

# CHEMICAL

COVER STORY Page 31

**“We are committed to advancing sustainable manufacturing processes”**

**MAULIK PATEL**

Chairman & Managing Director  
Epigral Limited

**Epigral Limited (erstwhile Meghmani Finechem Limited)**, a leading integrated chemical manufacturer, is on a growth path announcing major expansion plans. While being committed to advancing sustainable manufacturing processes, the company's expansion plans are in harmony with the Government of India's national priorities, such as the *Atmanirbhar Bharat* and 'Make in India' initiatives. In an exclusive interview with ***Chemical Engineering World***, **Maulik Patel, Chairman & Managing Director, Epigral Limited**, shares more details about the company's expansion plans and also throws light on Q2FY25 results.

### **Epigral has posted a robust growth in Profit After Tax (PAT) at ₹ 81 crore for Q2FY25. What would you attribute this jump in growth to?**

Epigral is a growth oriented company and hence we have done continuous capex to have volume growth. We have witnessed volume growth of 17 per cent in H1FY25 vs H1FY24. This volume growth is majorly coming from Derivatives and Specialty business and has led to PAT of ₹81 crore in Q2FY25, i.e. 111 per cent growth compared to Q2FY24. Revenue contribution from Derivatives and Specialty business has reached to 59 per cent vs 46 per cent in Q2FY24. The capex that we have done in previous years will drive growth in FY2025 and FY2026. Further, we have announced to double our Chlorinated Polyvinyl Chloride (CPVC) Resin and Epichlorohydrin (ECH) capacity - these projects are expected to drive growth from FY2027 onwards.

### **As India embarks on net zero emissions target, enhancing competitiveness for sustainable and value generative business solutions has become the need of the hour. How is Epigral aligning itself in this direction?**

At Epigral, we firmly believe that business transformation is not a one-time event but a continuous journey that evolves with the changing landscape of our industry. This ongoing transformation aims not only to accurately reflect our enhanced capabilities and ambitious goals but also to foster a sense of confidence and trust among all our stakeholders, including customers, partners, and the communities we serve. As a responsible organization and a dedicated partner in India's pursuit of sustainable growth, it is our mission to identify and implement sustainable practices across all facets of our operations.

We are particularly committed to advancing sustainable manufacturing processes. A notable example of this commitment is our collaboration with RENEW Power to establish a hybrid wind power plant. This initiative underscores our dedication to leveraging renewable energy sources and reducing our carbon footprint. Additionally, we are excited to invest in Pure.rBrine™ technology, which focuses on the recycling and reuse of by-products generated during our manufacturing processes. By repurposing these by-products as

raw materials for other products, we are not only minimizing waste discharge but also significantly reducing greenhouse gas (GHG) emissions throughout our supply chain.

Moreover, this innovative approach to sustainability is expected to yield additional benefits for the company. By integrating by-products into our manufacturing processes, we anticipate a cost rationalization that will enhance our operational efficiency. Strengthening our integrated complex in this way not only supports our environmental goals but also positions us to respond more adeptly to market demands while promoting a circular economy. Through these efforts, we aim to create long-term value for our stakeholders while contributing positively to the environment and society as a whole.

### **How would you describe the role of innovation for the foundation of the next phase of growth of Epigral in specialty chemicals?**

In the current competitive business environment, innovation and research and development (R&D) are crucial for companies looking to achieve growth and success. In the coming years, companies that are focused on growth will increasingly prioritize investments in Research & Development (R&D) while also cultivating talent to inspire new ideas that have a positive impact on society.

Epigral is placing a strong emphasis on innovation within derivative products designed for emerging sectors such as renewable energy and automotive components. We have established a dedicated R&D center that is currently focused on developing new specialty chemicals along the Chlorotoluene value chain. This center is also committed to enhancing the processes of existing plants to achieve greater operational efficiency.

### **By FY2027, you are foreseeing a 70 per cent revenue contribution from the derivatives and specialty business, what according to you will be the contributing factors for this growth?**

Yes, as on FY2019, revenue contribution from Derivatives and Specialty business was 0 per cent. In line with the strategy to diversify into different

downstreams of Chlorine and Hydrogen, Epigral has entered into various products like Hydrogen Peroxide, Chloromethanes, CPVC Resin and Epichlorohydrin. Because of this expansion, revenue contribution from Derivatives and Specialty business has reached to 56 per cent in 1HFY25.

Also very recently, the board has approved to enhance the capacity of CPVC Resin and ECH. We are expanding 75,000 TPA of CPVC resin capacity, which will lead to total capacity of 1,50,000 TPA (World's largest plant) and expanding 50,000 TPA in ECH, which will lead to total capacity of 1,00,000 TPA (India's largest plant).

CPVC Resin is consumed to make the CPVC pipes and fittings which are used in hot water application. Epichlorohydrin is majorly used as a raw material to manufacture Epoxy Resin, which in turn goes in to making windmill blades, automobile industry and construction industry. ECH is also used in pharmaceutical, water treatment chemical and paper chemicals.

These expansion plans in Derivative and Specialty business will drive the revenue contribution to 70 per cent by FY27 or FY28. Also these expansions in to Derivatives will strengthen our integrated complex, ultimately creating value of our stakeholders.

**Could you throw more light on the immediate expansion plans of the company and the investments earmarked for the same?**

Epigral's board of directors has officially greenlit an ambitious expansion project focused on the production capacities of CPVC (Chlorinated Polyvinyl Chloride) resin and Epichlorohydrin (ECH). This strategic initiative aims to significantly increase CPVC resin capacity to an impressive 150,000 Tonnes Per Annum (TPA) by incorporating an additional 75,000 TPA capacity. Concurrently, the production capacity for Epichlorohydrin will also see a substantial boost, expanding to 100,000 TPA through the addition of 50,000 TPA capacity. This expansion will take place at the company's state-of-the-art facility located in Dahej, Gujarat.

With these enhancements, Epigral is set to establish itself as a global leader in CPVC resin production,

**“ At Epigral, we firmly believe that business transformation is not a one-time event but a continuous journey that evolves with the changing landscape of our industry. ”**

making its facility the largest of its kind in the world. In addition, the expanded capacity for Epichlorohydrin will position it as the largest ECH production facility in India.

The decision to ramp up production in both CPVC and ECH aligns with the surging demand for these essential products in the Indian market. As consumer needs grow, this expansion will not only enhance Epigral's operational capabilities but will also bolster its commitment to supporting the broader industrial landscape in India.

Furthermore, this initiative is in harmony with the Government of India's national priorities, such as the Atmanirbhar Bharat (Self-Reliant India) and 'Make in India' initiatives. These programs are designed to promote domestic manufacturing and economic independence, reflecting Epigral's dedication to fostering self-reliance within the nation while contributing to its industrial growth. ■