And customer is still evaluating. I hope to get final go ahead within this quarter.

Tara Kaur: Also, can we expect growth in the next coming quarter in the top and bottom line?

Manish Dedhia: Definitely, yes.

Moderator: The next question is from the line of Chirag from Narayan Murthy Capital. Please go ahead.

Chirag: My question is, can we expect growth in next quarter?

Manish Dedhia: Yes, but not drastically upward because you can see there is an election year. So, there are many factories, I mean, like running at a very low capacity because of the workers are not there and everybody is like having a less demand. So, I think April and May months, everywhere was the same situation, especially Maharashtra, Gujarat. So, hope to get good volume, but you can't see miracles.

Chirag: And sir, how does the company plan to navigate challenges such as raw material price fluctuation and supply chain disruption, which can impact manufacturing operation and financial performance?

Manish Dedhia: So, I think, sir, when you are in the plastic business and a commodity business, so the first criteria is to get into this is like you have to manage raw material very well entire year. So, that's the first criteria to get into business. So, we have to manage with the demand/supply gap.

Chirag: And sir, can you provide more insight into your market demand dynamics for your core products, especially in segments like industrial packaging solutions, automotive components and health care products?

Manish Dedhia: So, you want to have marketing?

Chirag: Sorry, sir?

Manish Dedhia: No, no. What was the question? Please come again.

- Chirag:** My question was like, can you provide more insight into your market demand dynamics like for core products, especially in segments like industrial packaging solutions, automotive components and health care products?
- Manish Dedhia:** So, I will start with the packaging. So, packaging has a very good demand across India and across the sector. Everyone wants to go with the new design, new things and new shape in the market. And definitely, there is a big, big demand coming up in the packaging industry. About furniture, yes, again, we see drastically upward this year due to very big demand overall and definitely, this budget will come up like a lot of things for health care. So, we expect a lot from hospital furniture this year. About automotive growth, yes, we are not doing too good in automotive because we are already not showing any progress in that thing because there is a lot of talk going on. Unless and until the business starts, we can't say anything. Because from last 2 years, we are not doing anything on automotive.
- Chirag:** So, do you have any plans on automotive in next financial year or you will just continue with what.....
- Manish Dedhia:** See, we have plans this year also, but subject to the customers and customers' approval and the commercials are right. Because if the commercials are not right, we just don't want to get into that business.
- Chirag:** That's all my questions.
- Moderator:** The next question is from the line of Sanika from Sapphire Capital. Please go ahead.
- Sanika:** So, we just said that this was the lowest growth year for us. So, why did we experience this? Like what are the difficulties that we faced in this year or the quarter?
- Manish Dedhia:** No. So, I think the first 2 quarters was very, very moderate or maybe I can say okay, from demand and also was okay. Hence, we could not grow that level. That was the only reason.
- Sanika:** Sir, why are we seeing such low demand? Because we are saying that the industry is seeing a lot of growth.
- Manish Dedhia:** Simultaneously, we are also expanding. So, in a turnover side, yes, competition is also increasing like anything.
- Sanika:** So, mainly it's the competition?
- Manish Dedhia:** Maybe yes. I can say maybe, yes.
- Sanika:** Okay. And anything except from competition?

Manish Dedhia: No, so sometimes customer approval, it takes a lot of time for customer to approve some of the goods. To change the supplier, it takes a lot of time and so on.

Sanika: So, are we expecting any customer approvals coming in the next quarter or next 2 quarters?

Manish Dedhia: Yes. Customer acquisition and customer new approval, yes, there will be many.

Sanika: And sir, in the last call, you had guided for a 30% kind of growth in FY '25. So, are we still looking to that kind of growth? Because we said that we are going to do a mid-teen kind of a volume growth.

Manish Dedhia: Yes, it is still on.

Sanika: So, we are still looking for 30% kind of growth?

Manish Dedhia: I have never mentioned the percentage. But yes, we are seeing some big growth.

Sanika: So, can that be around 30%?

Manish Dedhia: No, I never mentioned, ma'am.

Sanika: And also, we had a target of doing a Rs. 1,000 crores kind of top line in 3 years.

Manish Dedhia: No, those targets are there, maybe in line, yes, we are working towards that target and let's see how we can achieve that.

Sanika: Sir, do we have any more clarity on how we are going to get it in terms of what are the CAPEX we will have?

Manish Dedhia: Definitely we have. We will announce as and when we will have more clarity in our hand. So, we will announce on the spot.

Sanika: Okay. And if not 30%, what kind of growth are we looking for in the next 1 to 2 years?

Manish Dedhia: I will not be able to tell you a specific growth because we never say specific growth percentage-wise. But yes, there is a big demand and good growth you can expect this year.

Sanika: And anything on the margin side?

Manish Dedhia: Yes. So, margin side is also, you can see from last 2 quarters, there is an improvement and we are trying to get that improvement in even these 4 quarters also.

Moderator: Our next question is from the line of Yashvanti, an individual investor. Please go ahead.

- Yashvanti:** Thank you once again for the opportunity. Sir, I think I missed it, but what is our current capacity utilization?
- Kashmira Dedhia:** For the year, it is 71%.
- Yashvanti:** So, at the current capacity utilization, what kind of revenue we can expect and when we can see the 100% capacity utilization?
- Manish Dedhia:** There's an echo in your voice.
- Yashvanti:** So, I wanted to understand when we can see the 100% capacity utilization? And at that level, what kind of revenue we can see?
- Manish Dedhia:** So, that cannot be 100% utilization in any machinery. Yes, 85% to 90% you can go. And if you go 85%, 90%, you can achieve around Rs. 430 crores to Rs. 450 crore turnover.
- Yashvanti:** So, it maybe that by next year or maybe end of this current year, you need to increase your capacity, you have to invest into the capacity?
- Manish Dedhia:** Yes. We have already increased slow by slow. So, I think you must have seen our one announcement, which we have increased the capacity.
- Yashvanti:** Yes, that is I think 870 metric tons, I think you've said that.
- Manish Dedhia:** Sorry, ma'am, your voice is echoing like anything.
- Yashvanti:** Yes, I believe it was some 870 metric tons kind of a capacity you have added. That is 10% of whatever is you are...not even 10%.
- Manish Dedhia:** No, it's 18% per year.
- Moderator:** The next question is from the line of Jegadees, an individual investor. Please go ahead.
- Jegadees:** I have 4 questions. All are different, different questions. The first one is what is the industry's growth rate and how are we growing when compared to the industry? Are we growing better than the industry or are we growing at par with the industry? That is my first question.
- Manish Dedhia:** So, industry, specifically blow moulding industry is, CAGR is around 14% to 16%.
- Jegadees:** 14% to 16%, okay.
- Manish Dedhia:** Almost something similar. I will not say a little bit there, but yes, almost similar.
- Jegadees:** So, how are we growing when compared to them?

Manish Dedhia: Sorry?

Jegadees: So, how are we growing when compared to them, in terms of like volumes and revenue? Volumes, if I am not wrong, we are growing at par. Revenues, we are not getting to that level. That is my impression.

Manish Dedhia: Yes. As I said, like first quarter was not too good with Mitsu. So, I think because of that, the profitability has hit it like anything on this.

Jegadees: Sir, second question is, when do we expect the margin to come back to its peak? We were like doing almost 12.8% to 12.9%, almost 13% margin. Currently, we are at 9%. So, when can we expect the margins to come back to its peak?

Manish Dedhia: I think this is the time to come back with good margins and good business and good profitability as well.

Jegadees: So, you are expecting a double-digit margin by this year, sir, by FY '25?

Manish Dedhia: That is our target. That's always our target.

Jegadees: So, double-digit margins. So, third question is, sir, in the last quarter presentation, you have mentioned you had a major deal with a German client. What is the situation of that, sir?

Manish Dedhia: Sorry?

Kashmira Dedhia: Which client, sir?

Jegadees: No. You have mentioned for Mitsu Chem Plast, a major deal with a German client in the last quarter presentation.

Manish Dedhia: Yes. So, already orders received, we have already processed with the orders. So, the export also started in Mitsu Chem. I think that's one of the good achievement you can say. We see now sustainability on this is very important. So, let's see how we sustain this business.

Jegadees: Sir, also with the recent right issue, how are we going to utilize it? And how is the kind of asset turnover will come out of this right issue? What is the asset turnover you are expecting out of this right issue?

Manish Dedhia: Yes. So, I think Rs. 15 crores was loan repayment, out of Rs. 21 crores odd figure. And the rest was for reserves and working capital.

Jegadees: The rest is reserve and working capital. So, my last question, sir, what is the order book for your company right now?



Mitsu Chem Plast Limited
May 18, 2024

Manish Dedhia: What are?

Jegadees: Order book?

Kashmira Dedhia: Order book.

Manish Dedhia: So, sir, we have always order book of maximum 1 month. We cannot take more than 1 month order because of price fluctuations and even the company is also not willing to do more than 1 month.

Jegadees: Okay, 1 month. So, all the order book, whichever you are taking, is only for 1 month, right? Am I right?

Manish Dedhia: No, sorry?

Jegadees: All the orders you are taking is for like 1 month. So, you will complete the order in the same 1 month, that is what you are saying, right?

Manish Dedhia: Same month, yes.

Jegadees: Okay. So, shall we grow at 20%, sir? Is there a possibility of us growing for the next 2 to 3 years because we have kept our target of Rs. 1,000 crores in FY '27. So, we need a growth of at least 25% in the top line. So, will we be able to do it, sir?

Manish Dedhia: Sir, we'll try to go with our run rate, what we had in the past. So, the exact numbers, maybe let the numbers speak. And if any good plans are there, firstly, we will announce, and then we will discuss.

Moderator: The next question is from the line of Shanki Bansal, an individual investor. Please go ahead.

Shanki Bansal: Actually, I have 1 question. In the previous con call, management has highlighted that you launched a new product of pail containers to cater the paint industry and in that quarter, we had a lot of inquiries from paint companies. So, how are we through this segment? And have you onboarded any new customer in this segment? And what sort of revenue we are expecting in this FY '24-'25?

Manish Dedhia: Pail business, right? You are talking about pail business, sir?

Shanki Bansal: Pail containers.

Manish Dedhia: Yes, we are still on. So, as I said, there is a good entry barrier. And hence, we are still struggling. To be very honest, we are still struggling. And yes, but we are not sitting idle, but at least we have some other customers who are giving us orders. So, we are running that way. But definitely, we are waiting for big orders to come.



*Mitsu Chem Plast Limited
May 18, 2024*

- Shanki Bansal:** And sir, in the last quarter, we have launched one new product, MiEcoPET to cater this lub oils. So, that product you have said that it's 12% of operational margin product. So, how we are capable to scale up this segment? And are we receiving meaningful orders in MiEcoPET?
- Manish Dedhia:** Yes, we are still very positive on that right now. I think 2 customers are evaluating very closely because this is a new product, first time in India. So, definitely, people are worried about many of the things. And hence, people are looking at this in a different manner and yes, evaluation takes a lot of time. So, we hope that something comes up in this quarter.
- Shanki Bansal:** And sir, can you tell me what is the current debt of our company? And how are we planning to reduce the same in FY '25?
- Kashmira Dedhia:** So, current total debt is around Rs. 78 crores.
- Shanki Bansal:** Out of which, what is the amount of long-term debt?
- Kashmira Dedhia:** Long term is Rs. 35.72 crores.
- Shanki Bansal:** So, sir, how are we planning to reduce this in coming quarters?
- Kashmira Dedhia:** Sir, company has already paid some of the debt from the raised equity in the last month. And still, we have the part of the equity call pending. So, we are planning to pay some of the debt in this current quarter also.
- Shanki Bansal:** That's it from my side, and wish you good luck for the coming future.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to Ms. Chandni Chande from Kirin Advisors for closing comments.
- Chandni Chande:** Thank you, everyone, for joining the conference call of Mitsu Chem Plast Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference.
- Manish Dedhia:** Thank you. Thank you very much, Chandni ji.
- Moderator:** On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.