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Date: 2nd September, 2022

To,
BSE Limited
P.J.Towers,
Dalal Street, Fort,
Mumbai – 400 001

Sub: Transcript of the Investor Call held on 29th August, 2022

Dear Sir/Madam,

We forward herewith the Transcript of the Investor Call held by the Company on Monday, 29th August, 2022 for your reference and record.

This disclosure is made pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Hope you find the same in order.

Thanking You,
Yours faithfully,
For Transpek Industry Limited

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Digitally signed by BIMAL VASANTLAL MEHTA
Date: 2022.09.02 20:10:51 +05'30'

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"Transpek Industry Limited
Q1 FY2023 Earnings Conference Call"

August 29, 2022

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MANAGEMENT:	**MR. BIMAL MEHTA – MANAGING DIRECTOR – TRANSPEK INDUSTRY LIMITED** **MR. PRATIK SHAH – CHIEF FINANCIAL OFFICER - TRANSPEK INDUSTRY LIMITED** **MR. ALAK VYAS – COMPANY SECRETARY – TRANSPEK INDUSTRY LIMITED** **MR. AVTAR SINGH - JOINT MANAGING DIRECTOR – TRANSPEK INDUSTRY LIMITED**

Moderator: Good day, Ladies and gentlemen, and welcome to the Transpek Industry Limited Q1 FY2023 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bimal Mehta, Managing Director. Thank you and over to you Sir!

Bimal Mehta: Thank you. Good evening everyone. On behalf of Transpek Industry Limited, I welcome everyone for joining us on our business call today. Along with me, I have Mr. Avtar Singh, Joint Managing Director, Mr. Pratik Shah, Chief Financial Officer, Mr. Alak Vyas, Company Secretary and SGA our Investor Relation Advisor on the call. Our investor presentation post Q1 FY2023 results are uploaded on the stock exchange and we hope you had a chance to look into it. We will give you a quick overview of the recent developments of the company and post that we will open the floor for question and answer. We do have received some questions before open and we will try to address them during the call.

We have previously stated that due to product mix changes, volume differences and dynamic nature of raw material cost, some of which are passed through can uptick the pricing of the product that we sell so it is better to evaluate the performance of the company on annual basis and not on quarterly basis. Some of you asked questions on Q-on-Q basis which we shall indeed try to answer, but the better understanding of the performance can be obtained on annual basis.

Now I come to business performance. Our business performance has been steady over the last few quarters led by healthy demand for our key products. Although there were some delays in dispatches due to logistics uncertainties that most of the companies faced, an increase of input cost and logistic issues that have affected businesses across the world. Most industries including chemical manufacturers like us have been impacted by these issues; however, the situation seems to be easing out somewhat for the last couple of months. Total revenue for Q1 FY2023 stood at Rs.216 Crores as compared to Rs.132 Crores of Q1 FY2022 and profit after tax for the quarter stood at Rs.16.4 Crores against Rs.13.5 Crores of Q1 FY2022. Our capacity utilization for Q1 FY2023 is nearly 90% to 92%. Some of you have asked about the margin level remaining largely same despite the significant growth in volumes. So there are three critical points to consider in this one is RM costs have significantly increased, some of the cost in addition to the cost related to long-term contract supply have been passed through; however, when you look at percentages the numerator and denominator effect reduces the percentage level even though the absolute numbers have been good as they should be. For example sales of Rs.100 having various cost of Rs.80 would mean EBITDA of 20%. When the increase in cost of Rs.20 is added to the sales, the sales become 120 and cost would be 100, the EBITDA would be 16.67%. So this factor plays. From 20% EBITDA it went down to 16.60% is the example just because of numerator and denominator effect, so this factor plays a significant part in determining percentage EBITDA. Second the logistic cost has also increased significantly again some of which is passed through; however, many products are quoted on competitive basis and may not sustain the margin levels seen earlier and third is the specially, we have very strongly focused on sustaining and possibly improving market share during these difficult times. Demand for acid and alkyl chlorides has remained strong primarily due to growing importance of chloride is a crucial component in a variety of end market such as pharmaceuticals, polymers and other industries. So as a result the company's product outlook remains quite positive.

Coming to current production facility and further expansion. So all of you know that we have a manufacturing facility at Ekalbara near Vadodara in Gujarat with a complex of over 100 acres out of which around 55% is open area in green belt. The entire production capacity, which includes captive consumption of some of the products, is about 66000 metric tonnes per annum. We do have scope for expansion in the existing location. The permission for any new expansion has been closely monitored and permission is granted on a very selective basis. So our application for an increase in production quantity has been granted primary approval recently. This primary approval is just allowing us to understand in principle that maximum we can go up by 450 metric ton per month, but we need to get final approval and that final approval can take another three months at least. So the maximum production quantity under this application that we have made is 450 metric ton per month of alkyl and acid chloride, but when we get final approval we will have to understand the condition that would be imposed in order to actually implement 450 metric tons because as per the regulations, the pollution control board does not allow us to add a single kg or cubic meter to the current effluent or emission level. So it would be more of technological innovations and technological changes that would come into play and there would be other conditions also for example they may not allow us to add any boilers or anything so no increase in utility, generation and all that. So even though we have got 450 metric ton approval when we have final approval and if we take a look at conditions we may not be able to actually increase capacity by more than 200 to 250 metric tons, but we will inform you all once we have final approval and we have understood the conditions and derive what we can do with that.

Coming to product development and diversification. We are working on couple of areas to mitigate risk on concentration of clients and product profile in addition to doing things like new products and all that, so we have added few acid chlorides to our product portfolio and we will continue to add a few more on a regular basis. Of course the volumes for this new acid chloride and the new products will remain low during the initial period; however, they are likely to increase in the coming period as soon as there is good mandate from customers. We identified some products in the non-chlorination category as well, some of these are in still early stages and we will get more clarity in the coming period. Currently we are focused on retaining our market share on existing products and of course putting efforts to increase it while diversifying our product portfolio. With the pipeline of new products the company will have good opportunity to offer value added products or multi synthesis products to clients. However before we commit major investments in new products we are looking for strong and sustainable demand for these new products. We have also taken up capex of about Rs.35 Crores for replacement for an old plant for one existing product. The new plant will add capacity to the tune of 70% of the current plant capacity. However we must not get the higher volumes from this additional capacity soon, but it is expected to be realized over a period of 18 to 24 months, after that plant becomes operational because we have to replace this old plant structure, as it needs complete replacement, we have taken this opportunity to add capacity because we expect the demand for this product will gradually increase. On other capital expenditure on the other projects we will inform through the stock exchange as and when we have a new project which is launched or any major capital expenditure is taken up. As you all know sustainability is an integral part of company's value, system and culture. So we follow very strictly safety and environment protection norms and practices and over the years company has embedded these values in to its day-to-day operations and day-to-day business in multiple ways and we are committed to continue to follow the sustainability practices, so with this thank you for listening to my note on this. Now I would like to hand over the call to the moderator to open the floor for question and answer session.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Raj Shah from Statheros LLP. Please go ahead.

Raj Shah: Good afternoon gentlemen and congrats on a very solid show. My question is did we have some dispatches in Q4 which was spilled over in Q1 FY2023?

Bimal Mehta: That is there due to the accounting policies and principles some of the dispatches that happened in the end of the quarter or end of the month depending on when the bill of landing is available and when documentation is done they may be accounted in that particular quarter or it may be spilled over next quarter but it continues to do on a regular basis the amounts may vary but it is very normal because of the significant export that we have, in case of domestic business it typically does not happen but in export business yes it does happen.

Raj Shah: The reason I ask is that just previously the management alluded to the fact that our peak revenues will be roughly 700 to 750 odd Crores but if we just take based on the Q1 numbers and the capacity utilization that we give it looks like our capacity can reach up to 900 Crores of topline so is it fair to assume that?

Bimal Mehta: No, actually see there are two things that we must keep in mind that one there is a significant increase in the raw material cost which has been passed on to the customers which is basically wherever the pass through mechanism is working which is almost 45%, 50% of our business, so naturally this has shown into the increased revenue numbers that is one. Secondly you see we are going for very different product profile in the sense that we have products which are sold at x and we have products which are sold at 2x or we have also products which are sold at x divided by 2, so a lot of mix of product in a particular quarter may also play a significant role so in short what I can tell you that we can consider our capacity utilization at a mix of products and normalized pricing and all that then about 750 to 800 Crores.

Raj Shah: So majority of the growth was majorly due to price rise right?

Bimal Mehta: One is price rise and second is product mix.

Raj Shah: Okay fair enough, and there has been a sharp increase in other expenses if you can just help us understand if there is one off or is this the numbers will continue going forward?

Bimal Mehta: First of all I must thank you, you had sent your questions in advance so it helped us a lot. So other expenses mainly one major impact is logistics cost see what happens typically that many of us believe that other expenses means fixed expenses but due to the way presentation of financial statement is to be made as per the format prescribed other expenses also include logistics cost, now in case of Transpek, logistics cost comprise of significant amount because of the huge export and especially to a very large quantum of exports to US and therefore that has quite a big element of logistic cost one of course due to a significant rise in exports volume so naturally it will automatically increase, it is in proportion to export it is almost like a variable cost and second is all of us have witnessed this increase in logistic cost so per se increase in logistic cost. Second as because you are part of the industry you would know that insurance premiums in last couple of years have significantly increased so we had increase in insurance premium for the factory and all other places also. Now coming to the future whether these levels will continue so what we believe as we understand at present of course these are very uncertain times but what we believe at present is that logistic cost may reduce a bit because it has started slowly reducing, how much it will reduce that we do not know but it is definitely expected to reduce somewhat. Insurance premium again there are tariff and non-tariff and all those things so it is not something that can decrease significantly so what we believe is that largely this level of cost will continue, largely, some reduction maybe seen.

Raj Shah: Thanks a lot.

Moderator: Thank you. The next question is from the line of Sunil M Kothari from Unique PMS. Please go ahead.

Sunil M Kothari: Thanks for the opportunity. Good afternoon Bimalbhai and congratulations for really good number. Sir two, three things I just wanted to know if you can talk about the volume growth last year, year-on-year in 2021-2022 we have grown roughly 70%, 75% in terms of revenue, in first quarter also year-on-year we have grown 64% in terms of revenue and I understand raw material cost but what type of volume growth we were able to achieve if you can just give some indicative idea on that?

Bimal Mehta: Actually this is something that I already mentioned in my speech that quarter-on-quarter comparison may not be very logical in our case but again since you have specified the years and the first year which was not the previous year but the one year before that, that was COVID year as we all know it was affecting everybody and therefore the overall business volumes were very subdued so that may not be really considered. Again last year in first quarter also COVID affected to some extent and today yes because of COVID situation stabilizing and shipping situation improving and all that so today we have come at a stage where we have largely restored what we had seen in 2018-2019 kind of volumes largely we are little better than that but we have largely restored that. So moving forward we should not see any such exorbitant numbers which are very high numbers in terms of quarter-on-quarter one but are moderate and we are working towards moderate growth at slow and steady pace considering current complexities whatever we can capture so in that context as I mentioned we have added four, five products and one of the product is catching up some volumes and secondly the expansion or rather not expansion but the replacement of the old plant with expanded capacity that we have taken up that would add up some volume over another 18 months to 24 months so we do expect that growth at a steady pace at a normal pace will continue but any significant change like 40%, 50% in turnover from this quarter to the future is unlikely at this point in time.

Sunil M Kothari: I am talking about last year also consolidated level we have spent on investing roughly 70 Crores and standalone basis some 48 Crores so if you can talk something about what type of investment we have done, where we added capacity, what we are doing by this capex?

Bimal Mehta: In 2021-2022 we had about 47 Crores capital expenditure if I understand your question correctly right?

Sunil M Kothari: On standalone basis but if you look at this presentation also we have cash flow given as a consolidated level also that is 70 Crores.

Bimal Mehta: It is not only capital it also includes 42 Crores of fixed deposit, so 47 Crores is the capex, that Capex is largely replacement of old structure, old plant, addition of equipment and all that it is not towards any project or anything.

Sunil M Kothari: Which you mentioned in this quarter's presentation this new plant replacement with new plant 70% higher capacity that is what you are saying?

Bimal Mehta: That is not it because that is going to be the expenditure that we will incur now that would be about 35 Crores.

Sunil M Kothari: This is from other plant?

Bimal Mehta: Yes.

Sunil M Kothari: It has given some higher capacity also?

Bimal Mehta: It will give higher capacity because we expect that business will grow.

Sunil M Kothari: Sir last question is we mentioned some risk from import of raw material maybe because of availability of supply so how much we import and where we are depending on outside one?

Bimal Mehta: Largely the import happen from three areas one is China, China of course not very significant but we do import from China, but many of our raw materials also come from Europe and some of the raw materials come from Korea, so Korea we are okay Korea we are not seeing any major issue, China also despite COVID restrictions and zero COVID policy and all that we have not seen any major issue so there have been some minor delays and some prices have gone up and all that but otherwise it is so far as our raw materials are concerned we are getting it and from Europe also until now we did not see any issue but with the energy crisis that is now being expected in Europe due to the war and unavailability of gas and all that or less availability of gas and all that we expect that it can impact us in two ways one is reduction in the supply of raw material because if the companies in Europe they are not able to operate at full capacity due to rationing or controls over consumption of energy then they may cut their production and if they cut their production it may affect the raw material that we buy this is one and secondly we also have customers in Europe so if they cut production of their production naturally their demand for our products may also reduce specifically if they cut production of those products where our raw materials are used or our products are used. So far as I speak today we have not seen any impact both ways but we are keeping our fingers crossed, we are keeping engagement with our customers on a continuous basis and we would of course keep a very close watch on this but this is what the scenario is.

Sunil M Kothari: Thank you very much, thanks a lot. Wish you good luck.

Moderator: Thank you. The next question is from the line of Pavan Kumar from Ratna Traya Capital. Please go ahead.

Pavan Kumar: If and when your capacity expansion goes through what will be your maximum revenues that we can derive I am asking you about current capacity plus the 450 metric ton per month capacity that you are planning to add?

Bimal Mehta: Practically let me just give you very quick idea that as I mentioned earlier even though the permission is going to be 450 metric ton and the restrictions that we are expecting with the conditions that we would not be able to add more than 250 metric ton. Now assuming that we are able to add 250 metric ton per month and then considering product mix of different products then you can safely assume that another 50 to 60 Crores worth of turnover can be added to the current level which is about 750 to 800 Crores again depending on the mix.

Pavan Kumar: Of the replacement capex of 35 Crores that you talked about does that require a planned shutdown and if there is a shutdown how much of revenue could be impacted because of that for what period?

Bimal Mehta: What basically we are trying to do right now is that we are trying to build up inventory and also the shutdown of the existing plant would be done in a very gradual and kind of organized manner so we do not see any major impact because what happens the current structure needs replacement but the plant is running, so while we build a new structure we will continue to run the old plant, so at the maximum time that the construction of the plant takes in the case of structure building not putting up equipment and all that, that is much hard to absorb, so we will set up structure, we will set up electric line, we will set up pipeline, all that will be set up and then we will move equipment all the equipment from the old plant to the new plant. So we do not see any major impact on revenue because of that, yes there will be some timing difference so might be whatever orders that we may have at present right now we will try to fulfill as much as we can build the inventory and then we stop the plant and then again we restart so we do not see any major impact of revenue.

Pavan Kumar: Beyond this 60 Crores any kind of capex plans as of now, is there any kind of visibility there?

Bimal Mehta: Not immediately but it all depends on how the new products going to the market and how customers respond then definitely we will have to add capacities, so as and when such a thing happens we will definitely inform through the appropriate mechanism.

Pavan Kumar: One strategic question in the sense are we actually being conservative in adding further capacity or are there environmental issues because of the ESG clearance issues which is preventing us from adding capacity or what is it exactly?

Bimal Mehta: So basically it is both way, it is not that we are not into expanding capacity we are indeed expanding capacity but based on the current market situation and current product profile and the way we are looking at new products we will definitely expand capacity as and when we believe that yes this is a significant opportunity and we need to really go aggressively on it so this is one side of looking at it and at the same time there are very strict requirements until last year we were not given a single expansion permission , for the last six, seven years that was the situation, but last year some notifications were issued and we actually have taken advantage of that notification and based on that we have been able to obtain this permission but again it comes with lot of conditions. There are lot of restrictions on getting adequate or additional permission and on the other hand we are also working towards some of these new products which some of them can be good volume products and as and when things really crystallize then we will go for expansion if needed if we are not able to do it here we can do it somewhere else but we have to do it as the business grows ahead as opportunities come our way.

Pavan Kumar: Sir if your product mix was favorable can we expect maybe even 900 to 1000 Crores out of the same facilities or that is practically not possible?

Bimal Mehta: As I mentioned 750 to 800 Crores, the 750 at the normal and 810 at the max in a favorable product mix condition.

Pavan Kumar: Okay fine Sir I will get back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Venkatasubramanian Raman from Organic Capital. Please go ahead.

Venkatasubramanian R: Thanks for taking my question Sir. In our presentation we have mentioned about capacity increasing by about 70% for some of our product lines in the same lines along with you mentioned that there will be 50 to 60 Crores additional revenue coming from the 250 tons per month kind of capacity expansion on this new line can you put a number to it?

Bimal Mehta: It can be another Rs.20 Crores because it is only one product where we are expanding this capacity.

Venkatasubramanian R: In an answer to one of your previous questions you said we definitely will need to expand sometime in the near future so given all the restrictions that you are facing actually in our current location if our thinking more towards actually a different location and what kind of timeframe do you think will be realistic for you?

Bimal Mehta: Right now as I mentioned that we are looking at or rather we are working on many new products and some of them look promising but once things are crystal clear in terms of where it is heading, whether that volume would be significant so as to warrant the new location or can we fit into our existing plants and do some technological changes or modifications or debottlenecking and all that so with all that right now we do not have very clear guidance on whether it will be done in another one year or eight months or 12 months or 14 months but this is something that we are very conscious or very aware of and we would do whatever it is required to do to capture some major growth or major opportunity that may come our way.

Venkatasubramanian R: We had previously announced one such expansion which we kind of held back which was of a slightly higher order than what we are currently doing in terms of investment so the next expansion will be a fairly substantial one?

Bimal Mehta: Can be, it depends, right now we are working on five, six products now assuming that we are able to do something only in one product then it may not be significant but if we are able to do something in three, four products then naturally it will be significant.

Venkatasubramanian R: Lastly you kind of mentioned that you took advantage of some circular so is there scope for actually doing more in the same location because you will have a significant cost advantage if end up doing it in the same location right?

Bimal Mehta: Because this circular allows you one application and only up to a certain level and with the many requirement to be fulfilled so they cannot be repeated now.

Venkatasubramanian R: Thanks a lot.

Moderator: Thank you. The next question is from the line of Aman Madrecha from Augmenta Research Pvt. Ltd. Please go ahead.

Aman Madrecha: Thanks for the opportunity. Sir actually wanted to ask about the investments in Transpek-Silox like if I look at the balance sheet the investments earlier in Transpek-Silox is around 175 Crores in FY2022 versus around 130 Crores in FY2021 but the number of shares held in are same so like we understand it might be some fair value assumption of something so can you highlight what is the percentage holding in Transpek-Silox or what is the kind of business that Transpek-Silox was and some light on what kind of margin that business has?

Bimal Mehta: So basically Transpek Silox is an independent company it is being run by a different promoter different group it is not managed by us it is largely a foreign owned company by a group in Europe we hold only 7.47% of the shares in Transpek-Silox so we do not have any major view on their business or any insights into their levels of margins and all that so we are just holding this investment as a historical investment that we had since the year 2000 and of course we get the returns on a regular basis.

Aman Madrecha: Okay Sir thank you.

Moderator: Thank you. The next question is from the line of Akshita from Green Portfolio. Please go ahead.

Akshita: My first question is what is the capacity utilization of plants right now?

Bimal Mehta: So this quarter it has been almost around 90% to 92%.

Akshita: The next question is like how much sales in Q1 FY2023 comes on long-term agreement?

Bimal Mehta: That is something that I would not be able to answer because of competitive issues and confidentially sort of things that we have to follow, but in general as we can say our exports are significant and entire contract volume goes in exports only so you can probably make an educated guess.

Akshita: My third question is on the annual report it is like I saw a commitment of 11.39 Crores so what are these commitments for it is on page #171 of annual report?

Bimal Mehta: These are advances against capital expenditure.

Akshita: Thank you I am done with my question.

Moderator: Thank you. The next question is from the line of Nirav Jimudia from Anvil Research. Please go ahead.

Nirav Jimudia: Good afternoon Sir. I have two, three questions. First is you mentioned in your one of the remarks that our capacity utilization in Q1 was 92% and it is as equivalent to that of what we have achieved in 2018-2019, so probably in 2018-2019 our turnover was 610 Crores precisely, now let us say if this sort of volumes continues for the rest of the year and let us say the sort of turnover also happens for the rest of the year probably we would at around 28-30 Crores so is it safe to assume that probably the cost increases to an extent of 35% to 38% provided whatever we have sold in 2018-2019 in terms of volumes is equivalent to those what we will probably sell in 2023 is it a right assumption Sir?

Bimal Mehta: No, actually see of course I would pull out the numbers but when I was trying to answer that question what I was just trying to explain is that during the COVID period the kind of uncertainties, the ability to ship it, ability to produce, they were all comprised to all of us and all companies, so therefore comparing those quarters with the current quarter would not be a very logical thing to do and in 2018-2019 when I take one example I was just trying to establish that it was more consistent year it was not kind of one-to-one comparison in terms of volumes or values or anything. So as I mentioned if we are able to sustain this kind of capacity utilization you can safely assume that we will see sales of about 750 to 800 Crores some of which may be due to the volume increase and some of that will maybe due to the increase in the cost being passed into the price.

Nirav Jimudia: But currently if we see we are already at 840 Crores right on Q1 run rate?

Bimal Mehta: No. It cannot be multiplied by four like this.

Nirav Jimudia: No, let us say if we sustain the volumes at 92% capacity utilization as already mentioned.

Bimal Mehta: Let me tell you that you see some products that may have gone in Q1 of a price of as an example of $3.5 the next quarter that particular product volume may reduce and we may have products which are going in higher level of $2.5, so for the benefit of all the participants again let me just explain very quickly and very briefly the nature of our business. We have multiple products, we have multiple plants, we have plants that produce only one product and we have plants that produce multiple products single plant producing multiple products so calculation of capacity is also very complex affair for us. Now coming to the product even the regional change say for example same product going to China, same product going to Korea, same product going to Europe and same product going to US the prices will defer it is not going to be the same price logistic cost will defer, other factors will come into play. Some countries where we do business we have agents would deal with our customers so we have to pay commission, some countries we do not have agents then we do not have to pay commission, so it is a very complex kind of a mix of products, pricing, countries, customer so it is not something that is arithmetically easy to calculate and therefore based on what we understand in terms of our product mix we believe that we should be able to do anywhere between 750 to 800 Crores if we do more we all will be happy but at least at this point in time we are not seeing that.

Nirav Jimudia: Let me reframe my question once, so let us say you mentioned that our capacity effective combining what we use for internal consumption also is around 66000 metric tons, but if we want to say in terms of the sellable capacity that what we actually sell in the market including our captive consumption or excluding our captive consumption what could be that capacity just to understand from the realization point of view because you mentioned that some of the products are $3.5 per kilo, some are $2.5, some maybe even higher also so let us say what could be the effective sales volume?

Bimal Mehta: So that is why I am giving you a number I am not talking in terms of the quantities of the product because see let me tell you one thing if I do product A in a particular line a production line what we call in a stream then I will get the two tonnes, if I do one product I will be able to produce 3 tons per day and if I do another product I will be able to produce only 1.5 tons per day so it is not something that is well that is why I am telling you in number that we can do at the maximum capacity in terms of absolute sales number of around 750 to 800 Crores.

Nirav Jimudia: This does not include the four to five products what we have already seeded in the market and for which we are getting those initial responses after which probably the sales could be enhanced so this does not include those five product sale?

Bimal Mehta: That is definitely there one product is slowly and gradually catching the volume but yes it is not significant so there you are right that these four to five products we are able to commercialize only there will be a good amount of volume coming in.

Nirav Jimudia: If you can just tell us like what could be the potential of these five products, whenever it will happen I am not tell in next year or year after that?

Bimal Mehta: The potential would be five products each product can be around anywhere between 10 to 20 Crores each product so it will reach maybe 50 Crores at the most maybe 100 Crores.

Nirav Jimudia: Got it thanks a lot Sir for answering the questions in detail and all the best to the entire team.

Moderator: Thank you. The next question is from the line of Neha Idnani from Minerva Invest. Please go ahead.

Neha Idnani: Good evening Sir, thank you for the opportunity. In line to all the questions that the previous participants have asked in terms of capacity we are almost at 92% we may get some more capacity that we have applied for at Ekalbara but we are also kind of contract manufacturing to a group company because we are short of capacity so why do we not look for a Greenfield plant or start thinking of doing capacity because I am assuming that will also take some time so what is the thought process of the management on that?

Bimal Mehta: As I mentioned a bit earlier we do have multiple products and many opportunities that we are looking at we are also looking at more strategic connect like long-term contracts and all that, so some of them may happen and as soon as we have some primary clarity that yes this is going to happen then we will start working on whether we have to have a Greenfield site or we have to look for other contract manufacturers for us because there will always be some spare capacity available elsewhere so at present the things stand we do not want immediately or we do not need immediately any new major Greenfield site or anything like that. As you may remember we had already announced a Greenfield site two-and-a-half years back and that was at that time when we had seen a very significant opportunity while working with some of our customers but due to COVID they also put their expansion plans and new developments on hold and therefore we also decided to put that on hold and of course we continue to engage with these and other customers and I can assure you from our side our technical competence that as and when there is something that happens we will be able to meet our customers' requirements and then even if it is Brownfield expansion or a Greenfield project so we are conscious of this we are aware of this but right now are not much aggressive in terms of investments because we would like to utilize the cashflow that is being generated rightfully where we know for sure it is going to give quick and good returns so that is the focus.

Neha Idnani: Understood Sir thank you for that. So basically the four to five products that you see given the market that you say could make you anywhere between 50 to 100 Crores of revenue so I am assuming that over and above this there are products that you are working which may have a more sizable potential for the contract similar to the one that you had spoken of two-and-a-half years back and is that be the case if you do end up getting such a long-term contract from the point of getting the contract to the point of commercialization how much time would it take?

Bimal Mehta: It depends on the way the contracts will be. It will be separate with the requirement of the product but in the last contract we could start commercial product in like seven months from the day we signed the contract so that was of course a very phenomenal achievement by our project team. It may not be repeated so typically it should be anywhere between 9 to 14 months from the day we have a go.

Neha Idnani: Understood Sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Yogansh Jeswani from Mittal Analytics. Please go ahead.

Yogansh Jeswani: Thanks for the opportunity. Sir the expansion that you mentioned in terms of the replacement of old unit which will add 70% capacity so post this capacity replacement what would be our capacity the 66000 number will be what?

Bimal Mehta: It will add another 450 metric ton capacity it is not very big because it is just one product one plant.

Yogansh Jeswani: 450 metric ton per month?

Bimal Mehta: Per annum.

Yogansh Jeswani: This is a single product line or a multiproduct plant?

Bimal Mehta: It is a single product line.

Yogansh Jeswani: The four, five new products that we have in pipeline could you also share some more details in terms of the application side on it are these more on the polymer side or on the specialty chemical side and what would be the end market for this and is there a scope for any long-term project for any of these products or will it be for multiple customers?

Bimal Mehta: There are three key applications two products are basically for pharmaceutical so these are intermediates, one product is photo initiators the application is photo initiators so basically sustaining or maintaining the color in the final paint it is used as an additive and two products are specialty chemicals and one of them is related to polymers and another one is related to kind of electronics application and one that we have commercialize and gradually building up volume is going into organic peroxide, so polymers yes significant and pharmaceuticals these two major applications.

Yogansh Jeswani: We will be largely for general customers and not to a particular customer?

Bimal Mehta: Yes, general customers.

Moderator: Thank you so much. The next question is from the line of Faisal Hawa from HG Hawa & Company. Please go ahead.

Faisal Hawa: Is there any progress on getting our shares listed on NSE also?

Bimal Mehta: I think Board has not yet considered. We have passed on your messages time and again in fact many shareholders ask the same question in AGMs especially but right now nothing is on the table.

Faisal Hawa: Price discovery will be always difficult at this point of time.

Bimal Mehta: I am now speaking purely not as Board representative or anything of but I do understand your concern but on the other hand company also has to already comply with so many requirements like not only Transpek all companies have to comply with so many regulatory requirements and you keep on adding those and you spend 70% of your time only in compliance and 30% of your time in actual business management and growth so naturally Board will take it up as and when it finds it in wisdom to do so but this is from my side that compliance is too much when you go to another stock exchange naturally they will have their own guidelines, they will have their own requirement, they will have lot of things that we have to do but I will definitely pass on your sentiments again in the next Board meeting.

Faisal Hawa: We have just seen that the dividend has risen a lot in the past financial year so we will be continuing with large dividend still we do not face a very large capex and suppose there is no further capex for another year you feel the debt could come down significantly?

Bimal Mehta: Yes, if there is no capex definitely the debt can come down quite much but let us also keep in mind that our capex is not only development capex because of the nature of products extremely corrosive nature of products we do have significant replacement that we have to do, we do have significant replacement and that is why you see some good numbers from every year in terms of capital expenditure it may not be for expansion or growth it may be just replacement but yes definitely if the capex is low you will see a good reduction in debt levels.

Moderator: Thank you. I would now like to hand the conference over to Mr. Bimal Mehta for closing comments.

Bimal Mehta: Thank you all for taking time to join us on this call. With this I conclude the call, if you have any further questions please contact SGA our Investor Relations Advisor. Thank you everyone for joining us today on this earnings call. Thank you.

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