



September 29, 2021

CHAIRMAN'S SPEECH

Good afternoon Ladies and Gentlemen,

On behalf of the Board of Directors of Time Technoplast Limited, I extend a warm welcome to everyone for the 31st Annual General Meeting of your Company via video conferencing. Thank you for sparing time to join us today. I would have very much liked to meet and address you in person, but the pandemic has forced people across the world to adjust their working and living habits. I trust you and your family are keeping well and taking necessary precautions to protect yourself from this unprecedented pandemic COVID-19.

As informed, Mr. K. N. Venkatasubramanian, who has been the Chairman for over 15 years, has resigned as the Chairman and Non-executive Independent Director of the Company owing to his old age, personal family commitments etc. I would like to thank the board members for showing the confidence by unanimously appointing me as the Chairman of the Company. I would also like to thank Mr. K. N. Venkatasubramanian for the significant contributions he has made towards managing the affairs of the Company and for the valuable advice he gave to the board from time to time.

Furthermore, I would like to express my gratitude to all our shareholders for their constant support towards the management team. I look forward to continued support as we take on the challenges of the future. With your support we are confident of keeping up the growth momentum and hope to report even better results in coming years

In my speech today, I will take you through the key financial and operational highlights of your Company, a brief update on the economic and market situation and of course, the outlook for the current year.

GLOBAL & INDIAN ECONOMIC SITUATION:

Global: The global economy is recovering, thanks to vaccination campaigns and fiscal stimulus measures implemented by a few large economies. According to International Monetary Fund (IMF), after an estimated contraction of 3.3% in 2020, global GDP growth is projected at 6.0% in 2021. Among advanced economies, the United States is expected to surpass its pre-COVID GDP level this year. Similarly, among emerging market and developing economies, China had already returned to pre-COVID GDP in 2020, whereas many others are not expected to do so until well into 2023.

India: India is seen as the worst-hit economy in the emerging markets and is estimated to have contracted by 8% in 2020. However, even as inflation concerns loom large and the jury still to be out on the impact of the second wave of infection, India is expected to emerge as one of the fastest-growing economies in Asia. It is likely to return to pre-covid growth rates by the end of the year. As per the Reserve Bank of India (RBI), the Indian economy is estimated to grow by 9.5% in 2021-22. As per the RBI Governor, although investment demand is still anaemic, improving capacity utilisation, rising steel consumption, higher imports of capital goods, congenial monetary and financial conditions and the economic packages announced by the central government are expected to kick-start a long-awaited revival.

PERFORMANCE OF THE COMPANY:

Through innovation and technology, we bring polymers to life and have developed various products by replacing metal with polymers to the extent possible. After achieving the title of being the leading polymer based innovative products company, we now aspire to become the largest Composite product company in the country.

Research and Development stays at the forefront of all activities at Time Technoplast and subsequently, the company has kept adding resources into R&D. A strong R&D team of around 30 people having experience of over 20 years and extensive R&D facility has enabled your company to develop innovative products as a replacement to metal products.

Today, we operate in 11 countries including India and are the largest in Asia. Your Company is the market leader in 9 out of the 11 countries that we operate in.

In **FY'21** the company on a consolidated level, achieved Net sales of **Rs. 3,009 Cr.** with EBITDA reported at **Rs. 391 Cr.** and PAT at **Rs. 103 Cr.** Please note that the performance of the Company got severely impacted in FY'21 due to COVID-19 pandemic.

Compared with the previous year;

- Net sales de-grew by 16%
- Volume de-grew by 17%
- EBITDA de-grew by 22%
- PAT de-grew by 39%

Things improved towards the end of the financial year and during the First Quarter ended June 30, 2021, the company achieved Total Revenue of Rs 755 Cr (a year-on-year growth of 59%, EBITDA of Rs 101 Cr., and PAT of Rs 29 Cr.

It is your company's ongoing goal to create distinct value-added products with a huge market potential and better profit margins.

The value added products which include Intermediate Bulk Container (IBC), Composite Cylinder and multi-layer multi oriented cross laminate films (MOX Film), de-grew by 13% in FY'21 to **Rs. 596 Cr.** as compared to Rs 684 Cr. in FY20. The share of value added products was 20% of the total sales in FY'21 as against

19% previous year. The company continues to focus on increasing the share of value added products in its turnover, which would also increase the overall EBITDA margins of the company.

FY'21 has been an important year for the Company. During August 2020, your company was the first in India to receive the coveted approval from Petroleum And Explosives Safety Organization (PESO; formerly CCOE) and Bureau Veritas under International Standard ISO: 11119-3:2013 as applicable, for manufacturing of Fully Wrapped Carbon Fiber Reinforced Type-IV Composite Cylinder (No metal) for CNG Cascades.

The company also successfully developed CNG Composite Cylinders for On Board application (used on automotive vehicles like cars, buses, trucks, three wheelers etc.), for which it received the approval from PESO and Bureau Veritas under International Standard ISO: 11439:2013 as applicable.

Under the Government's initiative of "MAKE IN INDIA", we are the first and only Company who has received approval for Type-IV Composite cylinder for application in CNG Cascade and On-Board. Your company has also started receiving overwhelming response for Type-IV Composite cylinders CNG for application in Cascade and On-Board.

Moving on to our Established products portfolio that constitute 80% (P.Y. 81%) to our total revenue. The established portfolio de-grew by 16.7% to **Rs. 2,413 Cr.** as compared to **Rs. 2,896 Cr.** last year.

DIVIDEND:

Ladies and Gentlemen, now I come to the dividend proposal for the financial year 2020-21. The Board of Directors have recommended a dividend of 70% i.e. Rs. 0.70 per share of Rs. 1 face value per share. The Dividend payout has increased by 20% and stands at 15.3% as compared to 12.7% previous year.

BUSINESS OUTLOOK:

Industrial Packaging

India is on the verge of becoming a worldwide chemical and petrochemical manufacturing hub. The Indian government has launched a number of flagship programmes such as Make in India and the Aatmanirbhar Bharat Abhiyan to provide much-needed support to this sector and create a facilitative environment to attract further investments. On the other hand, consolidation in the chemical industry, environmental reforms and tightened financing is changing the structure of China's chemical industry, resulting in uncertainty for companies dependent on the country for their supply of raw material. Furthermore, the COVID-19 epidemic has pushed businesses to relocate their supply chains and search for alternate areas, such as India, that provide low-cost labour and favourable investment policies.

You all are aware that your company has majority of business (70%) of packaging products, which are considered as 'essential products' as they are used by chemical, agricultural, pharmaceutical and food product companies including

FMCG. Thus, even a small movement out of China can result in significant demand increase for our products in India and other Asian countries where we have presence.

Composite Cylinder

I am very pleased to announce that after a long wait, Government owned Oil Marketing Companies (OMCs) have started to procure Type-IV LPG Composite cylinders and the Company has received trial orders for 30,000 cylinders (appx) for various destinations in India. Apart from this, the Company continues to export its LPG cylinders to over 40 countries.

Furthermore, the Company has good order book for its Type -IV Composite cylinders for CNG Cascades and has also started receiving orders for the recently approved Type -IV CNG Composite cylinders for On-Board application. The current order book is at around Rs. 85 Cr. There are several RFQs / Tenders at advanced stage of finalization with various Gas Distribution Companies / Institutions where the company is participating and expected to finalize in the next 2-3 months

With the Composite cylinder (LPG and CNG) operations of the company picking up along with stable core Industrial packaging business, we are very excited about the future prospects.

New Products Under Development

We believe that Composite is a material of future replacing metals in high performance applications and hence we are shifting from Tech based products to High-Tech products with focus on Composites. The company is developing a number of new composite products like Oxygen Cylinder, Composite Air Tanks, Hydrogen Cylinder for Fuel Cells, Composite Water Heater etc. which have huge growth potential in the future.

CAPITAL EXPENDITURE (Capex)

The Capex incurred for the financial year 2020-21 was around **Rs. 104 Cr.** Capex towards established products for capacity expansion, re-engineering and automation was **Rs. 67 Cr.** while Capex for the value added products was **Rs. 37 Cr.**

During the current financial year i.e. 2021-22, the company envisages Capex of around **Rs. 125-150 Cr.** towards routine and maintenance capex and towards capacity expansion for CNG composite cylinders.

RATING

The Company continues to be rated CRISIL AA-/Stable (Long Term) and CRISIL A1+ (Short Term) by leading Credit Rating Agency- CRISIL Limited (an S & P Global Company).

ACKNOWLEDGEMENT

I would like to show my gratitude towards the Board and the entire team for their continued support and belief. Their trust in our business propositions and policies along with their suggestions for the adoption of new technologies has helped the Company scale new heights.

I would also like to convey my deepest appreciation of the relentless efforts put in by Team TIME. Indeed, the impressive milestones achieved so far, is a tribute to their dedication.

Lastly, On behalf of the Time Technoplast Board I would like to express my sincere thanks all our shareholders and bankers for their consistent support and understanding during these difficult days.

I wish all of you to stay safe & healthy and hopefully this time next year, we'll be able to meet in person.

Thank You.

(Chairman)