PONDY OXIDES AND CHEMICALS LIMITED *POCL*®

1st June 2022

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Ref: Scrip Code- 532626

Dear Sir/Madam,

Sub: Transcript of the "Earnings Call for Q4 FY 2021-22" held on 31st May 2022

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our letter dated 25th May 2022 intimating you about the "Earnings Call for Q4 FY 2021-22" scheduled on 31st May 2022, please find attached the transcript of the aforesaid earnings call.

The video/audio recordings of the said Earnings Call will be available at https://youtu.be/70D5lGXibCo and the said information will also be available on the website of the Company: http://www.pocl.co.in

Request you to kindly take the disclosure on record.

Thanking you,

Yours faithfully
For **Pondy Oxides and Chemicals Limited**

K. Kumaravel
Director Finance & Company Secretary

Pondy Oxides and Chemicals Ltd (532626)

Q4 2022 Earnings Conference Call

May 31, 2022 • 03:00 pm (IST)

Final Transcript

Corporate Participants

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Conference Call Participants

Radhakrishnan Chonat
Director | AlphaStreet

Karan Asli
Analyst | Maximal Capital

Umang Shah
Analyst | Sarath Capital

Vaibhav Badjatya
Analyst | HNI Investment

Ankit Sharma
Analyst | Individual Investor

Rohit Ohri
Analyst | Progressive Share Brokers

Presentation

Radhakrishnan Chonat
Director | AlphaStreet

Good afternoon, ladies and gentlemen, and welcome to the Q4 FY 2022 Earnings Conference Call of Pondy Oxides and Chemicals Limited, hosted by AlphaStreet. This is Radhakrishnan Chonat from AlphaStreet, and it's a pleasure to host Pondy Oxides and Chemicals Limited for their quarterly earnings results conference call.

From the management, we have Mr. Ashish Bansal, Managing Director of the Company; Mr. K. Kumaravel, Director of Finance and Company Secretary; and Mr. Piyush Dhawan, Vice President of Commercial.

May I now request Mr. Ashish Bansal to take you through the presentation, and post that we can start with the Q&A session. Over to you, Mr. Ashish.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Good afternoon, everyone. This is Ashish Bansal here, Managing Director for Pondy Oxides and Chemicals Limited. We wish you a very warm welcome to POCL's Q4 FY '21-'22 earnings. I hope that you and your families are keeping safe and are in good health.

POCL has delivered a historical annual result with a growth rate of 45% year-on-year and 33% on a quarter to previous quarter year basis on top line and has delivered an EBITDA of INR81.79 crores for the financial year 2022 versus INR26.68 crores the previous financial year, showcasing a growth rate of 207% on a year-on-year basis.

We have achieved an all-time highest topline of INR1,455 crores versus INR1,004 crores the previous year. We are happy to share that we have crossed a turnover of $100 million in exports for the financial year 2021-2022. The future outlook of the industry remains relatively positive.

POCL has recommended a dividend of 50% this year versus 25% last year and it continues to be a consistent dividend paying company since the inception. POCL is bullish about recycling and its future, and it believes that India will continue to be an emerging market.

To factor in an accelerated entry into associated verticals, as was mentioned in the previous earnings call, we have incorporated a subsidiary of our company, that is, POCL Future Tech Private Limited which will enter into segments like plastics, from where we will be using our inhouse and other industrial plastics; e-waste; lithium ion recycling; rubber; oil; glass; paper, and other value added products along with mergers and acquisitions and also set up of an R&D lab for commercialization, such that the investments are realized with a faster payback period under the umbrella of POCL Group, based on such opportunities available.

During Q4, there was a visible volatility in the market. We cannot ignore the fact that Russia-Ukraine War has affected the oil prices, currency, and disrupted the overall supply chain network. On a high level, it is to be noted that there are direct correlations with the commodities in metals, raw materials and additives for us, which affect the sentiments of the market as a whole, and also impact the cost of manufacturing.

COVID is still prominent in many countries like Korea, Japan, Thailand, China and is slowly transitioning, hopefully to dormancy. In India, the inflation is also relatively higher and bears an impact on the purchasing power of individuals and companies. The Government of India is taking necessary steps through the sustainability, necessary steps through the Reserve Bank of India to monitor and control the depletion of the rupee value and inflation. Sustainability of the results will be our focus in the coming quarters to withstand macro-economic factors that are currently affecting the entire economy and the industry, not only restricted to non-ferrous metals and recycling alone. Diversification of portfolio in nonferrous metals and other products will be our focus in the coming years.

Our collaboration with ACE Green Recycling is significant. The technology is futuristic since the recycling process is for used lead-acid batteries that release no greenhouse gas emission. POCL is the first company in the manufacturing space to adopt this technology in the recycling process used for lead-acid batteries to manufacture lead ingots.

2022-2023 will remain significant in many aspects. We will set the tone for our vision till 2026 for the company. POCL will continue to look into other sectors with stronger EBITDA margins, as well as grow our present portfolio capacity. We would continue to concentrate on value added and specialized alloys that give us the incremental margins.

POCL would continue capitalizing the first mover advantage of India's first 3N7 Lead Brand to be registered on the London Metal Exchange and add a few other feathers to the cap in this financial year. We are happy that our peers in the industry also have been empaneled in MCX and such reputed exchanges. This will help the industry as a whole to get more and more matured in the upcoming years.

We also focus on creation of yards for collection of non-ferrous scrap in the coming years to leverage on better rates in procurement as a strategy to enter into other segments as well as stretch our geographies. Our relationships with our customers and suppliers continue to remain strong, which bears testimonial to the fact that we have a supreme brand image within the lead sector, known for quality, high level of efficiency, reliability, technical support and service.

Through Extended Producer Responsibility and Batteries Management and Handling Rules, the government is focusing on recyclers and dealers to tie up with OEMs for bringing back the batteries into organized sector. Through these developments, we expect to see an improvement in both domestic and organized collection of scrap.

Our robust procurement strategy is paying off well to ensure fulfilment of production capacities in times of such volatility. In addition, we continue to monitor our hedging strategies closely in a volatile commodity market.

I express my sincere thanks and gratitude to all the shareholders and stakeholders on behalf of POCL for having faith in us in the last financial year and we will continue to steer your company in reaching greater heights.

Now I will hand over to Mr. Kumaravel, who will run us through the financials of POCL. Mr. Kumaravel?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Thank you, Mr. Ashish. Good afternoon, everyone. This is K. Kumaravel, Director Finance and Company Secretary of POCL.

We have already shared Q4 March '22 quarterly and annual results on the BSE with yourselves, and now I would like to summarize the same for easy reference.

We have continued to deliver a healthy performance despite the challenging market conditions. Our revenue from operations for Q4 was INR397.06 crores versus INR298.45 crores for the same quarter previous year, depicting a growth rate of 33%. The quarter-on-quarter basis, our growth rate was minus 3% for the entire financial year. The earnings before tax grew by 367%, EBITDA by 207% and EBIT by 298%. The earnings before tax for Q4 was INR12.57 crores versus INR5.29

crores for the same quarter previous year, showing a growth rate of 138%. However, on a quarter-to-quarter basis, there is a decline of earnings to INR19.89 crores. There has been a phenomenal growth of EPS by 348% from INR18.54 to INR83.01.

It is to be noted that INR11.75 crores worth of exports was completed as on 31st March 2022, with bill of lading pending. As per the relevant accounting standards and principle, revenue recognition, the same will be booked in the financial year 2023. In addition, such inventory has also been valued at cost as per the Ind AS requirement.

To have a deeper insight of the profitability, there has been an increase in cost of additives, like smelting additives like coal, soda ash, cast iron, furnace oil have substantially increased. Similarly, the refining additives like caustic soda, sodium nitrate and RGS Powder have also likewise increased.

The macro and micro economics have been challenging for all the stakeholders, but this is part of the business cycle. There has been a significant price increase in the cost of smelting, refining, ocean freight and utilities, like power and fuel, which further add to the overall cost of production. However, this will be further backed by an incremental increase in the premiums which will be passed on to the customers during commercial discussions and market conditions this year.

The proportion of revenue from operations for the financial year 2022 is 54% from exports and 46% from domestic, versus 50% each last financial year. On the sourcing of primary raw materials for the full year, the proportion of imports versus domestic procurement is 77% imports and 23% domestic. We are continuing to increase the domestic supplier base as well. On the volume side, lead quantities have increased by 18% in financial year 2022 versus 2021, that is, 69,518 tons produced against the production of 58,613 tons in the previous year. The same has also been increased by 18% for the same quarter previous year and it is even increased by 0.1% on a quarter-to-quarter basis between Q4 and Q3.

For crucial ratios, we are happy to share that the return on assets have improved to 23.88% versus 7.46% in the previous financial year; return on net worth to 26.18% versus 6.91% in the previous financial year; return on capital employed is 23.09% versus 5.96% only in the previous financial year; debt equity improved to 0.12% to 0.04% in financial year 2022. fixed asset turnover has improved from 19.61 times in previous financial year to 27.99 times.

As mentioned by Mr. Ashish, we have also incorporated a subsidiary company, that is, POCL Future Tech Private Limited, which will enter into a new vertical. The company will capitalize on the tax incentives which are available for newly incorporated companies, which in turn we'll pass onto the shareholders and provide synergy to the parent company.

POCL's business model is based on its robust business like profile, which is reinforced by well-established connections with customers, a diverse procurement and supply base, moderate entry hurdles, and proven manufacturing capabilities. It is to be noted that POCL is a consistently and a valuable dividend paying company from the date of incorporation. The Board has recommended a dividend of 50% in the current year. The company has retained the profits to invest in other verticals which will benefit the shareholders in a larger picture.

The trend in profitability should remain positive and consistent like financial year 2022 as we remain optimistic and prepared for any market volatility and economic factors. Our industry's future outlook is quite bright. The lead business will grow at a CAGR of 20%, and now that we have added copper and zinc to our portfolio, we plan to increase the same portfolio in the coming financial year. We want to place a specific focus on lead business, as it remains our primary strength, by enhancing operational processes and adding innovative production processes for a sustainable and green environment.

Now I will hand over to Mr. Piyush, who will run us through the overview of operations and commercials. Over to Mr. Piyush.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Thank you, Mr. Kumaravel. Good afternoon, everyone, and welcome to the earnings call. Myself, Piyush Dhawan, VP Commercial for POCL. I'll be briefing you on the operations and the commercial update.

We are happy to mention that POCL has received the Top Exporter Award for the year 2019: Gold Trophy from EEPC India. Further on, for the year 2018, we have received the Top Star Export House in Southern Region: Gold Award from the Federation of Indian Export Organizations. We are also pleased to announce that we have crossed a turnover of $100 million in exports in Q4, and accordingly we will have the 3 star Export House status shortly.

Firstly, I would start by reporting on the updates from the previous earnings call. We have completed the exercise on operational efficiencies, and we will be setting up the KPIs, the key performance indicators and further see the translation of such efficiencies in the coming quarters. We have seen an improvement in yield, which will be reflecting in our results in the ensuing quarters as well to offset the cost increase of raw materials which has been highlighted.

At the same time, there were preventive maintenance drills done for our furnaces and we will be going live with a new furnace tentatively in June, next month. As committed, we will come back and substantiate both in values and quantities, the operational efficiencies on realization of the same. We also intend to initiate an IoT platform in the factory operations by interfacing with the machineries to realize the operational efficiency along with the implementation of the ERP, which was mentioned in the previous earnings call.

Last time, all of us were briefed on the lead recycling process. In the coming months, in addition of new segments, we will and intend to walk you through the processes for the same for an understanding of what we do actually and transpire the same to our stakeholders. Our focus this year will be to utilize the capacities effectively. Our capacities of lead has now increased to 132,000 metric tons per annum. We see a calculated approach in choosing the optimum mix of raw materials for refining this year.

In view of the Ukraine and Russia war affecting economies across the globe, there is an inherent effect on various parameters like pricing of raw materials and obviously, no industry is immune to the same. However, we are mindful of it and are taking all necessary steps to ensure that we withstand the same.

For all alloys and pure lead, the export market is continuing to grow at a CAGR of 18% to 20% in terms of quantity. Some of the contracts that have been renewed so far, endorse the same. Also, there has been an affiliation with BSI for Environmental Management System, and we would be targeting important affiliations with prominent agencies for a first-mover advantage to set a portfolio of certifications and registrations with distinguished agencies worldwide.

In continuation of our expansion strategy, we would like to update you on the operational front of our collaboration with ACE Green Recycling and also formation of the subsidiary, POCL Future Tech.

On the ACE Green Recycling front, we'll be going live with two modules initially, with a capacity of 1,200 tons per annum as a starter in the Andhra plant by Q3 in 2023. The salient features of the agreement with ACE are Zero-emission lead battery recycling technology, recycling technology operating at room temperature, reducing the carbon footprint on a global scale and preventing the emission of GHG, Green House Gases. We will be proceeding with getting the consents and approvals from the Pollution Control Board and are now setting up the operational modus operandi. Further, we'll be looking at how we can earn carbon credits through the process.

There has been a tremendous amount of research, project analysis and efforts gone on to adding to our portfolio of offerings in plastics, e-waste, rubber recycling, lithium ion and other nonferrous metals. Based on the upcoming opportunities, we would see some positive headway into the aforementioned products.

Recycling is something which the company is synonymous with, and we will continue to focus on such segments. The progress will be visible in the upcoming quarters for plastics, non-ferrous segment and some other verticals.

We are doing a lot of internal exercises with respect to brand architecture, engraining core values, in-house training, R&D of specialized alloys, grooming and investing in talent and creating a Pool for the same. Operational efficiency remains a focus. Inculcating the concept of cost savings and cost avoidance will remain part of the core values as well.

There has been a lot of focus and concentration on preparation of an investor presentation, which will be transpired to the shareholders shortly, as we want to translate all the R&D into a project in the coming years through the presentation. We have completed the project R&D and evaluation stages and will see positive progress and movements in the coming months. Obviously, this is a forward-looking statement, subject to market opportunities.

POCL is now walking the talk on circular economy and green technology through its collaboration with ACE and basically incorporating a futuristic approach in a future tech company of creating verticals to eventually become the flag bearer of circular economy globally.

That is all from my end. Over to you, RC.

Questions and Answers

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Piyush. We will now move into our question-and-answer session. Today we have participants joining via Zoom video platform and also via our tele-calling platform. Participants who have joined us and connected with us through Zoom video platform can also post their questions directly to me on the chat box, and we'll ask the question on your behalf. Alternatively, if you wish to ask a question directly, please use the raise hand functionality.

I will initially take a few questions from the chat box, as well as questions we have received via e-mail, and then we'll open it up for the participants to ask questions directly. I'll wait a few moments.

I'll start with the questions that we received via e-mail.

What growth percent the company aims for in the current fiscal in regards to EBITDA and what is the OPM percentage?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

I'll answer this question. Taking into account the current macro-economic factors and inflationary trend, we are expecting the EBITDA margin of 6% to 6.5% and operating margin of 11% to 12% in the current year. This is a forward-looking statement and not restricted to these numbers alone. Through the operational efficiencies, we can see a positive effect to the aforementioned numbers.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Mr. Kumaravel. The next question is, What is the dividend payout policy for the company?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

We acknowledge that there is no such dividend policy currently in the company. It is to be noted that our Board, while recommending the dividend, considers various factors like cash flow, necessity for conserving the resources for future deployment, aiding expansions and growth, which in turn will generate a futuristic value creation for its stakeholders, reducing the burden of debt and inherently creating a stronger base for the coming years. However, as a matter of good management practice and a futuristic approach, we have intentions to frame the same in the coming years.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you. The next question. Is management planning to list the company in NSE in the current fiscal year? If not, what are the reasons?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Of course. In view of our recent interactions with shareholders and investors and other stake holders, analysts, and pursuant to our previous earnings calls, our futuristic growth of the company and taking into account the value creation for the shareholders, the Board is evaluating the various obligatory requirement to list the shares in the NSE. And once a decision is reached, the requisite intimation will be given.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you. The next questions. What are the projects in the pipeline for the year?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Okay. So I'll take that questions since it's regarding the projects. We have done substantial research. We have already mentioned that. A lot of project evaluations have been done in the recent months and a lot of effort has gone into analyzing various verticals, like we mentioned, in plastics, other non-ferrous metals, e-waste, rubber recycling, and lithium ion as well.

Now, based on such upcoming opportunities, we kind of see some positive headway into such products in the coming years, maybe months. This is part of the vision of the company and the futuristic outlook which will be shared via the investor presentation shortly.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Piyush. The next question is, what has been the impact of Russia-Ukraine conflict on the company and lead industry in general?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Let me take this one. As you are all aware, the Ukraine and Russia war has had a huge impact on the oil and gas prices. There has been massive currency volatility, and the broader supply chain network has been impacted badly.

On a high level, it's worth noting that there are clear relationships between metals, raw materials, and additives for us, which influence market sentiment and manufacturing costs. There is visible volatility in metals, which all of us are noticing, and that applies to our segment in non-ferrous as well. However, there has been a marginal impact on the lead sector as the region, Russia or Ukraine, are not large producers of the metal. They are more concentrated towards nickel, oil and gas. Hence the impact has been indirectly felt only in the costing of our processes due to increase in price of oil, freights and other allied services. Yes.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Mr. Ashish. I have a question from chat from Mr. Sachin Abhyankar. Please explain quarter-over-quarter dip in profitability and if any one-off expenses in Q4.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Could you repeat the question once again?

Radhakrishnan Chonat
Director | AlphaStreet

Please explain Q-o-Q dip in profitability and if any one-off expenses in Q4. There is an additional question from Sachin himself. Also, in absence of major capex, why the dividend payout is so low?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Yes. If you take the finance cost, for example, I take it. In average capital utilization of funds, is in Q1 it is INR109 crore, and in Q2 INR165 crore and Q3, it is INR145 crores and Q4 it is INR98 crores. So average my interest to pay out for the whole year is INR8.45 crore, as mentioned in the quarterly results and the annual results. So our effective rate of interest is around 6%, or 5.9%, it is coming. This is on account of interest payable for the whole financial year.

If you take the profitability, profitability almost it is similar to all the quarter, except the last quarter -- always it is a balancing figure between the last three quarters and the audited results. Otherwise, it is similar in almost in all the quarter in terms of turnover and profitability.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Mr. Kumaravel. Now I'm going to open it up for the participants to ask questions directly. Please once again use the raise hand functionality to let us know of your interest. I'll call out your name and unmute the participant. Please announce your company affiliation before asking the question.

The first question is from Mr. Vaibhav Badjatya. Mr. Vaibhav, please go ahead.

Vaibhav Badjatya
Analyst | HNI Investment

Yes. Thanks a lot for providing the opportunity. So I just have four questions, so I will just ask them together. If you can reply one-by-one, that would be really helpful. So first is that I want to know about capacity in metric terms, separately between refining and smelting. So I'm sure capacity might be different in both the operations. So just wanted to know separate number for both the thing, separately. That's question number one.

Secondly, for importing scrap, what is the quantity of import capacities that is available to us? And what is the time line and process for revising those quantity, whenever we want to revise it, so how much time and what is the process that it takes? That's second question.

Third, there has been talk from the EU front that they're going to ban all the export of scrap. Fortunately, it has not happened yet, but there has been increasing voice within EU for that. So just wanted to know what is our imports from U.K. and from non-U.K. EU countries, if you can just give the separate numbers?

And fourth, last quarter you had said that the improvement in margin is because of scaling up our smelting capacity. So just wanted to clarify, is it like, is it MMPL smelting capacity scale-up, or there are some other unit which has scaled up? And consequently, what is potential scale up that is still available to us in MMPL, which has now been merged? So these are the four questions. Great, if you can answer them point by point.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Thank you, Vaibhav, for the questions. So, what I'll do is I'll take the first and the fourth question. And then second and third, probably we'll just -- you can rephrase it again, so that we can answer.

Vaibhav Badjatya
Analyst | HNI Investment

Sure.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

First one was regarding the capacities. So for the record, we'll just distribute the capacities. Right now, for lead, we have a finished goods capacity of 132,000 tons per annum in terms of smelting, which we kind of mentioned last time that there is -- that that's an integrated process as well. For that, we have a capacity of 96,000 tons per annum. Coming to copper, the standard capacity is 30,000 tons per annum, and then since we have zinc also as part of the portfolio, there we have a capacity of 12,600 tons per annum.

Coming to your fourth question where you mentioned on the fact that is it possible to scale-up your capacities? So the answer is, yes, there is a possibility to scale-up capacities, but it kind of works on various permutation and combinations. Smelting and refining, again, goes hand in hand, also based on the availability of raw material. So we do a lot of strategy in terms of procurement of raw material to find the correct mix for refining. So that is how it kind of works.

So that's basically your first and fourth question. Could you please rephrase question two and question three for us?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Adding to Piyush's answer, this reflected during the current year '21-'22 itself, there is a growth in 20% capacity utilization over the previous year. We mentioned in my talk also of quantity produced, how much is in 2021 and '21-'22. 20% higher utilization shown during even COVID years also.

Vaibhav Badjatya
Analyst | HNI Investment

Yes. So I think the volume that you mentioned was around 70,000.

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Yes.

Vaibhav Badjatya
Analyst | HNI Investment

So refining is still under-utilized, and I'm assuming that we can -- I think the optimal would be around 80% utilization. Is it technically possible to reach 80%?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Yes. It's practically possible, yes.

Vaibhav Badjatya
Analyst | HNI Investment

Okay. Got it. And my fourth question, which was on MMPL. Last quarter, you said that there was margin improvement because our smelting capacity -- smelting utilization went up. So was MMPL primarily a smelting unit, or it was a refining unit?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

So MMPL was a completely integrated unit with smelting and refining both available and the expansion -- the increase in smelting capacity was made in both the units in the last financial year, partly.

Vaibhav Badjatya
Analyst | HNI Investment

Okay. Understood. Then the rest two questions --

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

We have question two and three basically, I think those are missing.

Vaibhav Badjatya
Analyst | HNI Investment

Yes. So question number two was around our quantity that we are eligible for import and the import license. And if you want to increase the quantity, then how much time it takes to get the revised license? That's what I wanted to -- that's question number third.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

So for both the units combined, we have approximate capacity of close to 90,000 metric tons where we can import, little excess of 90,000 metric tons that we can import.

Vaibhav Badjatya
Analyst | HNI Investment

And to revise this or increase this, is the process very cumbersome and lengthy or how much time it would take?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Basically how currently MOEF is looking at is, they're looking at the past three to four years, five years of your production, sales and your actual performance in terms of export and all of it. So as we are growing year-on-year, we get that incremental chance to get higher license capacities. But this would be difficult for new entrant to get a import license because they will have to first show a track record of three to five years to get a fresh license.

Vaibhav Badjatya
Analyst | HNI Investment

Got it. Understood. And lastly, the fourth question, so the EU recently has lot of time, there has been talks around that EU wants to ban all the scrap exports and want to recycle it within EU itself. Fortunately, it has not happened yet, but there has been increasing talks around that. So just wanted to know if it happens then what would be our alternates? And secondly, what is the breakup of imports from U.K. and from other non-EU countries? Because if it happens, I don't think so it will be applicable to U.K.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Specifically from U.K., we import, say about, maybe maximum of about 7% to 8% of our requirement and not too high. So, I mean in our current years, as we have also mentioned in our last earnings call, we are setting up our complete network even domestically, where we are slowly increasing our domestic procurement, and also we are trying to procure more from countries which are closer to India, to reduce the risk of these kind of logistical and other supply chain issues that are arising. So I mean 7% to 8% shift, I don't think should make a impact currently as we see.

Vaibhav Badjatya
Analyst | HNI Investment

Right. But that's only from U.K. From other non-U.K., EU countries --

---

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

EU -- see, U.K. and EU, I'll say another 7%, 8% from EU all over. So, U.K. and EU will contribute in tops to tops about 15% of our import of raw material. And it has been tapering over -- in fact, it was much higher, about four, five years back, but over the last few years we've been slowly tapering from there and we are concentrating more on domestic -- trying to increase our domestic and also countries nearby where it's more possible to import.

Vaibhav Badjatya
Analyst | HNI Investment

I think that was helpful. I was under the impression that our sourcing may be be much higher from the EU.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

No.

Vaibhav Badjatya
Analyst | HNI Investment

But that's quite helpful that you have clarified. That's it from my side. These are the questions that I had.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Thank you, Mr. Vaibhav.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Vaibhav. The next question is from the line of Karan Asli from Maximal Capital. Karan, go ahead.

Karan Asli
Analyst | Maximal Capital

Yes, thanks for the opportunity, and congrats on great Q4 and FY '22. Couple of questions from me. In Q4, if you could help me out with the revenue and the volumes across lead, zinc and copper?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Okay. Any other question?

Karan Asli
Analyst | Maximal Capital

So, this is the first. And second is, if you could even help me out with the EBITDA per ton that we have seen across these three divisions, and what is the expectation of this going ahead? So, yes, if you can answer these, then I can take up further.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Just give us a couple of seconds.

Karan Asli
Analyst | Maximal Capital

Sure. In the meanwhile, I can probably ask another question. Okay. Go ahead.

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Yes. As in my talk, I informed, total quantity produced for the year, 69,000 tons we manufactured.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Close to 70,000.

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

70,000 tons we manufactured. And it is almost equal in all the quarter.

Karan Asli
Analyst | Maximal Capital

Right. And so, there was no material production in zinc and copper? Was this --

---

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Copper, we produced around 255 tons during the year, '21-'22.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

No, each quarter. Basically, like I said earlier also, copper, we are still not taking up the capacities, because we are looking into specific products and we are still looking into what products to finally zero down on. So we are still on our initial capacities of approximately 250 tons only.

Karan Asli
Analyst | Maximal Capital

Understood. And by when would you expect this division to materially start contributing? Could we see some good traction in FY '23?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yes, we are looking at Q4 of this year is when Q3, Q4, when we will be able to stabilize and then there on we'll look into the growth of that unit.

Karan Asli
Analyst | Maximal Capital

Okay. Okay. Understood, sir. And about this ACE Green tie-up, I think we have a licensing deal of 12 million. So is this 12 million the absolute amount, or is there any production linked payments as well, implying that higher production would lead to higher outflows? If you could just sort of give some color on that?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yes, definitely. 12 million is on the current date is absolute number in terms of procurement of the equipment, machine, technology and all of those, which will be in phased manner, like, initially we'll be splitting that into three phases. And as the modules get commissioned and on success of the first phase is when the second phase will start kicking in. So after the first phase, the pace of installation of those modules on success will be at a higher rate. So we will have a clear production and the success of these modules by Q3, that is by December, we will have the complete outputs and we'll have the numbers in terms of what is the production, final numbers, cost and how we are going to scale it up. So the initial modules are being installed approximately in the month of September and we'll be commercially producing by December.

Karan Asli
Analyst | Maximal Capital

Understood. And because this is sort of breakthrough technology, so could we expect better efficiencies from this particular unit versus the facilities, which we have already operational?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yeah, what I would like to highlight here is that the primary focus of installing this is to be more green and totally cut off the greenhouse emission gases. So that is the primary idea of having these modules and this technology, wherein literally imagine having a smelter wherein you walk through at room temperature into a smelting plant and there's no involvement of fire. Going forward, we also look at powering these modules by solar power and making it 100% green and also in future we will be looking at, if we can develop the process where we can have some carbon credits over these -- through these modules and all of those.

So definitely in terms of efficiency and recovery, the recovery is marginally higher through this process and the wastage is lower, but I will be able to give you only absolute numbers once -- on the pilot scale we have got those, but on the commercial scale, like I said by December, I'll be able to give you an absolute numbers.

Karan Asli
Analyst | Maximal Capital

Fair enough. And one question regarding the procurement. I think you mentioned the ratio of 77:23 right now. So if you could just help me on with how the cost differences in procurement international versus domestic? And how do you see this ratio going forward? I know you mentioned increasing domestic procurement. But if you have sort of a target ratio going forward?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yeah, basically, when we procure international and domestic, there are different kind of grades of materials that we import, and we procure domestically. Domestically is predominantly only the batteries -- end-of-life batteries from your telecom segment, from your IT companies or the automobiles, wherein when we import, we also import various other kinds of lead, scrap in terms of your sheeting, your old tubes, roof sheeting and all of those. So more or less, both of these, the domestic procurement is done, vis-a-vis the orders of the domestic market where the prices are matched basis the domestic sale prices and the import is done to match our export orders. So we try to manage the pricing basis our order positions and how we are placed on the supply side.

Karan Asli
Analyst | Maximal Capital

Sure. That's helpful. I'll come back if there are any additional questions. Thanks.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Thank you, Karan.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Karan. The next question is from the line of Mr. Ankit Sharma. Please identify your affiliation and go ahead, Ankit.

Ankit Sharma
Analyst | Individual Investor

Yeah. Thank you so much. I'm Ankit and I'm an individual investor. I have a couple of questions for the management. See, first and foremost, I understand that there has been a reduction on the operating margin, largely because of the macroeconomic factors. So I want to understand that does your customer contracts include any kind of a price escalation? And two, have you started having discussions with your customers on passing on the incremental cost?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Hi Ankit, good afternoon. So, regarding your question on the price escalation, yes, definitely the price escalation started mid-term after the contracts were negotiated last year in terms of your oil prices, your power fuel and your other additive costs because of the supply chain disruption. And this -- in this year's contracts, while negotiating, we have taken up all these points and based on these points are -- we are still currently under negotiation to complete certain contracts and repricing on all of these. So what happens, we work on variable pricing mechanism where I won't say probably no contract can cover 100% of all the uncertainties because the uncertainty could be both ways.

So a part of these uncertain conditions can be covered under the contract. But I would not say 100% of all these uncertainties can be covered under the contract. So at this current point, which we feel currently is the peak of the oil cycle or the freight cycle of any of it, till this point we can negotiate and get that incremental cost, but going forward from here, if, again, there is a huge jump, I mean, we'll have to wait for the contractual repricing or look at some other way of trying to work on the costing.

Ankit Sharma
Analyst | Individual Investor

Understood. So sir, I mean, can we understand that the discussions that you have had till now, can we expect some kind of an improvement in the operating margins in the present quarter, especially since you have given the guidance of around 6%, 6.5% in terms of operating margins for FY23?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

I mean specific in this quarter, yes, we will be in the range of our 6% to 6.5% margins that we have committed. And for this quarter, we definitely don't see any downside on those numbers.

Ankit Sharma
Analyst | Individual Investor

Understood. Sir, I also had a question on the revenue numbers. So FY22, we have seen pretty steep growth in terms of revenue. Are we expecting something similar for FY23? Or would the numbers be a little more muted in terms of revenue growth?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

So Ankit, we've already mentioned that the revenue will grow for lead at a CAGR of around 20% to 25%. It may fluctuate based on the business scenarios, how things shape up during the financial year, but then that's what the market expectations are. And obviously since we are entering into -- we intend to enter into different verticals, there would be a certain growth coming in from there as well.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

I'll also add on one more point here. In terms of quantum, in terms of quantity produced, definitely there will be a growth in numbers. Now if -- similarly if the basic price that the LME or something comes to a much lower price, the realization per ton comes down, but that is a market phenomenon, which cannot be done. But in terms of numbers and in terms of percentage of our margins, we will stay intact and we'll continue to grow. Apart from which, as Piyush said, we are having -- we have our other verticals and from those other verticals also, we will start pushing out numbers by Q3 and Q4. So definitely, we will see all around growth.

Ankit Sharma
Analyst | Individual Investor

Thank you, sir. My last question is that presently, the stock is pretty illiquid on the BSE Exchange. So is the management or the Board thinking about increasing the liquidity, say in terms of share split or say some kind of a bonus issuances to the shareholders?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

As Mr. Kumaravel sometime back mentioned, our Board is looking into the various obligatory requirements to be listed on the NSE. And definitely once our Board has something and they are with a concrete decision, we definitely will update the shareholders as well.

Ankit Sharma
Analyst | Individual Investor

Sure sir, thank you so much. Thank you for your patience.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Thank you. Thank you, very much.

Ankit Sharma
Analyst | Individual Investor

Appreciate it, thank you.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Ankit. The next question is from Mr. Umang Shah of Sarath Capital. Umang, please go ahead.

Umang Shah
Analyst | Sarath Capital

Hi sir, good afternoon. Thank you for taking my question.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Good afternoon, Umang.

Umang Shah
Analyst | Sarath Capital

Yeah. Good afternoon, sir. With respect to the ACE Recycling tie up that we have, do we have any -- so first question was, what is the learning curve in getting the facility to run properly? Do you require specific training? Do the people from there actually train your staff in doing that? And how difficult is it for someone else to develop this on their own?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yes, good question, Umang. I'll reply to your questions. So basically this is, like I said, this is a technology which nobody else is currently using. And here, during now -- during the pilot stages, when we evaluated, we have sent couple of our key people where we did the pilot project and there has already been a learning curve, which has been successful. And prior to finalizing and commercializing the buyout of this technology that has -- that curve has been learned and done. Yes, of course, once the equipment is in our premises with our people and our efficiencies, we will definitely intend to make it more efficient in a much leaner manner to go ahead with the production cycle and everything.

And going forward to you asking if somebody else can look into this, this process uses a lot of proprietary chemicals and other processes, which cannot be sourced by other people unless the license holder wishes to give out their patents and their proprietary chemicals. And we have certain amount of exclusivity on the project as well. So till a couple of years, this project remains only with us currently.

Umang Shah
Analyst | Sarath Capital

Right, sir. Very useful, sir. And, sir, the second question was, you're saying that we are establishing the new subsidiary Future Tech with 60% stake, right. So what, like, who would be holding the 40% stake there?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Existing promoters of Pondy Oxides they're going to hold the balance.

Umang Shah
Analyst | Sarath Capital

Right. Got it.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

And definitely, also, when we look into certain JVs with certain people, who have the technology, maybe there could be certain partnership on stake as well with those people.

Umang Shah
Analyst | Sarath Capital

Right. And how much capital are we looking to put in this subsidiary, starting like since the -- that -- the capex will be happening from that subsidiary, capital that we have any idea of how much we'll be putting there?

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Initially we started with a very small capital, then depending upon the requirement, we scale up to INR1 crore or INR2 crores in the near term.

Umang Shah
Analyst | Sarath Capital

Got it. Yeah. Thank you very much, sir. These were my questions.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Umang. Please use the raise hand functionality to let us know of your interest. The next question is from Mr. Vaibhav Badjatya. Please go ahead. Vaibhav, do you have a follow-up question? I see that you have raised your hand.

Vaibhav Badjatya
Analyst | HNI Investment

Yeah. Hello? Can you now hear me?

Radhakrishnan Chonat
Director | AlphaStreet

Yes.

Vaibhav Badjatya
Analyst | HNI Investment

Yeah. Thanks for the follow-up. Earlier during the call, you said that domestic procurement is for -- kind of sale to domestic players on this. So is it on any kind of back-to-back arrangement that we don't have any inventory days? Is it like that kind of arrangement? Or it's basically inventories provided by them and we just do the job work and then sell it back to them, is it that kind of an arrangement?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

No, Vaibhav. I'll classify, and let me ask you your question back and just correct me if I'm right. So you are basically asking if our domestic sales is a back-to-back arrangement where the customer provides us the raw material and we supply back, is that -- that's what your question is?

Vaibhav Badjatya
Analyst | HNI Investment

Right.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

No, I'll just divide our domestic part into two, wherein one part is wherein -- there is a direct purchase, wherein we look after our purchase of raw material or all the complete process, and we supply the materials, it's a sell order. Then a second part of it is where we help our -- few of our customers recycle their battery scrap and stuff like few companies like Amara Raja and so, which is under a job work model, wherein they provide us the raw material, we process and we sell back the finished product to them, wherein we only charge the upside of the what we call the processing cost along with other inputs and our profitability on that. There, we don't pay anything to them for the raw material, nor do they pay for the complete finished goods, it's only the differential as per contract or whatever product is being manufactured.

Vaibhav Badjatya
Analyst | HNI Investment

So it's both the models.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yeah. But both are totally separate, I mean they're not inter-linked.

Vaibhav Badjatya
Analyst | HNI Investment

Understood. But obviously in job work order, they don't have any price risk as such.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

There's no price risk.

Vaibhav Badjatya
Analyst | HNI Investment

Right. Okay. And in terms of -- if you compare your performance to some of your competitors, there is definitely a difference in margin either in per ton basis or percent, I think, per ton is more appropriate metrics. So there is definitely a difference. So would it be attributable to lower level smelting operations that we have? Or what is the difference in -- what can explain this difference? What kind of risks probably other players are taking which we are not taking, which can explain the difference?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

So I think we need to here do an apple to apple comparison, Vaibhav. When we compare the numbers, I mean the EBITDA margins stand-alone for POCL versus our competitor certain -- versus a certain competitor, stand-alone and on a consolidated basis, when we end up doing an apple to apple comparison, where the margins actually match up. In fact, there, the margins are even better for us. But when you look at a consolidated level and see the entire international segment coming in for the competitor as well, then you cannot have an apple-to-apple comparison really. But then I would like to kind of reiterate the fact that what Ashish mentioned during his speech earlier that we are planning to setup scrap yards, yards for collection for non-ferrous in the coming years, to kind of get a leverage on better procurement policy and all of that. So therein, we will eventually see an incremental operation margin per se. And obviously, operational efficiency plays an important role for us, which we are kind of looking into since the last three, four months, and we will see a certain realization in the coming months or so.

Vaibhav Badjatya
Analyst | HNI Investment

Right. Correct. Yeah. So just a small follow-up. So basically the competitors like Delta has large international operations as well and they primarily just kind of smelt it overseas and then import they smelt it, so is -- I mean -- is that that international smelting operation have the higher margin than the export experience there? So priority or there is something else which probably I am not able to understand?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

See, we won't be able to comment on that. See, internationally, things are volatile. So we have to understand that. So what -- if we were to kind of introspect and look at our operations right now, so we are right now based out of south. And that's a strategy, which we have kind of thought about since so many years and that is how the company has shaped up with a similar turnover. I mean at par with the company you just named. So internationally, there are risks associated. We never know when the bubble can burst, but then it is important that we only introspect our ideas, and hence we would probably not like to comment on that.

Vaibhav Badjatya
Analyst | HNI Investment

Understood. Yeah, obviously something better most of the times comes with increased risk and that's what I wanted to understand. I think, yeah, that's it.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

But then, just to add on, we are kind of focusing on creation of yards and across geographies, so that probably will not restrict us in future.

Vaibhav Badjatya
Analyst | HNI Investment

Yeah. But we will continue to smelting in India and that's going to be just a scrap collection, because smelting will continue to do in India only, right. We don't plan to have any smelting operations overseas?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

We don't know as of now. See, things business opportunities and business -- the parameters of business can change overnight. So you never know what really can happen in future.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

So basically, as per market opportunity, we will definitely explore and see if it's viable, we definitely will look into other markets as well.

Vaibhav Badjatya
Analyst | HNI Investment

Okay, got it. Understood. That's it. That's it from me.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Thank you. Thank you very much.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Vaibhav. Ladies and gentlemen, that's all the time we have allocated for today. Please send in your follow-up questions by email to us and we'll follow up to get those answered by POCL management. A replay of this call as well as the transcript will be made available on alphastreet.com/india a few hours from now.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

RC, I'm sorry to interrupt. I think Rohit Ohri has a question. We can take that question.

Radhakrishnan Chonat
Director | AlphaStreet

Sure.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

The last time I don't think we spent too much time. So I would -- we would like to give the benefit of doubt to everyone here.

Radhakrishnan Chonat
Director | AlphaStreet

Sure.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Let's take that question.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Piyush, for the confirmation. Rohit Ohri, please identify your affiliation and go ahead and ask your question.

Rohit Ohri
Analyst | Progressive Share Brokers

This is Rohit Ohri, am I audible?

Radhakrishnan Chonat
Director | AlphaStreet

Yes Rohit, go ahead.

Rohit Ohri
Analyst | Progressive Share Brokers

Hi Ashish, KK and Piyush, a couple of questions that are related to the new client addition, if you can take us through that because we kind of have a dependence on 3-4 major players who occupy around 60% to 70% of the turnover. So any new clients added during the year or the last 2 years?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

So Rohit, your question is, have we got any new clients added to our portfolio, is that is what your question is in the last year?

Rohit Ohri
Analyst | Progressive Share Brokers

Yes, Ashish.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Specifically, on the copper side, yes, we have some clients -- one client addition. And apart from that, on the lead side, we have had some client addition in Japan and also in the Thailand market.

Rohit Ohri
Analyst | Progressive Share Brokers

Okay. In terms of seasonality, which impacts the business, is that a case that happens with us as well, that the first half is slightly stronger and the second half is sluggish?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

So basically what happens, I would not specifically name anybody, but the way most of the manufacturers in this industry work is they take orders more on spot basis and less where they have their order book already, but wherein with our company, almost 90% to 95% of whatever orders we intend to take, we sign long-term contracts. Hence, we do not have the kind of seasonality in terms of ups and downs. Yes, definitely wherever we have an opportunity, we try to push it up more, but we do not have a lean season or a peak season specifically, as you were asking.

Rohit Ohri
Analyst | Progressive Share Brokers

Okay. So my next question is, you touched upon the furnaces addition, which will happen very soon for us as well. So these furnaces, are these electric furnaces or gas-based furnaces?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

So basically, for smelting in our industry, we'll have to -- we have to use oil-based, oil-fired furnaces or gas-fired furnace. These are the only two options for smelting currently. So this furnace that we are -- which is going live in June, the last furnace, it's an oil-fired furnace.

Rohit Ohri
Analyst | Progressive Share Brokers

Okay. So will that kind of doing an uptick in the EBITDA margins that we have?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Can you repeat that, I'm sorry, I didn't get you.

Rohit Ohri
Analyst | Progressive Share Brokers

At the -- does the addition of the furnace bring an uptick in the EBITDA margins that we have?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

The addition of this furnace helps us to increase our smelting capacity within our overall capacity. So definitely, as we go a step behind, we will go in smelting, smelting has slightly better margins than only refining.

Rohit Ohri
Analyst | Progressive Share Brokers

In terms of the non-ferrous metals, which Piyush also touched upon, can you take us through any thoughts of entering into aluminum smelting or are you looking at some general metals where you intend to doing the nonferrous part of the system?

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Rohit, right now, on the nonferrous segment, since all of us are aware we are into lead, copper and zinc, and there are certain balance materials, which we intend to look into. And to answer your question, yes, we are looking into various other nonferrous segments as well. And maybe we will see some headway in the coming months.

Rohit Ohri
Analyst | Progressive Share Brokers

So do you intend to go in for certain forward integration and expect those segments which you might enter into in the nonferrous?

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Yes, definitely.

Rohit Ohri
Analyst | Progressive Share Brokers

Okay. So my last question is what sort of discussions generally happen in the boardroom or the Board meeting, which is related to the enhancement of the business or the operations or if you can take us through what sort of discussions do you all actually have there? I'm asking for a vision of next 3 years or 5 years as to what exactly --

---

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Interesting question, because nobody has still now asked us what happens inside the boardroom. So I can only as much tell you as much as everyone else can know, but on a higher level, I can say, currently, the discussions are more on our diversification and completing our product portfolios and also looking at diverse markets whether be it domestically or internationally. So most of the discussions are looking into that, but not with any conventional technologies, but looking into more modern technologies and all of those. So this is what is taking up most of the time in the boardroom discussion.

Rohit Ohri
Analyst | Progressive Share Brokers

Okay, Ashish. Thank you for answering. Thank you.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Thank you, Rohit.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Rohit, for your question. Once again, ladies and gentlemen, please use the raise hand functionality to let us know of your interest to ask a question. I'll just wait a couple of seconds to see if there are any more questions.

Thank you. As there are no further questions, we are going ahead and closing this call. Ladies and gentlemen, if you have any follow-up questions, please do send in your questions by email to us, and we will follow up to get those answered by the POCL management.

As a reminder, a replay of this call as well as the transcript will be made available on alphastreet.com/india a few hours from now and also on the BSE Exchange. Thank you all for joining us for Pondy Oxides and Chemicals Limited Q4 FY22 Earnings Call. You may all --

---

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

All the participants.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you.

Ashish Bansal
Managing Director | Pondy Oxides and Chemicals Ltd

Thank you, everyone.

K. Kumaravel
Director Finance and Company Secretary | Pondy Oxides and Chemicals Ltd

Thank you, everybody.

Piyush Dhawan
Vice President, Commercial | Pondy Oxides and Chemicals Ltd

Thank you, RC for moderating the call.

Radhakrishnan Chonat
Director | AlphaStreet

Thank you, Piyush. Thank you, everyone. You may all now disconnect.

AlphaStreet

AlphaStreet, Inc., 44053, Fremont Blvd, Fremont, CA - 94538, USA | www.alphastreet.com

Disclaimer

This transcript is produced by AlphaStreet, Inc. While we strive to produce the best transcripts, it may contain misspellings and other inaccuracies. This transcript is provided as is without express or implied warranties of any kind. As with all our articles, AlphaStreet, Inc. does not assume any responsibility for your use of this content, and we strongly encourage you to do your own research, including listening to the call yourself and reading the company's SEC filings. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of AlphaStreet, Inc.