# “Time Technoplast Limited

# Q3 & 9 Months FY '25 Earnings Conference Call”

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**MODERATOR:** **MR. ABHIJEET MUKESH PUROHIT – KAVIRAJ SECURITIES**

**Moderator:** Good evening, ladies and gentlemen, and welcome to the Q3 and 9 Months FY '25 Earnings Conference Call of Time Technoplast Limited, hosted by Kaviraj Securities Private Limited. Please be advised that this conference call may contain forward-looking statements regarding the company's performance. These statements are based on the company's beliefs, opinions and expectations as on the date of this call.

However, please note that these forward-looking statements are not the guarantees of future performance and are subject to inherent risks and uncertainties. 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 touchstone phone.

I now hand the conference over to Mr. Abhijeet Mukesh Purohit from Kaviraj Securities for his opening remarks.

**Abhijeet Purohit:** Thank you. Good evening, everyone. Kaviraj Securities Private Limited welcomes you all for Q3 and 9 months FY '25 earnings conference call of Time Technoplast Limited. Today, we have with us the management team, which is represented by Mr. Bharat Kumar Vageria, Managing Director; Mr. Naveen Jain, Whole-Time Director, Technical; Mr. Sandip Modi, Senior VP, Accounts and Corporate Planning; and Mr. Hemant Soni, VP, Legal and Corporate Affairs.

Now without any further delay, I would hand over the call to Mr. Bharat Kumar Vageria for his opening comments, post which we could open the floor for Q&A session. Thank you and over to you Bharat sir.

**Bharat Vageria:** Yes. Thank you very much, and very good afternoon to all my valued investors and esteemed colleagues. And thank you, Abhijeet, for insightful introduction of all of the management. It is both a privilege and a pleasure to convey today, to present and discuss the results of Q3 and the 9 months of FY 2025 as well as to offer our outlook for the remainder of the fiscal year.

We are delighted to report continued resilience in 9 months FY '25, marked by a commendable year-on-year growth of 14% in volume accompanied by a moderate 11% increase in the revenue. This reflects strong operational performance. However, due to reduction in the raw material…

**Moderator:** Ladies and gentlemen, please be patient and stay connected while we reconnect the management. Ladies and gentlemen, thank you for patiently waiting. We have the management back with us. Over to you, sir.

**Bharat Vageria:** Yes. So I'm continuing that. It is both privilege and pleasure to convey today to present and discuss the results for Q3 and 9 months of FY '25 as well as to offer our outlook for the remainder of the fiscal '24-'25. We are delighted to report continued resilience in 9 months FY '25, marked by a commendable year-on-year growth of 14% in volume accompanied by a moderate 11% increase in revenue.

This reflect a strong operational performance. However, due to reduction in the raw material cost and the passing of the prices in the -- which are reflecting the sales prices. Therefore, you have seen the difference of 3% to 4% is on account of volume growth and the revenue growth -

- relatively lower compared to volume growth. This performance has been driven by the remarkable surge in our composite products, which includes CNG and other composite products.

Further, despite a slower revenue growth trajectory, our profit after tax of 9 months has witnessed a 28% year-on-year increase, demonstrating the effectiveness of our strategic initiatives, including the optimized capacity utilization and reduction in finance and depreciation costs.

The demand for Type IV composite cylinder for CNG cascades remains exceptionally strong with our current order book standing at approximately INR175 crores. This positive momentum is further complemented by significant growth in the sales of the value-added products such as composite cylinder for both LPG, CNG, while our core Industrial Packaging business continue to demonstrate stability and resilience.

Additionally, Time has secured a confirmed order worth approximately INR435 crores for the supplies of packaging products, both in India and overseas for the current calendar year, means that will be served in the -- this is order, I can say, the book between the January and the February. So that will be served in the period ahead. Considering the favourable trends and the strong foundation we have built across our key business segment, we remain confident in our outlook for the remainder of the fiscal year.

With that, I would like to now run our focus to detailed financial and operational highlights, which have already been communicated in our results as well as earnings presentation, which is also submitted to the NSE and BSE and it is available on the site. Let us movement the key parameters and the ratio I'm sharing with you.

During the 9 months on a consolidated basis, company has achieved net sales of INR3,992 crores as against INR3,601 crores, EBITDA INR575 crores as against INR508 crores, profit after tax INR278 crores as against INR218 crores. In terms of the percentage, you will find net sales increased by 11%, which reflect in India 10%, overseas performance very well, that is 12%. Volume-wise also, I can say India volume growth 14% and overseas 16%. Overall volume has also increased 14%. EBITDA increased by 13% and PAT is increased by 28%.

In 9 months 2025, EBITDA margin is also increased by 30 basis points, means it has achieved 14.4% as against 14.1%, which is increase of 30 basis points. During the Q3, is also sales stood INR1,389 crores as against INR1,327 crores which reflects 5% sales increase, which includes India 3%, overseas 9%. In terms of the EBITDA, it's INR202 crores as against INR193 crores, which reflects increased by 5% in EBITDA.

Profit after tax, first time it has crossed INR101 crores. I'm pleased to announce that in the history of the company, this is the first time we achieved a quarterly profit of INR101 crores as against INR92 crores for the previous year same quarter. So PAT is increased by 10%. So this reflects a strong operational performance. However, due to the reduction in raw material prices, as I mentioned to you, reduction in selling prices, you may find that the difference between the growth in the volume and growth in the revenue.

Now share of the business-wise, I can share with you, established products and value-added products. As value-added products quarter-on-quarter share is increasing, now in 9MFY25 also, value-added products grew by 17% in 9 months as compared to previous year same 9 months. While established products grew 9%, the share of the value-added products is 27% of the total sales in 9 months as against 26% previous year.

Now India and overseas business in the 9 months remain at 65% India business, 35% overseas business. In terms of the EBITDA, I'm pleased to tell you there is a good expansion in the overseas EBITDA margin and India margin. India EBITDA margin 14.5% overseas EBITDA margin 14.2%, combination of both is 14.4%, which we are reflecting in the results. And the net cash from the operating activity in 9 months stood at INR285 crores.

And further, I'm pleased to tell you the total debt in the 9 months reduced by INR92 crores and this focus will be continued for reduction in the debt. As far as capex is concerned, in the 9 months expenditure incurred INR150 crores, which includes INR60 crores towards the regular maintenance capex and INR90 crores towards the value-added product, mainly for IBC and composite cylinders. Now -- but again, as a whole of the year, company has projected capex below INR200 crores.

And further, some of the highlights, which I would like to share with you, that is the QIP. The necessary approval is already on place from the Board and shareholder approval and for raising by way of equity, INR1,000 crores. And this is towards the expansion plus the repayment of the debt. But till now, company is not requiring any funds.

This validity is there till November 2025. Now the focus of the company has made a strategic decision to consolidate its products and the manufacturing units. This includes brownfield expansion and adding the new units, which will better align with the evolving market demand, while optimizing the operational cost.

And another main highlights important I can tell you, share with you, the green energy. Conversion of electricity units consumed through solar power. The company is committed to transform 75% of electricity consumption to green energy within the next 2 years' time. This process has already taken in the last 12 months and some of the tie-up is already made. The company will make a tie-up with the solar power generation company in each of the state wherever government policies are coming.

And this transition will not only result in the cost savings, but also contribute to significant reduction in the carbon emissions. As a part of the dedication to sustainability, the company is actively participating in the global efforts to reduce the carbon emission.

Now sale of the non-core assets, which is ongoing since last 18 months as committed in December 2023. Now out of that INR125 crores, the amount is now reduced to INR51 crores, balance amount is realized already. The company has launched -- pleased to inform you that one of our subsidiary company, Power Build has developed high-performance e-rickshaw batteries, which is the low cost, below INR10,000 per battery. And that the brand of the battery is e-START with SELENIUM.

With advanced lead-acid technology and enhance with the selenium, that batteries offer superior performance, safety and efficiency. The growing demand for e-rickshaw is supported by eco-friendly policies. Our battery solutions meets the OEM standards and ensure reliable power output and quick recharge, contributing to the expansion of the clean mobility in India.

Further, I would like to highlight, as in the last quarter, October to December, the Economic Times in the first 500 company, your company is ranked 380 position as against 400 in the year 2023. And further, the Type-III, as I have already informed, as the quarter highlight I'm providing you, the Type-III hydrogen composite cylinder for drone applications, we are pleased to announce that company has received an approval from the Nodal Agency that is called PESO, High-Pressure Type-III Fully Wrapped Fiber Reinforced Composite Cylinder, 6.8 liter, which will be used in drone applications, which is very, very huge potential in the period ahead.

Further, I would like to share with you, because in most of the -- my investor conference call, you would have seen my colleague Director, Mr. Raghupathy Thyagarajan, but today, he is in energy -- what is this called, India Energy Week in Delhi, which is inaugurated -- the exhibition is inaugurated by Honourable Petroleum Minister, Mr. Hardeep Puri.

So he's there today. So he is not able to attend this call today. So it's a very good week where we have presented our hydrogen Type-III cylinder along with the drone. And our internal trial for the drone application is on with tie-up with some of the local company so that we can give the -- prove the results of the hydrogen Type-III cylinder for the application and use in the drone.

Further, we are continuing focus on improvement ROCE, which have been seen in the last 2 years. And we are not reducing any kind of our guidance for the period ahead as targeting to growth in the range of volume growth, I'm talking about the volume growth in the range of around 15%. Revenue growth, maybe 5%, 7% here and there depending on the prices of the polymer and composite products. But as we do 92% business with the industry and with directly OEM.

So when price increase, we pass on to them. If price decrease, that also we pass on to them. So we can maintain our in absolute terms EBITDA margin. So I think that's all -- I'm concluding my -- this brief about the management presentation. Now I would like to open the floor to answer specific questions, which I have not covered in my brief presentation.

**Moderator:** Thank you very much. We have our first question from the line of Gaurav Sharma from KMC Corporation. Please go ahead.

**Gaurav Sharma:** So as you have mentioned that we are into the composite cylinders. So is it only the Type-IV cylinders?

**Bharat Vageria:** No. You -- in fact, I tell you, the composite cylinder, we have a -- composite cylinder means, we have the LPG, we have the CNG, we have the oxygen. Now we are talking the hydrogen cylinder for drone application, it's a Type-III. But prior to that also, we have implemented Type-IV cylinder approval also we have for hydrogen application. Yes, we have.

**Gaurav Sharma:** But what about the CNG? And oxygen, you have mentioned Type-III. And in CNG, it is only Type-IV?

**Bharat Vageria:** CNG is Type-IV. Yes, you are correct.

**Gaurav Sharma:** Okay. And it is mentioned that in value-added products, the EBITDA is 18.6% as a margin, right? So can you say what is the margin in LPG, CNG and oxygen? And how this EBITDA margin can be increased? Like is it going to increase or in the near future if the competition is there, so there is a probability of decrease in price and subsequently decrease in margins?

**Bharat Vageria:** No. As I mentioned to you, we are quite comfortable as far as EBITDA margin in the range of, I say, 18% to 22%. So I have taken the conservative 18% and that is going to be maintained, because when my volume will increase, I will be able to get my input cost also lower. And if required to pass on, I will be able to pass on.

And you know very well the volume will justify the prices in market. We have the first mover advantage. We are the first company in India. So we have the first mover advantage. So when my volume increase, I will definitely offer competitive prices and we'll able to maintain our EBITDA margin, which currently we are getting.

**Gaurav Sharma:** So can you specify the margin for LPG and CNG Type-IV cylinders?

**Bharat Vageria:** I can give some of the criss-crossing of the assets are used are there. Therefore, it's very difficult to identify separately because technical team, production team, some of the key assets are the common, which is used in the oxygen, LPG and hydrogen. But we are keeping internal policy very clear to keep the EBITDA margin in the range of 18% to 20% we are keeping in the same way, it will range in the same because identification is the 1 premises, we are manufacturing CNG, so it is very difficult to allocate the allocation for each of the products separately.

**Gaurav Sharma:** Okay. And secondly, as you have mentioned that you are going to raise INR1,000 crores from QIPs. So as you have mentioned in your opening remarks that mostly it is going to use for the repayment of funds, right? So is it only the repayment of funds? Because then why QIPs will come on the table if it is only the repayment of funds? And -- or are you going to use just like increasing the share of value-added products? Because just as of now, it is only 10% revenue share of composite products in the whole-time Technoplast revenue, right?

**Bharat Vageria:** No, no. Yes, I'm clarifying you. In fact, you are talking about the QIP, which is the not INR1,000 crores is a fixed amount. The maximum amount is INR1,000 crores approval inflows. Now as you know, the debt of the company is less than -- net of the debt is less than INR700 crores. And that is, in any case, plan to repayment in the next 18 months to 2 years' time, company on plan to go debt free.

This QIP, especially because some of the newer products is under development, which have a potential for the high business period. If you attended last call, we have said that currently, in LPG cylinder, we are manufacturing 2 kg, 6 kg, 10 kg, this 26 kg. Currently, we have been asked by the government authorities, oil gas marketing company to develop the cylinder of 14.2 kg, which is equivalent to the metal cylinder, which is presently in population.

I'm also pleased to provide that currently in market, the 50 crores metal cylinders are populations for 14.2 kg size. And current ongoing active connection is also 32.68 crores active connection are there. The government do not want the differentiation between the metal cylinder and the composite cylinder. So that process is under development. And we are doing that, development is also going to be complete in the next 4 to 5 months' time. By that time, we'll need the expansion, looking to the requirement of the government company.

I'm also pleased to tell you, you remember that in gas distribution company, government companies like Indian Oil, HPCL and BPCL, Bharat Petroleum, Hindustan Petroleum, they are in the gas distribution line. So now we are developing cylinder. We, I'm using the word we, because in India, the LPG cylinder manufacturer in composite products are the 2; we as a Time Techno and second one is the Supreme Industries Limited.

So we, I'm using word we, because we both have been told -- current order, we both are supplying to the Indian Oil Corporation. Our existing supply is continuing. And we are developing together. We are getting the design approval together with all government authorities and development of the tools will take place. So we are keeping ourselves ready and this is the enabling resolution. There is no any hurry to make the QIP at this because ongoing program of the company redevelopment plan will continue.

**Gaurav Sharma:** Okay. So as you have mentioned, there is a good development going to be increase in the size of LPG cylinders and all. And so similarly, for CNG, you have mentioned that in a cascade as an application, it is going to increase, right? So what about the on board applications like passenger vehicles and commercial vehicles?

**Bharat Vageria:** Yes, you are right. What happened -- I'm coming back -- the LPG you are talking about, I'm coming on the CNG. The current CNG, our capacity was around 30,000 cylinders, which is equivalent to 480 number cascades considering the 60 cylinder required for each cascade. So our current order book, looking to the order book, we have booked a plant for the expansion. For our around 36,000 cylinder new expansion is coming, which will add to 600 cascades.

So that is -- I have mentioned in my last call also, that is delayed by 3 to 4 months, the expansion which was to come by now, it will be delayed by 3, 4 months further. And in the Q1 of '26, we'll complete that plant. Already new plant set-up is ongoing. So then the company CNG cylinder capacity will increase from 30,000 to 66,000. If I want to -- if we would like to decide to supply the cascade, then the capacity will be 1,080, but there is a particular size of the cylinder that is 156 liters.

Now as far as automotive sector is concerned, we have already approval. But as in principally, management currently decided to meet the demand of the cascade market, because if I sell the cylinder, then I'm getting a margin on the cylinder only. But if I sell cylinder along with the complete piping systems as a set I'm selling, then we are getting margins on the entire set.

When the capacity expansion will come, we have already started groundwork with the automotive companies, OEMs directly, what types of the requirement they will have, various sizes for them depending on their vehicle sizes they need. So that development is already ongoing, but it is the initial stage of drawing level.

We will develop the tool based on their individual vehicle requirement. But we are sure that currently, wherever they are using the metal cylinder, there it is going to be replaced in the next, I can say, 2 to 3 years' time by way of a CNG composite cylinder plus hydrogen cylinder because hydrogen cylinder is also overseas countries, many countries are using hydrogen cylinder, which in India ahead of that, but we have the first mover advantage.

We already got the hydrogen cylinder developed in India. But yes, as the demand will kick-up, the present expansion will take care of the CNG plus additional equipment for testing of the hydrogen cylinder. But major expansion for hydrogen cylinder will take in 2026 depending on the market conditions and the feedback from the automotive industries and feedback from the other -- this gas distribution company.

**Gaurav Sharma:** Right. So as you rightly mentioned that...

**Moderator:** Sorry to interrupt, sir. May we please request you to rejoin the queue as there are several participants waiting for their turn.

**Gaurav Sharma:** Okay, okay. Can I ask the last question?

**Bharat Vageria:** Anything left, I can tell you, you have that number. You can call Himanshu. I will be off the line. If you have any query left, we will provide you answer, right?

**Gaurav Sharma:** Can I ask the last question?

**Bharat Vageria:** Yes, tell me.

**Gaurav Sharma:** Yes. So as you have rightly mentioned that all people will shift from steel cylinders to the Type-IV cylinders. And so we can also see Reliance and Jindal coming for their own carbon fiber setting up in India. So then will it help to increase more EBITDA margin for the Time Techno because there is an opportunity to source the raw material from India itself?

**Bharat Vageria:** It is too early to say, because you know very well, currently also carbon fiber is available in India. If anything, you want to manufacture, you need the carbon fiber. But now what type of the carbon fiber? World over, with the efforts of the 15 years, 20 years, 25 years, the approved company world over, there are the 3 company carbon manufacturers are there. We have already taken the approval from 2.

I also heard the Reliance is coming with the carbon fiber manufacturing in Baroda plant, which they have taken over. But it is too early to say about and comment on that product unless we take trial and testing. And I'm pleased to tell you if any input or anything I change, I need from 0 to final, again, all the approvals from the government authorities. I don't change quite frequently because huge amount of the R&D and the cost involved in the testing of the -- and take on the new inputs.

When I'm satisfied with the quality, I'm satisfied with the supplier who have been working with them and we are working with them, the prices are competitive and world over there is supply. So this is a very, very hazardous product and we have to take very carefully. And so immediately, we would like to change our any suppliers as far as inputs are concerned, which we are using in LPG, CNG and in the upcoming project of the hydrogen. Later on, let them come out, we will see, R&D will take -- because R&D itself will take minimum 2 years' time. You got your answer?

**Gaurav Sharma:** Yes. Thank you.

**Moderator:** Thank you. We have our next question from the line of Saloni Jain from Nirmal Bang Securities. Please go ahead.

**Saloni Jain:** I have a few questions. The first one is that, this is the first quarter we have seen such a large gap between volume growth and revenue growth, which is approximately 6% to 7%, right? So earlier, we have seen this gap around 2%, 3%. So can you comment on if this kind of a gap is, first, temporary? And if we can compensate for this gap going forward in coming quarters? What is your outlook on that?

**Bharat Vageria:** No, I'm telling you, as you see my previous plan and previous guidelines given, I have said very clearly, now just before I have said I am expecting the growth -- volume growth of around 15%. That is going to be continued. Now the revenue growth is depending on the polymer and the composite product prices. You know that last, I can say, the 4, 5 months, oil prices is going down.

So that reflects because the polymer is made from the majorly 50% or 60% product comes from the oil and gas only. So the prices lower side. So when I am getting my prices lower side, it is in the open market available what are the prices, all the companies declared their prices. And I have a policy to pass on the increase or decrease in prices to the customer.

So what I'm telling you -- again, I'm telling you, 15% volume growth will be there. So my absolute terms margin will be there. EBITDA margins will not be affected in terms of the percentage may ups and down. Sometimes maybe 15%, maybe 16% if prices goes down further. But in terms of the absolute figure, it will be on the higher side only as the volume is going to be sustained in this range.

And as I have said very clearly, my packaging products, we are estimating will grow in the range of 10% to 12%, average, we can take 11%. Composite products and PE pipe products, we're looking to the government policy for the infra development, we are estimating growth of over 13%, which especially this quarter was affected because of the uneven rains during that quarter, especially PE pipe business affected, which I had estimated growth of 30%, but I'm able to get only 10%.

But I know now the government policy is also clear to make the easy to business, to do the infra development, which is mainly because our PE pipe business mainly used for water, sewage, drainage and power duct line and development of the smart city.

So you must have seen -- if you are from Mumbai, you must have seen in each of the village, ward, everywhere, the construction and road construction is ongoing. They are putting the PE pipes only. So that's happening in everywhere. So revenue, yes, it is not in my hand. But yes, growth -- volume growth, I'm sure we are estimating target and now we are not producing our growth plan also of the 15%, which is for 3 years.

Further, the value-added product, which is currently in the range of around 25% to 27%, in the 3 years' time, in spite of company growth 15%, the value-added products will reach up to 35%, considering the expansion plan undertaken and on the way.

**Saloni Jain:** Sure, sir. Very clear. Sir, my second question is on the order pipeline for CNG and LPG cylinders and along with the drone application that we have got approval for. What is your outlook as to when can we see a significant contribution from that segment?

**Bharat Vageria:** I consider composite product as a whole, whether it's a drone application, whether it is the gas distribution, whether it is LPG or whether it is an automotive sector use, because some of the composite products we manufacture for the automotive segment also like air receiver tank. It is used in the electrical vehicle, petrol vehicle, diesel vehicle everywhere. So we consider composite product as one and considering growth of 30%.

**Saloni Jain:** Alright. Thank you sir, those were my questions.

**Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar:** Sir, in terms of value-added product, you mentioned we want to reach 35%, right? So what's the timeline you mentioned? I mean, in how much time?

**Bharat Vageria:** 3 years.

**Deepak Poddar:** In next 3 years?

**Bharat Vageria:** Yes. Because I have given you the packaging products in the range of 10% to 12%, average you can take 11%; composite product 30%. So 3 years' time, which is 25%, which leads to 35%.

**Deepak Poddar:** Correct, correct. And what does it mean for EBITDA margin, because ideally, your EBITDA margin in value product is higher at 18% to 20%? So if your percentage reached from 25% to 35%, how do you see EBITDA margin improving, I mean, if I have to see next 2, 3 years?

**Bharat Vageria:** I have seen in the last 3 quarters, 4 quarters, whenever the value-added product percentage-wise increasing, you will see the 20 to 30 basis point improvement. And I am estimating that 3 years' time, it should reach -- surpass the 15% EBITDA margin.

**Deepak Poddar:** Okay. So in 3 years, it should be 15% plus kind of EBITDA margin after considering...

**Bharat Vageria:** Of course. You must have seen another note also where I mentioned to you green energy, which is we are working 75% of my electricity consumption. I tell you, currently, my electricity consumption in India itself 18 crores units yearly consumption of power. So if I convert 75%, which it means what, 13.5 crores units subject to government policy should allow to take -- purchase power from solar manufacturing company. And I'm pleased to tell you, month-on-month, these government policies are coming very clear.

As on today, I can tell you till now, the government has policy clear for Karnataka, Tamil Nadu, Maharashtra, Gujarat, Uttarakhand. These 5 states has cleared, another states are also working out. And they are allowing, we can purchase the power from the solar generation company because we ourselves are not investing in generation of the power. We have expertise. We are in the polymer composite manufacturing company.

We'll continue to focus on that. But the 15 crores units, we will be able to say, for example, the conservative, I can say INR2.50 per unit also. Then also it would be to the substation, it will give the substantial benefit of INR30 crores to INR35 crores in a year. And for that what, the payback period is less than 1 year.

I required to make an investment as an equity investment in the power manufacturing company who will return me without any interest face value of the equity back after 15 years. And that benefit will continue for 15 years. If anything, I have a very clear guidelines from my committee and my Board. If any investment we justify a payback period within less than 3 years, keeping the eye close, we should make the investment.

**Deepak Poddar:** Understood. And when we are talking about EBITDA margin, we are talking about 20, 30 basis points per annum improvement, right?

**Bharat Vageria:** Yes, yes, because quarter-on-quarter, I can't say, but there may be -- you know there's too much fluctuation. Now you will see this quarter itself, what is happening. Too much fluctuation. But again, we have to maintain that. We have to cover that risk.

**Deepak Poddar:** Correct, correct. And what is our key raw material, I mean, the prices of which are depressed right now because of which your ASPs also down?

**Bharat Vageria:** I'm telling you, the polymer is a different type of the polymer. There's polyethylene products, which may be covered HDPE, LDPE, but major -- you will find my major products are the HDPE products. HDPE is hardly 10%. And the other is the composite products, which includes, again, some of the polymers, plus glass fiber, plus carbon fiber, then certain hardener chemicals.

**Deepak Poddar:** And any view we can set, I mean, any short-term or next 6 months to 1 year view on the prices can be ascertain?

**Bharat Vageria:** I'm telling you I have a very, very planned way. I'm telling you, as far as 2025 is concerned, company has already signed contract for the fixed price for supply this. There are no -- any contingency as far as supply is concerned as far as prices are concerned because we have already signed the contract. Similarly, we have a pricing contract and signing the purchase price contract with some of the local manufacturers of polymer with a certain formula price.

And I mentioned that 92% business is OEM business directly, B2B business. So where price increase we pass on, price decrease we pass on, import price multiplied by exchange rate. So we have a customer understanding very clear.

**Moderator:** Thank you. We have our next question from the line of Shivam Dave from Prodigy Investment. Please go ahead.

**Shivam Dave:** Congrats on the decent win this quarter. So I wanted to understand there was a disclosure right now regarding a fire in one of your plants...

**Bharat Vageria:** Yes, yes, because you know that I'm delayed by 10 minutes because of that only. And at the same time, I have shared the good news also. Both the news are there. One, I will come with the bad news. Yes, part of the premises, which is in Jambusar Vadodara where we were manufacturing, the fire took place early in the morning.

So still my people are there. And it is under control. All the actions have been taken. It is quite adequately ensured. No any casualty by way of a human casualty or injury and nothing is reported. And the company is in process to take the -- submission the claim and following the process, advice of our consultant -- the insurance consultant.

Another good news also I have shared that because I believe in God. Some bad news come, at the same time, good news also comes. So I was sharing then immediately I received one order which was ongoing also and we got the order for INR65.85 crores packaging products only from a Gujarat-based government company. And I mentioned in my fire incident also, I have another manufacturing location.

I'm pleased to tell you I have 20 manufacturing locations in India. So I can serve surrounding factory, nearby factory for these packaging products. So there is no any business loss I'm expecting. Yes, for time being, there is a disturbance of manufacturing, but I have a capacity available in another location and we'll continue supply with that customer from the nearby location.

**Shivam Dave:** Okay. So there is no casualty and at the same time...

**Bharat Vageria:** Nothing, nothing. Therefore, I told you 5 minutes delay. I have a bad news as well as good news both together.

**Shivam Dave:** Right. And the order that you've received, I think it's for around INR70 crores, that is executable over?

**Bharat Vageria:** It will be in the period of 2 years. But again, you know very well, government keeps certain thing in hand. Once you have agreed the price, they have authority, they can increase the quantity. They give 2 years' time, but I have seen in the past experience, they complete in 1 year depending on the requirement. They keep the initial safety period of 2 years.

I'm considering, in fact -- you see my earnings presentation also, I have mentioned some packaging -- India and overseas put together, I have a packaging product INR400 crores something already orders in hand because January onwards booking, we do the booking and we get some kind of tender awards in India and overseas. So already some INR435 crores order book already in the last 2 months' time from the packaging products.

And packaging products, it constitutes around 76% of my total packaging business. If you take the previous year revenue, INR5000 crores revenue, 76% is almost around INR3,800 crores revenue. Almost more than 15% order book is there in the just beginning of the 1.5 months.

**Moderator:** We have our next question from the line of Abhijit Mitra from Aionios Alpha Investment Management.

**Abhijit Mitra:** So just to understand the results a bit better, so if we look at your standalone, there has been a revenue and a PAT dip, whereas the other reported entities, essentially TPL Plastech is showing a very strong revenue as well as profit growth. And consequently, if we derive the other segments, essentially Elan, NED Energy and other subs, they're also showing 20% Y-o-Y top-line growth, 30% Y-o-Y PAT growth?

So if you can highlight any dynamics across these 3 entities. What all you experienced and how are the trends shaping up for both stand-alone TPL Plastech and other subsidiaries combined, which is essentially Elan, which is your Middle East entity and NED Energy and other subsidiaries?

**Bharat Vageria:** No. In fact, I can tell you, I have in hand my projections for at least 3-year guidance given by my overseas directors also who is looking at the international business and their team, they have given me just presented in the beginning of the year. They are quite confident to achieve 15% growth across the globe, I can say, overseas where we do the manufacturing products.

So they are quite committed volume growth of 15% in the next 3 years' time. They will do some brownfield or new units in each of the locations, but especially U.S. business, they are expanding the 2 more locations. And one thing I'm clarifying you, whatever I'm talking, everything is covered in my capex of INR200 crores because I'm talking the new unit does not mean the capex will be required.

That's all projected and taken. And in INR200 crores for the capex plan, it's INR75- 80 crores for maintenance capex, automation, re-engineering, that all covered. And the balance, I'm taking for the value-added product expansion plus brownfield expansion, India and overseas, both put together.

So you ask, especially Elan, I'm telling you, as I have received, I think India and Middle East relationship is increasing substantially between -- business between both the countries are improving. So yes, if you tell me, as overseas, I mentioned to you 15% growth. I can tell you, yes, 17% to 18% growth roughly we can take in the Middle East to MENA region.

Then I'm considering around 14%, 15% growth here in the U.S. and the Southeast Asia. I'm considering my 8% to 9% growth in the Taiwan. So combined both put together overseas business, which is in the range of 35% of my total revenue in the range of around INR2,000 crores, so exactly it is 15%.

Now overall, I'm taking 15%, because India, there's too much uncertainties were there. Therefore, I mentioned to you composite 30%, packaging product 10% I'm taking in India considering the exports will be affected from India to the other countries till the entire policy clears by the -- most of the countries where the India is exporting, because you know that last quarter also, packaging business you have seen standalone business has not grown much.

And further, you asked me about TPL Plastech. TPL Plastech is growth of over 10% is there. Margin has also increased because TPL Plastech is 75% owned by Time Technoplast Limited and -- which is contributing around 8% to 9% of my total revenue. Now the TPL Plastech has took the entry in the value-added product that is intermediate bulk containers that just last year completed this year.

Last year completed and further expansion has been done in the Dahej area. The plant is completed now, fully automatic plant. Now as you have seen the TPL Plastech press release also, they have been allocated and took the possession of land in the Maharashtra, which is in Raigarh District, place called Lote, entire new chemical journey is coming up very big way.

So company is talking to surrounding area requirement and many requests received from the surrounding chemical manufacturers who has a requirement of the packaging products with IBC drums and jerry cans. So this product is -- possession is received and company is estimating to complete this unit in 2025, end of the calendar year so that Q4 of this year will make available for the sale of the product there.

So TPL Plastech will grow separately and definitely continue, because wherever the time is present, the TPL Plastech is not there. And wherever the TPL Plastech is there, time is not there. For example, Ratlam, Time Techno has no plant. The TPL plant is there. For Bhuj, TPL is there. For Vizag, TPL is there.

So this is the company. Except this TPL, if you know the history, it was taken over by Time Technoplast Limited in 2006 prior to the IPO. And this company is -- I am pleased to tell you, when we took over that company, the turnover was INR40 crores. Now it's a 1,000% increase. It is in the range of INR350-400 crores is the revenue.

**Abhijit Mitra:** Right. And any update that you'd like to share on NED Energy?

**Bharat Vageria:** NED Energy, yes, I have mentioned in my previous calls also, the merger process of NED Energy and the power building process, because the Time Techno is the owner of NED Energy, NED Energy is the owner of Power Build, which is Bangalore-based manufacturing company. So the process of merger is on.

But yes, companies as in the NED and Power Build is going to be one company subject to the permission from the authorities. We are estimating to get in the next 2 months to 3 months' time. We have all the approvals in hand. And pleased to tell you, NED Energy and Power Build is completely debt-free company.

And it is -- they have recently products which they have developed like e-START with SELENIUM, very high potential. This entire R&D team has developed this battery. Entire battery have been manufactured. Internal trial testing have been taken, maybe huge market potential. But as a company, we are -- what we are targeting, I'm pleased to share some kind of the information which has publicly also available.

Today, the 15 lakhs E-Rickshaws are available in the market as of 2023. And every year, 4 lakhs new rickshaws are coming, E-Rickshaw. And each rickshaw need 4 batteries. And the cost of the battery is less than INR10,000. So in terms of the revenue, I can say the market size, which is 2024 is INR2,500 crores, which is growing every year by INR600 crores, because every year, we will find 4 lakh rickshaws means 16 lakh batteries.

So what we are projecting, we are now very much eager, but we are targeting to have in the 3 years down the line, we would like to have INR100 crores business from E-Rickshaw market. That's what our team is targeting considering the quality of the batteries and the very good performance of the batteries.

So therefore, I have intimated to you. Now we have submitted these batteries. Our R&D were submitted to the authority for the final approval so product can be launched. We have estimated to launch this product at the end of the March. So next year, 2025-'26 with the existing capacity, we are estimating to take the business of INR50 crores from this battery itself.

But at the same time, looking to this, you know the size of my company has become now -- our company has become more than, I can say, INR6,000 crores company. So looking to the business of INR200 crores is very small. We are not keeping our eye closed. We are still open for discussion. We will take it. Let us first develop the 2 products.

One another products also, you have seen the last time that power -- that's called the power segment, one batteries we are developing, that also will be ready in the March. So after development of the 2 new batteries, now your company with NED and Power Build together have a number of the products more like what solar batteries we have, railway signal batteries we have, power segment batteries, which is we call the OPzS, that is the short name of the batteries -- these E-Rickshaw batteries.

So this company has a capacity of do business of around INR250 crores to INR300 crores. Then it is a sizable business, I can say, around 6% to 7% of the revenue. And then when the products are ready, we can see at least from this business. But as I said to you, they have now started giving the good ROCE at one point of time.

The company was giving me the ROCE of 6% to 7%, now it increased to around 11%. But I'm targeting to get ROCE from this company itself in the next 2 years' time around 15%. So they give me the contribution in increasing the ROCE.

**Moderator:** We have our next question from the line of Niraj Thacker from Profit Tantra Financial Services.

**Niraj Thacker:** Sir, my question was regarding that E-Rickshaw battery only. What will be the current margin, sir, in this E-Rickshaw battery?

**Bharat Vageria:** I think you missed my previous communication. The current market size is INR2,500 crores as per the data of 2024 and which is growing by 4 lakh units, means 16 lakh batteries every year need.

**Niraj Thacker:** So what is the margin, sir, in this product for us?

**Bharat Vageria:** It is too early to say. I have just sampled and submitted but yes, any of the product in battery segment we do not less than 12% margin. I'm very clear with you, because volume will give you the margin.

**Niraj Thacker:** Okay. Thank you for taking my question and sir, it is always pleasure to listen to you because you always answer in so detail to all our questions.

**Bharat Vageria:** Neeraj, I have seen your company. Your company name is Profit, your company name itself starts with Profit.

**Niraj Thacker:** All your questions you answer in so much detail and with so much honesty.

**Bharat Vageria:** I am at the pleasure of all my, because they should know what we are doing it, if any person should not leave the call without satisfaction.

**Moderator:** We have our next question from the line of Krupa Desai from at Electrum PMS.

**Krupa Desai:** My question was on the LPG cylinder update of 14.6 kg from BPCL and IOCL. What's the update on that, sir? We have received the approval?

**Bharat Vageria:** Who was that? Krupa right? Krupa, this is 14.2 kg cylinder not 14.6 kg, 14.2 kg, which is the metal cylinder which comes in the house, you are asking the update on that right?

**Krupa Desai:** No, sir. In last meeting, you also talked about 14.6 kg cylinders, which you and Supreme are making together.

**Bharat Vageria:** No, 14.2 kg is the capacity of a cylinder, the range is there. It runs in plus or minus 2%. In today's date, the metal cylinder which was there in all the houses, but now some houses have it and some do not have it. The size of the metal cylinder is 14.2 kg. In which 14.2 kg gas is used and 14.5 kg cylinder is used. So approximately 29 kg cylinder is considered. Now we are supplying to IOCL 10 kg cylinder, we and Supreme both.

Now 14.2 kg now the cylinder which was going was going to IOCL and BPCL which was supplied in the start, IOCL has continuous supply and I am pleased to share with you that in today's date, the government gave us permission, government means IOCL, BPCL, HPCL they have been allowed to us and Supreme to educate the people about the cylinder, what are the advantages, how it is to be used, so in the last 1 year, they are giving us 2 cities every month.

I can say, till now, till month of January, 16 cities we have did the distributors and dealers mix and quite successful, resulting the IOCL and BPCL is getting 75% growth for use of the composite cylinder. That is report available with the IOCL reports, internal reports also. Now further, I'm pleased to tell you, IOCL has branded a composite cylinder that is called Indane Lite.

They have launched the product in India and they have taken like the Sanjeev Kapoor, who is the chef, he has taken the brand ambassador of Sanjeev Kapoor and now they are doing the media they are using it. But we have been told to develop the 14.2 kg or 14.5 kg, whatever you heard, that's okay. That development, together we are doing it. We have submitted the drawings. You know that when the 3 companies are involved like IOCL, BPCL and HPCL, it takes time.

We both, means we to take the similar Supreme and we have submitted our design. Now lots of meetings have taken place in the month of January and still it is going on. We estimate to design approval before end of this month. That is our internal estimate, subject to permission, subject to available time with the senior team of these all 3 companies because you know very well the senior management of 3 companies put together and have a meeting it itself is a challenge.

But anyway, various meetings have taken place. I'm conservative way, I can say, by March, the approval of the design will be taken place then the 4 months will take the tool development. We estimate in the first half, ready with the tool development and everything. The second half will be available for the supply and commercial supply.

Now we have been given the estimate that may be the requirement of, I can say, the 50 lakh cylinders or 60 lakh cylinders. I mentioned in my call that currently 50 crores cylinders are in population, metal cylinder. Now once 14.2 kg approved, then they will replace. Again, I'm sharing one information with you.

Every year, government buying 6% of the total population cylinder, which is in the range of 2.5 crores to 3 crores cylinders they are buying every year. And again, current capacity of we and Supreme together is less than 2 million cylinder capacity which is very, very high, less than 10% of the total requirement of the yearly requirement.

So I'm linking now, as this product is approved, we have ourselves keep ready for QIP because then the major investment is required, looking to the size of the tender of the each oil marketing -- this oil gas distribution company, HPCL, IOCL. Apart from that, as you know, we have approval for 48 countries where I'm continuing export and good response is coming.

Now when we're talking on the LPG, we have -- like in India, we got the approval, we have taken 4 countries, another under approval. That's called one is in Kuwait, second is in Saudi, third one is Oman and Sudan. That 4 countries, we have submitted our sample of approval and we estimate to get the approval in the next 3 to 4 months' time.

Then whose requirement will come. So we ourselves are keeping ready for the expansion linked with the QIP also. Otherwise, in normal business circumstances, our plan is ongoing for the debt repayment and business expansion normally will go away as per the existing plan.

**Moderator:** We have our next question from the line of Devam from Ardeko.

**Devam:** So firstly, I know you elaborated and explained the difference between value…

**Bharat Vageria:** I think next, who all people are in queue most of the query have been answered, if they are on the continue call.

**Devam:** Yes, sir. So I know you have elaborated the difference between volume growth and revenue growth at length. Just wanted to understand that how would the difference -- how should the difference between volume growth and EBITDA growth? Because I can understand that revenue growth would be lesser, but typically, EBITDA growth should match volume growth, right? And this is one quarter wherein EBITDA growth -- absolute EBITDA growth has trailed volume growth. Just wanted to understand reasons for the same?

**Bharat Vageria:** As simple as I will expand to you. If my sales price is INR100, for example, my sales price is INR100, then my EBITDA margin is 14%, INR14, then it comes in the percentage terms 14%, right? Now if my sales price -- and in this, when the INR14 EBITDA which comes in 14%, for example, my raw material cost is INR17 and another INR16 is overhead, percentage of 17% is the raw material cost, 16% is the overhead cost, put together INR100.

Now if, for example, raw material cost is reduced by 5%. So INR70 will reduce to the INR65, my sales price will reduced to INR95, my INR14 will be there. So I am earning same INR14 or INR95. So in terms of the percentage, it is going to be increased.

**Devam:** If you are making the same INR14 or INR95, then basically your EBITDA in line with volume should -- basically, EBITDA should go in line with volume. Your pricing is based on EBITDA per kg or it is in percentage?

**Bharat Vageria:** Mostly what happen, either combination of the product, there may be 5, 10, 20 basis points here and there because I have to do the certain correction on account of the valuation of the inventories also when the price is down, but certain kind of the fixed orders we have, like for example, pipe business, it's a fixed order. Value is down, but our order book size is not required to that -- reduce that prices.

So overall, in terms of the -- when the price is down, some percentage will increase. For example, today something my EBITDA for INR100, I'm earning INR14. For example, tomorrow, the INR10 price increase. So in terms of that my INR110 sales, I will get INR14 only. Then in terms of that my EBITDA percentage will go down.

**Devam:** That is fair, sir. So you are saying this current quarter there must have been some impact of certain inventory adjustment in some divisions which are mostly on fixed price. And there could -- would there also be some forex adjustments which would have affected the margin in this quarter?

**Bharat Vageria:** Fall is very little because I tell you, I mean natural hedge is also there. My foreign company is earning, I'm getting my foreign investment…

**Devam:** No, only in the inventory portion, sir. If the forex adjustment has only affected the inventory portion?

**Bharat Vageria:** No, I don't have any liability, I have paid whatever inventory I have, I paid my liability then I have nothing to do as far as foreign exchange part is concerned, my cost is fixed. If I have a foreign currency open, then the foreign currency will affect to me.

**Devam:** Okay. Sure, sir. I'll probably take this part a little bit offline. Mostly understood, but I'll take it offline. Sir, just last question. What is the reason for the delay in the 600 cascade expansion and what is the opportunity from the fire extinguisher market for us?

**Bharat Vageria:** One thing I'll explain two ways separately. The delay in reason I've explained to you, so many things have happened in the last 12 months number one. The plant and the building which I finalized with the company like Desai Builders, they have -- last year, the central elections were there which is delayed 4 months. I'm linking because I have my very clear -- when my plant will come to India, when the building will be ready.

So I don't want to warehouse my plant and pay the unnecessary cost. So number one is the delay in getting the approval by the developer because you know that, the CNG expansion when it is coming, we are not building our own building. We have taken on the long-term lease rental, so my rent will start when the building will complete. So that took 4 months delay.

Now you know another reason, the delay in the Europe because most of the equipments are coming from the European countries. You know the situation in European countries first half of the year, power shortage was there. No people were staying there. There was a huge power shortage in European countries because of the Russia-Ukraine war, power was disconnected.

Another thing the equipment, the manufacturer, many people from the European manufacturers have left that country. Russia-Ukraine war has delayed, I can say, 2 months to 3 months. Variety of the reasons are there. No any other reason. I'm ready with the funds. I'm ready, but now we have seen the progress. Even I can tell you my project team is reviewing every week.

My team is already available nearby area because this plant which is coming is 140 kilometres from Vapi, you know the area called Vapi, right? It's a Gujarat area it is coming. So I have already existing units in Daman and Gujarat, this Silvassa area. So I'm sure now as per the current commitment is there.

Now you know that in this year so many activities have taken place, central election, state election. You tell me when our government is free. So every delay that has taken place, resulting there is a delay of the, I can say, the 6-month delay. And now order booking, product, there is no any issue at all. Response is good. Margin is good. It's a delay only, but at the same time, not costing us because we have not made the payment anything.

The payment has done, advanced payment that is continued. So now what we have decided is instead of getting the entire plant, one by one equipments we are getting now. Don't worry, it will come. It will be available for the second half of the year, full operational expansion plan will be ready.

**Devam:** Okay. Sure. And sir, the opportunity from fire extinguisher market?

**Bharat Vageria:** I tell you fire extinguisher is a very good product. And even railway has made compulsory to use of fire extinguisher. Currently, it is not available in India. Some people are importing and selling that. But when it will make in India, one thing I'm telling you there is no any approval required from the PESO authority for manufacturing of the fire extinguisher now because we are going to manufacture the fire extinguisher.

Then this product, we are going to supply to the company who are filling the chemicals and selling their product in the market. So we have developed, we have done the prototype, we have submitted, we have given to the company with whom we have made a tie-up. They are going to get the BIS, which I'm expecting by March. Naveen. My Technical Director, Naveen Jain, also first time is here.

Otherwise, he's always busy in developing of the products. And most of the time he is in the plant. So I think you will hear from him when we will be ready with this product. But again, I don't have capacity. This is the product developed. For that, I'm linking with my -- because it is similar to LPG product and this fire extinguisher we are developing in 2 kg, 4 kg, 6 kg and 9 kg. Initial, we have submitted and we are getting samples submitted for BIS for what?

**Naveen Jain:** Sir, we are manufacturing these composite cylinders for fire extinguisher and then this will go to the companies who are filling the chemicals in this and making a complete fire extinguisher supplying in the market. So BIS is required for a complete fire extinguisher not on the cylinder only for the fire extinguisher. So those companies will take the BIS approval on the fire extinguisher and supply in the market.

We have already submitted the samples to these companies, which they have tested and found these cylinders were compatible with their requirement. And now they have submitted the application to BIS, which takes about 3 to 4 months' time for the approval. So once they get the BIS approval, we will start the supplies of these cylinders.

**Devam:** Okay, sure. That’s it from my side.

**Management:** The market is like this if cylinder 2 kg is made of Metal. Nobody use it because the weight is heavy. 50% weight is there then in every car there will be cylinder. So for light weight it will be made small.

**Devam:** Sir, what will be the approximate size of this market?

**Bharat Vageria:** Whatever I say there is no use.

**Naveen Jain:** It is huge market, sir.

**Bharat Vageria:** It is in every home and in my home also I have kept, but I have kept fire ball. Fire ball is of less use it gets expired. Cylinder is kept in every car. Today, many incidents are of cars. If you make of small size then it will be in a car, you make of 0.5 kg, 1 kg, 2 kg. It’s a very light weight. According to their capability that much you make and sent. This is to use in my house, in every shop, every railway.

**Naveen Jain:** Sir, best part of this is like my -- convention this metal, fire extinguishers, they get corroded very fast in the chemical environment. Now fire extinguishers are used in all the chemical industries as well as on the ships, etcetera.

**Bharat Vageria:** You can estimate from the mobile market. Each and every individual keeps two mobiles individually. So if they keep fire extinguisher then it is much and in company it is everywhere.

**Devam:** That is useful to know. Thank you.

**Moderator:** Thank you. We have our next question from the line of Dhairya from Champion Capital. Please go ahead.

**Dhairya:** So my question is, as it is mentioned that we are involved in Type-IV hydrogen cylinders, so do you think hydrogen vehicle will be adopted in India and how much will it take to develop a proper market and infrastructure for hydrogen vehicles? And any orders for hydrogen cylinders have you received and secondly do we see any strong competition approaching us? And what are the current expected margins and how much can it differ to that competition?

**Bharat Vageria:** In today's date hydrogen cylinder order is nil. The first thing the company who has to use hydrogen cylinder, but in foreign hydrogen cylinder is already used, it is used in heavy truck and the difference is what I will tell you. When the vehicle runs with CNG cylinder one time it is fully load in which 350 bar pressure is there so it will run 200 kilometers.

So in that cylinder only hydrogen cylinder that much capacity it will run 400 kilometers. Number two hydrogen you might have heard Adani, Reliance they all are bringing biogas plant of hydrogen cylinder. So you run the news of Reliance 500 biogas plant has to installed, 100 every year. So what they will do with us it is a waste.

So we can use the gas in that. It's a bio product. So in today's estimate that's why I have said somebody asked me carbon fiber what is that Reliance is going to make. If carbon fiber if Reliance is going to make please make they do. They have taken some NCLT company and they are going to make in Baroda. In world over if you can see it is in hydrogen cylinder.

**Dhairya:** We have to see.

**Bharat Vageria:** Today is like, this margins will come automatically when the volumes will be there then margins will come slowly and gradually. So we don't have any estimate for the order, but you can understand that if new person do the R&D which we are working from last 4 years and if someone new will come then he will come. It is good. LPG, we and CNG the market has been created and we will talk with the government.

We will talk about 50 lakh cylinders. I always give this type of examples. If you see in every house there are two children to compete against each other so that one must understand who is better and who is bad. So in two products, two company should be there otherwise product will not be purchased. We also have our policy of company. We don't do any product development where I have one supplier. And we don't produce any product where I have one customer. It's a policy. I think you got your answer.

**Dhairya:** Okay sir. Got it. So I went through some government reports claiming that they plan to increase the pipeline infrastructure in India, which will eventually lead to decreasing daughter stations, which results into decreasing demand of Type-IV CNG cascade. So what are views -- what are your views regarding this?

**Bharat Vageria:** Let me tell you one thing you are talking of plan and today you collect the data in India as I have said that this is August 2024 data and apart from that press release is there that 50 crores cylinders it is in population and 32.68 crores it is in active consumption. In India today also 60% to 70% area is rural and backward area, there you forget about CNG and LPG there you have to make the food from the coal gas.

Pipeline all over India in today's date you see in Bombay pipeline it is not there. It is in high rise building. Kalbadevi it is not there because in Bungalow it is not economical. In high rise building you will get pipeline

**Dhairya:** Yes sir, but actually I am talking about Type IV CNG cylinder for their daughter station?

**Bharat Vageria:** See I have a factory in Panvel. From last 12 months I have been struggling and hearing that CNG pipeline is coming. If CNG pipeline comes presently I am purchasing the gas from cylinder. I have been able to reduce by cost pipeline it is getting supplied and from 12 months there has been a delay. This is a government work. In paper everything is written, but in implementation it takes lot of time. From 5 years back it has been said 100 smart city will be developed, how much smart city is developed hardly four or five.

**Dhairya:** I agree.

**Bharat Vageria:** Let me give you some other example in my opinion you know that CNG, gas availability it was there before 25 years and I have also installed 15 vehicles CNG around 20 years but station is not there. 4 months in every CNG whatever tank is there everything has been disconnected because the vehicle has to be in line and CNG is not available and in fielding 4 to 5 hours is wasted. So, time is important compared to cost. Otherwise I have also done the working INR1.50 per kilometers running cost of CNG, but it didn't work out well because value of the person time is person, but government is awakened after 20 years and 20 years policy it has been made in August 20, 2020, ~8000 new stations has been allotted. So it is getting developed so stations are made new.

**Dhairya:** MRU is also increasing at the same pace around?

**Bharat Vageria:** MRU is going to grow let me tell you as and when the logistics parks will rise in India. If you see logistic park in India everywhere. So whenever foreign systems is there. In America logistics parks if you see that in one filling station to other filling station there is a gap. So that gap will be filled MRU mobile refuelling unit. How will they do because vehicle is standing and it is getting vacated in logistics then they will come by roaming if you want gas then fill it.

Today also in India if the car is parked in your house and if the vehicle will come filled with petrol then if they say you want petrol then you will say please fill it who will go to petrol pump, fill it. You know that in India if your consumption is more than 2 lakh liters of diesel so there are many people are there they will come in your factory they will make the storage tank and they will put the diesel in that. So to take the diesel you don't have to go to petrol pump.

This is going to happen. In India future is going to change slowly and gradually, did anyone think of ecommerce business will be this much, in 10 minutes you will get the packet of bread, did anyone thought of it, this we can never bring. If you want half liter milk in 10 minutes then you have to go and come it takes around 15 minutes and they are giving you in 10 minutes. So it is going to be improved.

**Dhairya:** That's all from my side. Thank you so much.

**Moderator:** Thank you. We'll take last question from the line of Jenish from S&P. Please go ahead.

**Jenish:** So in your investor presentation report, in the overall market potential slide, the total estimated business mentioned for Type-IV cylinders is INR2,200 crores, but why does the same does not cover commercial vehicles and passenger vehicles and what is the estimated market and the targeted share of Time Technoplast in the same?

**Bharat Vageria:** See the point is that the table which you are ordering that we are following the government policy in which CNG whichever is recorded. Today we have also tried that in markets CNG cylinder is how much till now we have not got much data. We talked to Tata Motors asked everyone, but the market which you are seeing now which is of INR2200 crores of new cascade.

Today the existing cascade it is from the last 25 years which is metal cascade that we have tried to collect the data roughly IOCL, BPCL the gas distribution company from there and public data is available. Around 15,000 cascade are there in the market. Now 15,000 cascade are of every metal. The composite has been started from last three years. In 2021 August we have launched it. So this 15,000 cascade when the replacement will come, how the replacement will come.

Today you also know that till when your mobile is running in your home it is running. If we have to scrap then I will not go back to metal. I will take it back to composite. Today tell me If you go to buy an apple phone will you buy Apple 5 or not.

You will not buy Apple 5, you will buy an Apple 15/14 more or less because it is cost saving. Your cost saving is 50% running cost saving. Two cascade composites can come in one truck against metal cascade one. So it is everyday saving of a person. It is a onetime investment.

**Jenish:** Yes sir. But sir, the cost of composite cylinders is very high compared to the metal cascade?

**Bharat Vageria:** You will have to see the savings also with cost comparison it is available. In presentation also we have provided that in today's date metal cascade is INR23 lakhs and our cascade is INR85 lakh to INR80 lakhs, but everyday saving per kilometer saving that payback is less than 12 months. You will have to understand this working. You are welcome in office then working is available.

**Jenish:** Okay got it. But what about the vehicles will they also add up the composite cascade?

**Bharat Vageria:** In today's date metal is there. This I have said earlier also that today along with cascade cylinder plus cascade set why I am selling because in all of that I get 18%. The day when my further expansion will be there then that day we will start supplying to OEM. They have a process of 6 months to 8 months process is there for OEM approval, but today we don't have the capacity, approval is there.

Today in automotive sector 16 liters capacity approval is there and now every OEM think it is of different size somebody will require 30 liters, somebody will require 60, somebody will require 120 and in truck it should be big. So this work we have take in second stage, only by doing R&D and by developing what I will do. So generally you must have seen in the market that when the media TV ad comes then the product should be available in the market.

If the ad is given in the TV and the product is not available in the market then the markets gets out that they ad and product is no there. Today when I will approach automotive sector when I have a product in front of me. Approvals not a problem.

**Jenish:** Got it, sir. Will auto OEMs adopt Type IV cylinder their cost is approximately three times?

**Bharat Vageria:** You understand this, I will give an example. Today we have like we have made an air receiver tank composite product and gave it to Tata, Its weight normally was 12 kg. 12 kg thing was made in 6.5 kg and gave it. 50% weight is less. Today every person wants to reduce weight in vehicle. You sit in any vehicle, you see the vehicle, you feel that many things are made of metal, but this is actually made of ABS or other plastic, lightweight. Everybody wants to become a lighter vehicle to increase the efficiency.

**Jenish:** Okay sir. And my last question is, how do you determine the pricing in Type IV cylinders and what is the margin for cascade and automobile OEMs considering passenger vehicles and commercial vehicles?

**Bharat Vageria:** Again passenger, chemical is different, cascade pricing is that all inputs cost in that plenty of products comes in to use, in that special polymer is used, in that carbon fiber is used and we put the chemicals for bonding, If you ever come to office, you will see that the cylinder is more than steel. It is bullet proof. Even if your bullet goes, it cannot cross the bullet. It becomes so hard, it becomes harder than steel. Long self life.

So as far as the question is, it is depending on the volume. Today, I give an example of LPG cylinder. 8 years ago, when LPG cylinder was made the cost of glass fiber was INR95 per kilo. Now when the volume has increased, its price has increased to INR65 kg. What happens when the difference in volume increases?

Today if you buy 1,000 ton of material, you will get INR100 per kilo. If you buy 10,000 ton, you will get INR95 per kilo. If you get at INR95 you will keep the margin of 18% then you will be able to take the market volume more, you will be able to get the more margin, more business.

**Jenish:** Sir, is the margin higher in cascade or passenger vehicles and passenger vehicles?

**Bharat Vageria:** I have told you If I give an example. Today I have limited capacity and I make a 156 liter cylinder then why I will make a 60 liter cylinder in my machine. My time, capacity and productivity liter will be more in 156 liter. Now Price, if I sell a cylinder in a car, I will get INR40,000 or INR50,000. Now if I make a cascade in its place, then my casket, piping, system, everything adds up to the value.

Above that, 18% is available, but we know very well, any person will come in savings today, cost, cost efficiency, then only he will put the vehicle. Today we have made an air receiver tank, the weight of the tank is 5 kgs, 12 kgs. So today it was cost effective, long shelf life is done. So the person does not see its price of it efficiency of vehicle has increased. Now I will give you another example 25 years ago you also travelled in train we have done it.

So you see we used to drink water from tap filled in bottle, today anyone drinks today poor man INR5, INR10 because health is the important he buys bottle of mineral water. So life is safe and if you put a metal cylinder in the car and there is an explosion then your car will be completely destroyed, but the explosion proof in this thing so that your life is not affected there is a safety is concerned.

**Moderator:** Thank you sir. As there are no further questions. Now I hand the conference over to Mr. Bharat sir for closing remarks.

**Bharat Vageria:** Thank you very much to listening us and I hope query and clarification of all the participants have been answered. If anything left, they are free to call to our IR agencies and to our IR relationship manager Mr. Himanshu. We will provide you the requisite answer to them. Thank you very much. Thank you, Abhijeet.

**Moderator:** Thank you. On behalf of Kaviraj Securities Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.