



# GANESH BENZOPLAST LIMITED

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Date: February 11, 2023

To

<p>The General Manager, Department of Corporate Services – Corporate Relations Department, BSE Limited, Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.</p> <p>Scrip ID: 500153</p>	<p>The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051</p> <p>Scrip ID: GANESHBE</p>
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Dear Sir,

**Sub: Transcript of Conference call held on February 08, 2023**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Conference Call held on Wednesday, February 08, 2023 with the Investors and Analysts.

This transcript of Conference Call is also posted on the website of the Company at [www.ganeshbenzoplast.com](http://www.ganeshbenzoplast.com)

Kindly take the same on your record.

Thanking You,  
**For Ganesh Benzoplast Limited**

**Ekta Dhandra**  
**Company Secretary and Compliance Officer**

**Encl: as above**



**GANESH BENZOPLAST LTD.**

**“Ganesh Benzoplast Limited  
Q3 FY '23 Earnings Conference Call”  
February 08, 2023**



**MANAGEMENT: MR. RISHI PILANI – CHAIRMAN AND MANAGING  
DIRECTOR – GANESH BENZOPLAST LIMITED  
MR. AMAR KABRA – GENERAL MANAGER, FINANCE  
AND TAXATION – GANESH BENZOPLAST LIMITED**

**MODERATOR: MR. PRIYADARSHI SRIVASTAV – MONARCH  
NETWORK CAPITAL LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to Ganesh Benzoplast Limited Q3 FY23 Earnings Conference Call hosted by Monarch Network Capital Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Priyadarshi Srivastav from Monarch Network Capital Limited. Thank you and over to you, sir.

**Priyadarshi Srivastav:** Thank you. Good evening, everyone. I welcome you all on behalf of Monarch Network Capital to Ganesh Benzoplast Q3 FY '23 Earnings Call. Today we have with us Mr. Rishi Pilani CMD and Mr. Amar Kabra, General Manager, Finance and Taxation. Without taking much of your time. Over to you sir, for your opening remarks.

**Rishi Pilani:** Yes, good evening, everybody. Thanks, everybody for joining the third quarter FY '23 conference call. I will initiate the call by taking you through the business highlights for the period under review, after which we will open the forum for the Q&A. So I'm pleased to share that for the nine months ended on December 31, 2022, the company achieved a total revenue of INR 2,867.8 million as against INR 2,620 million in the corresponding period of last year, which is about 9% increase on a year-over-year basis. Profit after tax for the nine months ended this December was INR 403 million as compared to INR 241 million in the corresponding year, which is an increase of 67%. And the basic EPS which was rupees -- for the nine-month ended was INR 6.47 against INR 3.96, which is a increase of 63.4%.

On a standalone basis during the quarter ended December 31, 2022, our PBT was INR 517.45 million against INR 328.01 million in the corresponding quarter of last year with an increase of 58%. The standalone profit-after-tax was INR 386.77 million against INR 240.43 million, which is a 61% year-over-year increase. And the basic EPS stood at INR 2.23 as against INR 1.26 for the quarter, which is an increase of 77%.

So with that, I have given the highlights for the results in this quarter and I would like to open the forum for question-and-answer.

**Moderator:** The first question is from the line of Hiral an Individual Investor. Kindly proceed.

**Hiral:** Congratulations for the great set of numbers, sir. I want to specifically ask about the LPG segment that any update on our plans to enter that LPG segment? And any discussion with any potential customers we have begun?

**Rishi Pilani:** Yes, so definitely as of now, we are going ahead with our plans of constructing a refrigerated terminal in JNPT. So we are in very highly-advanced discussions with potential customers and we hope to conclude some contracts, very soon. Yes.

**Hiral:** Okay, great. How do you see the demand of LPG growing in the particularly Maharashtra state or so, so the consumption or the throughput level can be understood with that?



- Rishi Pilani:** See the demand basically with the basic population growth, your demand keeps growing and the more penetration and replacement of traditional fuels like coal and both with LPG, which is the government's push continuously. So the demand is quite robust and with -- what we are hoping to do is also with world-class facility that we're creating, which will be able to handle the entire VLGC of about 40,000 tons on a single stroke. That we would give a massive opportunity for the importers to save lot of ship costs by allowing large ships to come in and to discharge fast and leave. So, the demand we would cater will be, yes, primarily it will be for Maharashtra. But we will capture some of the all India demand also.
- Hiral:** Okay, great, super, super. Thank you. Thank you. I'll join the queue for further questions.
- Moderator:** The next question is from the line Dhiral from PhillipCapital. Kindly Proceed.
- Dhiral:** Hello. Am already audible, sir? Yes, sir, sir wanted to know, sir, what is our capex for next two years and the growth in the margin guidance?
- Rishi Pilani:** So, see we -- more or less our capex estimate that we have currently assuming that we go ahead for LPG would be in the range of about INR 400 crores to 450 crores. Regarding margin and all those guidance we can't give, but we hope that whatever we do, we should have a payback of within four to five years. That's what we generally aim for as a company.
- Dhiral:** Okay. Okay, thank you so much, sir.
- Moderator:** The next question is from the line of Anurag Roonwal from Moneybee Investment Advisors. Kindly proceed.
- Anurag Roonwal:** Hi, sir. Congratulations on a good set of numbers. Just wanted some update on the chemical division. So there has been a slight decline in the revenue in the division. So what could be the reason for that? And secondly, in terms of margins, I see a slight improvement in the margins. So just wanted to understand your take on this. Also, what's the kind of utilization levels at which the division is running? Thank you.
- Amar Kabra:** Yes, Anurag, Amar Kabra here. So in chemical division right now, we are working around 68% to 70% of the capacity. And the reason of the drop -- slight drop in the turnover of the chemical division, because in December month there was some shutdown of almost eight to nine days due to that maintenance issue. So that's why there was a drop of almost INR 3 crores to INR 4 crores for the quarter. But on nine months basis, you can see there is a growth of 19% in the turnover.
- So overall --there was an increase of 19% year-on-year nine months. And the profitability, there are three factors. One is the raw material price reduction. Second is the slowdown in the import from China. And thirdly is the better yield because in plant level, we had done some modification and changes in technology and all these things so that resulted in better yield. So these are the cumulative factors which has given the consistent and profitable performance in chemical division.
- Anurag Roonwal:** Okay. And what's the kind of optimum level that this chemical division can run?



- Amar Kabra:** It can go up to 100%. Right now 68% to 70%, it can go up to a 100%, there is no problem in that. And slowly we're moving towards that.
- Anurag Roonwal:** Do you think that's possible in FY '24?
- Amar Kabra:** At least 90% we can definitely going to achieve, '24. Yes.
- Moderator:** The next question is from the line of Niket Shah from SN Finvest. Kindly proceed.
- Niket Shah:** Yes. What is the general tenure of the recently signed contracts with the chemical companies?
- Rishi Pilani:** Three years.
- Niket Shah:** Okay. And do we have something as a clause where we can extend it from over three years?
- Rishi Pilani:** See we don't have such specific clauses in the contract, but based on past experience, generally when the customer starts using the tanks, they don't leave the tank unless there is a big change in their business strategy.
- Niket Shah:** Next question is, when do we expect the company to fill the balance capacity at JNPT, the expansion that we did recently?
- Rishi Pilani:** So we are already in discussions with the customers it's just that we are optimizing the products and the revenue streams to make an optimal mix. So I would expect that before March 15th, or before let's say end of this year -- financial year, we would have closed all of that.
- Niket Shah:** So right now we are at what percentage?
- Rishi Pilani:** We are a little bit more than 50%.
- Niket Shah:** Okay. So in a month you'll finish the rest 50%.
- Rishi Pilani:** Yes. So, like I said, it's not that we don't have the customers, it's just that we are optimizing and choosing which customers we want to go for and which products we want to go for.
- Moderator:** Thank you. The next question is from the line of Gaurav Lohiya from Bowhead India. Kindly proceed.
- Gaurav Lohiya:** Hi. Good afternoon, everyone. First of all, congratulations for great set of results. If I remember last time you have mentioned about evolving into a solution provider. So my question is, can you call out any such initiative -- any new such initiatives? Thank you.
- Rishi Pilani:** Can you -- sorry, Gaurav, if you don't mind, can you please repeat your question?
- Gaurav Lohiya:** Last time you mentioned about evolving into a solution provider, being a solution provider.
- Rishi Pilani:** Yes.



- Gaurav Lohiya:** So can you call out any such new initiatives nearby future?
- Rishi Pilani:** Yes, so see all the -- like we are providing right now our rig services, which we are expanding to more customers so that we can act as a one-stop shop to the customers. Instead of them having to deal with transporters, different surveyors and the terminal, we want to act as a one-stop port. So we already started working towards that. Plus, we are also helping our customers develop their in-house capabilities in terms of the infrastructures of tanks, pipelines, etc., to make their systems more efficient so that their handling of cargo at our terminals, handling of cargo through our terminals using various modes of transportation becomes better. So we are already taking such initiatives and executing them.
- Moderator:** Thank you. The next question is from the line of Anurag Roonwal from Moneybee Investment Advisors. kindly proceed.
- Anurag Roonwal:** Hi, thanks for taking my question again. In terms of liquid storage division, could you let us know what's the reason for the increase in the margins Q-on-Q basis?
- Rishi Pilani:** Yes. In infra we are getting some better rate because see, it's a demand-supply game.
- Anurag Roonwal:** Correct.
- Amar Kabra:** So whenever we're getting the opportunity, and as you know, in JNPT there is a little scarcity of the storage, so that is one of the reasons. Then some -- you can see there is a slight increase in the top line, but the profits has increased much as compared to the top line. So fixed to cost has been taken care because there is reduction in the fixed cost or some legacy issues the expenses are also getting reduced and we are getting some better rates from the customer. So that is the combined result and we're getting more.
- Anurag Roonwal:** So, my understanding was that, I mean, usually we get 6% to 7% increment in the -- so we get sort of escalation in the rates, how much would the increase would be because of the escalations and how much would be because of catering to the spot demand? Just a ballpark kind of think?
- Amar Kabra:** See spot we are generally not taking more than 20%, 80% is long-term only. And in spot, there is scope to increase the prices from 20% to 50%. And in long-term contact, obviously, there is scope for 5% to 8% of the escalation.
- Anurag Roonwal:** Okay. And going forward next year, what's the kind of increase that you're expecting in the rates?
- Amar Kabra:** In the rate, as I said, for long term it's 5% to 7%, 8%. And for the new capacity, we'll get the additional revenue of almost INR 14 crores to INR 15 crores. So that you can see in financial '23-24. And apart from that, LPG thing and other things.
- Anurag Roonwal:** Okay. In this new capacity, the rate will be similar to what the rates would be for the existing capacity?



- Amar Kabra:** It's much higher as compared to our existing average rate of 400, 450, you'll get almost 800, 750 like that.
- Anurag Roonwal:** Okay. So, there's going to be escalation, which is there, plus you are saying in the new capacities higher rates would be applicable?
- Amar Kabra:** Yes obviously.
- Anurag Roonwal:** Okay. Can you put a figure to that then in that case, I mean, in FY '24, what sort of increase that you're expecting? Will it be possible to do that?
- Amar Kabra:** As I said, top line of INR 13 crores to INR 14 crores, and thereafter you'll get escalation of almost 8% to 10% from the new tanks because these are chemical tanks and our existing escalation I see as a 5% to 7%.
- Anurag Roonwal:** Okay. Thank you.
- Moderator:** The next question is from the line of Bala Subramanian from Arihant Capital. Kindly proceed. Hello, sir, not able to hear you clearly.
- Abhishek Jain:** Hello sir, this is Abhishek Jain from Arihant Capital. I just wanted to understand two things, one is our new facility and it's been mentioned, it's been pre-sold. So when you have long-term contracts, basically how the contracts will be there? It's a long-term kind of thing and what be the duration of the contract? And when it's going to be in upstream?
- Rishi Pilani:** So, hi, Abhishek. So what I understand is that you want to know how are the contracts generally structured? And when is the facility going to be commissioned, right? Is that correct?
- Abhishek Jain:** Yes, sir.
- Rishi Pilani:** So see, the contracts are generally structured in the sense that there is obviously a period in the contract, let's say, two years, three years, four years, whatever it may be, and there is a date which starts on the date of handover of the tank. And against these contracts, the customers have to pay us, let's say, a certain deposit to confirm their interest in the tank. So this is a nutshell how the structuring of the contract happens.
- Regarding the commissioning. So see, we are hoping to complete the mechanical completion of all the tanks within the next seven to eight days. And after that we have to run through the process of completing the peripheral works and taking the necessary approvals for starting the use of the tank. So we are hopeful to start the tanks in this financial year. If not this then definitely in April of 2023.
- Moderator:** Thank you. The next question is from the line of Devesh from DS Investment. Kindly proceed.
- Devesh:** Yes, hi. Good afternoon and congratulations for good numbers. Just wanted to get a feel about our run rate in LST division. The way you called out in initial briefing was that we are running at probably near optimal capacity on JNPT and similar in Cochin and little bit in Goa, right?



And the new tank comes in worst case from Q1 scenario right next year. So current run date of INR 36 crores plus yearly escalation and plus whatever new tank we deploy, which should be hire rates and things like that. Is that the right way to model or you think there is different run rate that we can expect in LST division?

**Rishi Pilani:** See, generally, we don't want to comment on numbers like this, but what we can tell you is that yes, generally whatever we are running with our current capacities that we would hope and that would be our attempt to get at least a 5% to 7% year-over-year growth in that. And for the new capacities, like I said, our target is to have at least between INR 12 crores to INR 15 crores growths of new added revenue towards these tanks. So this is a broad range, but it's not really - it's all subject to things that can or cannot happen.

**Devesh:** Yes, no, totally understand. And when we say that, if you are running at X and we have this Y as the new capacity coming in, but the EBITDA would be slightly higher because these new tanks would have a higher margin profiler. Is that the right understanding?

**Rishi Pilani:** Oh, yes. Yes, that's definitely right in your understanding, because the fixed costs are not getting added in the same proportion in terms of manpower, in terms of utilities that are required to run the setup. Fixed costs don't get added in the same proportion as the new tanks.

**Devesh:** Got it. And in terms of overall scope for expansion, we are looking at 20% currently and then remaining 80% we are going with LPG. Is that right understanding?

**Rishi Pilani:** You mean in terms of land utilization?

**Devesh:** Yes.

**Rishi Pilani:** Yes, that's -- I mean, that's approximately right.

**Devesh:** Okay. And would you be able to comment in terms of direction for the funding for this? Because you call out about INR 400 crores capex, right? How would we sort of go about that?

**Rishi Pilani:** So it would be a mix of equity and debt, obviously, and we are not too worried about that, but that's...

**Amar Kabra:** Debt and internal accrual.

**Rishi Pilani:** So basically the internal -- so the internal accruals, which will be like the part of our, what we call is this thing GBL equity towards the project. So Ganesh Benzoplast will put up an equity of about INR 100 crores, INR 150 crores through our internal accruals, and the balance we'll take as loan from the bank.

**Devesh:** Got it. And the last one would be, if you were to look at chemical demerging, right, that has been quite on our radar, would you be able to comment in terms of when do you see that happening or any progress, update around that?





- Rishi Pilani:** So see, we have sort of partially achieved this target by transferring all the financials as to say of the chemical into the wholly owned subsidiary, which is the GBL Chemical Private Limited. So basically, the financials are already segregated out of the main company into a subsidiary. the actual physical break, like I've explained many times before, we have a legal issue on that, which we are trying to sort out. Unfortunately, since this is a sub-judice matter, I don't have a firm timeline on it, but rest assured we are working to make sure it happens ASAP.
- Devesh:** Direction just wanted to get sense. And the last one would be more qualitative. So let's say, if you were to see Ganesh Benzo five year out, right, so obviously our core business would be LST and the new expansion, but what about the rest of pieces installed part of it or the consulting part of it? How do you see the identity of Ganesh evolving over little longer term four to five years down the line, how do you see us playing out?
- Rishi Pilani:** Yes, so you are absolutely right. I mean, the primary focus is going to be on the LST division and growth of that division over the next few years. The other businesses, so which are the rail businesses or the EPC business, they are just going to act, which they do as today also as a supporting role to grow the LST division. So wherever these pieces can pitch in to either improve efficiencies within our own system, or like I said, like our customers' systems so that the overall handling through the LST division improves and the margins improve, that's where these divisions will step in.
- Moderator:** The next question is from the line of Raaj from Arjav Partners. Kindly proceed.
- Raaj:** Looking at FY '24, how do you think your sales and everything's going to look like looking at the expansion you are doing?
- Rishi Pilani:** Yes, so what -- like I said, see on the chemical side, we obviously right now, we are working about 68% to 70% utilization. So we definitely want to push it up to 90% and above, which is about a growth of 25%, 30% in the utilization. So if you look at revenue terms, then hopefully proportionately that's as you grow your utilization, your revenue should grow. On the LST side, like I said, we have the standard growth of about 7% to 8% that happens in the existing terminals. And in addition, the new tanks that will kick in, that will add to another between a range of INR 12 crores to INR 15 crores. So this is all subject to obviously everything going the way we are projecting it to go. So that's my disclaimer to these numbers, if you may, so add it. But that's -- I hope that answers your question.
- Moderator:** Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Kindly proceed.
- Darshil Jhaveri:** Hello, hi, thank you so much for taking my question and congratulations on a great set of results. So with regards to the chemical division, I just want to know that we are seeing, you're planning for maybe 25%, 30% increase in our sales what will -- two questions, what will drive that? And how would the margins then be, because we will have -- you'll be getting a good amount of operating leverage? So just basically those two questions.



- Rishi Pilani:** See, ideally, what happens is that, beyond a certain percentage, which is, let's say about close to 75% or 80% in the chemical plants, then what happens is then basically your fixed costs fall away. And whatever percentage utilization you're able to get beyond that is basically a sum of your selling price minus your variable cost because the fixed cost have already been accounted for. So, that's how generally in a chemical company the margins would be expected to move is that beyond a utilization of 75%, 80%, you would expect the step jumps because you are no longer accounting for fixed costs? I'm sorry. Does that answer your question or was there something else?
- Darshil Jhaveri:** No, that broadly answers my question. But I would just -- in general, I would not ask for something specific, but what kind of gross profit EBITDA margin do we have in general in our chemical businesses, that could just help us project for the further new scale or something that's the only thing? Because I understand that we'll get a great leverage that everything gross profit basically flow down to our PBT, but -- so what -- because we have some fluctuations that previously we were having some kind of EBIT loss, and now in these nine months, we have nearly 8% EBIT. So what is a broad range that we have in our chemical business? What are the profits that we target? Something that could you just help us?
- Rishi Pilani:** So in chemical business, obviously, we cannot expect more than 15% to 17% of the profit at 70%, 75% capacity. But if we'll cross 90%, then obviously, we'll get some 20% of the margins, net profit margins. So that is the broad idea.
- Darshil Jhaveri:** So sorry, from 90 to 100, whatever are difference will that everything that would be around 20% margin. Otherwise, we can expect broad range, we expect a 15% to 17% EBITDA.
- Amar Kabra:** Yes.
- Darshil Jhaveri:** Yes. Okay. Yes. Thank you so much.
- Amar Kabra:** Net profit margin, yes, correct.
- Darshil Jhaveri:** Sorry?
- Amar Kabra:** It's net profit margin 15%. I'm saying about...
- Darshil Jhaveri:** 15% is net profit margin for chemical. Okay. Okay. Yes. thank you. That helps me a lot. All the best.
- Moderator:** The next question is from the line of Bala Subramanian from Arihant Capital, kindly proceed.
- Bala Subramanian:** Thank you so much for taking the questions. The breakup of INR 400 crores to INR 450 crores, if you could throw more light on that, in the phase wise, I think we are doing LPG Phase 1, LPG Phase 2 also. So if you could break the capex amount?
- Rishi Pilani:** So see we don't have such like exact breakups because what is -- though we call it Phase 1, Phase 2, actually Phase 1 is an integrated part of Phase 2 itself. So, I mean, we look at the whole



thing as an overall project of about INR 400 crores to INR 450 crores that's what we look at it as.

**Bala Subramanian:** Okay, sir. Sir, my next question regarding that LST business like earlier guidance is around INR 300 crores by FY '25 to FY '26, we are maintaining the same level right now also. On the margin side, like what kind of blended margins is expected for current business as well as new capacity?

**Rishi Pilani:** So see, we definitely, if we go in for the LPG tanks, which we are most likely to, then yes, the revenue will have a significant jump. The margins -- the blended margins also will go up significantly. But the exact numbers, I think I will be able to provide much better in probably next quarter.

**Bala Subramanian:** Okay, sir.

**Rishi Pilani:** Once my contracts are more or less finalized.

**Bala Subramanian:** Okay, sir. Okay. Sir, if you could share top seven to eight clients, like revenue contributions, overall revenue?

**Amar Kabra:** In the infra deal there are CJ Shah, but we cannot obviously mention all of those.

**Rishi Pilani:** So, basically see mainly we are divided into two main customer groups. One are chemicals and one are nonchemical entities. So, in the nonchemical entities, obviously, you have **Cargill** and Golden Agri. And in the chemical sector, obviously, you have the big groups like CJ Shah, Jubilant, Pidilite, Deepak Fertilizers. So these are like top few customers.

**Bala Subramanian:** Okay, sir. Sir, we have long-term contracts, like what kind of escalations, if you could throw some average numbers, so that would be really helpful.

**Rishi Pilani:** Yes. So generally long-term contracts would have an average escalation of minimum 5%, 5% to 10% is would be a range if it's a very long-term contract.

**Bala Subramanian:** Okay, sir. Got it. Sir, on the ethanol...

**Rishi Pilani:** On year-over-year basis.

**Bala Subramanian:** Okay, sir. Got it. Sir, on the ethanol business, what is the capacity right now? Like, how the plant is operating? I think the plant is quite old, like what kind of utilization right now? So if you could throw more light on that?

**Rishi Pilani:** So the current install capacity of the plant is, it's a 100 KLPD tank plant. So 1 lakh liters per day. And yes, you're right, it's an old plant. So right now we are -- what we are doing is we are revamping the plan to our latest technology, by which our efficiencies will improve and our affluent generation will come down. So that process is going on, which we expect to complete within this financial year.

**Bala Subramanian:** Okay, sir. Sir, like, if you could, the plant is operating, the full year or...



- Rishi Pilani:** No, so the plant operates 270 days a year.
- Bala Subramanian:** Okay. Then the revenue should be above 10 lakhs per day in PAT levels in that range, sir, or maybe around?
- Rishi Pilani:** So, see as you are knowing that we are owning only a 20% -- 26% stake in that, but there is a published rate for ethanol by the government at which they buy it. It is some INR 61 odd. So if you're producing 1 lakh liters per day, as per the government published rate, that's the top line you should be able to expect if all things go well.
- Moderator:** Thank you. The next question is from the line of Anurag Roonwal from Moneybee Investment Advisors. Kindly proceed.
- Anurag Roonwal:** Yes, sir, in the LPG facility that is coming up, if you could mention the timelines? So, when do you expect the financial kosher to happen? When do you expect the construction to start? When do you expect production to start and how much time will it take to wrap up the kind of timelines, if you can sort of mention?
- Rishi Pilani:** So see again, the timeline that I can give you now are on a best case scenario kind of a thing with all goes well. But what our planning is to start the work within the next 30 to 45 days. More or less our engineering work is completed. So we want to start the actual ground construction within the next 30 to 45 days. We want to finish laying our pipelines and the bullets by another 12 months from then. And then, another 12 months from then we want to commission the main refrigerated tank.
- Anurag Roonwal:** So when will that get over, the construction portion tentatively?
- Rishi Pilani:** Two years, let's say, approximately two years from now.
- Anurag Roonwal:** Okay. So the revenue should flow in from FY '26 onwards will that be right assessment?
- Rishi Pilani:** Yes, FY '26 onwards. But we are also looking at a few customers who can start utilizing the bullets from once they are completed in the next 12 months. So that also we are working on, if that goes through, then the revenue can start from FY '25, but in a smaller manner.
- Anurag Roonwal:** Okay. But what's the kind of potential that these bullets can have in terms of revenue?
- Rishi Pilani:** Again, see bullets can handle only pressurized cargo.
- Anurag Roonwal:** Correct.
- Rishi Pilani:** So that is something, again, that needs to be examined, but if it works out, then probably, we can get a revenue of about INR 25 crores to INR 30 crores from these bullets. If all goes well and things work how we want to.
- Anurag Roonwal:** And margins?



**Rishi Pilani:** See again, margins is very subjective, but we would at least hope to get a 70% to 80% margin.

**Anurag Roonwal:** EBITDA margins you are saying.

**Rishi Pilani:** Yes.

**Anurag Roonwal:** Okay. Okay. And sir, any improvement in the utilization at the Goa facility?

**Rishi Pilani:** So currently, what we have done is we've, started export of molasses from Goa.

**Anurag Roonwal:** Right.

**Rishi Pilani:** So as of now for during this period, we are having about 60% to 70% utilization, which in general, is always between 20% to 25%.

**Anurag Roonwal:** It used to be 40%, right, earlier?

**Rishi Pilani:** No, no, I'm saying during this period. So on average, yes, it's 40%, I'm saying during this period.

**Anurag Roonwal:** Okay. So you're trying to suggest that as a marked improvement in the utilization?

**Rishi Pilani:** Yes, yes.

**Anurag Roonwal:** Okay. Okay. And any new ports that you are targeting for the liquid storage tanker division business?

**Rishi Pilani:** Yes, so, we are exploring new ports. In fact, we have a land allotment that has been done to us from the Mangalore port.

**Anurag Roonwal:** Okay.

**Rishi Pilani:** We are just examining right now the feasibility of what all can be constructed there before confirming it with the port.

**Anurag Roonwal:** Okay. But will you be able to give any numbers in terms of the size of the land that has been allotted to us and the kind of potential that the area can have?

**Rishi Pilani:** So all this is still under examination. So the land is approximately 11,500 square meters, but what is the exact potential on it and what can be really developed that is something we are examining right now.

**Anurag Roonwal:** Okay. And will you be open for LPG as well in that port.

**Rishi Pilani:** We will be open for any product that gives us maximum revenue and profits.

**Anurag Roonwal:** Correct. Okay. Okay, sir. Thank you so much.

**Rishi Pilani:** Thanks.



- Moderator:** Thank you. The next question is from the line of Dhiral from PhillipCapital. Kindly proceed.
- Dhiral:** Sir, one question regarding on the chemical sites, as you said that next year we'll be utilizing almost 85% to 90% or even 100%, our production capacity. So what will be the incremental capex that we are looking to do in chemical for the growth for the few years?
- Rishi Pilani:** As of now, whatever is a general maintenance capex. Apart from that, we don't have a really big plan of expanding any big capex there.
- Dhiral:** Okay. So sir...
- Amar Kabra:** We can achieve that capacity, and if we want go further, then, we can think for the capex.
- Dhiral:** So are we planning anything, sir? Because FY '24, I believe our capacity will be fully utilized?
- Amar Kabra:** I think 85%, 90% we can go, but still there is code for a 100%. So later on we will think after 25, we may think for that increasing capacity.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.
- Rishi Pilani:** Yes. So again, I would like to thank everybody for their continued interest and support in our company. We hope to keep performing and keep our word for giving consistent growth to the company. And again thank you all. Have a very good evening.
- Moderator:** Thank you. On behalf of Monarch Networth Capital that conclude this conference. Thank you for joining us. You may now disconnect your lines.

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