



GANESH BENZOPLAST LIMITED

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February 19, 2024

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, 5th 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 Thursday, February 15, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Conference Call held on Thursday, February 15, 2024 at 4.00 PM (IST) with the Investors and Analysts.

This transcript of Conference Call is also posted on the website of the Company at www.ganeshbenzoplast.com

Kindly take the same on your record.

Thanking You,
For Ganesh Benzoplast Limited

Ekta Dhanda
Company Secretary and Compliance Officer

Encl: As above



GANESH BENZOPLAST LIMITED

“Ganesh Benzoplast Limited Q3 FY24 Earnings Conference Call”

February 15, 2024



GANESH BENZOPLAST LIMITED

CAPITAL SQUARE[®]
Teaming together to create value



**MANAGEMENT: MR. RISHI PILANI – CMD, GANESH BENZOPLAST
LIMITED
MR. AMAR KABRA – GM (FINANCE & TAXATION),
GANESH BENZOPLAST LIMITED**

MODERATOR: MR. PRIYADARSHI SRIVASTAVA – CAPITAL SQUARE



Moderator: Ladies and gentlemen, good day and welcome to Ganesh Benzoplast Limited Q3 FY24 Earnings Conference Call.

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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Priyadarshi Srivastava from Capital Square. Thank you and over to you, sir.

Priyadarshi Srivastava: Thank you. Good evening, everyone. On behalf of Capital Square, I welcome you all for the Q3 FY24 Ganesh Benzoplast Earnings Call. Today we have with us Mr. Rishi Pilani – CMD, Ganesh Benzoplast and Mr. Amar Kabra - CFO. Over to you, sir, for your opening remarks.

Rishi Pilani: Thank you. Good afternoon, everybody. This is Rishi Pilani and thank you so much for joining us on the Q3 and the 9 months FY24 Conference Call. We will initiate the call by taking you through the business highlights for the period under review after which we will open the forum for question and answers.

Now, I hand over the call to Mr. Amar Kabra - our GM, Finance and Taxation to share the 9 months numbers.

Amar Kabra: Good afternoon all. So, I will start with the standalone numbers. Total revenue for the 9 months financial year 24 stood at Rs. 1,664 million as compared to Rs. 1,409 million in the same period last year with an increase of 18% Y-to-Y. Net profit after tax for 9 months of FY24 is Rs. 444 million as compared to Rs. 387 million in the same period of last year, with an increase of 15% Y-to-Y. EPS for 9 months for financial year 24 stood at Rs. 6.64 as compared to Rs. 6.20 for 9 months of this year, with an increase of 7%.

Now, on a consolidated basis, the total revenue for 9 months of financial year 24 stood at Rs. 3,308 million as compared to Rs. 2,868 million in the same period of last year, with an increase of 15% Y-to-Y. Net profit after tax for 9 months of financial year 24 is Rs. 471 as compared to Rs. 403 in the same period of last year, with an increase of 17% Y-to-Y. EPS for 9 months of FY24 stood at Rs. 7.04 as compared to Rs. 6.47 for previous year, with an increase of 9%.

So, with that, I have given the highlights for the result. Now, we would like to open the forum for question and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Meet Mehta from Haley Stock Traders. Please go ahead.



- Meet Mehta:** Sir, I wanted to know we did a fundraise right now of Rs. 62.5 crores, so can you explain us what is this fundraise for and where it is going to get utilized?
- Rishi Pilani:** Yes, see, the fundraise is mainly to put the equity portion of the expansion that we are doing into cryogenics as you are aware, which we have already announced, so the fundraise primary objective is for that.
- Meet Mehta:** So, sir, if you can dwell more upon to the expansion, so what is the total expansion and what is the timeline if you can give us some economics about the project?
- Amar Kabra:** So, see roughly the project cost is about Rs. 650 to Rs. 700 crores out of which the equity contribution from GBL is going to be approximately Rs. 100 crores. And the project timeline is, I have already given, we are expected to finish it in about 2 years' time starting March of '24. So, it is expected to finish in March of 26 April, so 1st Quarter of the Financial Year FY27. That is when it is expected to complete.
- Meet Mehta:** The entire thing will start, or it is going to be in phases. How does the expansion work for this?
- Amar Kabra:** It starts at one go.
- Meet Mehta:** And what sort of revenue margin should we expect from this kind of project?
- Amar Kabra:** See generally these kind of projects run in an EBITDA margin of 80% plus and currently we have a guaranteed revenue over the 15-year period of about Rs. 1,200 crores from one company approximately. And what we are expecting is that this is the minimum guarantee that we have received and with other customers, we should at least be able to achieve three to four times this, but again, these are all projections, so we are not, we don't have any signed contracts for the balance amounts.
- Meet Mehta:** So, basically, these are cryogenic what you say tanks that we are building which will be used for liquid logistics.
- Amar Kabra:** Yes, correct.
- Meet Mehta:** And you also mentioned that you have been allocated 4–5-acre land for this project for 25 years and you have somewhere mentioned that it is advantage to have that land parcel. So, can you explain how does that work because is it non-availability of land or permission or what is the idea behind that?
- Rishi Pilani:** It is a combination of land, pipeline and the first mover market. So, as you can understand that there are other people who are having some spare land in JNPT, but the spare land is so less that as of now they cannot build any cryogenic tanks on them. And apart from that you require cryogenic pipelines from the jetty to the terminals for which we are having approval only. So, a



combination of these two things gives us a very high barrier to entry into this space of cryogenic and JNPT rather than anybody else.

Meet Mehta: And sir, your Goa terminal is underutilized, can you explain us how you plan to increase their utilization levels going forward?

Amar Kabra: See, we are doing different products there and we are expanding our portfolio in Goa. It was a dedicated fuel oil terminal. So, we have converted those tanks back to white oil and now we are doing edible oil, specialized chemicals like EPC, most recently we have even started POL products. So, we have done motor spirit, we have done HSD, we are doing molasses exports. So, we are trying to look at different revenues and we have been fairly successful in attracting new customers.

Meet Mehta: What would be the utilization level in Q3?

Amar Kabra: In Q3, we are expecting a chemical tank to be taken up. So, I would say it will be upwards of 50% to 60%. That is what our expectation is in Goa.

Meet Mehta: And JNPT terminal is at 100% utilization?

Amar Kabra: Yes.

Meet Mehta: And Cochin, what is the utilization level?

Rishi Pilani: So, Cochin is also upwards of 95%. We have right now won a tender for Cochin terminal from IOC, though the LOI and all has not been issued. So, we don't have it in our hand, but we are the L1 bit. So, we have won the tender. So, those tanks will be taken over by IOC for ATF and ethanol for the next four years.

Meet Mehta: So, but there is little scope of because it is already at 90%-95% you are saying?

Rishi Pilani: So, we will have to, what we always do is what we call as a replacement strategy that as the current contracts keep running out, we will instead of renewing those, we will replace them with IOC.

Moderator: Thank you very much. The next question is from the line of Dhruv Mukesh Bajaj from Smart Sync Investment Advisory Service. Please go ahead.

Dhruv Mukesh Bajaj: My first question was that since we have already guided that we will do a CAPEX of around Rs. 400 to Rs. 500 crores in the LPG terminal space; however, now you are guiding that the CAPEX will be around Rs. 650 to Rs. 700 crores, so can you please explain the divergence like, have you ventured into some new venture?



- Rishi Pilani:** No, what we are doing is that based on what is going to be the projected demand, we are actually increasing the size of the tankages now because we want to build a terminal that is way in ahead of all the other terminals that are currently existing and the current ship sizing which was in the range of 40,000 to 42,000 tons is now going up to 50,000 to 55,000 tons each ship. So, we want to be ready for that. So, we are increasing the capacity of the terminal also of about 20% to 25%.
- Dhruv Mukesh Bajaj:** So, the terminal that you mean is LST terminal, right? Or LPG terminal?
- Rishi Pilani:** LPG.
- Dhruv Mukesh Bajaj:** And sir, what is the revised revenue potential of the respective segments as we are earlier guiding Rs. 200 crore sales mark assuming a conservative throughput of three times per month, but now since we have got JV partners, and we are increasing the capacity. So, can we expect this to improve going forward? And so what will be our share?
- Rishi Pilani:** Like I said, these are all forward projections, so I don't want to get into them, but see logically if you have a terminal that is able to handle the largest ship which gives the lowest shipping price per ton to any customer, so you would expect that you would be able to pull more volumes and higher throughput by doing this and that is the logic behind increasing the terminal size. As you know BW LPG, they are one of the largest LPG companies in the world today having more than 250 ships that are carrying LPG all over the world and they have stock positions in various refineries. So, we go by their guidance.
- Dhruv Mukesh Bajaj:** So, it won't be too farfetched to assume that we might be able to clock the seven times industry level throughput that other players crash, right?
- Rishi Pilani:** I would not like to comment on what we can do, but we would certainly hope to get the maximum throughput out of the terminal.
- Dhruv Mukesh Bajaj:** And, sir how is the competitive intensity in the terminal space? Like, since ages had recently set up a big LST terminal in JNPT port, so can that have a negative impact on our realizations or utilization or how is the dynamics like?
- Rishi Pilani:** I can't comment on how that will play out, but all I can say is that they are not setting up an LPG terminal in JNPT.
- Dhruv Mukesh Bajaj:** No, I meant LST terminal, liquid storage terminal, so they have recently announced that. So, that is what I am asking.
- Rishi Pilani:** See, generally our terminals being older and having more customer base already established, we have to wait and see how that impact happens, but today I cannot comment on that, but I am sure some things will need to be adjusted from our side to ensure that we remain competitive to our customers and we give them the best service.



- Dhruv Mukesh Bajaj:** And, sir, if I can just squeeze in another question then post COVID, our renters are rising in double digits in JNPT. So, is this likely to continue going forward or should we model of conservative 5% to 7% growth mark that you earlier talked about?
- Rishi Pilani:** See whatever we are doing, we are always striving to get the maximum revenue per ton out of the time. So, changing the product mix, changing the customer base, all these things we are continuously striving for, but all things being equal, like I have always guided that current in a business like LST 5% to 10% is a fair assumption that you should be able to achieve.
- Moderator:** Thank you very much. The next question is from the line of Yogesh Bhatia from Sequent Investment. Please go ahead.
- Yogesh Bhatia:** Sir, there was a proposal for a demerger of the chemical business. Is it still under process? What is the status of that?
- Amar Kabra:** See, that proposal already is under process, number one. Number two, the thing is that matter is subsidized due to a court case that we are having. So, for me to give timelines is becoming difficult, but in the meanwhile what we have done, just so that what we have done is that we have put the entire chemical business into 100% owned subsidiary of GBL along with the creditors, the sales, purchase, all the things are in a now 100% subsidiary. So, that whenever this order gets out of the court, it will not take us much time to get the demerger executed because the separate balance sheets already exist now.
- Moderator:** Thank you very much. The next question is from the line of Parth Kotak from Alpha Plus Capital. Please go ahead.
- Parth Kotak:** Sir, just a couple of questions. One, you talked about the project cost being Rs. 650 to Rs. 700 crores, how much debt are we planning to take in the project?
- Rishi Pilani:** So, we are targeting right now equity debt mix of about 30:70.
- Parth Kotak:** So, equity of 30 and debt of 70?
- Rishi Pilani:** Yes, but all these are long term debts. They are running over 15-20 years and the way we structure the transaction is that we have a minimum guarantee from our partners to service the debt and something more than that. So, we are not worried about the debt hitting the balance sheets.
- Parth Kotak:** And sir, secondly, you mentioned the capacity being bigger than earlier projected, if I am not wrong, we had projected a capacity of 48,000 tons. We revised this number and taken it upwards. Is that the right understanding?
- Amar Kabra:** Correct. So, we are looking at somewhere between now 55,000 and 60,000 tons.



- Moderator:** Thank you very much. The next question is from the line of Gaurav Agarwal from Nine One Capital. Please go ahead.
- Gaurav Agarwal:** Sir, I wanted to check your plans like, we are currently undertaking this large CAPEX, do you have plans to get into some other things like hydrogen or in which comes under cryogenic, or you mean to say you can get in the storage of cryogenic products, what are the other products that you have in mind or other projects that you have in mind?
- Rishi Pilani:** So, we are constantly looking at projects. So, obviously right now we are exploring other cryogenic expansions like, there is possibility of propylene, ammonia all these. So, we are looking at everything, but as soon as we have something concrete, we will definitely inform our investors and stakeholders.
- Gaurav Agarwal:** And, sir, in terms of your capital commitment, now that the project size has increased, what will be the capital commitment from our side over the next two years in terms of cash flow?
- Rishi Pilani:** So, like I said, it is going to be about Rs. 100 crores.
- Gaurav Agarwal:** And similar kind of thing will come from BW/Confidence and the remaining will be debt?
- Rishi Pilani:** Yes.
- Moderator:** Thank you very much. The next question is from the line of Ram Tavva From ExcelR. Please go ahead.
- Ram Tavva:** So, regarding this JNPT, there is a new space that has been added up for 11-acre area. So, what are the strategies that are in place to fully maximize the utilization of that entire space and how much time it would take in the future for that?
- Rishi Pilani:** So, part of the land has already been utilized by the new chemical tank expansion, which was commissioned in July of last year and the balance will be utilized for the LPG expansion. So, after that, there won't be any spare land available.
- Ram Tavva:** So, we are considering this demerger of this LST division, the infrastructure division. So, what strategies and opportunities are in place related to the future business opportunities ensuring its long-term success and scalability?
- Rishi Pilani:** See, very simple that while we have this project coming in, which if all goes well, should have a very significant impact on your revenue and profit margins within 2 years to 2-1/2 years time. Apart from that, we are looking at other organic and inorganic place on how to increase capacities or utilization. So, like I explained, like we have locked in a tender with IOC, the LOI is not issued yet, but we are hopeful to get it soon since we are L1 for next 4 years of ethanol and ATF tanks. So, what these do is they lock in our revenues and profits and we look to go with



that. Apart from this, we are looking at other ports in which we can expand and that activity goes on completely independent of these two things. But we are looking at how to expand our growth in the LST field.

Ram Tavva: How strict is the competition when it comes to other ports to acquire the land parcels? How strict is the competition, sir?

Rishi Pilani: Well, competition is there, but there are opportunities for, like I said, either buying out existing players or to get new land and set up new terminals. So, those opportunities have not gone, but yes, competition is always there and that is fine. I mean all the ports that we are operating at today whether it be JNPT, Goa, Cochin, there are other competing terminals, and we are proud to say that we have probably fairly well placed, in spite of all the competition around us in terms of customers attention and in terms of revenue per ton, I think we are doing very fairly well.

Ram Tavva: And in terms of the government initiatives, they are building new ports as part of Gati Shakti and other initiatives. So, how do you see the future for this, sir, like Adani and some others, new ports, they have been getting built. Do you get opportunities over there as well?

Rishi Pilani: Again, we are exploring everything, we already through our subsidiary, ILSL we are already in what you call the multimodal mode of operation by rail. We have already developed expertise of setting up liquid sidings with tanks along the railways. So, we always look for opportunities where we can expand in those areas also. Unfortunately, I don't have anything very concrete right now to tell you on a call, but if your question is that are there opportunities, the answer is yes. Are we having the technical financial know how to exploit them? Again, the answer is yes. And are we actively pursuing those? Again, the answer is yes.

Ram Tavva: And how would these rental yields in the future assume that we get a new land parcel, right? So, how would the rental yields will be at par with what we have been getting because these contracts what you have with the current land parcels, maybe 10 year old, 15 year old, the prices what you would be paying would be different from now. So, can we expect the same kind of rental yields give or take?

Rishi Pilani: See whenever there is a renewal of lease from a port, obviously the rental from the port will get revised upwards to reflect current market pricing. So, if that is your question, then yes, they will get revised, but the lease rental is not such a huge contributor to the overall cost structure of your system, but yes, it has a potential to have some impact.

Ram Tavva: And that will be passed to the customers as well because we are increasing 5% to 8% rental every year, so I think that thing is passed?

Rishi Pilani: Yes, it will be a combination. See, nothing will be only impacting GBL, right? So, if in a port if the lease rentals go up, it is something that sooner or later all the terminals will end up paying,



maybe one year here or there, so the impact has to get transferred to the customers directly, indirectly whichever way.

Moderator: Thank you very much. The next question is from the line of Rohit Singh from Invest Analysis. Please go ahead.

Rohit Singh: Just to understand things in a better way, can you put some color on the outlook near to midterm putting some color on the kind of growth we are looking from here on and what are the underlying factors that will play out?

Rishi Pilani: See like right now from our current operations, like I said, we have this steady 5% to 10% growth. We are lucky we have been doing the right things and we have been achieving double digits high close to 15% to 20% growth, but 5% to 10% is something that we expect, 20% is something that we strive for. So, for a near to midterm basis what you can look at is that from the current numbers that is what you should expect. Going forward with the LPG project kicking in, the cryogenic projects kicking in, you would expect that you should see a significant jump in these numbers in multiples, and that is what we are trying to achieve. And we will probably come to know more, but that is the midterm and future outlook for now if you can see.

Rohit Singh: So, when you say midterm, by when do you expect these LPG and cryogenic expansion plans to ramp up?

Rishi Pilani: About 2 to 2.5 years.

Rohit Singh: Until then, we are expecting a growth of 5% to 10%, right?

Rishi Pilani: Yes.

Rohit Singh: And sir, secondly, on your margin side, so if I look at your numbers in FY23, we did 40% OPM. Before that we were in the range of 25% to 30% OPM. So, what is the reason for the substantial growth in OPM and what is the sustainable margin going ahead?

Amar Kabra: See, you can see the number, 9 months number. So, this is a combination of your rental income as well as your EPC business division. So, on rental income, you are getting a fixed EBITDA of around 52% to 55% and overall EBITDA you are getting 50%. So, with the growth of 8% to 10% I think that will continue.

Rohit Singh: So, this kind of margins are sustainable is what you are saying, right?

Amar Kabra: Yes.

Rohit Singh: 40% okay and is sustainable?



- Amar Kabra:** Yes.
- Rohit Singh:** And sir, lastly on your CAPEX side, so can you put a number to the CAPEX, what we are doing towards the LPG or cryogenic side?
- Amar Kabra:** As explained by Rishi it is between Rs. 650 crore and Rs. 700 crores. That is the CAPEX for LPG.
- Rohit Singh:** And what will be the mode of finance?
- Amar Kabra:** It is a combination of debt and equity. Debt will be around 70% and equity will be around 30% of the entire cost.
- Moderator:** Thank you very much. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.
- Sarvesh Gupta:** Regarding this JV, the capital infusion of equity will be done by us, but the debt about 70% or of the Rs. 600 crores will be done from our end or from the JV end?
- Rishi Pilani:** It will be done from the JV end.
- Sarvesh Gupta:** So, it will be combined debt?
- Rishi Pilani:** Yes.
- Sarvesh Gupta:** And what is the minimum throughput which is guaranteed from the confidence BW JV?
- Amar Kabra:** Over a period of 15 years, it is about Rs. 1,100 to Rs. 1,200 crores.
- Sarvesh Gupta:** And per throughput, what is the revenue usually?
- Rishi Pilani:** The general rentals in the market range between Rs. 1,200 and Rs. 1,400 per ton and throughput is about 50,000 to 55,000 tons.
- Sarvesh Gupta:** And about the 18,000 KL capacity, which was going to be live from Q4, what is the status on that?
- Rishi Pilani:** No, that capacity was live in Q3 itself.
- Sarvesh Gupta:** Then why there is no sequential growth as such?
- Amar Kabra:** As on date means the capacity started somewhere in October. So, obviously it will take some time, one month is the gap. So, capacity gives the total revenue of around Rs. 10 crores in a year. So, for 2 months it is Rs. 2 crores. So, I think that is already incorporated in that result.



- Sarvesh Gupta:** So, going forward, we can assume that full three months will lead the benefit of this additional capacity?
- Amar Kabra:** Yes.
- Moderator:** Thank you very much. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Sir, lot of the questions have been answered. Just wanted to say sorry sir for just making you repeat the answer, for minimum throughput, what did we say, sir? I couldn't catch hold of it?
- Amar Kabra:** So, over a period of 15 years is between Rs. 1,100 to Rs. 1,200 crores.
- Darshil Jhaveri:** That would be our part of it or a combined JV.
- Rishi Pilani:** No, throughput is something that our partners are guaranteeing to us.
- Darshil Jhaveri:** So, I just wanted to just get a sense of if you are investing around Rs. 700 crores in our expansion, what kind of an asset turn do we expect like we could do how much because of this you could get how much potential revenue from it?
- Rishi Pilani:** Like I have already explained in my earlier calls, we would ideally like to be at a space upwards of about Rs. 200 crores of revenue a year. That is what would be our minimum target. But like I said, these are all future projections, so we will only come to know once the tank farm is built and commissioned and that is based on a market analysis by us. That is something that should be achievable.
- Darshil Jhaveri:** And sir, just wanted to know, sir, on EPC or any kind of traction that we see out there right for any other tenders or something that we are applying for?
- Rishi Pilani:** See Darshil, I have always maintained that EPC is not our core business. We use EPC only as a strategic arm to expand our core business that is LST. So, helping out customers who are requiring expansion in their plants, which in turn leads to better business for us or expanding capabilities of some of our customers, so that they can store a different type of product at our end. So, these are the things we focus on or if we want to develop relations with a new customer or something. So, that is where our EPC division is used for. So, we are not going out in the market and trying to bid and get projects. Our core focus is our LST division and the functioning of that. So, we like to keep ourselves on the core focused.
- Darshil Jhaveri:** And this is one final question. So, with the new expansion, if it would be, we will be able to maintain higher, so will that somewhere because if you might be at the lower cost so that we will be offering to our client, will the margins be similar to what we are doing right now around 50%? Or would be just some, what would be the color on that?



- Amar Kabra:** You are asking about LPG, right?
- Darshil Jhaveri:** Yes.
- Amar Kabra:** So, generally, LPG terminals operate at about anywhere close to 80% margins.
- Darshil Jhaveri:** Sorry, just to clarify, these margins you are talking about EBITDA, right?
- Amar Kabra:** Yes.
- Moderator:** Thank you very much. The next question is from the line of Gagandeep from Invest Analytics Advisors LLP. Please go ahead.
- Gagandeep:** So, what kind of margins will be there after the expansion in LPG and cryogenic expansion?
- Amar Kabra:** See, like I just now answered, we are expecting that generally these terminals run at about 80% EBITDA margins.
- Gagandeep:** LPG and cryogenic extension which you are talking about after 2-1/2 years?
- Amar Kabra:** Yes.
- Gagandeep:** And can you elaborate on the role that we are going to play as our economy shifting towards the hydrogen? So, can you put some color on that? Spend a few minutes on that?
- Rishi Pilani:** Yes. So, see, basically ammonia is one of the basic ways of carrying hydrogen. So, we are looking at what we can do like I said before in the liquid gases field. So, yes, ammonia is one of the tankages that we are looking at which is ultimately transforming into hydrogen, but that is we don't have a concrete contract or anything with us yet, but we are actively pursuing that opportunity.
- Moderator:** Thank you very much. The next question is from the line of Naitik Mohata from Sequent Investment. Please go ahead.
- Naitik Mohata:** Most of my questions have been answered. Just couple of clarifications here, so the three different terminals that we have, so is it fair to assume that the revenue generation would also be linked to the different capacity as well as utilization levels or is that the product mix in one of the terminals or the other makes a huge difference with respect to that?
- Rishi Pilani:** So, you are right, the same type of tank with the similar type of capacity may have different yields depending on location. So, like as of now what we are observing is that JNPT gives us our highest yield per ton of installed capacity.



- Naitik Mohata:** Sir, would it be possible to give us sort of a tilt or a ballpark figure, like how much of the total liquid storage revenue comes out of JNPT?
- Amar Kabra:** Yes, it would be close to 90%.
- Naitik Mohata:** Sir, I was trying to understand that apart from the new terminal that we are planning that will come up 2 years down the line, until that we have, the levels for our growth would be prudent product mix change from the management among these terminals or any inorganic opportunity that comes up like the product change that we are probably planning for coaching for the IOC contract?
- Rishi Pilani:** Yes, so that is one of the ways we are doing it. But yes, we are looking at inorganic opportunities also, but as of now, we don't have anything concrete to commit on.
- Naitik Mohata:** Sir, could you give any ballpark size, what kind of capacity we are planning for any inorganic opportunity?
- Amar Kabra:** No, it all depends on what is available in the market. So, obviously we are open to any type of capacity, but as of now, like I said, we have some discussions going on, but there is no concrete thing. So, to give us number is too premature at this stage.
- Naitik Mohata:** Also sir, for our new project, we would be putting up the equity and we have raised funds for that. So, now from here on, do we need more funds, or do we plan to raise more funds through a press or anything like that?
- Rishi Pilani:** See all this depends on how other opportunities pan out along with this. If you are asking for this project per se, do I need more equity? No.
- Moderator:** Thank you very much. The next question is from the line of Naysar Parikh from Native Capital. Please go ahead.
- Naysar Parikh:** The first one was, we know the entire land that we have been allocated, the additional land at JNPT, is the entire land being used for this LPG project or what percentage of that we will be using and?
- Amar Kabra:** So, already explained by Rishi. So, I am repeating it again. So, out of 11 acres, 4.5 acres is already used for our chemical tanks and balance land we are using for our upcoming LPG. So, that is the combination.
- Naysar Parikh:** So, after that LPG project, we will not have any spare land left, right?
- Amar Kabra:** Yes, as on date, there is no further land in JNPT.



- Naysar Parikh:** And in JNPT, what would be your market share if you just look at the LST terminals that you have today, what would be your market share as of date in JNPT?
- Amar Kabra:** Are you asking in terms of the total liquid third party volume being moved in JNPT?
- Naysar Parikh:** Yes.
- Amar Kabra:** So, that would be close to about 60%.
- Naysar Parikh:** And since over 90% of your revenues from JNPT, how do we look at future growth in terms of you spoke about it, but just adding new ports or getting newer ports or something, is there scope, is there potential and at what stage are we on discussions on that? Can you throw some light on that?
- Rishi Pilani:** I can just tell you that yes, we are looking at new ports, new opportunities. The discussions range at various stages from just the initial site visit to actual layouts being discussed as to what can be built in the particular lands that are available, so it is that range of discussion that is happening.
- Naysar Parikh:** And just the last question on the Goa terminal, right, I think you did mention, but by when do you think we could see that also starting to actually have better utilizations and how should we think about that because that is obviously underutilized?
- Rishi Pilani:** See first of all, Goa capacity is less than 7% to 8% of our overall installed capacity, number one. Number two, with Goa, you have to understand that Goa is not per se a very strong industrial region. It is a tourist region, so we are developing other products like I said last year for the first time we developed molasses there, this year for the first time we did POL, diesel and petrol handling there. So, we are developing new products which can cater to the region, but for me to give a firm timelines to when we are expecting this is very difficult.
- Naysar Parikh:** And one last, when we look at the margins, we are LST side where we are 56-57, Aegis for example seems upwards of 65-68 on the LST side. What do you think is driving that? Is it only the product or location or what? And is there scope for us to improve margins?
- Amar Kabra:** See, we have not seen the EBITDA of Aegis, but I think we are maintaining the constant EBITDA of around 55%, at least from rental business. On overall basis, you will see the reduction in the EBITDA but for rental 55% to 57% is our margin.
- Moderator:** Thank you very much. Next follow up question is from the line of Dhruv Mukesh Bajaj from Smart Sync Investment Advisors Service. Please go ahead.
- Dhruv Mukesh Bajaj:** I was just asking that if you can help us understand the new JV development with BW Confidence, where we are planning to develop LPG in port infrastructures since you already



have one JV for LPG terminal in JNPT, so is this other JV and new venture or segment that we are planning to explore in future?

Rishi Pilani: I am not sure. So, the JV with the BW LPG and Confidence is going to develop the import infrastructure at the port and the storage together.

Dhruv Mukesh Bajaj: Sir, in the investor presentation, we have mentioned 2 subsidiaries, one is GBC LPG Private Limited, and one is BW Confidence Enterprise Private Limited. So, that is why I was confused like why this?

Rishi Pilani: No, so BW and Confidence together have formed a company which will be the JV partner with Ganesh Benzoplast.

Dhruv Mukesh Bajaj: And when will our existing lease on the JNPT, Cochin and Goa port in since we got this plan pretty cheaply in the past?

Rishi Pilani: So, there are various periods that are coming up in the next 5 to 10 years when these will expire.

Dhruv Mukesh Bajaj: So, once we renew the lease, so I know this will be very forward-looking in nature, but do we expect that even if we buy the land at current levels, we will still be able to generate the similar types of returns on capital that we used to generate? That is something that will naturally go down a little?

Rishi Pilani: See, it is all the way to look at that your rental yields are also going up every year and the percentage of your cost that comes out as lease is a relatively small percentage of your overall cost. So, when you combine these two, your topline is growing by let us say 5%-10%, but small portion of your cost even doubles with a 55% EBITDA margin, and then we can maintain that.

Dhruv Mukesh Bajaj: And if I can just squeeze in one last question, I wanted to understand that since you have so many strong CAPEX opportunities in the existing ventures, and we are actually diluting our equity base by raising funds from external shareholder to do this CAPEX. So, can you please guide us to why we are venturing into something like EV leasing as you mentioned in your annual report or ethanol where our stake is already your penalty 26% and where we don't have a major competency as such?

Rishi Pilani: No, I don't agree about the competency part. We have basically established ourselves as a chemical manufacturer in 1986 and manufacturing ethanol is a very relatively simple fermentation distillation process. So, technologically there is no lack of competency in that plus you have to understand that as a company we all need to and all companies need to start focusing on green initiative, sustainable growth and from that perspective, the company needs to also look at what are the future opportunities in green fuel and how we can link them to us. So, like for example, if we are the largest exporters, one of the largest exports of molasses happens from our terminals. So, we know the molasses sourcing and molasses buyers very well. And the raw



material for ethanol in the plant is molasses. So, having leveraged that partnership to go into a green energy segment and then leveraging that partnership to start molasses in Goa, so while you may be looking at ethanol as one segment, we look at it as an overall complementary part of GBL LST division.

Dhruv Mukesh Bajaj: And so sorry, I just meant that since we are making very good returns on equity in the existing division, so why are we diversifying that but I understand your point.

Rishi Pilani: Yes.

Moderator: Thank you very much. The next question is from the line of Piyush Kumar from Mint Investments Limited.

Piyush Kumar: My question is what are figures for growth in revenue and bottomline for next two years till the CAPEX with operational as the capacity utilization JNPT and coaching are at higher level?

Amar Kabra: So, currently we are making a rental income of around Rs. 150-Rs. 155 crores for a year and as explained, we are seeing an escalation of around 8% to 10% in rental kind of business. JNPT, we are operating at 100%, but still there is chance of more revenue from JNPT in terms of product change and modulation of the tanks, height increase etc., so there is a further scope of you can say around 3%-4%. Goa, as explained, we are already running at 40%-50%, so there is chance that next year or maybe in next 6 months, we will achieve at least 70%-75% in Goa. So, that will contribute some more amount. Cochin, already we are running at 95%, so you can take assumption of around 12% to 13% cumulative as a growth from the existing business and the major jump you will see from the LPG only after 2 years.

Piyush Kumar: And what is the update on the merger of chemical and LST division?

Rishi Pilani: See, it is already under process, but it is not yet finalized due to the court case going on. And once it will be resolved then we are ready with the base. We already created the base for the demerger, just we are waiting for the order and we will get the demerger order from the court and fill it. That is it.

Piyush Kumar: So, what time you are expecting to get the order, any estimation?

Rishi Pilani: As you know, in India fighting with the court cases and all these things, there is no fixed timeline for all those things, but we are trying our little best to get it resolved as soon as possible.

Moderator: Thank you very much. The next question is from the line of Pratik Bandari from Art Ventures. Please go ahead.

Pratik Bandari: So, I had one query regarding the CAPEX that you stated regarding Rs. 650 odd crores, is it the combined CAPEX for the LPG terminal and the cryogenic tanks?



- Amar Kabra:** LPG is only cryogenic project. So, that is for LPG, you call LPG or cryogenic. That is one and the same.
- Pratik Bandari:** And you stated that you would be doing this through 70% debt and 30% equity?
- Amar Kabra:** Yes, that is the approx. ratio.
- Pratik Bandari:** So, that 30% of equity that comes around about Rs. 180-Rs. 200 odd crores, is it coming from the fundraise that you did recently?
- Amar Kabra:** Yes, part amount has come from the fundraise and part obviously we will also fund from our internal accruals and all these things.
- Moderator:** Thank you very much. The next question is from the line of Yogesh Bhatia from Sequent Investments. Please go ahead.
- Yogesh Bhatia:** Sir, all my questions are answered. I just want to know, what is the rental revenue that we are making from Cochin terminal right now and after the new contract, how much do we expect that to go up?
- Amar Kabra:** See, I cannot give the exact number in terms of rupees, but yes, Cochin overall contribution of Cochin is around 7% of the total rental, 90% is of the JNPT and 3% is of Goa. That is the approx. combination and with the new contract obviously it will give something more out of the existing.
- Moderator:** Thank you very much. The next question is from the line of Vikas Mistry from Moonshot Ventures. Please go ahead.
- Vikas Mistry:** I have a couple of questions. When you say that you have a minimum throughput of maybe Rs. 1,100 cross for 15 years and the revenue of Rs. 200 crores on this LPG station, so what is the minimum level that is granted as the revenue comes out to be lesser than Rs. 80 crores, some around Rs. 80 crores, is it that right understanding?
- Rishi Pilani:** Yes, you are right, like I said that that is just the minimum guarantee. That is not the full potential of the terminal.
- Vikas Mistry:** I was trying to think only on minimum part because for maybe couple of years you might not ramp up at full capacity and what is your outlook for ramping up to the full capacity in how many years
- Rishi Pilani:** Well, like I said, our partners are the biggest handlers of LPG in the world as on date. And their outlook basically has made us increase the capacity of the terminal by 25%. So, you can take a judgment from that when our partners who are investing along with us are expecting that bigger



ships will call in bigger numbers at the terminal. I mean that itself is a good enough indication of what is expected to happen.

Vikas Mistry: And one of my other apprehension is that I think this consortium of three companies and two companies BW Confidence are trying to infuse only Rs. 80 crores. So, I didn't understand they are infusing Rs. 80 crores and you are infusing Rs. 650 crores, how it works out?

Rishi Pilani: Misunderstood that, they are not infusing Rs. 80 crores. The equity participation will be in the level of equity and the debt will be raised externally.

Vikas Mistry: I want to understand, sir, we are raising substantial amount of debt for this LPG terminal. For that we need a lower cost of funds. So, for that, what is our strategy to cap in overseas market or to get it from within India itself?

Rishi Pilani: No. See, the way the debt has been structured is that the minimum guarantee from our partners will cover any debt repayments. So, the debt structure has been made in such a manner that along with the interest also you will not have any trouble in servicing the debt.

Moderator: Thank you very much. Due to interest of time, that will be the last question. Participants who did not get the opportunity can get in touch with management later. I would now like to hand the conference over to management for closing comments.

Rishi Pilani: Thank you. I would like to thank everybody for listening to our third quarter 9 month update investor call and request all to be in touch, especially if anybody didn't get a chance to ask any questions or have any follow up questions, we remain available to answer all and make it happen. So, thank you so much.

Moderator: On behalf of Ganesh Benzoplast Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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