TIME TECHNOPLAST LTD.

Bringing Polymers To Life

"Time Technoplast Limited- Analyst Day"

June 17, 2021

MANAGEMENT: MR. ANIL JAIN – MANAGING DIRECTOR

MR. BHARAT VAGERIA – DIRECTOR, FINANCE

MR. RAGHUPATHY THYAGARAJAN – DIRECTOR, MARKETING

Diwakar Pingle: Good evening to all of you and welcome to Time Technoplast Analyst Day event 2021. Here is a short corporate film on Time Technoplast which won't be more that 2.5 minutes. Please enjoy.

Corporate Presentation Video played.

Diwakar Pingle: So, without much ado let's begin the proceedings now. Let me begin by introducing the management team from Time Technoplast that will take us to the proceedings today. We have Mr. Anil Jain - Managing Director, Mr. Bharat Vageria – Director, Finance and CFO and Mr Raghupathy Thyagarajan - Director, Marketing. They are also joined by Mr Sandip Modi -Senior VP Accounts and Corporate Planning and Mr Hemant Soni – Head Legal and Group Company Secretary.

As far as the agenda goes, we will run through a presentation that will highlight the company overview, talk about the company, updates and strategic overview and rounded up with the financial overview. During the course of the presentation, all investors will be in listen only mode and there will be an opportunity to ask questions once the presentation concludes. I would like to remind you that our discussions today might contain forward looking statements. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflects our opinion only as of this date of presentation. Please keep in mind that we not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. This meeting is being recorded and a transcript of which will be available on the company website at www.timetechnoplast.com. With that said, I'll now hand over the floor to Mr Jain. Over to you sir.

Anil Jain: Welcome to all the participants and I remember we met about a year ago in 2020, it was an analyst meet which was very well attended. Unfortunately, we could not do anything in between because of the Covid situation but I think this analyst meet with investors will be now on calendar every year, and we will try and increase this interactive participation.

So, let's start with who we are, of course you know a little bit about the company already but even at the cost of repetition I would like to bring you up to speed because there has been a lot of changes that might have interest. We would like to think we are a leading global industrial packaging company. As the statistics are available, we are the fourth largest industrial packaging company worldwide behind three giants namely Schutz, Mauser and Greif. Schutz is a German company, Mauser and Greif are US based companies. All three of them are more than 100 years old and grown their business over a period of time. So, we joined them of course at the fourth position with a gap between the third and the fourth one. Then, if you look back at the history of the company, there has been common to all that we did. It was technology, innovation, and polymers and that is exactly what we do when we say that we bring polymers to life. In terms of technology and

innovation we have done few things in the past, we are the first one to launch Type-IV composite cylinders for LPG in India, and we are the second largest producer of composite cylinders worldwide. We are the second largest producer of MOX film that is technology-based product, multi axis oriented multi-layer film, we are the second largest in India. In the last few years that we came into the HDPE pipe business, we have assumed a significant position. So as far as the industrial packaging is concerned, that has been our main stake, we have more than 60% market share and the interesting is that we have retained our market leadership in last 20 years that we have been in this business. As you know we have actually ventured out of India and we have got manufacturing locations in 11 countries. In this short period that we are there, we have assumed market leadership in 9 out of 11 countries that we have presence in and then we also launched intermediate bulk containers for the first time in India and with the efforts in India and also overseas we are now the third largest producer of intermediate bulk containers. When it comes to large size plastic drums we like to think that we are the largest in the world.

So, our today's presentation will cover company's overview, updates and strategic outlook, and the financial overview.

Just to touch upon our business at a glance. We categorize our products into two groups; one is established products and other one is value added business which is relatively new. Industrial packaging is our main stake, it is about 67% of our total revenue, infrastructure related products that we have identified as polyethylene pipes, energy storage devices etc, that has 9% of the share of our business and technical and lifestyle products have 4%, and the value add business which is 20% of our total revenue. So the established business is 80% and the value added business is about 20%. Intermediate bulk containers comprise of 10% of our total business, composite cylinder is 6% and MOX films or Techpaulin that we call it brings 4%. Now, if we look at our business in India and overseas, 69% of our business comes from India, all products put together and overseas which is largely industrial packaging business brings in 31% of our total business. Like I said, we have got presence in 10 different countries outside India, especially in Asia and MENA region. We have 14 recognised brands and over 900 institutional customers globally. And what makes us do this is that we have a very strong R&D team, which keep developing new products and new processes. As a matter of principle and the policy we spend 1% of our revenue on R&D every year that keeps us ahead of everybody. Industrial packaging, which is like I said the largest business, we cater to the industries that are specialty chemicals, FMCG, construction chemical, paints, pharmaceuticals, food products and Lube oil and additives. So, you can imagine our customer base is widespread and we do not have over dependence upon a particular customer segment.

This is just a collage of some of our key customers, but many more like I said more than 900 and that wasn't possible to put on one single sheet but we did talk about some of the top multinationals they are our customers in India and other countries whose names with brands are mentioned here. Also in India we are servicing almost all the large companies who are using

one or more than one of our products. Before moving to this slide, I would also like to tell you that like I said we do not have over dependence upon a particular market segment. I would also like to highlight here, that no single customer of ours has more than four or maybe maximum 5% of our total revenue. On a given day, if they don't like the colour of our skin or the size of our nose we can still remain in business.

As to my co-promoter or the founder of the company, we have Mr. Bharat Vageria sitting next to me, Whole Time Director, Finance. He has a degree in commerce and the fellow of Institute of Chartered Accountants, and he has been in this industry as long as the company has been here or more. Mr. Raghupathy Thyagarajan he is our Director Marketing; he is a graduate in Science and Business Administration has been there from the inception of the company. Mr. Naveen Jain unfortunately could not be present today because of some prior engagements, but he is an Engineer and passed out from IIT Delhi. He has been for 30 years in the company, right from the inception. So, Bharat, Raghu and Naveen are the co-founders of this company. As to me I did my graduation in science, I did thereafter engineering and then I did my business management, and was the first one to start this company almost about 30 years ago. If you look at number of people. The total employees 3,850 worldwide and I am very pleased to tell you ~11% of our total employees are of foreign origin, because we have overseas operations. 455 are the professionals which includes Engineers, Chartered Accountants and MBAs. I would like to highlight 30 people are from the research and development. R&D like I mentioned is the backbone of this company and we spend 1% of our revenue on R&D. Normally when we try to economize on other activities, we have a fight as to why we aren't spending enough on this particular activity. But what is interesting is that the company is fairly young, if you see the median age of the people that's about 32.5 years and probably the average year of employment could be somewhere between 17 to 18 years. So, once the people come into the company they tend to stay and work harder for the company which makes me believe that we must be doing something right that people like to stay with us. And then, the interesting thing is Median age is being what it is, there are many more years to contribute to the growth and prosperity of this company.

So, like I mentioned we are present in 11 countries. Going on one side to Taiwan, Malaysia, Indonesia, Vietnam, Thailand, of course India is our main centre and on the other side we go to UAE, we have got factory in Sharjah, Bahrain, Saudi Arabia and also we have got a presence in Africa that's in Egypt. But last few years we have moved to the United States of America (USA), which happens to be the largest market for industrial packaging and we are very focused and excited about the business prospects of USA. So, we are continuing the brownfield growth there and also will be adding some new production facilities in the period ahead.

Just a quick look at what we do, our product portfolio includes drums and containers, jerry cans, conipack pails, HDPE pipe DWC pipes and energy storage devices. That is polymer products which are our traditional business. We also have rain flaps, plastic fuel tank which was the first one that we

launched and lifestyle related products. On the value added products that I mentioned about the products that bring us larger EBITDA margin which is composite IBCs, composite cylinder and MOX films that is Techpaulin. So, our focus has always been on innovation and technical oriented polymer products. We are the first to launch PE drums in India. We are first to launch tubular gel batteries. We are the only manufacturer of Anti spray rain flaps in automotive industry. We had launched plastic filter which we continue to supply to some of the key OEMs. We launched IBC for the first time in India and the market lead continues and for the composite gas cylinder we launched, we are the second largest worldwide. Now we are moving towards high tech products that I will deal with separately as well. But in that we have urea tanks, as you know now it is compulsory that all the commercial vehicles must have. So, for the BS 6 norms you must add Adblue to the fuel and that could actually need urea tank so we developed that for the first time. We have also come up with CNG cascades and we have been talking lately about this to the investors as well. We have also done CNG cylinder for onboard applications and we are now developing composite air tanks as you know the buses and trucks require a lot of air tanks for air brakes etc, which are made from metal. So, we are trying to replace those tanks with composites. And then of course oxygen cylinders that is a subject which is very dear to my heart. We have developed a featherweight very lightweight composite cylinder for oxygen, and it can bring medical grade oxygen absolutely between individuals and the institutions that take care of public health. So, these are the new product that we are working on.

Now as you see, we talk about 'time to change'. The company is at an inflection point and we are shifting from TECH based products to HI-TECH products with focus on composite and there is a reason behind it. Because we do believe composite is the material for the future, especially in high performance application areas. So, you will see a tectonic shift in our business profile from now on. On one hand we will be harnessing new growth opportunities in existing businesses. We are very excited about what we are doing and then we will be launching new products with huge business potential, mostly in composites. Going forward, we would like to think ourselves to be the leading composite product company in the country and we are taking steps in the direction of both in terms of setting up production facilities and developing new products. As we deal with it further in this presentation, some of these new products will not only give us a lot of business in future, but we will also improve our margins and these essentially require lesser working capital. So, we will be able to manage all working capital with the introduction of these new products. It is just not the expectation or aspiration, it was strength from the fact that we were the first one to launch composite cylinder for LPG. Few million of the cylinders have gone out in the marketplace and are performing exceedingly well. During this process, we learn the technology, we learned the product design and all the finer nuances of composite and the manufacturing processes to develop newer products. So, that changes what we have started and rest continuing.

So, these are the composite cylinders for LPG that we launched. This technology came from Aerospace, we got it from Europe. We have an

installed capacity of 1.4 million cylinders per annum (1.4 million p.a. when same size cylinders are manufactured and 1 million p.a. when different size cylinders are manufactured) that is what we can manufacture. We have innovative options for domestic, commercial, PU, boats and forklifts. There are many applications and we are supplying it to over 42 countries already and new countries are being added to. The advantages of these composite cylinders are that they are explosion proof, lightweight, long shelf life, useful life, no corrosion, and they are translucent so you can see that the level of LPG inside of these cylinders. I know a natural question you would ask me is whether India included in these 42 countries that we are supplying to. The answer is yes and no. We have supplied it to Go gas, Reliance gas etc but now it is gathering momentum, we have reasons to believe Indian Oil Corporation will be coming out with a major tender. But until now not much of a breakthrough has been made in the Indian market and the reason is simple composite cylinders are about 30% more expensive than the metal cylinder and for some strange reasons the public sector, oil companies are not wanting to invest in this new technology. My heart goes out to about 50,000 people who have lost life between 2009 to 2019 due to cylinder explosion and related accidents. The time has come when we must save those lives and I think it is dawning on upon Oil marketing companies who have started looking at composite cylinder with interest. So far as we are concerned, we have the right sizes and the design available, and the moment OMCs are ready we will be very happy to fill in the requirements. We have exported to 42 countries, like I mentioned, and those cylinders are performing exceedingly well in most difficult handling and environmental conditions.

Now, what is a composite cylinder let me just touch upon that. The cylinders are made from four categories. One is type-I cylinder which are all metal cylinder, something similar to what EKC or Rama cylinders is making, so they are all steel cylinder. The other one is type-II, which is metal in liner with a small layer of composite material. The third ones are where you have fully wrapped fibre but the in liner is made out of aluminium or any other metal and then we have type-IV which is the most advanced and the best one where the in liner is made from polymers and you have the fully wrap with the binding of glass fibre or carbon fibre. So, it is made from composite material so that there is no permeation of gas inside, there is a boss on one side so that the valve could be fitted. So, there is a shell, there is a binding and the boss. The advantage is that increases gas carrying capacity because 70% lighter in weight, increase fuel efficiency obviously because of the weight reduction improves. They are a totally maintenance free because they do not have any metal parts, so there is no rusting or corrosion and then there's a very long shelf life or the useful life the reason is again most of the times cylinders actually are discarded most of the time because of excessive corrosion or rusting or the deformation that takes place because of tough handling and needless to say that composite cylinders are completely explosion proof. So, no matter what application these are using in, they are safe all around. There is a distinct method in which we are working; you see the CNG business is in consonance with government's policy. As you know, the government has come up with a policy where they have laid out the future plan for the use of CNG in India. So, we are actually

looking at cylinders which can be used for and in relation to storage and transportation of CNG. So, we are seeing the gas distribution that's one area where you will require them for cascades, mobile refilling units, I will deal with these specific applications further in the presentation. Compressed biogas plants that is a major thrust area with the government and gas generator for telecom tower as you know telecom towers they have to have generator sets which are run on diesels, where there is the spillage of diesel and it's very expensive to run it. Most of the company tower people are going to switch over to gas generator where you will require CNG to be brought to tower where they will generate the electricity. This way the spillage of CNG will be avoided and the operating cost will reduce dramatically. If you take the payback period for gas generator is between 8-12 months depending upon the size of gas generator. For on board application, we are looking at roof mounted buses, I will show the picture later, where the cylinders are mounted on the top and then we have chassis mounted truck, so for the commercial vehicle it can be mounted on the chassis. Then there is also the CAB mounted trucks so behind the truck cabin, i will show you the picture again. In the boats, also for the passenger cars though I must admit, we are not focused right now on passenger cars and there is use for three wheelers and two wheelers.

What is a CNG cylinder cascades. I am sure you must have seen them on the roads. We normally have a gasification unit where LNG is converted into CNG and from gasification unit that CNG must be brought to the gas stations where it has to be dispensed for the vehicle. So, the battery of cylinders which are mounted as cascades. They are mounted on a vehicle, and they are instrumental in bringing in CNG from the gasification unit to the dispensing point. Mostly cascade till now have been made out of metal cylinders. If you use the type IV composite cylinder for the cascade, you can bring in almost 2.2 times more gas because the weight of the cylinder is much less and therefore with the same carrying capacity of the truck you can bring more CNG, and this reduces the per kg CNG transportation costs significantly. Normally the problem in gas station is that because of the limited capacity of the cascade, they have a dry out during the peak hours and have to wait for the next cascade to come in. Because, you can bring in two times the gas in the same cascade with Type-IV cylinders, you can completely avoid the dry out. These cylinders and also the cascades are approved by PESO. So, I am very pleased to tell you that we got the approval for our composite cylinders and some of our customers who are making cascades have actually also got approval from PESO. We just started offering cascade recently and have order of about 53 crores which are under execution and several of our cascades are in operation and we have received very positive response from the user industry. If you go by number of cascades tenders which are in the process, the business is many times more than what we already have. So, this is typically a cascade it can carry double the quantity of gas, and operating costs is reduced to half. So now if you take the cost of the cascade and also the cost of the truck on which it is mounted, you will find that despite of the cost of cascade being half the overall capital cost is quite comparable with type I cylinder cascade and the truck. So, the capital cost is more or less the same and at the same time, operating costs is less than half so there is no brainer that people would like

to switch over to a type IV cylinder cascade for the requirement of CNG in the future.

I don't know whether you have seen the newspapers, but there have been several news items wherein only recently on June 8, 2021 Honourable **Minister of Petroleum and Natural Gas, Mr. Dharmendra Pradhan** has launched what we call as mobile refuelling unit for CNG. Now, one might wonder what this mobile refuelling unit is. Now, you have to go to the gas station to get the CNG, government is now changing it completely. What they're saying is we will bring CNG to your doorsteps. So, this mobile refilling unit is nothing but a type IV cylinder cascade as a major part of it and there is a compressor mounted on the vehicle, so that the CNG gas can be filled on the vehicle. Each MRU can fill in something like 300 or 400 vehicles a day. You don't require a very premium location for the CNG station, it could be by the side of the road, like you have the PUC trucks waiting at the road side or it can be on the highway and the interesting thing is it can actually bring CNG to people who at present do not have an access. So for example, if there's a fleet owner this can bring CNG to his yard where they can fill in all their trucks or buses. School buses, it can be filled in the premises itself and boats, they obviously can't come out of the water and come to the gas station. This MRU can actually reach them out and another advantage of that is it sheer off the peak hour rush. So for example, if a gas station is running out of CNG during the peak hour this MRU you can reach there and share their burden or load. MRU is going to be a very, very interesting concept and government is very sure that with the advent of MRUs the reach of CNG will improve dramatically.

So, talking about CNG cylinder for onboard application, in the first one you can see the dump trucks, which is for garbage. We have chassis mounted trucks, so the cylinders can be mounted on the chassis underneath. We can also have CAB mounted trucks were behind the cabin, there could be a compartment that can be created and the cylinders can actually be placed inside of that. You see the roof mounted buses, you see about seven or eight cylinders which can be mounted in the top. Up till now, there are buses which have these modules of CNG cylinders on the top of the bus but they are metal cylinders. Now the problem is if you have eight cylinders, you are talking about the dead weight of about 1.2 to 1.4 metric tons. Now imagine loading 1.4 metric tons at the top of the bus and it takes a sharp turn, the bus can actually turn over which is very risky. So therefore, you need to have something which is lightweight and can carry the requisite amount of CNG. So, we can reduce the weight by almost 80% and therefore this is going to be very popular for the bus stops of course, this is equally true for the commercial vehicles also, but we will come to that a bit later. Of course, the changes have started taking place for the boats, as you know in the constituency of the Prime Minister of India, Banaras. They are changing all the boats from diesel to CNG. So to reduce pollution, they can be mounted on the boats, also in the cars. Of course, cars can be a big user for type IV CNG cylinders. It can even go to three wheelers or two wheelers, both at the level of OEMs and also in aftermarket.

Just to give you an idea about the potential. If you look at this document which has been published by the Government of India, the new CNG stations that have been allotted under the 9th and 10th round are going to be about 8,181. They have to be rolled out in next eight years' time. Number of cascades per gas station is going to be minimum 2, of course some of them may still get the pipeline, but that is a little far fetched. So, the total number of cascades required would be in excess of 16,000. If you take the average cost of a cascades to be Rs.70 lakhs that generates a business of about 11,400 crores, over the next eight years' time for the cascades alone. As you can see in the table below, an excerpt from the government policy document in which you can clearly see the total number of cascades are going to be 8,181. In this picture you can see the cascade with our type IV composite cylinders.

The demand potential for us in MRUs, the government has said that the total gas stations are going to be about 7300 till 2024 and out of that 2200 will be converted into what we call as MRUs. So, the total existing and committed new CNG stations in India in 2024 would be 7300, conversion to MRU will be about 30%, that's about 2200, we will take the cost of the cascades in MRU as 60 lakhs. The total business potential in next four years is going to be 1,230 crores. Incidentally, I forgot to mention earlier that for type-IV composite cylinders we are the only manufacturer in the country. Of course there are some people who import and tried to sell it, but worldwide the key manufacturers are Agility, Hexagon in USA, Luxfer and Indoruss. They are either in USA, and one of them is in Korea. The type-III cylinder there is a aluminium inliner. There's a company called Worthington in USA, Luxfer in USA and Quantum in USA. So there is no one who is manufacturing type III or type IV composite cylinder in our country and considering the fact that the cascades is made out of type IV composite cylinders have numerous advantages that I have numerated just now. There are no marks for guessing that the business will actually get diverted into a type IV composite cylinder cascades and we will be the biggest beneficiary. The potential is just enumerated to you, both in terms of MRUs and also for the gas stations.

Now the compressed biogas (CBG), this is one of the biggest areas that the government is looking at, especially if you remember bio waste, solid waste etc is a big problem to dispose off and now it is coming under the ambitious plan that waste can actually be used for generating biogas and government is giving permission for that biogas to be dispensed from the gas stations, owned by OMCs all by way of MRUs, that I just talked to you about. So, the total CBG plants by 2023 are estimated to be 5000. Number of cascades required per plant is minimum two, one for dispensing and one for going back and bringing CNG to the location. So, the total number of cascades will be about 10,000, if you take the cost of the cascades to be about 60 lakhs each that can be a business of about Rs. 6000 crores in the next three years' time.

I talked to you about gas generators for telecom towers. Total telecom towers are about 1.8 lakhs. We expect 20% of them will convert over the gas generators, there will be about 32,000 telecom towers. The MRU required, either it will be an MRU or a stationary type IV cascades for each telecom

tower, the total demand could be 8000 MRUs. If you take 60 lakh as the cost of cascades inside that MRU, so that alone can be built up over Rs. 4800 crores.

This is the picture that I was talking about. You can see the cylinders on the top of the bus. Normally if you take interstate buses they are required to run about 1000 kilometres in 24 or less than 24 hours time. So, before that they have to fill in adequate CNG which can suffice for their onward and return journey. So, the number of buses on road upto 2024 are estimated to be 2,10,000. We expect the buses which will convert to CNG and that is what are the estimates, 85,000 buses will convert into CNG. Of course, there are ably advice and instruction for the Supreme Court of India in one of their judgments, number of cylinders per bus is going to be about eight. So, the total number of cylinders required it's about 6.8 lakhs. If we take the cost of each cylinder as about 78,000 that generates a business of about 5300 crores. But needless to say, that this will only the buses changeover to CNG, the running cost saving will be about 9000 crores and the incremental conversion costs would only be just 3300 crores. So, you can imagine the amount of savings that both the bus owners will have, and also the government will be able to save in foreign exchange.

I would like to put in two disclaimers here, that while there is a huge potential for type IV composites cylinder for commercial vehicles, and also for passenger vehicles we are not counting them in just now, because it might take a bit longer for them to convert but that business is as big as the cylinder business that I've just talked to you about. And the second disclaimer is that in the projection that we are making or our future till 2024 we have not considered the business that will be coming out from CNG cylinders or cascades or the related products. So that has not been counted in. I am sure we will include them as in when this business materializes.

If you look at CNG cascades, we said that the total business potential is 11,453 crores in the next eight years' time, so that's about annual of 1,432. We have said conservatively we will be able to convert 50% in composites. So, for us the business potential is about 716 cores. In the case of MRUs potential is 1320 in four year time. Every year 330 crores, we will take only 50%, our market share that is about 165 crores. Compressed biogas is about Rs. 6000 Crore business in three years' time, so that makes 2000 crore every year. We are taking a lower percentage here because the pan out might be a bit slow, about 400 crores per year. Gas generator 4800 crores is the total business potential in next four years, 1200 crores per year and that about 240 crores for us. We will convert only 20% composite type of cylinder. And CNG for intercity buses which is a very large segment of 5304 crores four years, and about 1326 crores per year and that marks about 663 crores per year. So, you can imagine from these segments, we can expect business of worth 2200 crore, where we would be favourably placed. All have certain advantage of going in with composites cylinder. Like I said, commercial vehicles and passenger vehicles which have or probably more business potential we have not factored in because the data has not been assimilated yet but I'm sure we will be discussing that when we meet next time.

Oxygen cylinders, we call them feather weight oxygen cylinder because we are talking about weight reduction by 80%. It will be in medical grade oxygen, so there will be no corrosion, no rusting therefore, there will be no black fungus or any impurities in the oxygen. And we expect, like Japan and UK people will in future require what we call HOT that is home oxygen therapy. So, there is going to be a individual requirement of oxygen especially for those people who have suffered during COVID-19 and may still have some after effects after they are fully cured. But in any case, we will also be supplying it to hospitals, nursing homes, etc. With a much lighter weight, they can straightaway go to ICU and can stand in a corner without any problem of handling etc. So, we have made the prototype, we will undertake the trials now and we are expecting that in next three to four months time we will probably be closer to getting an emergency clearance for the use of type IV composites cylinder for medical oxygen purposes. So, these are the new products that we are still developing. What I have discussed about up till now the type IV composite cylinder for CNG that has already been done, development work has been done. Now we have to kind of lay it out in the marketplace. These are the new products which are at various stages of development. Oxygen cylinder just talked about, the compressed air tanks for buses and trucks, where we will be replacing metal air tanks to the composite air tanks, advantage being no rusting, no corrosion and light weighting of the vehicle, which is a prime requirement of commercial vehicles, passengers cars and buses. So therefore, they will look at the possibility of replacing metal air tanks to the composite air tanks. I am sure you would be aware of hydrogen cylinder for fuel cells. Next 10 years time, we will see a lot of vehicles which will be running on hydrogen. So the hydrogen on the vehicle will have to be stored inside of cylinders, which can be light in weight and can withstand the bust pressure of up to 1200 bars, mostly we'll be able to do that. So, type I, II and III are completely out of that, type IV composites cylinders are the only one which can meet the requirement. So, what happens is that we use hydrogen, then you have a fuel cell where hydrogen oxygen is converted into electricity and the vehicle is then electrical vehicle. There is going to be large requirement, it will not be proper for me to mention, but one of the very large company in India is already looking at hydrogen cylinders presently for their requirement for telecom towers and also for later on for vehicles. And then, we are talking about composite water heaters, as you know the water heater as geyser what we call are made of metal. And after one, two or three years, they get rusted and start leaking and nobody gives you a guarantee for more than three years. We have now come out with a composite tank for the geyser where the manufacturer would be able to give a lifetime guarantee for the geyser. We are working with two geyser manufacturers in the country and we are very excited about it. In this one, the rollout is not entirely in our control. We are developing the product but those geyser companies at some stage would like to launch and pass on the benefits of the technology to their consumers.

So lets talk about the strategic outlook. I think it will be more of a repetition, but I would still cover it up. What have we achieved? We have achieved 9% CAGR in 10 years' time. We are the leading global industrial packaging company, like I mentioned 4th largest in the world. We are amongst 600 BSE

companies, by the market cap and of course we can have been a lot better. We are market leaders in industry packaging in 9 out of 11 countries, that shows the calibre of the people and the quality and service of our products and then we are expanding in USA. We already are operating at three locations in USA, USA is a very big market, and the location that we are there, we are able to sell everything that we produce every day. So, we are looking at expanding our production base, so there'll be a brownfield expansion there and we may add 2 new locations in USA in the period ahead, to be able to tap on a huge business potential that has risen there. We achieved a revenue of 3000 crores last year, of course year to before we were 3500 crores. PAT last year was 103 crores of course was lower than the year before that. Like I mentioned that the plastic drum we are the largest in the world, second largest in composite cylinder, in IBC we are the third largest, and we are significant player in HDPE pipes and the MOX films. So in the core business we are strategic partners worldwide for global chemical companies across 11 countries. So, we are one stop shop for all these multinationals, where they can have a contract with us and buy in any country of their presence. There is a great advantage they have. No single customer for us is more than 5% of our revenue. That shows that we have spread out our stakes and not concentrated on a particular customer or market segment. Long standing relationship with over 25 years with customers. We virtually lose no customer. Once the customer is in our fold we only keep adding more to it. I don't recall having lost a customer. And then we have got 20 locations in India and 10 countries. If you see, when I showed you the map we are concentrating more on the west side because that's where the chemical industry is but I'm pleased to tell you that none of our major customer is more than overnight journey from one of our production facility. We are in a position to offer just in time deliveries to our customers. So, future growth segments with increasing popularity of IBC, we will be tapping on to this huge business. HDPE pipes, we are expecting because of government thrust on bringing drinking water to every home, composite cylinder business is going to be further expanding as we explore new markets and of course if India switches over even in parts to composite cylinders for LPG, then the capacity that we have will be miniscule as compared to the demand that OMCs might actually have. And then we have a huge business potential out of type IV CNG cylinders and more, but that is in our reserves, and we have not factored that in our business plans already.

So, there are a few foundation stones on which the company stands today, professional and experienced promoters and a professional management team, established in-house R&D. So, that is key to whatever little we have been able to do. We keep inventing or bringing in new products which can give us better margins, excite our customers and of course help us reduce our working capital. So, we are focused on innovation and new products. We are going to be Atmanirbhar. So, the growth shall be funded mostly by internal accrual. After the IPO in 2007, we raised equity capital only once that was in FY17. So, we have not diluted or raise capital we have been managing it from within the resources that are generated by the company. Like I mentioned that we are at an inflection point, moving from technology based products that I talked about to high tech futuristic businesses largely around composite and related products.

What we have missed out during these years is that the economies of scale, we actually have to build up further of this. Our ROCE have been below our expectations, so it has been below 20% that was our target. We have not been able to fully realize the economy of scale overseas as well and now we are tapping into the global opportunities that I mentioned about the USA and in some other countries. Working capital has a lot of scope for improvement, we started improving upon it but due to weak economic growth, regulatory changes and certain black swan events the improvement had not been as significant as we had expected to but like I mentioned, all of our new innovative products and also futuristic products are designed in a way that not only they will have higher EBITDA margin but a lower working capital requirement will be in those businesses. Also, we have carried out a study as to how we should reorganize our business, we have been talking about it. We have used the help of an outside agency as well. So, we are now looking at consolidation of business and disposal of non-core business/ assets, so we have identified certain assets and some businesses which we will like to disinvest and use those proceeds for our growth of the existing business or expansion into the new products.

So, the next few years are key priority areas are maintaining growth momentum so we have a lot of growth opportunities, even in our existing businesses and also the high tech business that I mentioned to you about. Improve our ROCE and enhance shareholders value. One area where we have missed out completely is our interaction with our valued investors which has been rather low key. We would now be coming back to investors and excite them about what we are doing more often and be open to suggestions or advice that might be coming our way. Of course, there have been one point that have been nagging us and also to investors that part of our promoters shares are pledged but that use to be at some point in time, something like 16-17% which is now close to about 4% and I will cover that in the subsequent slides.

About maintaining growth momentum of the past, I would say that we are looking at the chemical, pharmaceutical, food & beverages, these industries are going to grow significantly. The interesting thing is China which has very large companies in the segment that we supply industrial packaging, is the largest market. If only 5% of that market shifts over to India and there are a lot of people who do believe that some of the business from China will get shifted over to India and we can see the early signs of that because some of our customers are now adding products for exports which otherwise were being sourced from China earlier. The multinational companies who have been in China and also are there in India, they are shifting some of their products from China to India and they will be catering to whole of Asia or Europe or North America out of India. So that would mean that the need for packaging will increase substantially out of India.

We by fiscal 2025, expect to be more than 5000 crore company. Again, without including our composite business there is a huge growth opportunity for global industrial packaging market, like I mentioned above. Now, if the business shifts from China it would mostly go to the Asian

countries and we are uniquely placed by having manufacturing facilities in countries like Taiwan, Malaysia, Indonesia, Thailand, etc which are going to be the direct beneficiaries. And if that happens, not only our business in India will grow but our overseas business in Asia and MENA region will also go significantly. IBCs will be bringing a lot of growth. Because of the metal prices being higher we expect that some of the metal packaging will shift over to the polymer-based packaging. CNG lead business which has a annual potential of 2200 crores, we will start tapping on to it and I am sure by 2025 it will be contributing significantly to the turnover and EBITDA and will also improve our overall EBITDA margins and ROCE.

I would ask Bharat Vageria to take you through the next slides please.

Bharat Vageria: Good evening gentleman. As far as improving our ROCE and enhancing shareholder value is concerned, we have done the analysis and showing by the way of graph. You will see by 2025 we are expecting the ROCE of around 20%, this is the target we have and in this projections as Mr. Jain has already said we have not factored the business of the CNG cylinders. Because every time I have been asked questions by the investors, therefore, we have analysed as to how to get this ROCE which apart from this COVID-19 period is 16% in 2019. This is visible here and I am keeping apart this Corona period of 2 years but then from 16% to 20% how it will be. We will do the improvement in three areas, by increasing the share of high margin value added products as the current value added product, we have already mentioned includes IBC business, composite cylinder business and MOX films business. So, the percentage of this business is going to increase. Working Capital, again as we mentioned in value added product, we are going to set new guidelines, we will reduce the inventory cycle time, we will reduce the receivables. So, the working of the cycle time will also be reduced. I will cover this in my next slide. Then, as we mentioned, disposal of non-core business and assets as Mr. Jain has already mentioned to you that we have identified areas where we can do some kind of hive of these assets and can use that money for our use in expansion.

Now, as you will see from this chart how the share of value added products is increasing from FY16 to FY25. In FY16, the established business was 88% and value added product was 12%, in FY25 you will see this at 78% and 22%. The valued added product margin will improve overall EBITDA because EBITDA margin which is 14% in the established products is high in the value added products, at around 20%. Established product already, we mentioned that these are established business. Value added products are IBC, composite cylinder, MOX films again this business are high value added products, whose potential Mr. Jain has already mentioned but have not factored this in our plan currently.

Now this is the working capital cycle. You see, earlier in FY18 the working capital cycle time was 86 days, in FY19 it was 90 days, but apart from 2021 we are targeting a net working capital days of 80 days by FY25. This will help company in increasing the ROCE. We have mentioned that we will work on 3 fronts, reducing the debtors, reducing the inventories and negotiating longer payment terms with the creditors. Because we have now established

our credential in the overseas market, so, we will be able to get longer credit from the suppliers. Other things in receivables, we will use the new products which is available by the banking channel and use of the bill discounting negotiate lower payment terms, no credit period offered in value added products. Inventory, yes, we are working out because we have some of the products for which we need to import inputs (raw material) as locally it is not available and we need to carry large inventory considering the order to receiving time. Our R&D team is working with local manufacturer of polymer and we are developing some product so the inventory sourcing time that will help us in reducing the inventory levels here. Creditors, as I mentioned to you in overseas business we are trying to negotiate longer terms without increasing the overall cost.

Now, dispose of non-core business and assets, the company management has identified and decided to exit from non-core business of medical products, furniture business and battery division. Assets worth 60 crore have been identified assets and classified as “held for sale”, this is excluding the battery business because at present scenario we cannot estimate the value of the battery business it is again dependent on what time it will take it because the ongoing business will be tech based and even as a battery business as an independent today is a self-sustained company except this Corona period. Yes, we agree they have not given the required ROCE which management expected but we hope, once we are able to get our realisation value, the money will be used for the other meaningful assets. Now the assets which is 60 crore identified are land and buildings which the company at one point of time acquired for expansion in the different locations but company management then decided to consolidate operation at particular location to reduce the administrative costs. These lands and buildings are available which can be planned as the market normalize and encash the value. Molds and tools related to medical business, we feel it is a good time because many companies are looking to buy some kind of the medical products so it will help them to get these tools and molds which are readily available and with all the approvals in place. Other items include business related furniture business. One point of time, personally it was very good, but now it is almost a 20 years old and non-technology business. So management had decided to opt out but again, I am clarifying the injection moulding machines, which are common machines for manufacturing of the packaging accessories, for manufacturing polymer space, that will continue remain with the company but the molds and tools which can be disposed off.

Now, this is the capital roadmap allocation. This is just giving you an idea. So, in the last results have been given up to March year ended 21, this is the projections estimated from March 22 to 25. About what will be the cash generation, profit after the tax of 1235 crore without considering any increase in the debts. Source of the funds same 1235 is available. Increase in net fixed assets after depreciation will be 105 crores, increase in the net current assets because of the growth, because of the expansion 230 crore and repayments of the debt 195 crore leads to application of funds 530 crores. Year to year is available so by March 25 the total surplus available will be 705 crores which can be used towards the payment to the dividends,

which will be decided time to time, development of the new products and reduction of debt that depend on the every year situation which the management and the board members will decide. Internal cash generation remains strong, which is visible from here. Atmanirbhar, self-sufficient, as we will not need external source of funds. Target net debt to equity will remain the range of 0.1 to 0.4x, assuming net debt is maintained at the current level in the absolute number. Leverage would come below 0.3x. Average gross capex which is in the range of 175 crore less depreciation of 150 crore, so approximately net working comes to 100 crores over 4 years. We will have a large capacity to increase dividend pay outs or buy backs as plan to reduce working capital takes shape; the projected surplus cash of 700 crores which is visible here.

Now, other key priorities, which is a concern for us and our existing investors is to remove promoter pledge of the shares. The share pledge has reduced from 18% to only 4% and our aim is to make promoter holding pledge free at the earliest possible time. I am clarifying here, the share is given as collateral security, the prime security is land and building, which has a value of more than the loan taken from the lending company. Also, more focus is required in enhance investor interaction. We have appointed an investor relations agency and have a dedicated in house investor relations team which already we have set up in last one year. We intend to increase the visibility by attending internal and domestic conferences, organising annual investor and analyst meet regularly as Mr. Jain has already mentioned, last year it was held in February and that was physical but today, we thought with the advice of all of our valued investor and agency, we were not waiting for the physical we thought it is better to do on the web also as it is convenient to have. We also plan to have more interaction with the investors, take their advices and facilitate plant visits.

Now, this is the financial overview, we have already mentioned the CAGR growth in the seven years, is ~8%. EBITDA margin is increasing, it was low in FY21 and was down to 13% but because the share of value added products is increasing, the EBITDA percentage will increase in 2025 to around 15.5%.

This is the interest coverage ratio; company has a very good interest coverage ratio and an excellent rating. So, now I am handing over to Mr. Jain.

Anil Jain: So, we have walked you through what we have done and what we intend to do, how things are going to pan out from between now and 2025, both in terms of our product rollout and also in terms of how it's going to affect our performance. Also, we have gone into the details of what steps we are required to take to improve further on the performance. And like I said ROCE being the barometer we are also improving there on. From the ratios you will find that we are favourably placed as our debt to equity is very low.

So, what do we do from here onwards. I have covered partly already in our presentation. Chemical production shifting from China to other Asian countries, I don't know how you look at it because I am sure you are exposed to a lot of companies in the areas of chemical, petrochemical,

textile chemicals and other chemicals in the market segment that we cater to but we are seeing early signs of export of these products, increasing substantially from India, and therefore they will be required to buy the packaging locally. So, we will see a lot of growth not only in India but also Asian operations in different countries would be the beneficiary of business shifting out of China. Number two, the IBC growing faster because those are used for export of chemicals, they are not so much into the domestic market. So if the export increases, IBC requirement will increase substantially. We already have three production sites and the fourth one is under preparation. So, we will be very well placed in terms of capacity and location to be able to serve the requirement of our customers. Polymer and composite products to gain share from metals. Like I said, people have burnt their fingers by the price of metal going up to the ceiling. Wherever there is possible from metal, people will shift over to polymers and we expect that the polymer prices remain stable as lots of new capacities have come up, so we will have a chance. We have seen in the past also, whenever there's a surge in the price of steel we see a definite shift from metal to polymer products and that is a one way street as they are polymer based products and experience the advantage of the product, they will not go back to metal. As you know, Government of India has a major emphasis on recycling, they have started putting restrictions on multinational companies for their certain packaging products, a certain percentages of raw materials has to be post consumer recycled. We have placed ourselves in the sweet spot where we can meet those requirements of these multinational companies and reduce the burden of recycle plastics. Of course, we expect that not only it will place company uniquely but also will help in reducing the cost of its raw materials.

So, with this, I thank you all for the patient hearing I know we have gone too much of detail but we don't get a chance to meet you also often, so we wanted to bring you to the speed of what is happening. I leave it from here to take it forward.

Diwakar Pingle: Thank you so much Mr Jain, Mr Vageria and Mr Thyagarajan much appreciate the detailed presentation. We will now start the Q&A session. In case you have a question, please press the raise hand button and once you have pressed it I will unmute and allow you to talk. I just have a one kind request. Please state the organization that you represent, because it is being recorded I need to transcribe it. So please do that.
The first question comes from the line of Pritesh Chheda, please go ahead.

Pritesh Chheda: So this is Pritesh from Lucky investments. I have couple of questions. One, what you mentioned on CNG cylinders will it entirely be incremental business for us or today in our cylinders business what is the share or what is the revenue from CNG cylinders that we are doing.

Anil Jain: Well of course it will be additional business because currently we are not into CNG composite cylinders, we are only in LPG. So this will be a new business for us in terms of technology, in terms of processes etc. Of course it will be an incremental business but in terms of plant and equipment and other testing facilities etc., we will more or less have to arrange them.

Pritesh Chheda: My second question is I appreciate your focus now on the investor value creation and you have highlighted some assets reduction as well. From your presentation there were a couple of slides about China shifting, India opportunity and today, more than 50% of our packaging business is from India. So, if that is the case why don't you focus or why are you not focusing on India operations by reducing some of your international operations and by right sizing some of the global facilities, which may also be a way out to improve the ROCE. Now, if growth is the factor then by virtue of shift towards India automatically higher growth can be generated, so why is this concept or probability not there in your calculation.

Anil Jain: You are absolutely right. We are expecting the business to shift from China and everybody is going to be the beneficiary, India included but also the countries like Taiwan, Malaysia, Indonesia, Thailand, etc., they will also be the beneficiary of business shifting out of China. So we are not doing anything at the cost of our oversea business or Indian business, we are very well laid out. In India we have got 20 production sites and we are catering to almost all the customers that require packaging. So as and when the requirement comes up we will keep feeding to that one. Your question is why we don't downsize our overseas operations, I don't think that will be right step at this point in time, when we are seeing substantial growth there as well because India is not going to be the only beneficiary. I would also want to warn you a little bit, we as a country as you have seen in the past we don't need an enemy, we become our own enemy at some point in time. You have seen in between 2004 to 2014 nothing much happened in this country, whereas the world has moved from one place to another. So by downsizing my overseas operations, why do I miss out the opportunity just in case things don't pan out so well in India. You know there is a lot of moving pieces on the Indian economy, I mean can you imagine the availability of labour is a major constrain today and we are a labour intensive industry. People just ran away and they are refusing to come, even if I have a requirement today many a times I am not able to feed it because I do not have enough people in the factory.

Pritesh Chheda: Understood. So, my last question is from the cash flow perspective, why is it that our net working capital has shot up so much in the last three years. And 175 crore of capex per annum which you have put up in one of your slides, if you don't bring down your working capital then how you can repay your debt or no way you can reduce your debt. First of all, why is it that it went out of hand so much by about 30-40 days. And what are we doing exactly to bring it down again to that 90 day or whatever we are forecasted in the presentation.

Anil Jain: I mentioned in my presentation to you, there are certain things that happened during this last two years which have actually increased the number of debtors in terms of days. The non availability of raw material locally necessitated that we have to import a lot of raw material from overseas and that actually increase our inventory of the raw materials also. So, there have been several factors which once in a lifetime kind situation where we saw our working capital requirement going up. As the things have

started stabilizing we are bringing it back to the levels that it was there earlier.

Bharat has already listed out the areas as to how we will be able to reduce our working capital in terms of bill discounting, reducing the debtor days, negotiating better terms on our supplier in terms of credit period and also as the value added business percentage grows in next four years time, you will find that, this is less working capital intensive. So, we will be able to bring the working capital down to the realistic. You talked about the debt, of course I know it's a very important subject, but I have given you the ratios and of course everybody would like the debt to be reduced, but our net debt to EBITDA or debt to book value is very conservative. If you look at my competitors Mauser is about 6.35 times of the EBITDA, Greif is about 3.4 times, Schutz we do not know because that is not listed company. So, I would like to think that we are well within our norms. Now I can use all my resources to reduce my debt. But then, would you like me to miss out on the opportunities that are coming our way.

Bharat Vageria: Pritesh, as far as debt reduction is concerned, our overall cost of the finance in the current situation is 9-9.5% p.a. ROCE itself is at 16% except this Corona period, which is more than the cost of the fund. Debt repayment is not going to increase the ROCE, ROCE increase will happen with the reduction in the working capital which we have already started. Increasing the share of value added products will also help us. Other thing as I mentioned to you, the longer credit period, you remember as we mentioned certain things, what happened in the last three years you are aware that in India certain government restrictions were put on Buyer's credit line and suddenly stopping it. Multiple factors along with government decisions affected the credit. You know, the credit rating of India government was downgraded, therefore the international companies were not providing the credit to the Indian customers. In the overseas, we have now established business in most of the countries and we can now ask because sizable business is there, we can now ask supplier to provide us the longer credit because we have reached sizable business. Relationship is already developed in the five years, that will help us and we are trying to reduce that days. These are the some of the factors.

Pritesh Chheda: Sir, just last question on the nature of debtors. So, whatever is the expansion, the debtor quality, if you could highlight in terms of any greater than six months, what would be the debtor in the books.

Anil Jain: I can give you one database. If you look at our last 10 years our bad debts are less than point 0.1%. So, we have virtually no bad debts at all.

Pritesh Chheda: Thank you sir. All the best.

Diwakar Pingle: Thank you so much Pritesh. The next question is from the line of Harsh Shah. Please go ahead

Harsh Shah: This is Harsh here from Dimensional Securities. Sir, you have highlighted the opportunities that lie for CNG cascades in Indian market which runs into

almost 20,000-25,000 crores. Similarly are you also pursuing opportunities in the oversea market because we have the product, you also have the manufacturing capabilities overseas and as you highlighted yourself that things are getting accepted faster in the western world and even in certain southeast Asian countries. So are you looking at these markets as well to push your products.

Anil Jain: Harsh you have asked very interesting question. If you see my oversea business, I have been very careful in taking my most established business oversea. So, if you see my overseas units there is only thing industrial packaging, which is my oldest business and we know that business inside out. So therefore, the existing well established business in a new geography and a new business in our Indian geography where we have all the infrastructure there with us. Now, if you look at my composite cylinders also, LPG I could have easily taken them to my overseas manufacturing but look at the value of the product my freight cost is like quite low for cylinders etc. because it has less volume days and secondly, the value of the product is so that your trade cost is about 2-4% of the product cost. Therefore it is better to consolidate all your manufacturing with regard to the composite cylinder whether LPG or CNG in India and try to export it out of India. Now, your question is very valid for the cascade business and considered we are one amongst three in types IV composites is the cascade and one among four in type III. You would appreciate that we can have a huge export market which can be tapped, but I can promise you once we are able to cater to the requirement in Indian market, that is a market we would look at but mostly exporting it out of India and maybe at a later date sometime we will then go and do the local manufacturing.

Harsh Shah: And talking about your US market you said it is one of the largest market for industrial packaging. Currently, I believe we are only doing IBCs there and even that is manufactured in your overseas plants. So, are you looking to export your other products, the industrial packaging part of your products to US markets.

Anil Jain: Yes, but you will appreciate that our packaging products are voluminous. Many times, say for example one truck which otherwise can take 15 tonnes can only take 300 drums, which will be about 2.4 tonnes. So, it's basically transporting air. So, beyond a point you cannot export it because the freight becomes totally prohibited. Even in India we have 20 production sites because beyond 300-400 kilometres, it may not be very economical to transport the packaging products. So therefore, the overseas market we will cater from the local manufacture there and the value added business or the CNG cylinders etc. that will try and take it to the overseas market from India.

Harsh Shah: Okay, and just last question. So recently there was a news that one of your competitors was blacklisted by the government. So, you think you will be benefiting from this or are you already seeing any benefits out of these?

Anil Jain: Honestly, we don't want to build over miseries of our competitor. But the fact still remains our oxygen cylinder are excellent and they have their own advantage for example, much lighter in weight, no rusting, no corrosion, all

of those features. So, in any case we benefited from this new product, the oxygen cylinder. But of course, the major supplier for oxygen cylinder, the one that you are mentioning about has been blacklisted. Obviously, there will be some urgent requirements coming in. We will be ready to turn that.

Harsh Shah: Okay, thank you so much sir. All the best.

Diwakar Pingle: Thank you Harsh. The next question comes to line of Sudha Kondapuram. Please go ahead.

Sudha Kondapuram: Thank you for organizing this investor meet first of all. It is very helpful for our investors here and congratulations on your great numbers and outstanding future that you are showing us. So, first question is regarding the IBC. As you said there is a lot of shift from China to India for chemical manufacturing. Can you like give us some number like what would be the IBC contribution for this side of the business in the total revenue that you are forecasting of 5000 crores or so, is it possible.

Anil Jain: Our present result for IBC is close to 10% of the total business, but you can imagine we would be having something like 70 -80% of the market share in India. This process of shifting from China to India is a more recent phenomenon which India is experiencing in last 4-6 months, but the indications that we are getting from our customers, both the Indian companies and also the multinational companies is that they would be seeing a significant shift taking place because the customers now and mostly customers from Europe and North America, they would like to buy their chemicals requirement from countries like India, Thailand, Indonesia or Malaysia, rather than going back to China and if QUAD comes through where these countries have a mutual cooperation and will focus more buying from each other rather than going to China, then I would like to think that business can multiply many folds.

Sudha Kondapuram: Thank you sir. And also curious about the LPG side of it, like all LPG cylinders are like steel or iron made. So, what is the progress on that are we getting any like, insights from the industry to use this cascades that you have innovated instead of the steel cylinders that we have. Any progress on that.

Anil Jain: Yes, I'll just give you a brief. We are approaching OMCs for long time but they have their own priorities. Interesting thing is one of these NGOs have filed a PIL in Delhi High Court where in they enumerated that in last 10 years there have been more than 50,000 people who died because of the steel cylinder explosion for LPG. The court directed, that oil marketing companies should be directed to change over to composite cylinder especially in the area where these cylinders are used for in public places, or in the area where fire brigade or other emergency services are not reachable. High Court refused to intervene in this matter but have directed to OMCs that their petition could be taken as a representation and the government should come back within four months' time with their views as to how it can possibly be done. And after that, we have seen a certain movement for changing over to composite cylinders with some standards are in the

process of being uploaded. But just to give you an idea, the bind by OMC for cylinder is about 50 million a year in fact 70 million as well in particular year. We are talking about our capacity only about 1.4 million p.a. at 100% (1.4 million p.a. when same size cylinders are manufactured and 1 million p.a. when different size cylinders are manufactured). So, you can imagine we would also like them to change over progressively rather than from one day to another because otherwise we will run out of capacity.

Raghupathy Thyagrajan: That's as far as LPG is concerned. I will also answer to your second part of the question. We been getting a good amount of responses from many of the CGD companies for CNG cascades and we are moving on to all the CGD companies who have bagged the contract from government for CNG distribution. They are putting up their infrastructure and they are in the plans for buying CNG cascade for distribution. So, we are in active discussions with many of these companies who started carrying order for CNG cascade and initial order supply has also started rolling.

Sudha Kondapuram: That's great and thank you for the insights. One last request, like as you are arranging these investor meets, is it possible for the transcripts to be submitted on the website.

Anil Jain: Yes, it will be done.

Sudha Kondapuram: Great, thank you and all the best.

Diwakar Pingle: Thank you so much. One question from the chat board, does Indoruss energy received PESO approval?

Anil Jain: The answer is yes and no. They have got the approval for the assembly of the cascade because they don't manufacture cylinder in India. And the Indoruss they have to get it from Korea. But incidentally, the import of composite cylinder is very expensive because of the import duty and approval process, etc. So we are pitching our composite cylinders to the CGDs and other OMCs, on the ground that we are the part of Atmanirbhar Bharat and I think the government directives are also very clear that high tech products which are available locally in India need to be preferred.

Diwakar Pingle: Yeah, thank you, Mr. Jain. Vishal you can go ahead now.

Vishal Rampuria: Thank you for giving this opportunity on the entire story about CNG and other areas where you touched upon. So, despite having such a bullish commentary over the market size and opportunity, why you guys have not factored any numbers in your forecast.

Anil Jain: Because my investment bankers always warn me, promise less and deliver more. So, I have kept it for myself, so that I could excite you every year with some pleasant surprises. But you're right absolutely. If we factor that in, the numbers can change significantly and both in terms of EBITDA percentage, and ROCE, something that you always love to hear. And by the way, when I am talking about positive commentary, I am not talking from anywhere else,

I am talking about this government policy document and it's all listed. If you want I can actually scan that and have it put up on the site, so that you can download it.

Vishal Rampuria: Sure. So, one more question on this. So, you said that the entire ROCE and ROE is all going to improve over the next say 4-5 years. So, in the entire projection what can go wrong because last 2-3 years has been quite challenging. So, why you think that next 3-4 years is going to be a massive improvement in your margins, and also your ROCE and ROE.

Anil Jain: Frankly as I explained to you our stakes are staggered in terms of segments. So, it's not that we are going to get affected if particular segment gets slowdown. We are widespread in terms of our customer base. Therefore, again we are not going to be hugely concerned if particular customer or company or industry goes down. So, we have been able to mitigate or we have been mitigating some of the risks as a part of our business strategy. Besides India, we have an overseas operation, also for some reason if we in India decided to take a long holiday ride that we did in 2004 and 2014 but still will be able to grow because then the growth opportunities will come from our overseas operations. Besides that, I talked to you about my CNG cylinder and some other oxygen cylinder etc. but I have not factored them in. So, that is my backup which is available in case something slows down in our existing business. So, I would like to think that what we have projected is quite attainable.

Vishal Rampuria: So one last question to ask you again on the CNG side, because that is the entire story all about in today presentation. So given the surge in the steel prices, now steel rates are close to $1,000 or something like that. So given the surge in steel prices, what will be the cost differential now between the steel and composite cylinders?

Anil Jain: The comparison, I have already mentioned to you that if you want to take X amount of CNG from one place to another, you may require 2 steel cylinder cascade and two vehicles. Whereas you can do the same with one type IV cascade and one truck. So, the capital cost though our composite cascade price is almost about two and a half times of type I cylinder cascade, but in the overall analysis the capital cost is comparable with each other. Whereas the operating cost becomes half.

Vishal Rampuria: Okay. But in case the entire CGD player has got a pipeline in that case, they would not need this extra cascade, right.

Anil Jain: Yes, you are right absolutely. If you talk about pipeline let me tell you the pipeline connection for the CNG gas station is very limited number one. Number two, government now wants to bring CNG to the doorsteps of the consumer. So, you cannot have a pipeline going to the BEST depot or to the telecom tower of Reliance. There you have to bring CNG to the place and that can be only done with the help of casing. Yes, in some areas, if you have a pipeline you would not require cascades, but you have seen we have only considered 50% of what the business potential is in our internal

calculations. Even today, if you look at the existing CNG gas stations, the pipeline connection is less than 20-22%.

Vishal Rampuria: So, what kind of feedback you are getting from the CGD players on this?

Anil Jain: I can only tell you one thing that after we have got the PESO approval, for type IV composite cylinder cascade there have been few tenders which have been finalized and none has gone to type III, type II, type I cascade. Either they are in hold or they are getting finalized where we are actively participating and are being considered.

Vishal Rampuria: So, one more thing again on this. So, what is the raw material for this and whether it is sourced locally or it is imported.

Anil Jain: That is a very interesting question. You see, I told you that the cascade comprises of the inliner, which is the same material called polyethylene same one that we use for our industrial packaging, but the carbon fibre necessarily has to be imported. We import it from Japan or Korea. This is a restricted item and you can only get this carbon fibre after a lot of due diligence that takes place because you can use this carbon fibre in making rockets, missiles or even hand held guns or rocket launchers. They make sure that this carbon fibre does not fall in wrong hands.

Vishal Rampuria: Thank you so much.

Diwakar Pingle: Thank you before we take the next question, I think there is one on the chat board which from Suresh Varan Parmesh. Asking are there any innovative products in packaging coming up?

Anil Jain: Yes we are coming out with what we call as Flexi Can. Where we would be using the polymer sheet to pack liquid and powder products but that's not a very significant product. It might give some 8-10 crore of business in a year but it's not a game changer for us. But for industrial packaging, if you are asking worldwide is there any major change that that is taking place? The answer to that is no and normally industrial packaging products take several years to develop and get accepted by the customers. So, we don't see anything in next 8- 10 years new coming up

The flexi can is like a jerry can but a flexible one. So, you can imagine in a jerry can if you use x amount of plastic per litre of packaging product, it is $1/5^{th}$ of the plastic. It is cost effective and reduces the waste plastic.

Diwakar Pingle: I will take the next question. It is a follow on from the line of Pritesh from Lucky Investments. Pritesh go ahead.

Pritesh Chheda: Sir, I have two follow on. One if you could share how much tonnage did we sell for plastics in FY21 over FY20? And my second question is that a lot of the chemical companies did grow in India this year, one would have suspected with 50% of your sales being packaging in India, you should not

have seen such a big revenue dent. So, if you could help us assess why there was a large double digit revenue decline for us

Anil Jain: You are asking why the decline took place?

Pritesh Chheda: Yeah, because see chemicals in India grew, there was a inflation in lot of polymer pricing this year. The pipes industry did grow in India this year, yet we had a double-digit revenue decline.

Anil Jain: Frankly speaking its on both the account. My information may be little incorrect, we did not see that significant growth because please understand chemicals cannot be bracketed in one, there are certain basic chemicals which go into tankers or ISO tankers etc. for exports and there are some fine chemical or value add chemicals. Our packaging goes into final value add chemicals. So, we haven't seen that kind of growth in this segment. But of course, we are seeing the growth already in the current financial year which is getting factored in and we are seeing now that we will be back to the levels of 2019-2020. 2021 was a decline and you can see most of the year went past, either our customers didn't have enough people to do the packaging and send the products out or we didn't have enough people to produce and supply it to them. So that got impacted two folds.

Bharat Vageria: In addition to that most of the chemical companies have grown from the revenue growth instead of volume growth because prices of chemicals have increased substantially.

Anil Jain: And good thing is that there is a consolidation that is taking place in the chemical industry. And also we are seeing some of these multinational companies are expanding their operations in India, all of that is an indicator that the growth will be quite substantial in coming days. And as the leading industrial packaging company in the country, we should be benefited. I remember you mentioned about pipes also Pritesh.

Pritesh Chheda: Yes Sir. So, pipes industry did grow and there was a polymer inflation overall that polymer prices have gone up in the second half of the year.

Anil Jain: I beg to disagree with you. The pipe business does not grow at all because the state government and the central government didn't have enough resources to be able to carry out the purchases, most of the pipes are bought for projects that are financed by state governments. They did not have any money to even pay to the contractors and we did not want to supply to the contractors when they were not having enough funds to be able to pay. Some of the central government projects continued but also because of the labour not being available the laying of pipe was not taking place. So, they placed orders but then we don't take the deliveries.

Pritesh Chheda: What is the significance of chemical industry in our packaging business? So what contribution that industry would have to your packaging business. Chemical industry should it be more than 50-60%?

Anil Jain: So the speciality chemicals is about 31%, FMCG is 29%, construction chemical 13% which was virtually zero, paint is 12%, pharmaceutical 6%, food products 5%, lubes & oils are about 4%.

Pritesh Chheda: So, when you look at this mix, FMCG, pharma, food, paint and lubes has grown. In our calculation even chemicals has grown by volume, what matters for you is volume yet your packaging business has seen declined so any comment there.

Anil Jain: So, in packaging business we have seen a decline of ~10% because in lockdown period we did not have any people to carry out manufacturing.

Pritesh Chheda: Okay, I will take it separately.

Bharat Vageria: You can get in touch whenever you feel.

Pritesh Chheda: Yeah. Thank You.

Diwakar Pingle: Thank you so much Pritesh. If anybody has question please go ahead.

Anil Jain: In any case if something is left out, we are always available. We can do one on one and answer those questions.

Diwakar Pingle: We will just take last question from Nilesh.

Nilesh: This is Nilesh Iyer. I am an investor and have been with Time Technoplast for couple of years. In the shareholding pattern we find HDFC and Ntasian holding substantial stake in the company. So are you having regular investor meet with these investors. Ntasian in fact holds quite a bit of 15% stake in the company and have they asked for any board representation or why are they having such a large stake in this business.

Anil Jain: May be because they like the story as the company. Actually, Ntasian shareholding went up when in 2017 we had a QIP, and they subscribed the entire lot at that time. Therefore, it went up. HDFC have been an investor for a fairly long time but we are in regular interaction with them, not physically but otherwise we use to go and meet them often but otherwise on the phone. Also, we have a separate review every time for quarterly result.

Nilesh: So, they are not interested in being the part of the board.

Bharat Vageria: No, because they have investment in many companies, they have investment more than what they have in our company, they have an investment about 9%. I think such type of our company, they might have very big large fund.

Nilesh: No, they have only three investment in India and one is Time Technoplast the and other two are again Essel Propack and Huhtamaki which are both in packaging in different type of packaging. They don't invest in any other

companies in India. They only have three investments in India and Time Technoplast being one of the largest.

Anil Jain: That's quite likely but like I said that has never been discussed.

Nilesh: You are open to giving them more equity as well if funds are required for additional QIP.

Anil Jain: That is the question we will answer to the investor. They will not like us discussing them and speaking in public forum.

Nilesh: Alright. Thank you so much

Diwakar Pingle: Thank you Nilesh. Given there are no further question I am going to hand it back To Mr Jain for closing comments. Over to you Mr Jain.

Anil Jain: Thank you friends for finding time for us to talk to each other. We enjoyed bringing in our presentation to you and I thank you also for your indulgence which is represented by very interesting questions that been asked. I suppose we were being able to answer most of them but if something is left out please feel free to write to us and we will be very happy to answer them. Like I said we will have regular interaction and also let Covid subside, we will also look at the possibility of a factory visit so that you can see some of these CNG cylinders and cascade etc. that we talked about and the potential that exist. Thank you very much for your participation and support to the company. We look forward to exciting you in years ahead. Thank you.

Diwakar Pingle: Thank you everyone from the management. Really appreciate your time and patience answering the question. Thank you so much investors for your patient hearing. In case you need anything else you can please write to us and as mentioned the transcript will also be put up on the website. Thank you so much. Stay safe and have a good evening.