GANESH BENZOPLAST LIMITED

CIN: L24200MH1986PLC039836
Regd. Office: Dina Building, 1st Floor, 53, Maharshi Karve Road, Marine Lines, Mumbai - 400 002
Tel: 022- 6140 6000/22001928
Email: compliance@gblinfra.com Website: www.ganeshbenzoplast.com

November 25, 2024

To,

The General Manager, Department of Corporate Services – Corporate Relations Department, BSE Limited, Pheeroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. Scrip ID: 500153	**The Manager, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Scrip ID: GANESHBE**

Dear Sir/Madam

Sub: Transcript of Conference call held on Thursday, 21st November, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Conference Call held on Thursday, 21st November, 2024 at 4.00 PM (IST) with the Investors and Analysts.

This transcript of Conference Call is also posted on the website of the Company at www.ganeshbenzoplast.com

Kindly take the same on your record.

For Ganesh Benzoplast Limited

EKTA DHANDA
Digitally signed by EKTA DHANDA
Date: 2024.11.25 10:33:10 +05'30'

Ekta Dhanda
Company Secretary & Compliance Officer

Encl: As above

“Ganesh Benzoplast Limited

Q2 FY ’25 Earnings Conference Call”

November 21, 2024

MANAGEMENT: **MR. RISHI PILANI – CHAIRMAN AND MANAGING DIRECTOR – GANESH BENZOPLAST LIMITED**
MR. AMAR KABRA – GENERAL MANAGER, FINANCE AND TAXATION – GANESH BENZOPLAST LIMITED

MODERATOR: **MR. PRIYADARSHI SRIVASTAVA – CAPITALSQUARE FINANCIAL SERVICE**

Moderator: Ladies and gentlemen, good day, and welcome to the Ganesh Benzoplast Limited Q2 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I will now hand the conference over to your host, Mr. Priyadarshi Srivastava from Capital Square Financial Services. Please go ahead.

Priyadarshi Srivastava: Thank you, Ryan. Good evening, everyone. On behalf of Capital Square Financial Services, I welcome you all to Ganesh Benzoplast Q2 FY '25 Earnings Call. Representing Ganesh Benzoplast, we have today with us Mr. Rishi Pilani, Chairman and Managing Director; and Mr. Amar Kabra:, General Manager, Finance and Taxation. Now, I pass on the call to the management for their opening remarks, which will be followed by the Q&A session. Over to you, sir.

Rishi Pilani: Thank you, Priyadarshi and Ryan. Good evening, everybody. Thank you so much for joining us for the Q2 FY '25 conference call. We will initiate the call by taking you through the business highlights for the period under review, after which we will open the forum for the question and answer. Mr. Amar Kabra, our GM, Finance and Taxation, will now share the quarterly numbers with you, after which we'll take the question and answer.

Amar Kabra: Good evening, everybody. So for the quarter, Q2 of financial '25, on a consolidated basis, the company generated a revenue of INR976 million as compared to INR1,026 million of Q2 of financial year '24. Net profit after tax for the Q2 financial year '25 is INR164 million as compared to INR156 million of corresponding period of last year.

On a stand-alone basis, the company generated a revenue of INR543 million as compared to INR562 million of Q2 of financial year '24 and net profit after tax for Q2 of financial year '25 is INR147 million as compared to INR148 million of the corresponding period of last year. So with that, I have given the highlights for the results. Now we would like to open the forum for question and answer, if any.

Moderator: Thank you. The first question comes from the line of Gautam Rajesh from Leo Capital.

Gautam Rajesh: I have 2 questions. My first question was what's the approval status for the revised LPG projects are all approvals in the place are in place? And by when will it be received?

Rishi Pilani: Okay.

Gautam Rajesh: And my second question was, when do you expect construction to start and by when would this project be completed?

Rishi Pilani: So regarding the revised status of the approvals, like I've already said before, the main approval for peso is already with us, which is basically the approval for -- required for starting our construction. Other approvals are in process, which are expected shortly.

In the meanwhile, the construction to start like -- again, like I've said already, the firefighting construction has been already completed, along with the fire tanks and the fire pump houses and all. The test filing is expected to start from next week for the project. And thereon, it's approximately a 2-year time line from then.

Gautam Rajesh: Okay, sir. And like all the approvals would it be done by end of this financial year, calendar year? How would that be, sir?

Rishi Pilani: So see, the approvals are from government agencies. So they keep coming in, but there is no hindrance for us to start the construction on the main tanks and other things. That -- so the comprehensive list of approvals is many, but then there are a few critical approvals that are required to start the project, which are in place.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand, sir, we have given -- you will be able to achieve INR120 crores EBITDA for this year with improvement in margin on the chemical front, as well as some kind of revenue hike on the LST brand. But sir, when I look at the fourth quarter H1 results, sir, it doesn't seem that you can achieve this. So please help us understand this.

Amar Kabra: For quarter-on-quarter, yes, there may be some dips and some ups, but overall, our position is based on the maximum utilization of the storage tank and chemical plant also. And on a 6-month basis, the numbers are quite in line with our expectation. So yes, hopefully, next 2 quarters will be more better than the last 2 quarters.

Madhur Rathi: So in H1, you have done an EBITDA of INR50 crores on consolidated basis excluding other income. So can you achieve the INR60 crores, INR70 crores kind of EBITDA on the full year, unlike the H2 basis?

Amar Kabra: Yes, last year, we achieved some INR100 crores of EBITDA. So yes, this year, we'll cross that benchmark, and we're going to cross INR105 crores around it.

Madhur Rathi: And sir, we have said that we would be able to achieve...

Amar Kabra: In the future, but yes, our line of expectation and the business, which we were doing, it is steady kind of business.

Madhur Rathi: Sir, your voice was not really audible, sir if you could speak a little louder?

Amar Kabra: Sure. So as I said, our rental business is a steady business. Obviously, there cannot be any drop in the profitability of this business. And in Chemicals segment, yes, we are doing well, as you can see from the segment also. The chemical division has performed well as compared to the past -- last year. So our expectation from current year is obviously much -- quite higher than the last year. So yes, we're trying our best to achieve the EBITDA of around INR110 crores for this year.

Madhur Rathi: Okay. Sir, so earlier, like previous quarter, only, we were telling that INR120 crores would be achievable. So why is this downward pressure? Are we not able to do a price hike in the terminal or LST business or any other thing with -- so -- because of that -- because sir, for the next 2, 3 years, sir, this was the only source of growth that we were going to have. So that's what I'm trying to understand.

Amar Kabra: So every time we are saying that our growth rate for the upcoming years is 5% to 6%. Obviously, our last year's EBITDA was INR102 crores or INR103 crores, then obviously, it will be in that range only 5% to 7% of jump. The major jump you will see from the LPG and increasing the chemical capacity of plant. So then you're going to see the major jump. But otherwise, it will remain steady for at least the next 2 quarters.

Madhur Rathi: And sir, are we going to increase our chemical division capacity?

Amar Kabra: Not right now because ultimately, we are working at 75% of capacity right now, 70%, 75%. And our target to achieve 85%, 90% within a short span of, say, 6 to 8 months, and if required, then we can see for the -- we can plan for the capex -- further capex. But right now, we don't see any requirement to increase the capex in the chemical division.

Rishi Pilani: So to answer your question, Madhur, right now, we are not adding capex capacity to the Chemical division, but our target is to increase the capacity utilization of the installed capacity.

Madhur Rathi: Okay. Got it. Sir, I have a next question. Sir. We did in -- so we did acquisition of the Rail Logistic business in 2020 for 65% to 85% share. So since then, sir, I don't think that we have been able to create value for ourselves in this segment, sir. So what kind of IRR or the payback was expected on this? In investment, I'm sure, it hasn't happened yet. So I'm trying to understand that this capital allocation went wrong.

Rishi Pilani: So see, the Rail business, if you have to understand, it's a very long gestation business. And ours is not a typical model where we go out and develop Rail business without having a back-to-back visibility on the business, okay? So like -- so currently, the division is doing well in the segment that it is operating right now. The company has zero debt on it and is generating significant EBITDA and a PAT for us.

Amar Kabra: So with a single customer, we are managing right now and some -- you can say single plus 1 more customer is there. So with that, we are achieving a revenue of around INR28 crores to INR30 crores per annum. We are making a EBITDA of around INR8 crores to INR9 crores in that company and profit of around INR5 crores. So I think with the single customer, it's just a number. But yes, with the increasing number of customers, this will going to be double.

Madhur Rathi: Sir, so like if I look at the investor presentation, we have given highlights for this for the last 5 years since the acquisition. So we've made a INR18 crores PAT and a INR41 crores, INR42 crores EBITDA over the past 5 years. And we have paid INR65 crores for this acquisition for not even INR100 crores of the business. So, sir, I'm trying to understand, sir, why are we not adding a new customer or why are we not being aggressive with this? Because sir, we have the asset, we need to utilize it. And so even on the EBITDA ratio, the payback has not happened yet. So, sir, if you could just help us explain when can we see additional customers or additional growth in the segment?

Rishi Pilani: So, Madhur, we don't look at it that way. We look at it as a combined process. So I'll explain to you, let's say, for the single customer, if today, we are handling approximately 20,000 to 25,000 tons -- sorry, 15,000 to 20,000 tons a month, but actually, the way we look at it is that the tankage allotted to that customer is only 10,000. So we are also getting a double throughput in GBL through this business for that tank for which we are building to this business, the full tank rental, which generally, you're in the liquid space, you build only 20% to 25% of the throughput.

So if we build only 20% to 25% of the throughput to the Rail business, the Rail business EBITDA would shoot up sharply. But what we are doing is we are building 100% charges of the throughput to the Rail business. So that's why that effect doesn't show up fully, but on a combined basis on how we are getting a throughput through the tanks for this business and what ILSL itself on a stand-alone basis is generating, we would probably have the EBITDA margins jump up by twice if we passed on that effect to ILSL.

Moderator: I'm sorry Madhur, if you could please join back the queue. The next question comes from the line of Sudhir Padiyar from Consultant Capital Advisor.

Sudhir Padiyar: So, sir, as mentioned in our earlier call, okay, the entire capex for the LPG segment was slated anywhere between INR700 crores to INR750 crores. So we actually secured the entire capex? And if so, what is the breakup between internal accruals and the external debt that will assume?

Rishi Pilani: So as you are aware that we have now revised the capacities by almost 1.5x. You might be aware that the original project that was envisaged was for 2 tanks of 24,000 each. And now the project has become 2 tanks of almost 32,000 tons each with and initially, it was steel now for added safety and for going to higher standards, we made concrete steel tanks. So the capex right now, along with all the IDC and everything is a little bit higher from 750 more towards 850, 900 range. But...

Sudhir Padiyar: 850 to 900, you said, right?

Rishi Pilani: Yes. Yes. But the whole thing is secured through equity, part equity and the debt structure. We already have term sheets from quite a few banks. We are finalizing those. So probably the exact breakup of the equity and debt structure we'll know in probably a month's time.

Sudhir Padiyar: Okay. But is there an external number on the debt that you would be willing to assume on the book?

Rishi Pilani: So we are not going to assume any debt on GBL books. It will be in the subsidiary of GBL.

Sudhir Padiyar: Yes.

Rishi Pilani: Which will then participate in the JV. So the J -- which is between us, BW and CPIL. So the debt will be taken by the JV company, neither by GBL subsidiary nor by GBL.

Sudhir Padiyar: No, I understand that base, but is there a number that you all have thought internally that beyond this number will not take a debt and we want so much to be coming only from equity? I mean anything like that broadly?

Rishi Pilani: See, broadly, we are looking at the numbers that are ranging between INR550 crores to INR600 crores, but again, all this -- sorry, INR550 crores to INR650 crores, but all this depends on how we structure the time line. So the tenure of the debt, the interest rate and other factors. So that's why the mix of debt and equity will be finalized within a month, but whatever equity is required for the project to proceed as it is proceeding right now has already been infused by both the parties. And the balance equity will also be infused shortly.

Sudhir Padiyar: Okay. Okay. Okay. Got it. I've got one more question, sir. In the LST segment, in this quarter, there was -- I mean, a 5% degrowth Y-o-Y. Any particular reason for that, sir in the LST?

Rishi Pilani: See, we don't see, we have taken up quite a few tanks for our post-monsoon repairs. And plus, as you may be aware, I've already mentioned before, Cochin terminal has been -- most of the tanks have been taken over by IOC for a 4-year contract period. So those tanks are for ATF and ethanol, so those modifications were going on.

Now, in November 1st week, IOC has already charged ATF, and as soon as the crushing season starts for the sugar mills, which is expected any rate now then they are -- from next week, they are going to move ethanol also. So those revenues will start flowing in from this month onwards.

Moderator: The next question comes from the line of Shubhangi Agarwal, an investor.

Shubhangi Agarwal: I just had a follow-up question to the previous person who asked. So the capex that you mentioned, but the time lines remain the same. So you had expected this to come by October '26 as per your last call. The time -- that remains the same, right? There's no change on that front.

Rishi Pilani: Yes. As of now, there is no change in the time lines.

Shubhangi Agarwal: I see. And sir, I mean, is there any further progress like in terms of adding new terminals, any update on that front?

Rishi Pilani: So we have got approval to add some few more tanks in JNPT, which we are in the process of doing. I can give the exact details and everything in my next call whenever that happens. Or if you can, after about 15 or 20 days, if you can email me, I can share that with you. And apart -- yes, we are looking at other geographies also within India. So we are hopeful that we should be able to get some good location with good opportunities. We are exploring them, but I can disclose about them only once we have the definitive agreement signed.

Shubhangi Agarwal: Sure. I understand. Also, sir, lastly, the other income in this quarter was fairly high at about like INR47 million versus, I think, INR17 million last year. So could you just highlight what was that regarding? Sorry, if I missed that answer.

Amar Kabra: Other income mainly includes your interest income. So that may vary from quarter-to-quarter. Some idle funds we are giving in the form of loan, which is high single-digit.

Moderator: The next question comes from the line of Yash Dedhia from Maximal Capital.

Yash Dedhia: The first question I wanted to ask is about the chemical business.

Rishi Pilani: Yash, your voice is not clear.

Yash Dedhia: Yes. So the first question I wanted to ask you about the chemical division. The margin for the chemical division has improved this quarter. So if I see half 1 of FY '24 on, say, FY '24, it was about 3.5% to 4% and the half 1 of FY '25, we are already at 8.5%. So is this some kind of trend which is going on and we should expect it to be sustainable?

Rishi Pilani: See, Yash, the thing is that you have to understand that the chemical business consists of 2 things that affect its profitability. One is how, obviously, how efficiently we run the plants. So we are bringing in new efficiencies. We are trying to increase the capacity utilizations. We are trying to push up our selling prices so that we can get better margins and which is shown in the better profitability.

And the second also is -- which is something which is out of our hands largely is the raw material costs. So in the last quarter, the raw material pricing towards the end of the quarter was in our favor a bit. So that also helped us to push up the margins. How long this trend continues, we don't know. But definitely, with the combination of both these things of increasing our own efficiencies of operations and trying to get in as much price advantage in getting our raw materials, I think we should be seeing the trend that goes upwards.

How much it goes upwards, I'm not able to really quantify because there are, like I said, raw material pricing is totally dependent on crude oil and other factors, which are not in my control.

Amar Kabra: And secondly, Yash, yes, as you said, sometimes there is seasonal thing also like in winter. You can see that sodium benzoate, which is refrigerative. So these soft drink companies, ice cream companies and all these things, they are using less because there is -- sale is less in this winter season. So yes, some part of the cyclical seasonal, so you can see that may vary from quarter-to-quarter.

Yash Dedhia: Understood, sir. Is that this quarter, the margins are more than INR10 crores. So I think the raw material price's fluctuation would have lessened.

Rishi Pilani: Yes.

Yash Dedhia: Am I audible?

Rishi Pilani: Yes. Yes.

Yash Dedhia: Yes. Sir, my second question was on the construction cost. Sir, as far as I remember, in the Q1 call, we reaffirmed our capex guidance of INR700 crores to INR750 crores for 60,000 MT tank. And with the same capacity now we are revising our capex guidance to INR800 crores.

Amar Kabra: We achieve that concrete cost that is lost.

Rishi Pilani: No, no. So basically, see, there are 2 things. One is the revised capacity -- and also what we have done is we've now revised the design also to make it out of concrete wall, which is much more safer. And operationally, it is much more better than having an outside steel wall. So the concrete -- the time consists of 2 walls, one is -- so generally, all LPG tanks in India are steel, steel, outer and inner. But with BW's inputs coming in and they are being the largest LPG logistics company in the world, the new facilities that are coming up all over the world are having outer concrete and inner steel. So all those we have now refactored into our costing.

Yash Dedhia: Okay. And sir, this would cost about INR150 crores more than the steel walls?

Rishi Pilani: Yes. So there are -- so that's not the only design change that we have done. We have modified some other things also inside, so which may have a higher capex cost today, but they help us in operationally getting -- operating the terminal at a much lower cost in the long run.

Yash Dedhia: Understood, sir.

Rishi Pilani: Yes.

Yash Dedhia: And sir, can you give some more color on the constructions that have started? So where are we in constructing the terminal as of now?

Rishi Pilani: I answered this already in the first question from Gautam Rajesh. So basically, like I said, the fire tanks, the fire pump house, all those constructions are done. The test piling is going to start within the next 7 days to 10 days. And then we want to -- and then the construction will go on then full-fledged.

Moderator: Our next question from Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: I wanted to ask sir, in Q3 FY '25, there was a jump in our capacity at JNPT. But sir, that hasn't reflected in our revenues from the LST division. So why is that?

Rishi Pilani: Which Q?

Madhur Rathi: Q3 of FY '24.

Rishi Pilani: Yes. So that's what Madhu I explained right now. So even though literally 60% to 70% of the Cochin terminals right now up until this first week of November, it was under modification. And we had almost 10% to -- almost 10% capacity of JNPT on the post-monsoon maintenance. In spite of that, we've managed to almost hold our numbers is because of the effect of the new tanks.

Madhur Rathi: Okay. Okay. But sir, if I look at our September '23 quarter versus the December '23 as well as the Q4. Sir, the revenue has been in the INR45 crores to INR48 crores kind of range in the LST division on a stand-alone basis. So regarding this year, sir, even in the previous year, there wasn't any jump from this segment tank that we have done.

Rishi Pilani: See, when you look at the LST division numbers, it consists of 2 parts. One is the main rental business that we have. And second is that we are offering a service of 2 additional jetties at JNPT, for which we collect the wharfage which is like the birth charges from our customers, and we pass it on to the operators with hardly any margin. Hardly like it will have like a 1%, 1.5% margin.

So when you see these numbers, you have to -- and probably what we can do better for next reporting is we can also split these numbers out that what is coming from rental and what is coming from the service portion within LST so that you'll understand that what has happened is in the last quarter, the shallow jetty was under repair. So that revenue part was not being seen but the margins were maintained because that revenue doesn't have margin build into it.

Amar Kabra: And in a parent company also on stand-alone also, there is some EPC contract going on. So quarter-on-quarter, there is a difference in the revenue on account of their revenue also. EPC generates lesser margin of profit and EBITDA. So it's not in the line of the rental business. So that variation you are seeing in the top line is on account of the EPC as well as for the wharfage collection charges. But yes, ultimately, what is important that is always increasing.

Madhur Rathi: Okay. So, sir, we have given INR39 crores, INR40 crores of loans on our books to different entity-related parties. I will ask some other corporate bodies. So, sir, what is this regarding? And sir, I wanted to ask, sir, what is the business of Bluebrahma Energy, Vishal Infra and Sagar Distilleries, whom we have given the loans? And sir, this is the first part of question.

And sir, similarly, you've given loans of around INR21 crores on a stand-alone books to GBL Clean Energy, which is in turn invested into Bluebrahma. So, sir, I'm trying to understand, and GBL Clean Energy is our investment entities for our group. So, sir, I'm trying to understand, we have given INR21 crores to that, but Bluebrahma is only around INR6 crores, INR7 crores of loans. So one, there is discrepancy, and why have we given INR40 crores loans to these entities?

Amar Kabra: So first of all, all these loans are for the net purpose of the associates and entities and all carries the rate of interest is not at a rate of interest or it's not free of cost. As Rishi will explain the synergy between this business.

Rishi Pilani: So basically, Bluebrahma and Sagar are the ethanol group that we had invested. So this was our equity and loan contribution into that group when we had taken over those entities from the erstwhile promoters as a group of investors. So this is what that number you see. And like Amar explained, all these are bearing interest and they are interest-bearing loans, and we look at it like what do we earn in an FD against these investments, and then we take that call.

Madhur Rathi: Okay. And sir, have the subsidiary started operations? Or are there still construction phase of the ethanol?

Rishi Pilani: No, no. They've all started operations.

Madhur Rathi: Okay. And they would be profitable?

Rishi Pilani: Yes. So they have all started operations from this -- like Sagar has started its operations from January of this year only. So you know the sugar year is from October to November. So we'll come to know all the profitabilities and all as it goes along.

Madhur Rathi: Okay. And for Bluebrahma?

Rishi Pilani: So Bluebrahma is just a holding company for Sagar. So Bluebrahma holds the shares.

Madhur Rathi: Okay. Got it. Got it. Sir, just a final question, sir. Sir, we have capabilities in the EPC pipeline, constructing EPC pipeline as well as tank construction, sir one of our company listed on the stock exchanges Likhitha Infrastructure, sir, they do 20%, 21% kind of margins on the EPC business. Sir, so any thoughts on going into those kind of business because we already have a capability, why not just utilize them for external proposes?

Rishi Pilani: See, we are not a EPC company per se. We are basically tank farm operators and chemical manufacturers. But yes, we do use our EPC capabilities to support ourselves and to use it strategically to support our customers and to look at the long-term growth. So we don't want to do EPC for a general thing because that's not our core business.

Madhur Rathi: Okay. Got it. Sir, there is a line item in our annual report, rental expenses worth around INR14 crores and legal and professional fees of around INR18 crores. Sir, so what is this regarding? Because rental expenses, I'm not trying to understand. We receive rental income, why are you paying this INR14 crores rental to?

Rishi Pilani: So these would be the lease charges and all that you pay to the port -- some office rentals. So these would be your office rental expenses.

Madhur Rathi: Okay. And sir, the INR18 crores...

Moderator: I'm sorry to interrupt you again. If you could please join back the queue.

Madhur Rathi: It was the final question, just I was asking regarding the legal and professional fees of INR18 crores, sir?

Rishi Pilani: Yes. So these are all about the -- we have -- as you explained, there are various court cases that are going on regarding the old issues that the company was facing, especially mortgage and all these guys, so there are a lot of -- there's a big legal team deployed along with senior councils in Bombay High Court, Delhi High Court, Supreme Court in all these areas, this is a mix of professional fees as well as legal fees. Yes. So professional and technical fees as this year rental business and all these technical things. So obviously, some fees are included in that.

Madhur Rathi: Okay. Got it, sir.

Rishi Pilani: Which is -- in future, yes, it is going to reduce because now we are -- aim to that margin thing.

Moderator: The next question comes from the line of Udit Gupta, an Investor.

Udit Gupta: My question is regarding these NBFCs who have -- the disclosure that you filed, sir, the cases against us. Any other progress on that matter, so like anyone else with whom you've settled or something about that?

Rishi Pilani: So we have not settled with anybody. First, I'd like to correct that some of the NBFCs on their own accord realizing that they don't have any legal claim against the company have agreed to withdraw the -- withdraw their claims because we had filed counterclaims against them, they're both criminally and civilly that they have executed documents without doing proper background checks without doing the proper KYC norms and all.

So they have voluntarily withdrawn those cases against us. So they have voluntarily withdrawn their claims against us. So we have not paid anybody or settled with anybody for any kind of claim adjustment, number one.

Number two, there are no new entities that have come forward after that. And number three, in the matter, which is also disclosed in the matter related to the original fraud account, the police has concluded their investigation and they filed a charge sheet against the accused in the court, stating that the account was opened without following the deal procedure, and it was done as a fraud against the company.

Udit Gupta: So what was the total amount of claim against us? And how much is still standing against us after the withdrawal of some complaints?

Rishi Pilani: So the original claim was between 40 to 45. I think approximately, I don't know the exact numbers off the top of my head, but I would say about NBFCs close to amount INR5 crores to INR10 crores have withdrawn their claims against us. But again, the important point is that the account in which these transactions happened, the police has concluded their investigation and have come to a conclusion that it was open fraudulently. So the company, in the legal sense has more responsibility or liability to pay against these amounts that were transferred through these accounts.

Udit Gupta: Right. And sir, you had a disclosure that's filed by the company on the exchange. And I think some of these have applied to NCLT as well.

Rishi Pilani: Yes, yes, yes.

Udit Gupta: So how is the legal recourse in that case?

Rishi Pilani: No, it's -- NCLT, they are just trying to use the pressure tactics, and we expect that very soon all these -- so none of the cases are admitted by the way. They are just applied. And they don't -- we don't expect them to be even admitted, there'll be this -- we expect them to be dismissed because there is already a pending dispute against this liability.

Amar Kabra: In the form of charge sheet as well.

Rishi Pilani: So NCLT rule is very clear that if there is already a pending dispute, you can't approach NCLT for it.

Udit Gupta: And sir, when is our expected planned new tank completion date, sir as per the new schedule?

Rishi Pilani: So it's same October, November 2026. That's what we are at right now.

Udit Gupta: Right. And it should take us about 1.5 years for the construction.

Rishi Pilani: No. So with the construction period, I'm seeing October, November 2026.

Udit Gupta: Right, right. And so, we expect to begin by January.

Rishi Pilani: Yes, yes.

Moderator: The next question comes from the line of Aaliya Shaikh from CapitalSquare Financial Services.

Aaliya Shaikh: Most of my questions are already answered. So I have one question. So firstly, the EBIT margin of LST segment on this quarter, we have reported 36.1% as compared to last year, 37.3% and last quarter, 43.7%. So what was the reason? And what should be the sustainable margins?

Amar Kabra: See, that percentage you are saying, it's quite negligible actually, very, very -- and our margins in the rental business have been maintained around 48% to 50% is our rental margin, EBITDA margin. EPC margin is around 5% to 6%, and chemical, we are making margin of around 5% -- 4% to 5% chemical around 10%, 20%.

Rishi Pilani: So to answer your question, again, like what I had explained earlier that -- we have started this new thing of providing because there are 2 more jetties available at JNPT for berthing. So we are providing our customers with the service of electing the wharfage from them and passing it on to the operator of the jetty. So while you see that reflected in the revenue of the LST division, but it's not -- it's like having only a 1% or 1.5% margin in that.

So that's why the overall -- while it appears that the overall EBITDA is looking down, if you look at only at the rental segment, we are maintaining a steady state of about 48% to 50% EBITDA margin. So we can do better in our reporting, and we'll see how we can do that so that this confusion doesn't happen in the future.

Moderator: We have a follow-up question from Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: How much capacity can be added to our existing tanks by increasing their heights? I think this was mentioned in our annual report. So other than the new tanks that we have -- we will get approvals for, sir, how much capacity can be added just by increasing heights of these tanks?

Rishi Pilani: See, it's very difficult to comment right now because the problem is that we need to empty the tank before we can add capacities and tanks then need to be down for almost 4 to 5 months because the entire foundation needs to be changed to handle the capacity loads, increased capacity loads. So while this is something we do, we look at doing, but how much we can control it is very tough because the pressure on the business is very high, like I said in JNPT, we are already running at more than 100% capacity utilization, so to take tanks down for 4 or 5 months, we don't get those opportunities.

Madhur Rathi: Okay. Got it. And sir, this new tanks approval that we'll get. Sir, do we have lined -- sir, this will be constructed on our existing land parcel that we have.

Rishi Pilani: Yes, existing land, yes, yes.

Moderator: As there are no further questions, I would now hand the conference over to the management for his closing comments.

Rishi Pilani: Yes. So again, we would like to thank everybody for joining in and for their valuable inputs and questions. We remain available for any further queries or clarifications that you want and have a good evening. Thank you, everybody.

Amar Kabra: Thank you. Thank you, everyone.

Moderator: On behalf of Ganesh Benzoplast Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Rishi Pilani: Thank you.
