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Manali Petro to triple propylene glycol output: Official

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Chennai, Sep 23 (): Manali Petrochemicals Ltd would ramp up propylene glycol production in two phases at an investment of about Rs 150 crore, a top official of the company said on Wednesday.

Through the initiative, the city-based company would triple its propylene glycol production to around 75,000 metric tonne from the current about 22,000 metric tonne, officials said.

"I am happy to say we have clearly decided to expand our propylene glycol business. We are doing this expansion in two phases simply because we do not want to rely on third party funding and we are doing it purely with internal generation," said Ashwin Muthiah, chairman of AM International group of which Manali Petrochemicals is a member.

He said the country at present imports 75,000 metric tonne from China and Middle-Eastern countries, he said.

Manali Petrochemicals was the only company to operate in this segment, he said. According to the group's CEO Muthukrishnan Ravi, the demand for propylene glycol in the country was about 100,000 metric tonne and the company now has a capacity of about 22,000 metric tonnes.

At present, the nation imports about 75,000 metric tonne from China and Middle-Eastern countries, he said.

To a query, he said the Rs 150-crore investment would be done in phases and there was a sustained strength in expanding propylene glycol business.

Propylene glycol business was a revenue generator for Manali Petrochemicals for some time and the company witnessed an additional strength during the COVID-19 enforced lockdown, he said.

"We are seeing a 5-7 per cent growth (propylene glycol) in demand year-on-year," he said.

The company received the 'Terms of Reference' from the government and environmental impact assessment was now being taken up. "Once that is completed, we will go to the government for environmental clearance and we expect the project to be completed in 18-24 months (first phase)", he said. The project would be handled in-house by redesigning the existing facilities to ensure cost-effectiveness and prudent budgetary practices. On completion of the project, the company would be the only domestic manufacturer of the product and would meet a substantial part of the country's demand of about 100,000 metric tonne of propylene glycol, he said. The primary focus of the project would be to supply in two sectors -- pharmaceuticals and food business, a press release from the company said. VIJ NVG NVG