



# GANESH BENZOPLAST LIMITED

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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 Tuesday, May 30, 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 Tuesday, May 30, 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 Dhanda**  
**Company Secretary and Compliance Officer**

**Encl: as above**



**GANESH BENZOPLAST LIMITED**

# “Ganesh Benzoplast Ltd. Q4 FY23 Earnings Conference Call”

**May 30, 2023**



**GANESH BENZOPLAST LIMITED**



**MANAGEMENT: MR. RISHI PILANI – CHAIRMAN & MANAGING  
DIRECTOR - GANESH BENZOPLAST LIMITED  
MR. AMAR KABRA – GENERAL MANAGER (FINANCE)  
GANESH BENZOPLAST LIMITED**

**MODERATOR: MR. PRIYADARSHI SRIVASTAVA - MONARCH  
NETWORK CAPITAL LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to Ganesh Benzoplast Limited Q4 FY23 Earnings Conference Call hosted by Monarch Network Capital.

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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Priyadarshi Srivastava from Monarch Network Capital. Thank you and over to you.

**Priyadarshi Srivastava:** Thank you Robin. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all for the Ganesh Benzoplast Q4 FY23 Earnings Call.

Today, we have with us Mr. Rishi Pilani - Chairman and Managing Director, Ganesh Benzoplast; and Mr. Amar Kabra - General Manager (Finance & Taxation) Ganesh Benzoplast.

Over to you, sir, for your opening comments.

**Rishi Pilani:** Thank you so much. Good evening, everybody. Like Mr. Priyadarshi said that welcome to the March '23 Annual Earnings Call.

I'd like to start the call with thanking all of you for supporting the Company all along and would like to also present a few of the highlights in terms of the Financial Results.

But before I get into that, I'd also like to announce the good news that GBL has signed up with JM Baxi, who have won the operating bid for one of the jetties in JNPT. And we have signed up with an exclusive arrangement with JM Baxi to manage that jetty and handle our liquid cargo there. Why this is a significant development for GBL is that now we basically have access to our own exclusive jetty on the largest port in India and our customers will benefit hugely by this by reducing their wait times and also optimization of the vessel berthings and the cargoes that we handle over there which in turn will help us to have better stickiness with the customers since the customers will save substantial cost in terms of berthings and in terms of cargo handling, so this is a very good development for the Company.

Now getting into the results:

I'm sure many of you must be knowing, but this year our turnover has gone up by almost 18% to Rs. 420 crores as against Rs. 357 crores last year. The profit after tax. Has gone up by almost 68% that is Rs. 55 crores against Rs. 32.68 crores last year. For the quarter in particular, if I take year-over-year quarter comparison, we have gone up by 73% with a profit of Rs. 14.74 crores after tax against Rs. 8.5 crores last year. The basic EPS for us stood at Rs. 8.78 as against Rs.



5.37 for the last year. So, the Company has had good performance on year-over-year basis and we are striving to continue and improve this performance.

Coming to the “Standalone Results”:

For standalone GBL Results, the profit after tax for the year has been Rs. 50.93 crores against Rs. 32 crores, which is an increase of 59% and profit after tax has been one for the Quarter '23 has been Rs. 12.26 crores against Rs. 8 crores, which is again an increment of 53% year-over-year.

The basic EPS has is at 8.13 against 5.27. Also, during this year, we have allotted 28.245 lakhs new shares of face value 1 at an issue price of Rs. 103.00 fully paid to the warrant holders converting the warrants held by them.

So, with this I open the forum for questioning or answering anything.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pranay Khandelwal from Agastya Investments. Please go ahead.

**Pranay Khandelwal:** I wanted to understand that this time around in Quarter 4, we have added some EPC projects related revenue and profits related to that. So, how many EPC projects we have on hand, if you can give...

**Amar Kabra:** So, currently we have formed a subsidiary called GBL Infra and GBL LPG to handle all these EPC related projects and one single project is going on in parent Company which will be over in next 2-3 months. So, there are separate divisions for this EPC. These EPC divisions are doing the expansion work for the parent Company, so that's why you are seeing that Rs. 38 crores of that EPC business, which is included in top line of the Infra division. So, as on date we have 2-3 customers for EPC and we are in line for another 2-3 customers over the next six months, OK.

**Rishi Pilani:** Pranay as I have always explained, see we are not into any hardcore EPC third-party business. The EPC division basically used by us to create strategic alliances with our existing customers as per their requirements. So, using our expertise in our tank and pipeline division what we do is we help cater the needs of our own customers to develop their in-house capabilities to either increase their volume handling or other things or for new potential customers who we are looking to work with. EPC division for us is more like an extended arm of like a customer service rather than you know it's like an EPC business per se.

**Pranay Khandelwal:** So, in that context what kind of margins do we charge? Are we going for lower margin so that we can have business development or we're going for the normal 7% to 8% margins we see in this industry?



- Rishi Pilani:** We basically charge our customers what is the normal margins which is you are right is approximately 10% to 15% margins that are there. So, sometimes they are lower, sometimes they are higher. You are right, the idea behind this division is not really to focus on the short-term profit made out of the actual EPC work but the idea is to develop a long-term strategic alliance. So, for example, like for one of our customers, we are helping them enhance their product handling capacity in their plant right now. So, for that we'll engineer and build a tank for them there. Now what money we make out of that tank is not really what we are focused on, but we are getting a back-to-back for that contract with that customer to handle those capacities in JNPT. So, that is what we really focus on. Obviously, we don't make a loss, but we make a general profit of like 5% to 10%, that's about it.
- Pranay Khandelwal:** And can you also give me the capacity utilization in chemicals, I think we guided for a better capacity utilization going forward. So, how has that moved from last quarter to this quarter?
- Rishi Pilani:** So, see in general, last year has been approximately 70% to 75% capacity utilization for chemicals and we are steadily increasing it by like 4% to 5% every year. So, as you can see, as we are steadily increasing in the Chemical division itself is also starting to now perform well because now the fixed costs and everything are getting covered, and we are actually generating bottom line in it. So, that is what I would expect, that next year will be in the range of about 75% to 80%. This would be my expectation.
- Pranay Khandelwal:** Like you mentioned that we're making profits in this segment now, is that because of the realization getting better or what might be the reason for the same?
- Rishi Pilani:** Definitely the realizations have been getting better in terms of demand, but also, it's a basic logic that as you keep increasing the capacity utilization of your plant then the money that you generate if you cover all your fixed and variable costs, then after that you start generating profits. Now, if your capacity utilization is low while you cover your variable costs, your fixed costs will keep hitting you. So, that is one of the basic reasons why the Chemical division is doing better as capacity utilization is increasing.
- Pranay Khandelwal:** Now also can you give us a color on the LPG (Liquid Storage Tanks) expansion that we're looking to do now that we have also, I think formed the Committee for raising the fund for the same so how are we going forward with it?
- Rishi Pilani:** So, the committee has been formed to raise funds, not just for LPGs specific purpose. It's basically for our all expansions, like I've always maintained that LPG is a segment that we are definitely bullish on, and we want to enter it. We have taken approvals on it but unless we have a proper signed contract with the customer, we are not going to start the actual construction on ground because we have lot of other options where the customers are more or less willing to give us sign contracts. Right now, we were finalizing chemical tank development, which is now done. So, now we are going to sit down and finalize what we want to do with our balanced land,



whether we want to go for an LPG or some other high value product like ammonia or we want to go for another set of chemical tanks. So, all that discussions are on right now.

**Moderator:** Thank you. The next question is from the line of Ankur Gulati, an individual investor. Please go ahead.

**Ankur Gulati:** A quick question, any guidance on how much money you guys are planning to raise?

**Rishi Pilani:** Seen while we have taken the Board approval to raise up to Rs. 300 crores. The amount of actual money we raise will depend on what we finally agree with the Investment Committee and our customers as the final project to go ahead with. So, I can't give you an exact number as on there.

**Ankur Gulati:** And is it only equity or mix of debt or equity?

**Rishi Pilani:** So, again, the structuring of that will depend on how the customer contracts finalized so because many times what we do is we ask our customers themselves to participate in the project in terms of debt, which is gives their commitments also into the project and then we repay this over the life of their contract. So, in that case the equity raise required is less because it is a balance between what we have in our internal accruals, what we are able to get from our customer in terms of customer participation, which is technically on our book comes as a debt and the balanced funding that is required.

**Ankur Gulati:** Going back to the JM Baxi one, is there some sort of minimum guarantee or base revenue that we have guaranteed them or is there a cost for getting....

**Rishi Pilani:** No, we have not guaranteed them any minimum guarantees but yes, it is in our interest to move most of our volume to them because we get a preferred thing and treatment there. So definitely they would be looking forward to getting good volumes for them, but there is no commitment from our side.

**Ankur Gulati:** And on LPG side, the broader guidance which you gave last call or last to last call, they are still intact as far as revenue is concerned and timeline from start of construction as well?

**Rishi Pilani:** Again, what I'm saying Ankur is that see, we have not started the construction of the LPG phase because we still not finalized the contract with the customer. So, we are very clear that we will start the construction only once we have a firm signed contract with the customers because we don't want to do any construction without having the firm backup of volumes and revenues and we have lot of other good avenues to look at in terms of petroleum, chemical tankages. So, we are not going to commit to any construction as such as of now or funds for it till, we have the firm contract in place. Having said that, we are having those discussions on a regular basis with the customers to sign a firm contract. Generally, what happens in LPG facilities first you constructed and then you get the contract with the PSUs and all in our case, we want to flip it around. We want to get our contracts in place before we commit to the CAPEX.



- Ankur Gulati:** Rishi, the question was let's say you sign a contract take six months hypothetically. Then from that point onwards overall that I think 30-month guidance.
- Rishi Pilani:** Yes, that that doesn't change. That doesn't change.
- Ankur Gulati:** And any further color on Mangalore right there was some land you guys were looking at?
- Rishi Pilani:** Right now, we are in the process of taking over the land from the port. But all the formalities are getting done and once that is done, we've already got two or three options lined up for what kind of projects we can do there. So, hopefully in the next three to four months we'll be able to finalize that also.
- Moderator:** Thank you. The next question is from the line of Tejas Parekh from BT Parekh and Company. Please go ahead.
- Tejas Parekh:** Thank you for the opportunity. My question is regarding this case that we were having since quite a long time against Prakash Agrawal. So, is there anything development that the investors need to know?
- Rishi Pilani:** No, as of now the matter is subsidized and there is no real development in that case except for the fact that we are waiting for the hearings to start on a regular basis.
- Tejas Parekh:** So, the hearings are not yet concluded.
- Rishi Pilani:** No, they're not concluded, they're not even properly started in the sense they start and then there are a lot of documents and says or whatever affidavits everybody has to file and then again you get. The next date. So, the arguments and all are yet to start in that matter.
- Moderator:** Thank you. The next question is from the line of Pranay Khandelwal from Agustin Investments. Please go ahead.
- Pranay Khandelwal:** Thanks for the follow up. Can you also guide us on the rental yield that we may expect going forward for tanks?
- Rishi Pilani:** Generally, Pranay year-over-year basis from the same existing tanks we expect to get about 5% to 10% increment in our rentals on a year-over-year basis. So, that is what we always strive to get from our customers. Apart from this, we should get some step jump from the new chemical tanks that will Commission shortly. We've already received the Pollution Control Board approval to start the tanks. So, I would imagine that you should see some step jump based on those tank rentals.
- Pranay Khandelwal:** So, the new chemical tanks that we built will start contributing from Q1 itself, right?



**Rishi Pilani:** You please assume Q2 because it will start somewhere in June so the actual impact will start from Q2.

**Pranay Khandelwal:** Can you also talk about the capacity utilization at Cochin and Goa? We all know JNPT does well, of course 100% utilization, Cochin also you have mentioned 95% this time but if I see the throughput, throughput is not that high compared to last year, so can you just talk about that?

**Rishi Pilani:** In Cochin, the percentage utilization usually is around 95%. It has fallen by about 5% to 10% because we are changing over some tanks to a different product. So, when you change over the tanks from one product to another and it's a major change, there is a small gap that comes when you need to revamp the tank, so we are under that phase right now. Once that happens then it will jump back to 95% to 98% whatever that is Cochin. Goa runs anywhere between 30% to 40% because like I said that as long as the mining ban exists there, there is very little upside cargo that we can expect this year, though we did get molasses in the first quarter which has significantly increased our capacity utilizations.

**Pranay Khandelwal:** And also, in the past few calls we have talked about the separation of chemicals and the LST business like properly, we've already done this standalone and consolidated thing, but any color on that?

**Rishi Pilani:** So, I've always said there is a court case that we need to sort out. So, we are in the process of doing that and when it gets done then we can go ahead with that.

**Moderator:** Thank you. The next question is from the line of Pranay Khandelwal from Agastya Investments. Please go ahead.

**Pranay Khandelwal:** You said something about the mining ban in Goa that I think has been there for some time. Do we see it changing or what do we plan with it otherwise because I think it has been there for quite some time. Are we in talks with the Government or something like that?

**Rishi Pilani:** Yes, it has been in place for some time and there if there was around a couple of years back a circular from the Central Government lifting the ban with certain conditions but the some of the conditions were not really practical, so the mining companies are in discussions with the Central Government to sort of modify those. But it's going to take its own time. As far as we being in touch with the Government, you have to realize that in terms of overall thing, we are really attached to the port. And port has been definitely pushing the Central Government to come out with a solution for this because not only for us but for the port, this was a major source of revenue when the ore was getting loaded onto ships. So, the port has been pushing the Central Government to somehow solve this.

**Pranay Khandelwal:** I also wanted to understand what kind of products do we store in our Goa business when there wasn't a mining ban?





**Rishi Pilani:** So, basically the whole terminal used to act like a bunkering terminal. Bunkering is when you give fuel to ships. So, we used to store the fuel in this terminal, and we had pipelines to all the jetties. So, whichever the big ships used to come to take the ore, we used to provide fuel to them.

**Pranay Khandelwal:** So, you would tie up with the Bharat Petroleum or something and then provide them.

**Rishi Pilani:** Yes.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the Chairman and Managing Director – Mr. Rishi Pilani for his closing comments. Over to you Sir.

**Rishi Pilani:** I would like to thank all the people present on the call for supporting the Company and taking out your valuable time to understand about us and we look forward to your feedback and your guidance as always to what we can do better. Have a good evening all of you, take care.

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DISCLAIMER: This is the output of transcribing from an audio recording. Although the transcription is largely accurate, in some cases it is incomplete or inaccurate due to inaudible passages or transcription errors.