



मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड
MANGALORE REFINERY AND PETROCHEMICALS LIMITED

अनुसूची 'अ' के अंतर्गत भारत सरकार का उद्यम, SCHEDULE 'A' GOVT. OF INDIA ENTERPRISE.
(ऑयल एण्ड नेचुरल गैस कॉरपोरेशन लिमिटेड की सहायक कंपनी, A SUBSIDIARY OF OIL AND NATURAL GAS CORPORATION LIMITED)
आई.एस.ओ. 9001, 14001 एवं 50001 प्रमाणित कंपनी, AN ISO 9001, 14001 AND 50001 CERTIFIED COMPANY.
सीआईएन /CIN : L23209KA1988GOI008959 / वेबसाइट Website :www.mrpl.co.in

24/07/2025

The Assistant General Manager, Listing Compliance, BSE Limited Scrip Code: 500109, ISIN: INE103A01014 Scrip Code (Debenture): 959162, 959250, 960362, 973692	The Compliance & Listing Department National Stock Exchange of India Limited Symbol: MRPL, Series: EQ, ISIN: INE103A01014 Debt Security: INE103A08019, INE103A08035, INE103A08043, INE103A08050
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Dear Sir/Madam,

Subject: Transcript of Conference Call held with Analysts and Investors to discuss the Un-Audited Financial Results for the quarter ended June 30, 2025.

Reference: Our intimation dated July 16, 2025

Pursuant to provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the transcript of the Conference Call on Un-Audited Financial Results for the quarter ended June 30, 2025, held on July 21, 2025.

Further, we wish to inform that no unpublished price sensitive information was shared/ discussed in the con-call.

The above information is available on the Company's website www.mrpl.co.in.

This is for your information and record.

Thank you.

Yours faithfully,
For **Mangalore Refinery and Petrochemicals Limited**

Premachandra Rao G
Company Secretary

Encl: A/a



Mangalore Refinery and Petrochemicals Limited
(A subsidiary of Oil and Natural Gas Corporation Limited)

Management:

Mr. M. Shyamprasad Kamath – Managing Director – Mangalore Refinery & Petrochemicals Limited

Mr. Devendra Kumar – Director Finance & Chief Financial Officer – Mangalore Refinery & Petrochemicals Limited

Mr. Nandakumar V – Director Refinery – Mangalore Refinery & Petrochemicals Limited

Mr. BHV Prasad – ED Projects – Mangalore Refinery & Petrochemicals Limited

Mr. Deepak Prabhakar – ED Marketing – Mangalore Refinery & Petrochemicals Limited

Mr. Subhaschandra Pai T – GGM Finance – Mangalore Refinery & Petrochemicals Limited

Mr. Avin Gupta – Senior Manager Finance – Mangalore Refinery & Petrochemicals Limited

Moderator:

Mr. Swarnendu Bhushan – Prabhudas Lilladher Private Limited

- **Moderator:**
- Ladies and gentlemen, good day and welcome to Mangalore Refinery and Petrochemicals Limited Q1 FY26 Results Call hosted by Prabhudas Lilladher Pvt. Ltd. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Swarnendu Bhushan. Thank you and over to you.
- **Mr. Swarnendu Bhushan - Co-Head of Research, Institutional Research at Prabhudas Lilladher Private Limited**
- Thanks, Bhavya. On behalf of PL Capital, we would like to welcome all the participants to Q1 conference call of MRPL. From the management, we have:
 - Managing Director - Mr. M. Shyamprasad Kamath
 - Director Finance & CFO - Mr. Devendra Kumar
 - Director Refinery - Mr. Nandakumar.
 - ED Projects - Mr. B.H.V. Prasad
 - ED Marketing - Mr. Deepak Prabhakar
 - Group General Manager Finance - Mr. Subhashchandra Pai.
- I would now like to invite the management to share their opening remarks on the results, post which we will follow the session with Q&A. Over to you, sir.
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Good afternoon, everyone and thank you for joining us on this 1st Quarter Earnings Call. I am M. Shyamprasad Kamath, Managing Director and CEO of MRPL. Along with my leadership team, I will walk you through our Q1 performance, the operating environment we faced and our near-term priorities.
- First on the operating highlights. Throughput, we processed 3.52 MMT (million metric tonnes) of crude and other feedstocks. Although the volumes were lower year-on-year, primarily because of the plant turnaround, on April alone, company set a record processing of 1.51 MMT, underscoring the inherent capacity of the refinery once all units are online.
- On fuel and loss and product yield, the distillate yield for the quarter was 80.97%, in line with what we have achieved in our previous quarters. The company posted a fuel and loss of 11.41%. However, our adjusted F&L due to the turnaround, the number would be somewhere around 10.1% for the quarter.
- Financial performance, revenue from operations came in at Rs. 20,983 crores, reflecting both the lower throughput and almost a 20% drop in the benchmark crude prices compared to last year Q1, and an 8% drop sequentially.

- Gross refining margin averaged at \$3.88 per barrel, down from \$4.7 per barrel in Q1 previous year, and \$6.23 per barrel in Q4 2024-25.
- Our EBITDA was at Rs. 218 crores and a PAT loss of Rs. 272 crores. Roughly that loss is attributable to the plant shutdown and the inventory loss. Both are transient effects.
- On the market context, global refining margins were better during the quarter due to supply disruptions and normal demand growth. Refinery closures in 2025-26 are expected to support the cracks going forward. However, crude price shocks impacted the bottom line in the last quarter.
- On the domestic front, the diesel demand grew almost at an average of 2% year-on-year while the gasoline remained resilient at around 7% growth. Both these trends support our marketing focus in the southern and western part of the country.
- All our major units are back in service now and we expect the throughput in Q2 to be above 4.3 MMT, with GRMs already showing stronger in July. If the crude prices do not fluctuate too much, we should be able to post good numbers going ahead in the rest of the remaining quarters.
- In short, Q1 was an operationally challenging but strategically a necessary quarter. The refinery is now positioned to run at historically high levels.
- Now I hand over the call to our Director Finance & CFO to talk about the financial details.
- **Mr. Devendra Kumar - CFO, MRPL:**
- Good afternoon, everyone. This is Devendra Kumar. I will let you know the key numbers and reasons behind them.
- The top line contracted largely because of:
 - 1) About 0.8 MMT reduction in throughput versus the previous year Q1 due to planned phase-II shutdown.
 - 2) About 20% year-on-year in fall in benchmark crude prices. Lower volumes, especially at the time of good cracks in June, resulted in lower EBITDA, while depreciation at Rs.363 crores and finance costs at Rs.255 crores also rose slightly during the quarter. Roughly, the losses are attributable to shutdown turnaround and inventory valuation due to the impact of the crude price slide. The refinery returned to full service in late June. July cracks are already above the Q1 average.
- There are some points which I would like to highlight.
- Operating expenses came in at Rs.601 crores, which is slightly lower than the previous quarter due to shutdown effect. The fuel and loss impact for the quarter is transient, as MD sir has already explained in his talk.
- Finance costs at Rs.257 crores rose 6% quarter-on-quarter due to short-term debt which was raised to further turnaround and related activities.
- Gross debt stands at Rs.13,608 crores. Net worth is Rs.12,657 crores, giving a debt-equity of 1.08x. The ratio is expected to improve as earnings rebound in the coming quarter.

- Q1 CapEx was Rs.537 crores, primarily due to the shutdown expense. Total annual CapEx is expected to be around Rs.1,000 crores, including the shutdown expenses which have already been incurred.
- With all units back, we are targeting GRMs in the high single digit range for Q2, supported by stronger middle distillate cracks and internal fuel loss reduction initiatives.
- There are specific tasks assigned to the team to bring up cost leadership in the organization. We are also very selective on the CapEx spending, and the objective is to reduce the debt as far as possible.
- Despite a deliberately compressed quarter, our financial foundation remains resilient and the refinery is now positioned to deliver materially higher throughput. We remain committed to prudent capital allocation, disciplined cost management and value-accretive growth.
- Thank you for your time. We are happy to take your questions now.

– **Question & Answer Session:**

– **Moderator:**

- Thank you very much. We will now begin the Question & Answer session. Anyone who wishes to ask a question, may press * and then 1 on your touchtone phone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.
- The first question is from the line of Ramesh from Nirmal Bang Equities Pvt. Ltd. Please go ahead.

– **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**

- Thank you very much for the call. So, my first question is, how much was the inventory loss in dollars per barrel in the 1st Quarter? And if you didn't have the shutdown, what would have been the GRM in the 1st Quarter?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

- Yeah, yeah. The GRM, if the shutdown was not there, we would have been somewhere around \$8. So, the impact of the inventory loss is around \$2. And with no shutdown, it would have been another \$2. So, overall, it could have been closer to around \$8, that would have been our GRM.

– **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**

- Okay. So, if you're looking at the current cracks, since you mentioned high single digits, would it be similar to the \$8, higher or lower? What is the kind of current run rate in terms of the crack spreads and GRM?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

- It could be slightly higher than \$8 per barrel.

– **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**

- If you look at your paraxylene plant, what is the kind of operating rate you had? How much of sales you had in paraxylene? And how much of the profit or loss from paraxylene is included in the 1st Quarter results?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- See, we are operating the complex on a reformat mode, and we continue to operate the complex on reformat mode only. The margins from the PX complex, while we have operated on the reformat mode, was around almost half a dollar per barrel.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- So, out of the reported margin, about 50 cents is from the reformat to paraxylene. Okay, fine. So, how do you see the paraxylene prospect? Because right now, paraxylene, PTA, polyester chain is under pressure. So, do you see any plant closures? Like in refining, do you see any signs of recovery? Or we should count on just the refining business to do well, say, in the next...?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- In the short term, the PX outlook appears to be not coming up, as you mentioned. And we do look at the kind of economics on which mode of operation and then take a call.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- Understood. Sir, one final thought. In terms of marketing, how many retail outlets you have? And what is the kind of retail margin that you have included in the 1st Quarter results? And obviously, there has been some reduction in that. So, what is the kind of number of retail stations you plan to add and the growth in retail volumes you can expect in FY26 and FY27?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- As of date, we have about 170 retail outlets, which we have commissioned. And during the year, we plan to add probably another 100 retail outlets. And our target is to go closer to 300. But yes, our target immediate short term is to achieve another 100 in this financial year. On the margin front from the retail, we brought in about 60 crores during the quarter.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- 60 crores. And all would have been the retail sales volume, if I can get that information?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- About 68,000 KL.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- 68,000 KL. This is for the quarter, right?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yes.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**

- And how do you see that increase by the end of the year? And what can you do, say, in FY27 once these 270 retail outlets are in place?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- We did about 230 TKL last financial year. Our target is to reach at least to go to around 300 to 325 TKL this year.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- Okay. And how much would that increase in FY27 based on the 270 outlets by the end of the year?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Can you come back on the question, please?
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- Based on the 300,000 to 325,000 litres you do by the end of FY26, what is the kind of growth you can expect in the retail sales volume in FY27 once you have the 270 retail outlets by the end of FY26?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- So we target to achieve about 500 TKL.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- 500 TKL. Okay, sir. Thank you very much. I will come back in the queue.
- **Moderator:**
- Thank you. Before we take the next question, we would like to remind participants to press star and 1 to ask questions.
- The next question is from the line of Sabri Hazarika from Emkay Global Financial Services. Please go ahead.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Yeah. So I have a few questions. Firstly, you mentioned the net debt number as how much? 12,600 crore?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yeah, yeah. Correct.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- So it was 12,800 crore, which has come down to 12,600 crore QoQ, right?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yeah.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**

- Okay. Second is, how is the polypropylene plant doing currently? What kind of like deltas are you realizing? Is it generating any profit or still it is under pressure, given that broader margins are not good?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- The polypropylene plant is at 100% capacity. Even during the Q1 also, we could manage to run that plant because the feeding unit was operational and then we were managing it. On the margin front, since the PPE is produced through, if I can say through the crude directly and it is not from the naphtha, the margins are better compared to looking from an ethylene cracker.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- So it is like crude, propylene, polypropylene, right? That is the chain, right?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yes.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- And propylene versus polypropylene, the margins are okay or that is not that great?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- That is okay. That is okay.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Okay. So standalone, assuming that your refinery producing, supplying propylene is a third party, then how is the plant doing?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- You mean to say somebody buying propylene and then producing polypropylene?
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Yes. I mean if I separate this plant into a different unit and I assume that it is buying from your refinery the propylene, then what is the economics?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- That could be a... you know, we do not look at that kind of bifurcation, because ultimately when we look at overall economics, we look at all these things put together.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Okay. Okay. Got it. And last question is on this OMPL, I mean your aromatic complex. So this GAIL PTA plant should be ready I think in the next one year. So right now, still the PX economics...if that plant comes, still the PX economics are not great to produce PX and continue with reformate, or there is a case for like shifting the mode to PX then if that GMPL plant comes?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**

- It is again subject to economics. Yes. If we are able to strike a deal with GMPL, definitely we would like to give it to the next door. But it is all subject to economics and what is the kind of... if we are able to strike the deal between the two companies.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Okay. So right now it will continue on that reformat mode, and you are saying you are getting something like \$0.5 per barrel from there, right?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yes.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Okay. Okay. Thank you so much.
- **Mr. Devendra Kumar - CFO, MRPL:**
- If I heard you correctly, the debt stands at 13,608.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Yes, that is gross. Net debt would be? Same. Net debt is also same, 13,608?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yes.
- **Mr. Sabri Hazarika - Emkay Global Financial Services:**
- Okay. Thanks.
- **Moderator:**
- Thank you. Participants to ask a question, you may press * and 1.
- The next question is from the line of Pratyush Kamal from InCred Equities. Please go ahead.
- **Mr. Pratyush Kamal - InCred Equities:**
- Sir, I just wanted to understand this mathematics of \$0.5 per barrel whenever you are getting this benefit through the petrochemical integration. So what is this about? And second was regarding this reformat mode. So when you are saying that you are running this on a reformat mode, what does it actually mean?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- See the complex, we can operate... we have shut down the paraxylene part of the complex. And what we do is, we operate it to a phase where we make this reformat, which is the base blend stock for either making paraxylene or it can go going for an MS blender. So we are making... we are operating only part of the complex where we are selling this reformat, and we are extracting some benzene also and adding value to it.
- **Mr. Pratyush Kamal - InCred Equities:**

- And how is this reformat made? Is it 18.37 (inaudible).
- **Mr. Nandakumar Pillai - Director-Refinery, MRPL:**
- I will explain. I am Nandakumar - Director Refinery. This aromatic... reformat is actually the intermediate formed first. Then it is further converted to produce paraxylene. So what we are presently doing is, we produce the reformat, that is the basic first converter unit, and then we pack it as a blend stock and sell it. If PX margins were good, hypothetically, then we would have processed further the same reformat and made PX; which is presently that market is not that great. You are asking where the reformat is made. So reformat is actually the intermediate produced in this complex.
- **Mr. Pratyush Kamal - InCred Equities:**
- Understood. So this reformat is ultimately made from naphtha or through the raw crude. So how do you actually make the reformat?
- **Mr. Nandakumar Pillai - Director-Refinery, MRPL:**
- It is made from naphtha actually.
- **Mr. Pratyush Kamal - InCred Equities:**
- Understood. So what are the different products other than PX to which you can use this reformat? You can use first in the PX production, other in this MS production or MS blending. So is there anything else also which you can do through this reformat, and you can ultimately get the benefit whenever the margins are high in that product?
- **Mr. Nandakumar Pillai - Director-Refinery, MRPL:**
- Presently, yes, your understanding is right. Basically, it can be made for MS blending. PX and other components like basically benzene, which is a by-product of PX. So, these are the main...
- **Mr. Pratyush Kamal - InCred Equities:**
- Understood.
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- We are also producing... we have also started some amount of toluene extraction from the complex and that also we are selling as a product now.
- **Mr. Nandakumar Pillai - Director-Refinery, MRPL:**
- We just started last year.
- **Mr. Pratyush Kamal - InCred Equities:**
- Understood, sir. And what is this \$0.5 per barrel addition through the petrochemical all about?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- So this is that margin which we have estimated coming from the paraxylene complex.
- **Mr. Pratyush Kamal - InCred Equities:**

- Understood. No issues. Thanks a lot, sir. That's it.
- **Moderator:**
- Thank you. The next question is from the line of Kishan Mundhra from DAM Capital. Please go ahead.
- **Mr. Kishan Mundhra – DAM Capital:**
- Hi, sir. Thanks for taking my questions. Two set of questions. So firstly, data keeping one, sir. Could you share what is your current, or what was your Russian crude blending during the quarter, and what was the discount that you realized on this crude?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- See, the kind of Russian barrels that we are currently getting is something similar to an average, whatever India as a country as we are importing; there is not much difference in that. And the discounts also are in the same range what the other Indian counterparts are getting. Even though the discounts have come down slightly, but yes, more or less, we are in the same line as what the other Indian refineries are getting.
- **Mr. Kishan Mundhra – DAM Capital:**
- Which would be like \$2.5 to \$3 range delivered for India? Would that be a correct assumption?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- You can say plus minus something there.
- **Mr. Kishan Mundhra – DAM Capital:**
- Okay, understood. And sir, the second question. I know it is early days, but still if you could share your assessment of the impact of the recent sanctions on the Russian crude that has been imposed by EU. So, what is your assessment as far as your financials are concerned, your business is concerned and the broader market in general?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- We are still trying to assess because we need to look at the fine prints. Yes, as of now, one of the country's refineries names has come up, but we are still assessing it. It is not just to what extent the price caps are there, how the other things are going to be, how there is an impact on the fleet. We are looking at it still and trying to assess that thing now. But as we speak, we have not seen any challenges getting the crude at least for the month, balance month of July part, whatever is going to come.
- **Mr. Kishan Mundhra – DAM Capital:**
- Okay, understood, sir. Thank you.
- **Moderator:**
- Thank you. A reminder to the participants, you may press * and 1 to ask a question.
- The next question is from the line of Naresh Kataria from Money Curve Analytics. Please go ahead.

- **Mr. Naresh Kataria – Money Curve Analytics:**
- Hi, sir. Just one question. What is the share of diesel in your product state? And I believe diesel cracks are higher. Any thoughts if these higher cracks are sustainable due to anything going on globally?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- See, our middle distillates, when we say middle distillate, it is ATF plus diesel, we are at around almost 50%. And again, if I have to further split, if I have the diesel, it is somewhere anyway between 38 to 40%. So, we have this flexibility of trying to swing some amount between the two products. I can go up to say, stretch it up to around 42%percent as middle distillates... as diesel, sorry.
- **Mr. Naresh Kataria – Money Curve Analytics:**
- Sure. So, my second question on the sustainability of higher diesel cracks. Are diesel cracks higher currently? And what do you think would sustain? I have seen analysts predicting higher cracks based on futures traded on US, that diesel is going to sustain higher for some time. Any thoughts and what is the situation?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Currently, the diesel cracks are high compared to what it was. Even in Q1 also, they are comparatively higher. It all depends on how the recent sanctions are going to turn around. That is why I said we need to really look at those fine prints. And going forward, currently if really those sanctions come in, we expect that the diesel cracks are going to be further higher. And it all further depends on how US is also going to look at this particular aspect. So, it is going to be... we have to be watchful on this particular aspect.
- **Mr. Naresh Kataria – Money Curve Analytics:**
- Understood. Sir, last question is, I have seen over the years you have reduced your fuel and loss. Though it is higher compared to other refineries, but the trend is down. So, if the fuel and loss drops by 1%, does it mean you get 1% extra output for the same barrel of crude? Is that a fair understanding?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Yes, you are right.
- **Mr. Naresh Kataria – Money Curve Analytics:**
- And that adds to margin, right? Because we have paid for the Brent, we have paid for the emissions, but you are getting... you are losing and wasting less.
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- It adds to your bottom line.
- **Mr. Naresh Kataria – Money Curve Analytics:**
- Perfect. Thank you so much.
- **Moderator:**

- Thank you. The next question is from the line of Ramesh from Nirmal Bang Equities Pvt. Ltd. Please go ahead.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- Thank you for the follow-up. So, you mentioned at the beginning that you are expecting refinery closures. Is there some number you can share in terms of how much of the Asian and global capacities are expected to close this year? And what is the trend you expect between FY26-27 in terms of refinery closures?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- While we don't expect any closures in the Asian market, there is a closure that has been declared - one in the UK and one in the California region.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- And what is the kind of capacity in barrels per day or per annum that is being closed down?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Well, I am sorry, I am not having the numbers right now. But we can share it to you subsequently.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- That's okay. So, just dwelling on this refining margin, you have about 10% which is in the bottom product, right? And if you see, VLSFO margins are about \$10 **26.46** (inaudible). The interesting thing is compared to the long-term negative margins of \$15, HSFO discount is now about minus 3, minus 5. So, in the bottom of the barrel, how do you see your own ability to increase the VLSFO component? These are going to be an incremental upside to your GRMs?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- First of all, the bottom 7% or 8%... it is not 10% now, we are at around 7-8% on the bottoms. This entire 7-8% is not coming from VLSFO. It also includes whatever coke and sulphur also that is produced. And currently our strategy is not to make VLSFO, rather than make more distillates.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- Okay. And lastly, if I can just ask you on the polypropylene business, can you share the dollars per barrel that is included in your margins from the polypropylene sales from your FCC unit?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- You are asking the sales value of EPP? Margins, I don't think we have separately... no separate margins we have done for the polypropylene.
- **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**
- So going forward, how do you see the economics of this polypropylene business from the FCC cracker? Because globally, the polypropylene chain is bleeding, whether it is PX, PP or the traditional crackers. So, is there any rationale in running this unit? Or do you expect the

recovery in the overall polypropylene spreads and margins going forward in terms of the economics? How do you see that?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

– What we understand is the polypropylene market is pretty stable. It is the polyethylenes which are bleeding.

– **Mr. Ramesh – Nirmal Bang Equities Pvt. Ltd:**

– Right, sir. Thanks a lot. I appreciate it. Thank you.

– **Moderator:**

– Thank you. The next question is from the line of Ketan Mehta from Baroda BNP Paribas Mutual Fund. Please go ahead.

– **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**

– Thank you, sir, for the opportunity. A couple of questions. We mentioned that we have a fuel and loss of 10.6% in the quarter. How much reduction we can achieve on this fuel and loss when the plant operation normalizes?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

– See, we were at Q1, our fuel and loss was around 11.4%. And our normalized thing was around 10%. So, we will be back to around 10% range, that is what our outlook is in Q2. And we have certain other projects which has lined up for reducing the fuel and loss. So, that is where we are targeting another almost 1% reduction in the overall fuel and loss going forward.

– **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**

– Thank you. Another question was about the exports. We export significant share of diesel. So, how much of our diesel is currently placed in the European market?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

– See, our diesel is typically... we do not directly sell our diesel into the, as I can say, the end customer. It is all picked up through a tendering process by a trader. So, we don't foresee, as of now, any of our products coming into that kind of a situation. And mostly our diesel, what we understand, is not being going into the European market.

– **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**

– Right. One last question was about the Isobutyl ethanol project that we have undertaken.

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

– Isobutylbenzene

– **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**

– Isobutylbenzene, yes. Could you update us on that project and what could be the benefit of that plant?

– **Mr. M. Shyamprasad Kamath - MD, MRPL:**

- Yeah, we have completed the factory acceptance test of the project. Now, as we speak, after the test, the system has been dismantled from the factory and it has been brought in and the erection is in process. We are expecting, by end of August, to have a mechanical completion, and probably start the trial runs say by third week of September or end of September.
- **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**
- Thank you. And could you also remind us about the capacity CapEx and what could be the operational margins from this project?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Sorry, it is a pilot plant, it is not a full-scale plant. It is a pilot plant, demo plant. Pilot cum demo plant. It's not a commercial plant. It is a demo plant based on our technology. Once we're able to establish the product quality get the customer satisfaction, then we will be getting into a full-scale, commercial scale.
- **Mr. Ketan Mehta - Baroda BNP Paribas Mutual Fund:**
- Right, sir. Thank you.
- **Moderator:**
- Thank you. The next question is from the line of Rau Thakur from NVS Brokerage. Please go ahead.
- **Mr. Rau Thakur – NVS Brokerage:**
- Sir, just wanted to know what are the days of shutdown in this quarter?
- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- In this quarter there is no shutdown, please. We have completed our turnaround, and the complex, right now, is operating at full capacity.
- **Mr. Rau Thakur – NVS Brokerage:**
- Okay, that's it. Thank you.
- **Moderator:**
- Participants, to ask a question, you may press * and 1. Ladies and gentlemen, if there are no further questions, I would now like to hand the conference over to the management for their closing remarks.
- **Avin Gupta:**
- So, Avin this side. Thanks for attending the call on behalf of the management of MRPL. If you have further certain queries, you can contact via mail, and we'll try to answer that as soon as possible. Thank you.
- **Moderator:**
- On behalf of Prabhudas Lilladher Pvt. Ltd. that concludes this conference. Thank you for joining us. You may now disconnect your lines.

- **Mr. M. Shyamprasad Kamath - MD, MRPL:**
- Thank you all.

- ***END OF TRANSCRIPT***