



# GANESH BENZOPLAST LIMITED

CIN:L24200MH1986PLC039836 / PAN NO : AAACG1259J

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November 16, 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 Thursday, November 09, 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 Thursday, November 09, 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 Limited  
Q2 FY '24 Earnings Conference Call”**

**November 09, 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 SRIVASTAVA – MONARCH  
NETWORK CAPITAL LIMITED.**

**Moderator:** Ladies and gentlemen, good day and welcome to Q2 FY24 earnings conference call of Ganesh Benzoplast Limited, hosted by Monarch Network Capital. 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 Srivastava from Monarch Network Capital. Thank you and over to you.

**Priyadarshi Srivastava:** Thank you. Good day, everyone. On behalf of Monarch Network Capital, I welcome you all to Ganesh Benzoplast Q2 FY24 Earnings Call. Representing Ganesh Benzoplast, we have today with us Mr. Rishi Pilani, Chairman and Managing Director, and Mr. Amar Kabra, GM Finance and Taxation.

Now I hand over the floor to Mr. Rishi, sir, for his opening remarks. Over to you, sir.

**Rishi Pilani:** Thank you, Priyadarshi. Good afternoon, everybody. Thank you for joining the call for the Q2 and H1 FY24 Earnings. I'm pleased to inform that the company has again continued to perform strongly and shown good results for our shareholders, our investors.

I'll hand over the phone to Mr. Amar Kabra, who's a GM Finance and Taxation, to give you the highlights of the key numbers that the company has performed this quarter, and then we'll open for questions.

**Amar Kabra:** Hi, good afternoon. Amar Kabra here. So I'm pleased to share the second quarter and half-year numbers with you. So on a consolidated basis, the company generated a total revenue of INR1,027 million, as against INR958 million in the corresponding quarter of last year, with an increase of 7% Y-to-Y. Profit after tax is INR156 million, as against INR135 million in the corresponding quarter of last year, with an increase of 15% Y-to-Y.

Total revenue generated for H1 FY24 is INR2,246 million, as compared to INR1,878 million in the same period last year, with an increase of 19% Y-to-Y. Net profit after tax packed for H1 FY24 is INR311 million, as compared to INR258 million in the same period last year, with an increase of 20% Y-to-Y. And the basic EPS, which was INR4.14 in H1 FY23, increased to INR4.70 in H1 FY24, with an increase of about 13%. And on a standalone basis, during the quarter ended 30 September 2023, standalone profit after tax is INR148 million, as against INR135 million in the corresponding quarter of last year, with an increase of 10% Y-to-Y.

Total revenue for H1 FY24 stood at INR1,074 million, as compared to INR919 million in the same period last year, with an increase of 17% Y-to-Y. Profit for H1 FY24 is INR286 million, as compared to INR247 million in the same period last year, with an increase of 16% Y-to-Y. And the basic EPS, which was INR3.97 in H1 FY23, increased to INR4.32 in H1 FY24, with an increase of about 9%.

So that's the overall performance of the company in the first half, and now it's open for question and answer session.

**Moderator:** Thank you very much. We have a question from the line of Bhakti Oza from CapitalSquare. Please go ahead.

**Bhakti Oza:** Good afternoon, everyone. I need to question this. Our LST division grew by 31% year-on-year, and we grew 34% quarter-on-quarter. What was the reason, and what is the quarter-on-quarter growth? Was it due to the seasonality effect?

**Amar Kabra:** In LST division, there is no seasonality as such. In LST division, on a consolidated basis, you can see there is a jump in the revenue because of EPC division turnover. Because EPC division turnover has a thin margin, but on the top line, it makes a huge contribution. So that's why you're seeing that the top line has been increased to that extent. But the rental income, there was steady growth of around 7% to 8%. Apart from that, the top line contributes to that EPC division turnover.

**Moderator:** Thank you. We'll take a question from the line of Priyadarshi Srivastava from Monarch Network. Please go ahead.

**Priyadarshi Srivastava:** My question is to the Rishi, sir. Sir, in view of the recent arbitration award received going on at ONGC, can you throw some more light on that and share more details, sir, on that?

**Rishi Pilani:** Yes, so what had happened is that around 2001-02, GBL was in the business of offshore ship management. During this time, we were managing the ship for ONGC, and we believe that due to whatever reasons, there was some dispute and termination of the contract, which according to us was not correct. So the whole matter went into an arbitration for which the award was finally granted recently.

And as we have already declared in the stock exchange, the total rupee value of the award comes to approximately about INR12 crores, which we were granted.

**Priyadarshi Srivastava:** Okay, okay, sir. So this way we also include the interest part or that will be a separate thing?

**Rishi Pilani:** This includes the interest up to the date of the award, but however if ONGC delays in payment, then there is also an inbuilt additional interest component for the period of delay.

**Moderator:** Thank you. We have a question from the line of Lakshmi from CapitalSquare. Please go ahead.

**Lakshmi:** Good afternoon, everyone. I'm Lakshmi [Jainwari] from CapitalSquare. My question is, what was the contribution of new 19,000 tank in this quarter?

**Amar Kabra:** In this quarter, there was no contribution from this tank because ultimately we got the permission in September end, so the actual effect will come from October onward, and the yearly rental income will predict around INR10 crores to INR12 crores from the new tanks with the capacity of 19,000 tanks.

**Lakshmi:** Okay. Did we achieve 100% capacity utilization for this quarter?

- Amar Kabra:** Yes, mostly yes.
- Lakshmi:** Okay.
- Moderator:** Thank you. We have a next question from the line of Pranay Kandelwal from Alpha Invesco. Please go ahead.
- Pranay Kandelwal:** Continuing on the last participant's question, so then we should expect some INR5 crores to INR6 crores of revenue from these tanks for the rest of the year?
- Amar Kabra:** Yes, that is in line. INR10 crores to INR12 crores for full year, so you can expect INR5 crores to INR6 crores for half year.
- Pranay Kandelwal:** Okay. I also see on the balance sheet, we have increased our capital progress by about INR40 crores.
- Amar Kabra:** Yes, so that's on the same account of that new capex, which we have capitalized in October first week. So in September, there was a CWRT, but in October onward, it will be transferred to fixed assets.
- Pranay Kandelwal:** So these are the tank that were being built. It's the same thing. There's nothing new on that fund. Okay. And any update regarding the LPG contract or any other ammonia or whatever we were looking to get into?
- Rishi Pilani:** Yes, so like I said last time also, our precondition for any LPG contract is that we need to have a guaranteed throughput along with that. So we do believe that now we are very, very close to achieving that. The exact timelines I can't give as of this moment because the matter is still with the lawyers for discussions and all, but what I would say is that at least as management, we believe that we are very close to sort of inking a deal regarding the LPG.
- Pranay Kandelwal:** It seems likely that we are going to get into the LPG business.
- Rishi Pilani:** As on date, yes, I would say it seems very, very likely, but until the actual documents are signed and everything is done, anything can change. But yes, as on date, it appears that we are in all probabilities very soon going to start it.
- Pranay Kandelwal:** Okay. And just wanted to confirm, will you be sharing a presentation for this quarter as well? Because I don't think anything has been intimated as of now to the exchange.
- Amar Kabra:** So by Friday, we are going to share it.
- Pranay Kandelwal:** Okay, all right. That'll be all.
- Moderator:** Thank you. We'll take our next question from the line of Amogh from Ekadanta Investment. Please go ahead. Mr. Amogh, can you please unmute your line?
- Amogh:** The chemical division has picked up from quarter to quarter basis. Is it fair to say the problems in chemical division has been resolved and going forward, it can show the growth trend?

- Amar Kabra:** Yes. In chemical division, there was a consistent performance in last year. In last two quarters only, there was a slight dip due to that maintenance issue and capex. We are adding some capex to the plant. And there was a variation, a gap in the finished goods and raw material prices, which are just settling down. And yes, year on year basis, I think chemical division will be doing good.
- Amogh:** Thank you, sir.
- Moderator:** Thank you. We'll take our next question from the line of Bhakti Oza from CapitalSquare. Please go ahead.
- Bhakti Oza:** I would like to ask another question, that is the EBITDA margin of the LST division was at 37% versus 34% year on year and 25% as quarter on quarter. Can we see that the margins to stabilize in this range year onwards?
- Amar Kabra:** Yes. See, this LST division has two incomes. One is the fixed steady rental income, which has built infestation, means you can say incremental 7% to 8% of yearly incremental rental.
- And other is the EPC division. So, due to that variation in the turnover on account of EPC division, there is a difference in the EBITDA margin percentage on quarter on quarter basis. But yes, on rental basis, we are steady and around we are running 48% to 50% of EBITDA on rental income. So, it's a steady kind of business.
- Bhakti Oza:** Okay, thank you.
- Moderator:** Thank you. We have a question from the line of Pranay Khandelwal from Alpha Invesco. Please go ahead.
- Pranay Khandelwal:** Hi, just a bookkeeping question. I just wanted to understand this. We have given some loans to our associate companies. So, what might be that in relation of?
- Amar Kabra:** This loan pertains to our wholly owned subsidiary, GBL Clean Energy.
- Pranay Khandelwal:** Okay.
- Amar Kabra:** Then it's a wholly owned subsidiary, GBL Infra. Then it's a GBL subsidiary, GBL LPG, which are into the EPC business. So, obviously, it's the permitted and we have taken this AGM approval and Chairman approval for all those things. And once this EPC project will be done for the parent company, then automatically this loan entry will be squared off. This loan pension will be squared off.
- Pranay Khandelwal:** And what about this INR16 crores to the associate company? I think that must be to do Brahma, like we have for the renewable energy.
- Amar Kabra:** Yes, yes. So, that is also associate company, that ethanol business. So, that company were in the ethanol business.
- Pranay Khandelwal:** Okay. So, we have given INR16 crores loan to them?

**Rishi Pilani:** Yes, so none of the loans are for companies that are not like some, the revenues don't roll up into GBL, basically. So, it's not some company where the revenues and this thing in somewhat or the manner, they again roll up into GBL.

**Pranay Khandelwal:** All right. Thank you.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Rishi Pilani for closing comments. Over to you, sir.

**Rishi Pilani:** Okay. Thank you again, everybody, for taking time to participate in the call and looking forward to seeing you again next quarter. In the meanwhile, if you guys have any questions or clarifications, please feel free to reach out to us and we will be happy to answer. Have a great day. Thank you, everybody, and wish you everybody and their families a very happy Diwali.

**Moderator:** Thank you, sir. On behalf of Monarch Network Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

**Amar Kabra:** Thank you. Thank you, everyone.

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