

One Stop Investment Avenue



**GEPL**  
**CAPITAL**



Initiating Coverage

# **TIME TECHNOPLAST LTD**

Sustainable and Structural in Change Profile



Equity | India | Capital Goods

Apr 04, 2024

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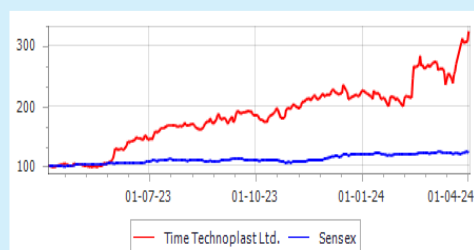
Market Info (as on Apr 03, 2024)	
BSE Sensex	73,876
Nifty S&P	22,434

Stock Detail	
BSE Group	A
BSE Code	532856
NSE Code	TIMETECHNO
Bloomberg Code	TIME:IN
Market Cap (INR Cr.)	6037
Free Float (%)	51.51%
52wk Hi/Lo	272 / 79.5
Avg. 20 Day Volume MN (NSE)	2.45
Face Value (INR)/ D. Yield (%)	1 / 0.47
Total Paid Up Eq. Shares (Mn.)	22.69

Promoters	Public	Others
51.51	48.49	—

Financial Snapshot (INR Cr)				
Particular	FY23	FY24E	FY25E	FY26E
Net Sales	4289	4977	5690	6491
EBITDA	577	691	835	985
PAT	224	302	394	487
EPS	9.8	13.3	17.3	21.4
ROE (%)	10.0	11.6	13.4	14.4
ROCE (%)	15.5	17.9	20.0	21.4
P/E	7.8	19.9	15.2	12.3
EV/EBITDA	4.2	9.7	8.0	6.8

### Share Price Performance



Rel. Perf.	1Mth	3 Mths	6Mths	1Yr
TIME (%)	19.6	45.4	76.9	237.9
Sensex (%)	0.07	2.9	12.4	25.0

Mr. Harshad D. Gadekar

Research Analyst, Fundamental Desk

harshadgadekar@geplcapital.com

+91-22-66142685

### Summary

We Initiate Coverage on Time Technoplast Ltd (TIMETECHNO) with a 'BUY' rating and target Price of INR 411 implying 53% upside. Time Technoplast Limited (TTL) is a prominent manufacturer of polymer and composite products, boasting over 30 production facilities worldwide, including 20 in India. With a presence in 11 countries, TTL serves institutional and retail clients through 8 strategic business units (SBUs). Its diverse portfolio encompasses industrial packaging solutions, lifestyle products, automotive components, and more. TTL holds leading market positions in various segments globally, including plastic drums, composite cylinders, and intermediate bulk containers (IBCs). The company's established products contribute around 77% of its revenue, with value-added products such as IBCs and composite cylinders making up the remaining 23%. TTL prioritizes R&D to develop innovative products and aims to increase the share of value-added products to enhance margins. Additionally, it focuses on Brownfield expansion both in India and overseas to fuel future growth and capitalize on existing infrastructure.

### Investment Rationale

#### Rising CNG Market Along with Conversion to Composite Cylinders from Metal CNG Cascade to benefit

TIMETECHNO benefits from both trends of a. Rising CNG penetration and b. Metal tank to Composite tank conversion. The Composite CNG Cascades weighs 60% less than metal along with rustles nature (improving recycling time) and explosion proof capabilities, However the composite cylinders cost 40% higher which is justified with reduced maintenance cost and improved safety. At present 50% conversion is achieved and balance expected to complete by FY26 end.

#### Higher Share of Value-Added Products to elevate already stable operating margins

As of FY23, Value added products (VAP) driving 23% of topline and is expected to climb towards 30% by FY27E, driven by healthy estimated CAGR of 36%/ 18% in Composite cylinder and IBC products. Historically TIMETECHNO has been operating with EBITDA margins of (12%-15%) with low standard deviation of 0.87%, this underlines the stability of its operations. However, VAP carries higher operating margins of (15%-16%) Vis a Vis conventional business margins of (13%-14%), we estimate the blended EBITDA margins to climb towards 15.2% by FY27E. The ROCE is estimated to improve to 22.1% by FY27E from 15.5% in FY23 on account of lower capital employed due to higher VAP share. We believe, this structural change in product mix is sustainable given the tailwinds and shall help in improving already stable margins and returns ratio. The management has been keen on expanding capacities in VAP segment as majority capex in being dedicated.

#### IB Containers business volume to surge amid anticipated recovery in the global chemical industry towards end of CY24.

The IB Containers are liquid handling equipment, company markets it under brand name of "GNX". TIMETECHNO's IBC mostly used in storing, transiting reloading the chemicals. Presently the chemicals industry facing headwind due to pricing pressure and destocking, however as recovery is expected from H2CY24 as per consensus of chemicals manufactures. Thus, normalization of growth to lead higher volumes resulting increased demand for its IB containers. The IBC segment clocked volume growth of 18% in FY23, we estimate 16% CAGR between FY23-FY27E.

**Debt Reduction on Cards with Support from Overseas Business Restructuring**

Company's Net Debt Stands at Rs 660 Cr (6MFY24), aims to be Net debt free by CY25. Management is working on to sale 50% of business in Middle East at USD 100 MN valuations. The proceeds of USD 25 MN/ Rs 207 Cr to be used for debt reduction with disturbing the ongoing expansion plans. The Middle East business contributes 7.5% to overall topline. The disinvestment transaction to be completed till May-24 including due diligence period. The Management has also as identified non-core assets of INR 125 crores which is planned to be divested by 2025. This combined sales proceeds of INR 332 Cr to aid in lowering Net debt and improved remainder at bottom line.

**Recent Progress in development of Type IV Hydrogen storage tanks hold good potentials**

First Time in India, The Company has received approvals from PESO (Petroleum & Explosives Safety Organization) for manufacturing High pressure Type IV- Composite cylinder for Hydrogen. Testing of joints and inspection for 1<sup>st</sup> lot of cylinders is expected to be completed by Sep-24. Type IV hydrogen tanks feature a non-metallic inner liner composed of composite materials, surrounded by an outer layer made of carbon fiber and other interwoven thermoplastic polymers. Type IV weighs up to 70% lesser compared to Type I, making them ideal for applications requiring high-pressure storage of hydrogen while keeping system weight low. This is particularly advantageous for mobile and aeronautic applications.

**Technological adaptability has kept company ahead of competition**

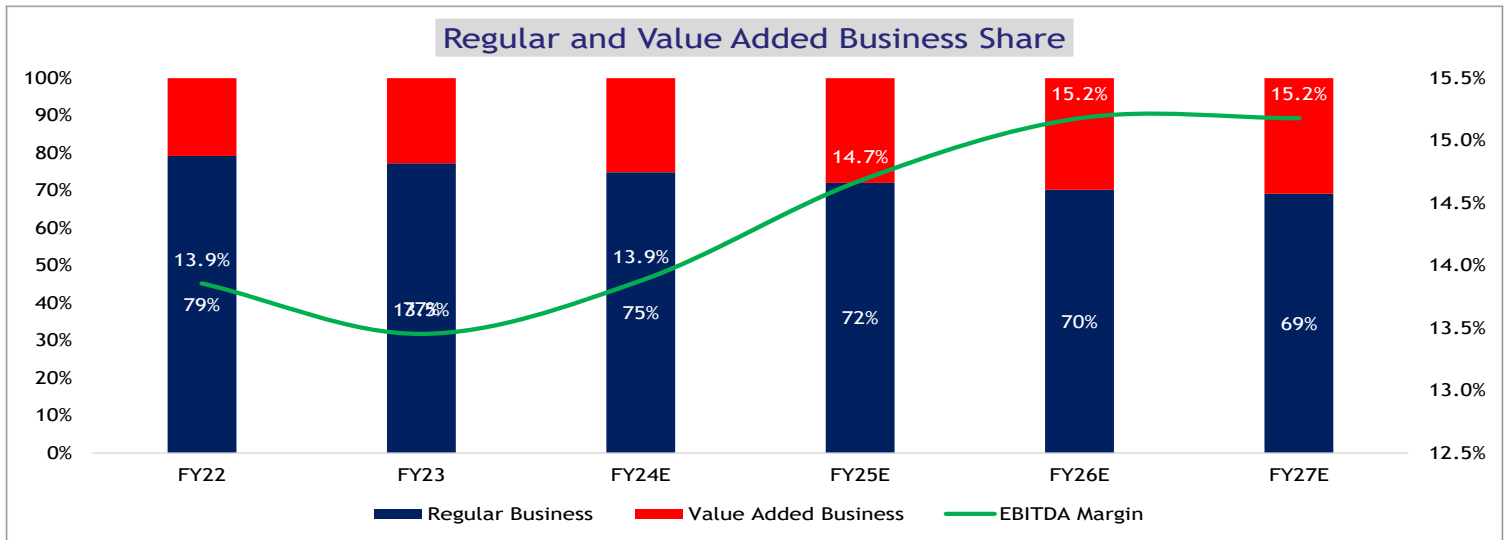
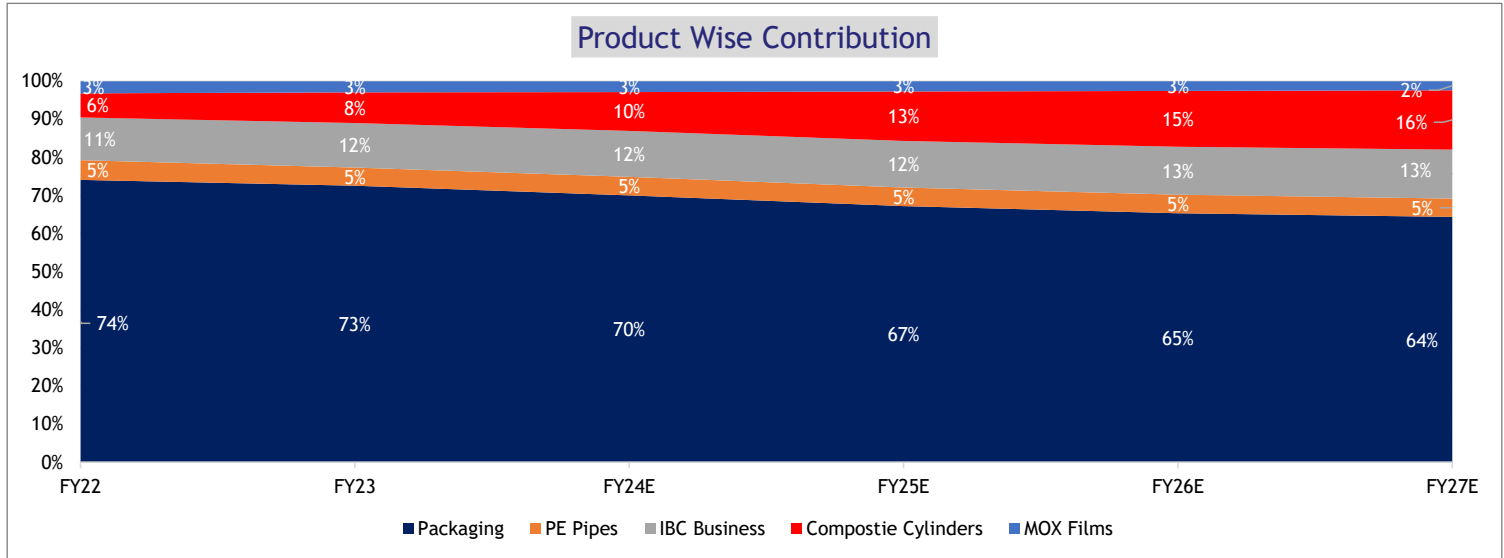
TIME TECHNO's regular business (PE pipe & packing) is infiltrated with many competitors, thus growth is shared amongst players. TIMETECHNO has guided for 12% CAGR for this regular business. However the Value added business has stream of products which technologically competent that separates it from mass unorganized space. Its IB containers are sold over 11 countries underscoring the products quality in international markets. For Composites business, the competition is limited to Type I cylinder (Steel cascade), however the development of Type IV cylinder has pushed the criteria's hard and difficult to match by the mass participants due to advanced technology. This has elevated and strengthened TIMETECHNO's competitive positioning thus as per management company is successfully able to win 80%-90% of bids. Further the first mover development in Type IV hydrogen storage cylinder is likely to cement its position.

**Quality and Background of Management**

Key parameters scored 93% across the 14 parameters. TIMETECHNO was founded by Late Mr. Anil Jain (Died in Accident, was 30 yrs. with company) after branched out from BHEL and Voltas Ltd in 1992. He scaled business to 11 countries under his leadership. Mr. Bharat Vaghera (62, CA) is now in charged as "Managing Director". Company's Technical and Operations are directed by Mr. Naveen Jain (IIT-D, Electrical Engineer) who has expertise in polymers and is leading R&D team.

**Key Risk**

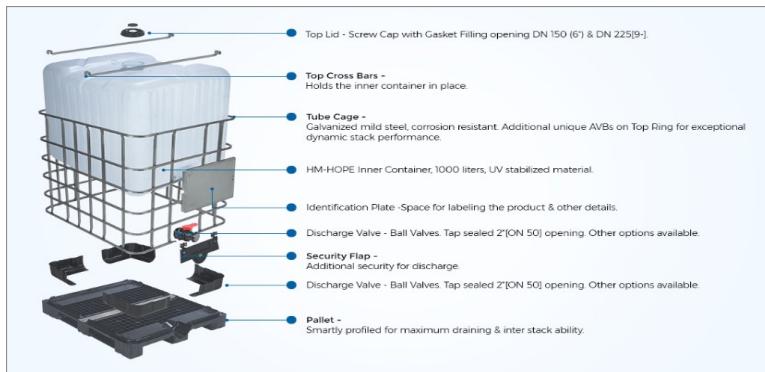
1. Lack of Aggression towards composite cylinder by OMC's could be a growth dragger.
2. Hydrogen Storage tank prototype testing result are key watch for further clarity
3. Volatility in Raw material price (Packaging segment) could derail operating margins.
4. Untimely Sales transaction of overseas business could alter debt reduction plans.



### CNG and Hydrogen Industry Outlook & Size

The CNG/PNG adoption emerges as a midway before moving to a Full-fledged transition to cleaner energy. With 12.2% CAGR, India aims for 15% NG share by CY30 in energy mix vs the current 6.7%. (source MPNG). and CNG Vehicles market to estimated grow at 7.66% CAGR by CY29 (source: Mordor Intelligence), India had 5040 CNG stations by 2022 and aims for 17500 CNG stations by CY30 implying healthy 17% CAGR. The acceleration to above growth is peddled by conversion of Metal cascade to composite CNG cylinders, given its obvious next step as a technological advancement. The CNG storage is highly sensitive hence proven research capabilities with stringent quality check certificates, approvals from regulators are needed before conducting business with OMCs. Historically, TIMETECHNO has always been on the cusp of innovation and one the few ones to receive green signals. This separates it from unorganized space to a value-added products provider. The company is already a sole provider of composite cylinders to "Go Gas", (a brand of Confidence Petroleum). Globally Hydrogen storage market is valued at USD 16.7 BN as of 2024 and is forecasted to reach USD 20 BN by 2028 (Source: Statista). Indian Govt steps are firm as it is developing draft scheme for RTC (Round the Clock) renewable energy using green hydrogen storage under national green hydrogen mission. Historically, company has remained proactive in innovation as they are in India 1<sup>st</sup> to launch PE drums to replace steel, 1<sup>st</sup> to launch IBC, 1<sup>st</sup> to launch Composite gas cylinders, proving prowess in technology

## COMPANY PRODUCTS



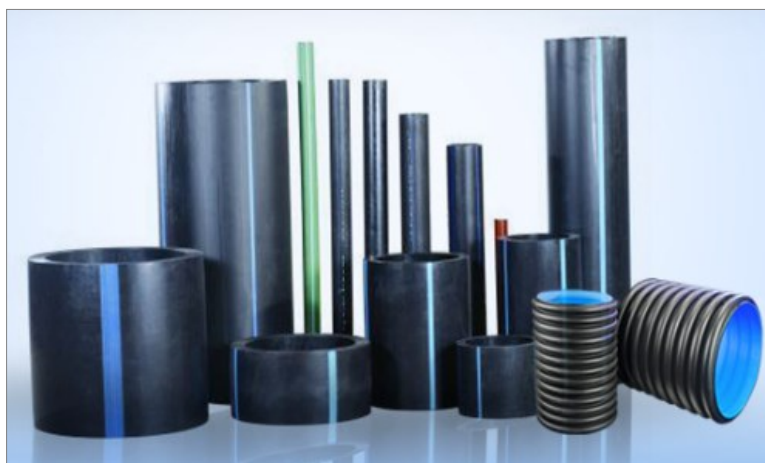
.....IBC (Intermediate Bulk Container) used in chemical handling.



.....Plastic Composite Cylinder used in Household LPG gas storage and bottling.



.....Industrial packaging and storage containers.



.....Industrial products PE and HDPE Pipes.

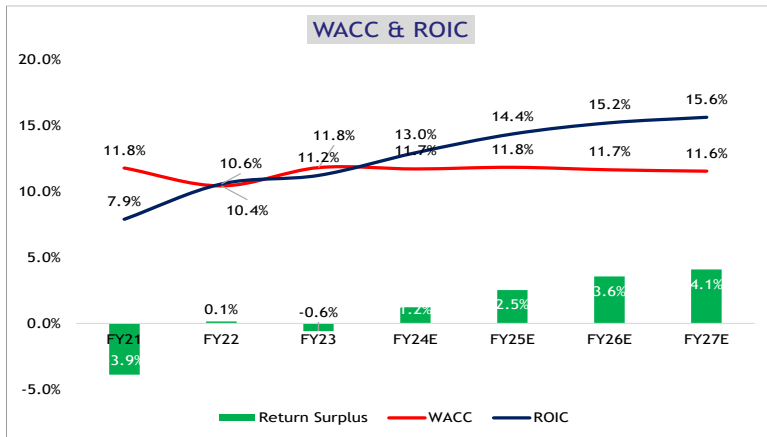
### Company Profile

Time Technoplast Ltd (Time Tech) is a multinational conglomerate with operations in Bahrain, Egypt, Indonesia, India, Malaysia, U.A.E, Taiwan, Thailand, Vietnam, Saudi Arabia & USA is a leading manufacturer of polymer products. The company's portfolio consists of technically driven innovative products catering to growing industry segments like, Industrial Packaging Solutions, Lifestyle Products, Automotive Components, Healthcare Products, Infrastructure / Construction related products, Material Handling Solutions & Composite Cylinders.

- Incorporation year: 1992
- Chairman: Mr. Sanjaya Kulkarni
- Managing Director: Mr. Bharat Vageria
- Company Secretary: Ms. Manoj Kumar Mewara
- Head Office: Andheri, Maharashtra, India
- Auditor: M/s Shah & Taparia CA

## FINANCIAL ANALYSIS

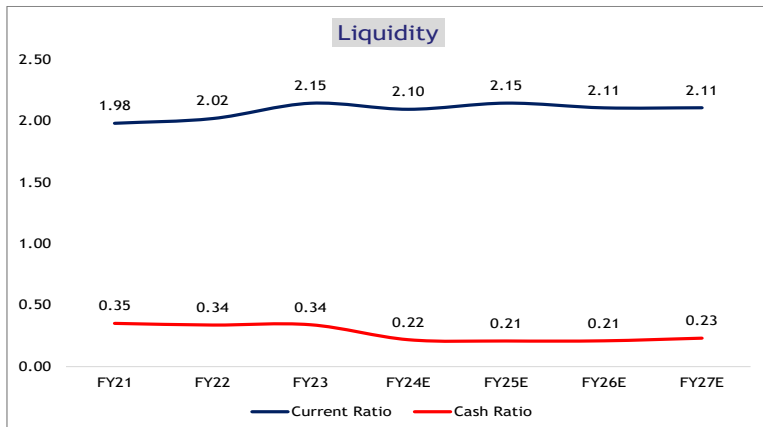
Exhibit 40- WACC & ROIC



Source: GEPL Capital, Company data

..... WACC is likely to remain flat around 11.6%, however with increase in the ROIC, the company to be Returns surplus of 4.1% by FY27E.

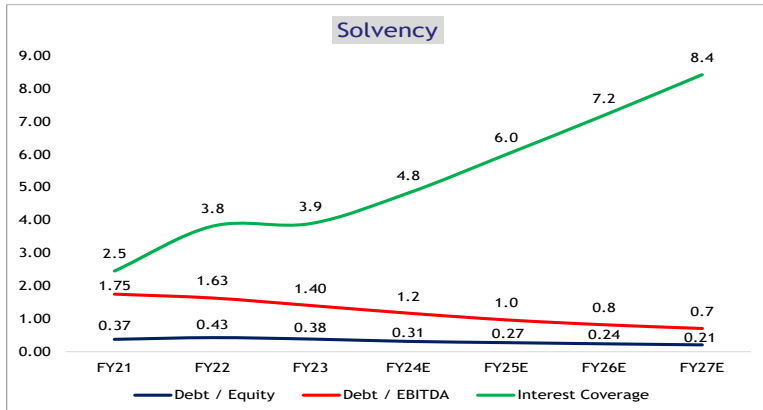
Exhibit 40- Liquidity analysis



Source: GEPL Capital, Company data

.....Historically current ratio has remained healthy above 2x, and it estimated to remain stable in the forecasted period around 2x-2.11x.

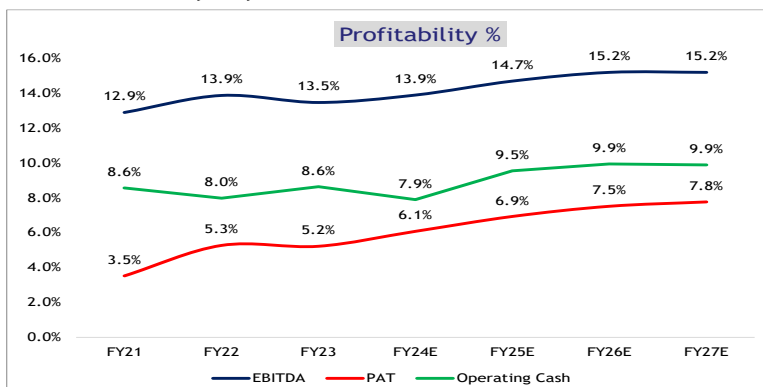
Exhibit 40- Balance sheet flow analysis



Source: GEPL Capital, Company data

..... Interest coverage ratio to scale upwards to 8.4 by FY27E, Debt to equity remain in controlled at 0.21 By FY27E.

Exhibit 40- Profitability analysis



Source: GEPL Capital, Company data

.....Rising share of Value added products to scale up EBITDA margins towards 15.2% from the current 12%-13% range.

## FINANCIAL ANALYSIS

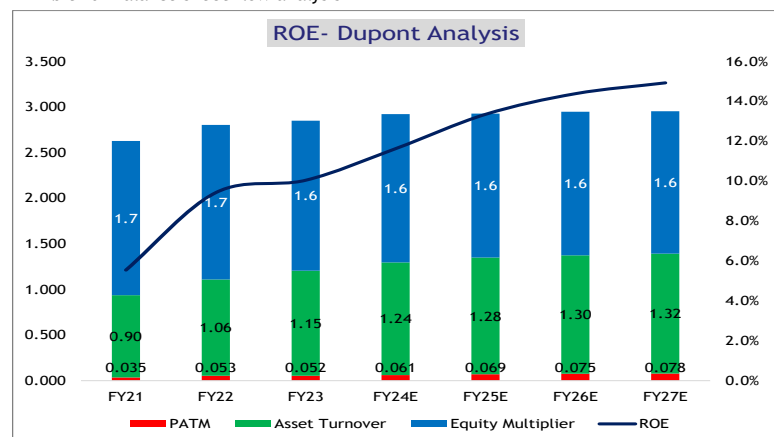
Exhibit 40- Balance sheet flow analysis

Dupont Analysis							
Particular	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
<b>ROE</b>	<b>5.5%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>11.6%</b>	<b>13.4%</b>	<b>14.4%</b>	<b>14.9%</b>
PATM	0.035	0.053	0.052	0.061	0.069	0.075	0.078
Asset Turnover	0.90	1.06	1.15	1.24	1.28	1.30	1.32
Equity Multiplier	1.7	1.7	1.6	1.6	1.6	1.6	1.6
<b>ROCE</b>	<b>10.2%</b>	<b>14.3%</b>	<b>15.5%</b>	<b>17.9%</b>	<b>20.0%</b>	<b>21.4%</b>	<b>22.1%</b>
EBITM	8%	10%	10%	10%	11%	12%	12%
Capital Turnover	1.3	1.5	1.6	1.7	1.8	1.8	1.9

Source: GEPL Capital, Company data

..... ROE to achieve 14.9%, on account of increase asset turnover and Profit margins.

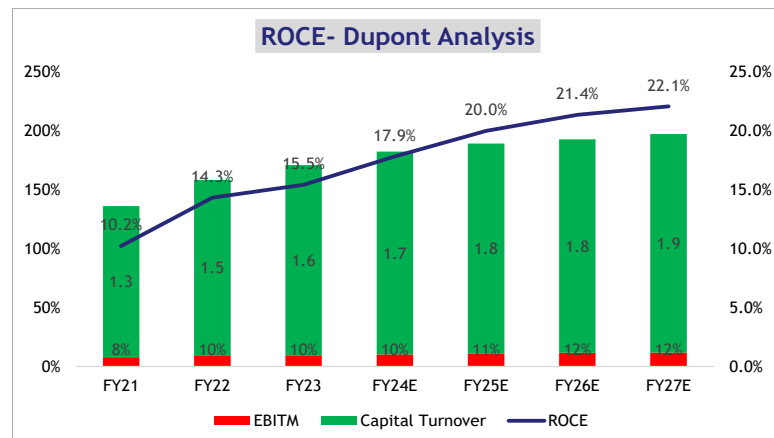
Exhibit 40- Balance sheet flow analysis



Source: GEPL Capital, Company data

.....Lowering working Capital requirement in increased VAP share to improve asset turnover.

Exhibit 40- Balance sheet flow analysis



Source: GEPL Capital, Company data

.....ROCE is expected to scale towards 22.1% on the back of increased capital employed turnover to 1.9x.



## GROWTH WITH FINANCIAL PRUDENCE

### REVENUE TO ACCELERATE IN NEXT 4 YEARS

In last 10 years company clocked revenue CAGR of 9.1%, however with increased revenue visibility we project revenue CAGR of 15.1% for FY23-FY27E period.

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Revenue	3,103	3,564	3,578	3,005	3,650	4,289	4,977	5,690	6,491	7,525
EBITDA	473	524	499	387	506	577	691	835	985	1,142
EBIT	338	381	345	240	351	410	515	639	765	896
PAT	185	209	175	106	192	224	302	394	487	584
CFO	303	281	301	257	291	370	393	543	645	744
NOPAT	250	281	255	179	260	301	381	473	566	662

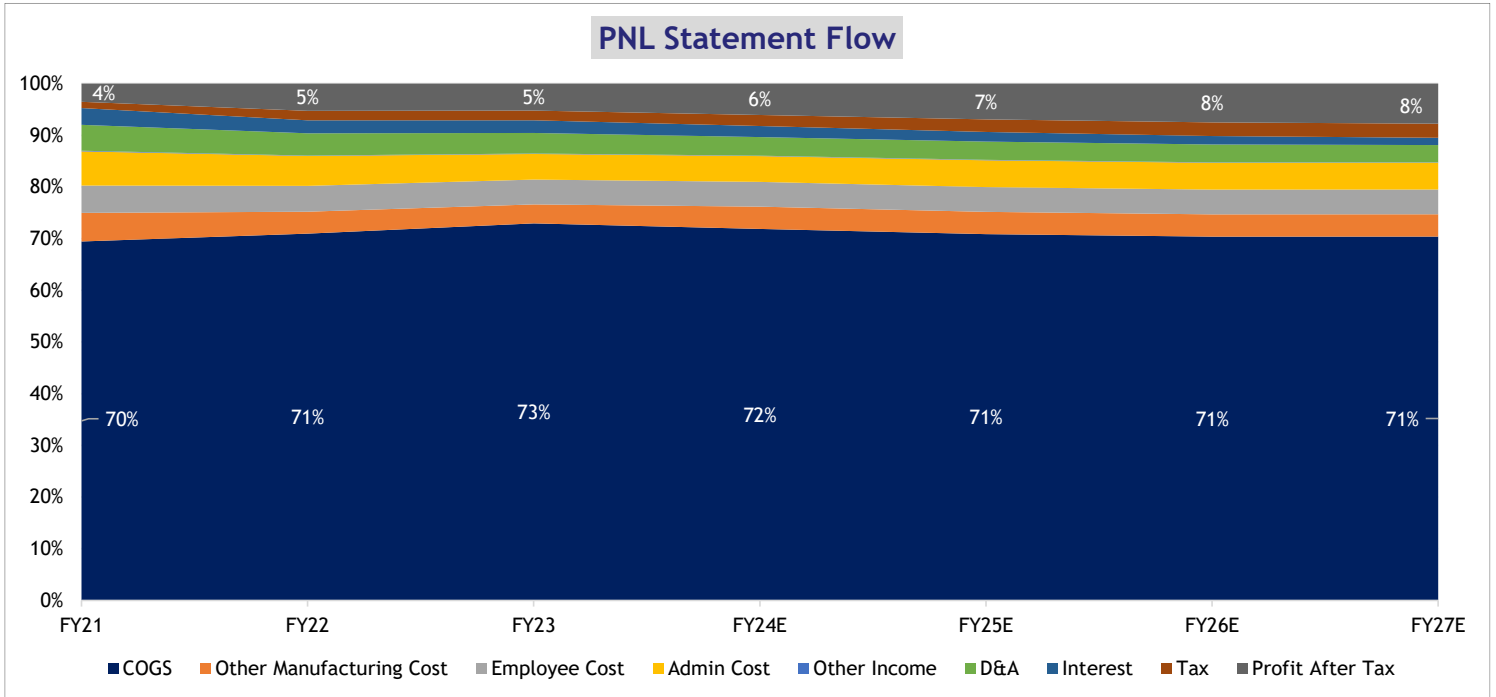
Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Capital Employed	1,912	2,107	2,336	2,349	2,549	2,755	3,018	3,364	3,793	4,309
Working Capital	596	702	877	938	1,076	1,230	1,325	1,485	1,707	1,993
Cash % of CA	3.8%	2.7%	3.1%	3.2%	3.2%	3.0%	0.0%	0.2%	1.8%	4.0%
Invested Capital	1,889	2,079	2,306	2,259	2,460	2,680	2,943	3,289	3,718	4,234

### HEALTHY FREE CASH FLOW GENERATION

Time Technoplast has consistently generated free Cash flows over the years and that is estimated to accelerate in the future.

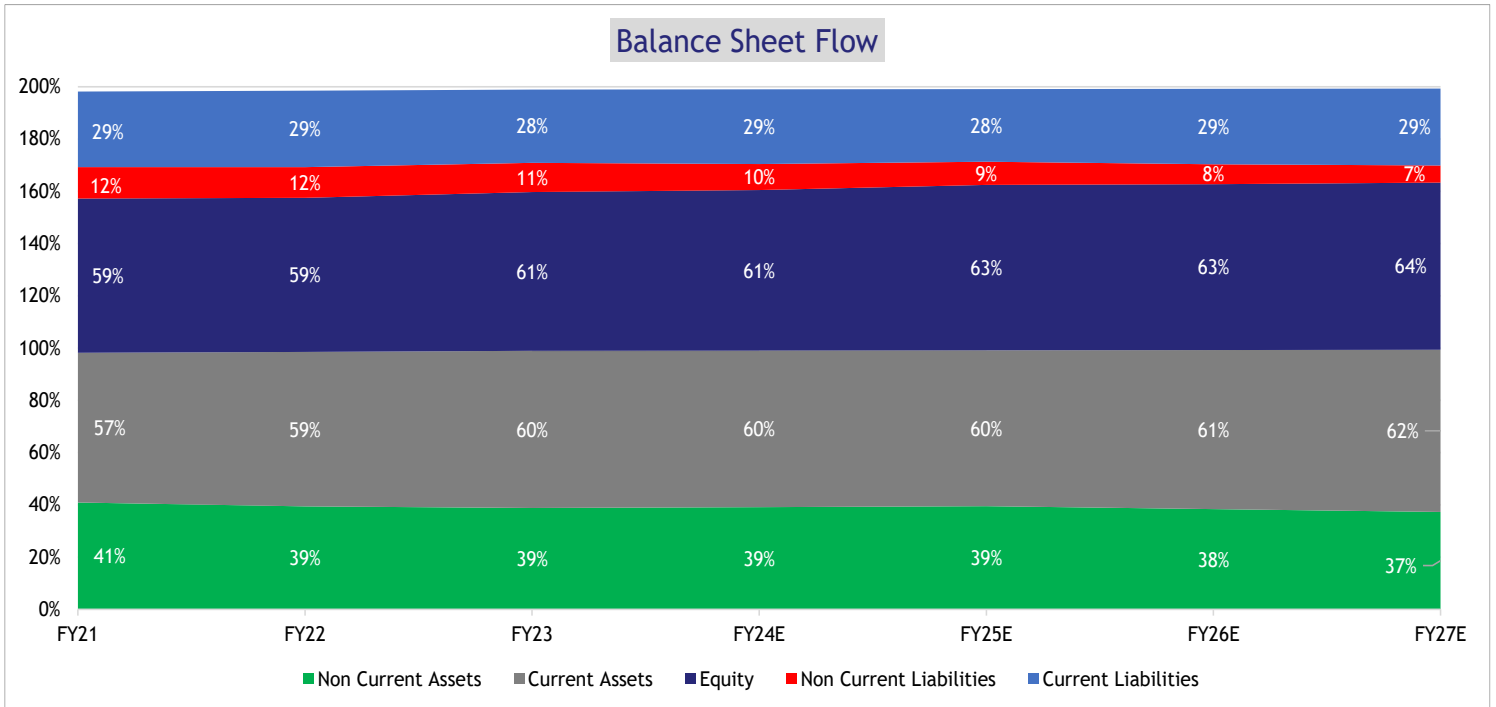
Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
EBITDA	473	524	499	387	506	577	691	835	985	1,142
CFO	303	281	301	257	291	370	393	543	645	744
Free Cash Firm	57	49	164	155	103	146	46	156	213	262
Free Cash Equity	111	112	149	124	107	120	34	144	202	251
Payout to Shareholders	18	23	25	22	17	23	32	41	51	61
Payout to Creditors	33	36	122	129	87	131	118	118	118	117

Exhibit 41- PNL statement flow analysis



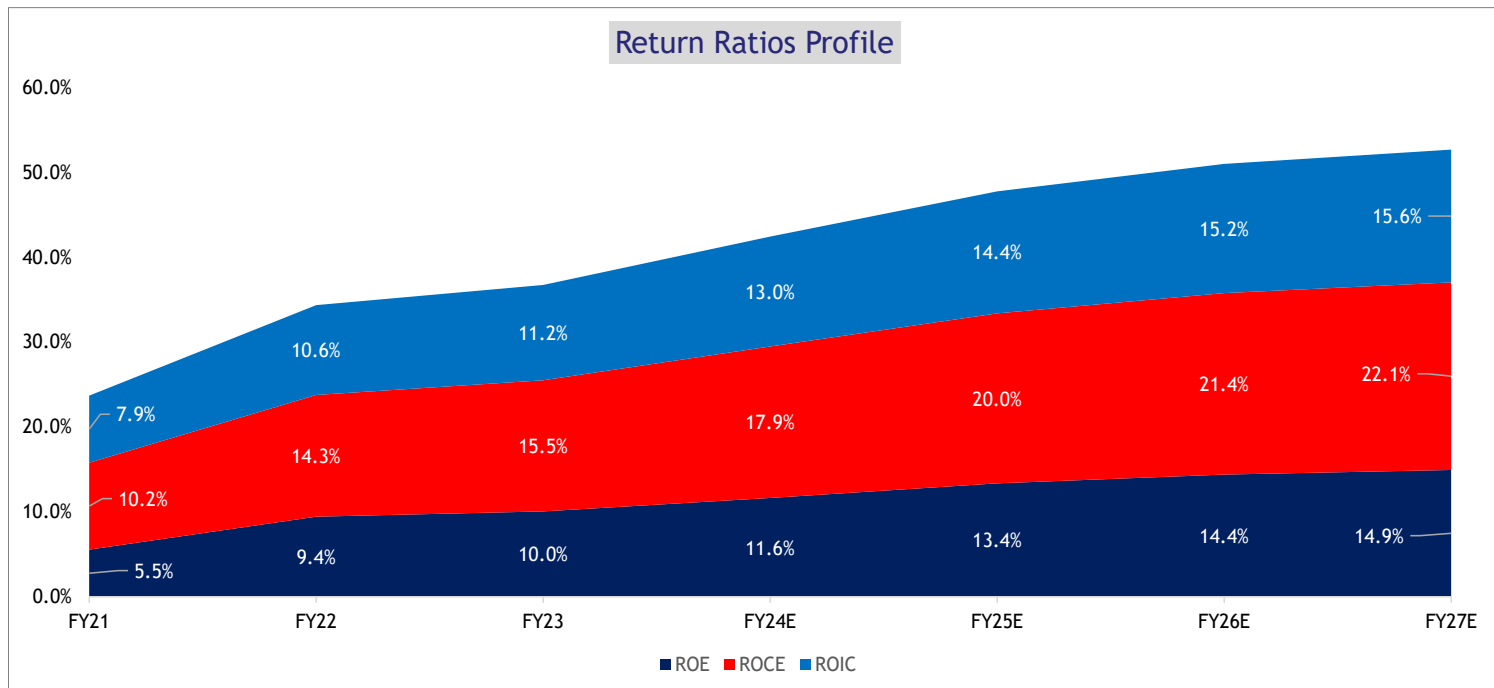
Source: GEPL Capital, Company data

Exhibit 40- Balance sheet flow analysis



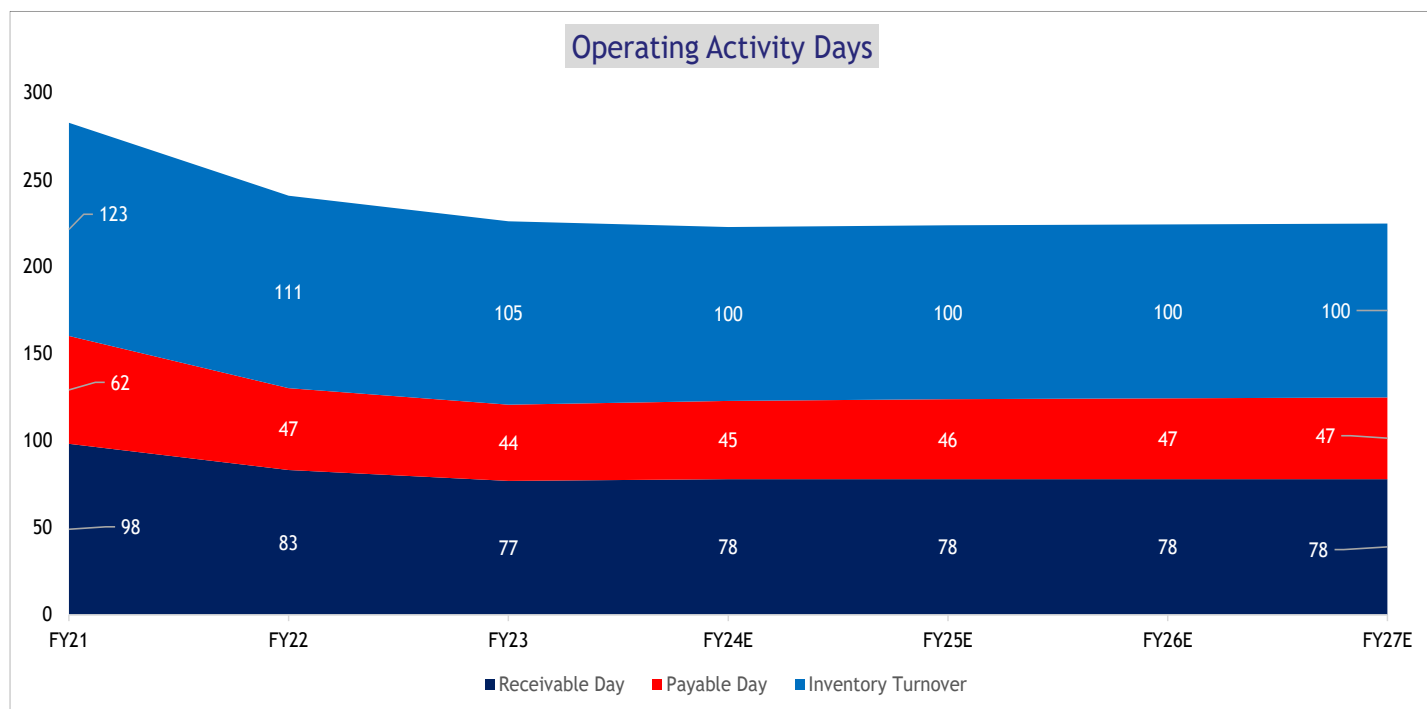
Source: GEPL Capital, Company data

Exhibit 41- PNL statement flow analysis



Source: GEPL Capital, Company data

Exhibit 40- Balance sheet flow analysis



Source: GEPL Capital, Company data

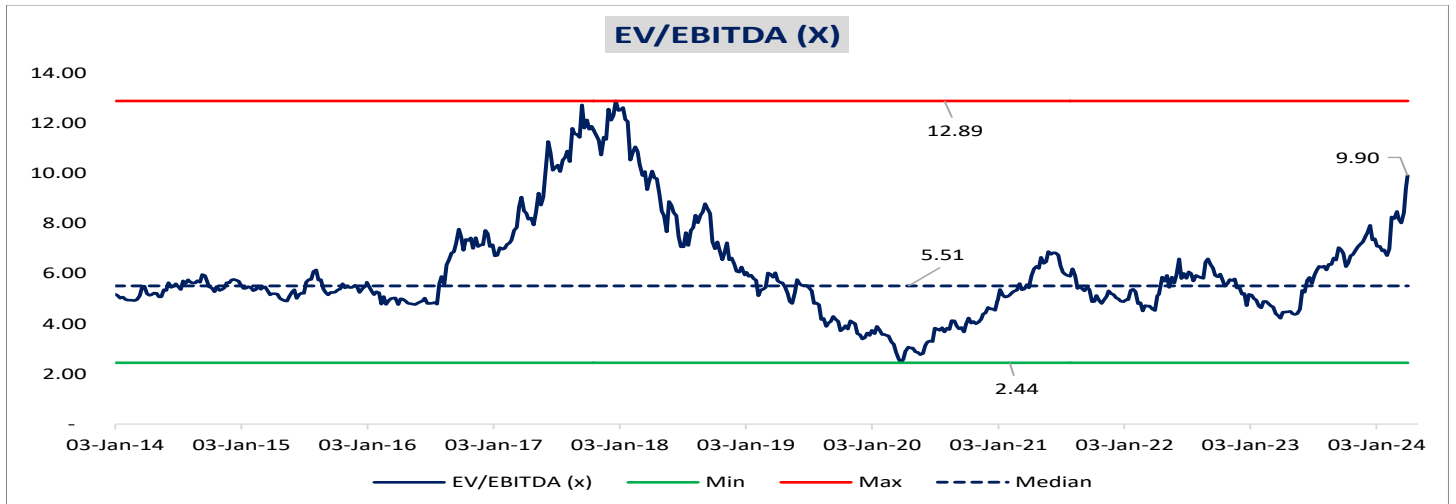
## VALUATION MULTIPLE GRAPHS

Exhibit 44- Historical TTM PE (x)



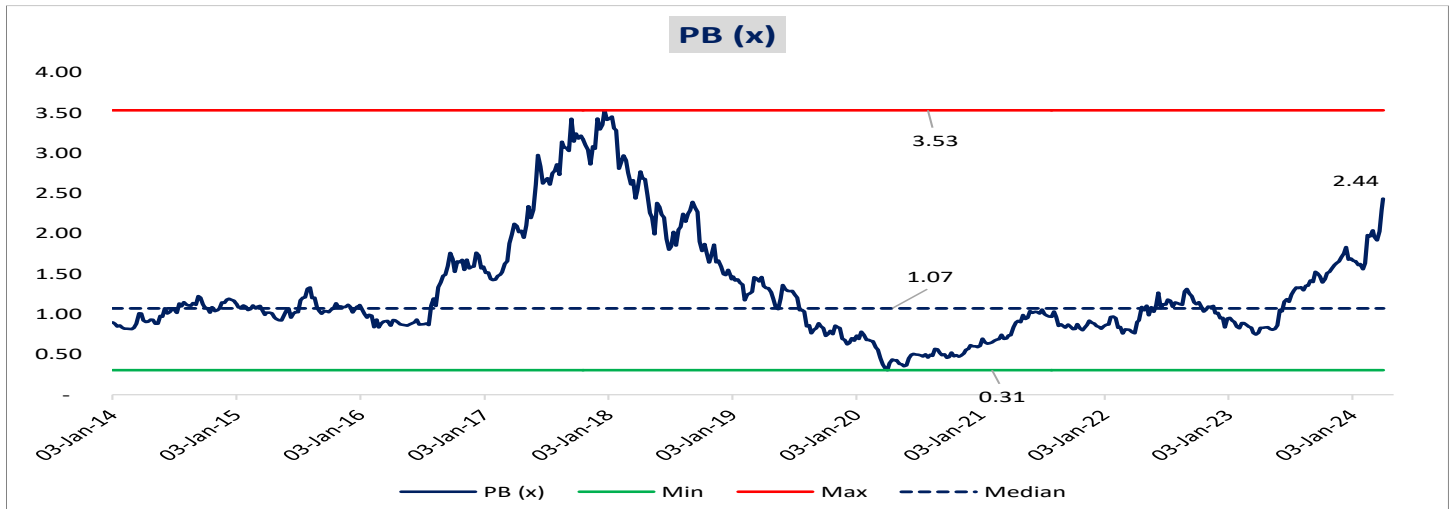
Source: Ace Equity, Company data

Exhibit 44- Historical TTM EV/EBITDA (x)



Source: Ace Equity, Company data

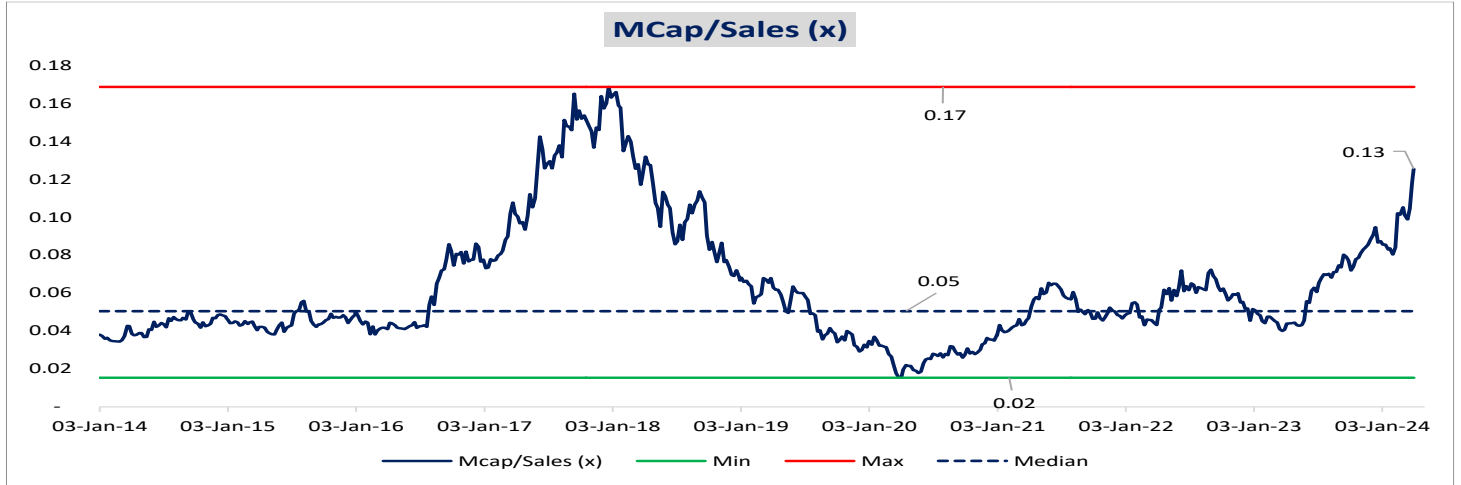
Exhibit 44- Historical TTM PBV (x)



Source: Ace Equity, Company data

## FINANCIAL ANALYSIS

Exhibit 44- Historical TTM Mcap/Sales (x)



Source: Ace Equity, Company data

## FINANCIAL STATEMENTS

Exhibit 49- Consolidated Balance Sheet Statement

ASSETS (Rs Cr)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Property, Plant & Equipment	1,223	1,232	1,299	1,462	1,643	1,843	2,065
Right of Use- Assets	58	82	84	88	94	100	108
Capital Work-In-Progress	40	70	68	68	68	68	68
Intangible Assets	0	0	0	0	0	0	0
Goodwill	-	-	-	0	0	0	0
Other Non Current Assets	29	36	34	34	34	34	34
<b>Total Non Current Assets</b>	<b>1,350</b>	<b>1,419</b>	<b>1,485</b>	<b>1,652</b>	<b>1,838</b>	<b>2,045</b>	<b>2,275</b>
Inventories	760	908	995	1,086	1,262	1,399	1,686
Trade receivables	798	867	943	1,184	1,248	1,526	1,690
Cash, Cash equivInt., Bank balance	87	94	101	-	5	59	151
Other Current Assets	249	262	264	264	264	264	264
<b>Total Current Assets</b>	<b>1,894</b>	<b>2,131</b>	<b>2,304</b>	<b>2,535</b>	<b>2,780</b>	<b>3,248</b>	<b>3,791</b>
Assets Classified As Held For Sale	60	54	41	41	41	41	41
<b>TOTAL ASSETS</b>	<b>3,304</b>	<b>3,604</b>	<b>3,829</b>	<b>4,228</b>	<b>4,659</b>	<b>5,335</b>	<b>6,107</b>
<b>LIABILITIES (Rs Cr)</b>							
Equity Share Capital	23	23	23	23	23	23	23
Other Equity	1,880	2,050	2,247	2,511	2,855	3,280	3,790
<i>Equity Attributable to shareholder</i>	<i>1,903</i>	<i>2,073</i>	<i>2,269</i>	<i>2,533</i>	<i>2,877</i>	<i>3,303</i>	<i>3,812</i>
Non- Controlling Interest	48	53	58	65	73	84	97
<b>Total Equity</b>	<b>1,951</b>	<b>2,126</b>	<b>2,327</b>	<b>2,598</b>	<b>2,951</b>	<b>3,387</b>	<b>3,909</b>
Liabilities							
Non-Current Liabilities							
Borrowings	262	253	246	238	231	224	217
Lease Liabilities	53	81	81	81	81	81	81
Deferred tax liabilities (Net)	83	90	101	101	101	101	101
<b>Total Non Current Liabilities</b>	<b>398</b>	<b>423</b>	<b>428</b>	<b>420</b>	<b>413</b>	<b>406</b>	<b>400</b>
Current Liabilities							
Borrowings	416	573	565	570	576	582	588
Trade Payables	324	385	406	531	550	688	762
Other Liabilities	175	47	50	50	50	50	50
Provisions	14	15	15	15	15	15	15
Current tax Liabilities (Net)	27	35	38	43	104	207	383
<b>Total Current Liabilities</b>	<b>956</b>	<b>1,055</b>	<b>1,074</b>	<b>1,209</b>	<b>1,295</b>	<b>1,541</b>	<b>1,798</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,304</b>	<b>3,604</b>	<b>3,829</b>	<b>4,228</b>	<b>4,659</b>	<b>5,335</b>	<b>6,107</b>

Source: GEPL Capital estimates, Company data

Exhibit 49- Consolidated Profit and Loss Statement

Particulars (Rs Cr)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
<b>Revenue from operations</b>	<b>3,005</b>	<b>3,650</b>	<b>4,289</b>	<b>4,977</b>	<b>5,690</b>	<b>6,491</b>	<b>7,525</b>
<i>Growth (%)</i>	-16%	21%	18%	16%	14%	14%	16%
Cost of materials consumed	2,092	2,595	3,135	3,583	4,040	4,576	5,305
Manufacturing and Operating Costs	156	173	191	239	273	312	361
Chng Invento, FG work-in-progress and SIT	10	-18	-33	-24	-27	-31	-36
Total Gross Expenses	2,259	2,750	3,293	3,798	4,286	4,857	5,630
<b>Gross Profits</b>	<b>746</b>	<b>900</b>	<b>997</b>	<b>1,179</b>	<b>1,404</b>	<b>1,635</b>	<b>1,895</b>
Employee benefit expense	159	183	206	239	273	312	361
Other expenses	199	212	213	249	296	338	391
<b>EBITDA</b>	<b>387</b>	<b>506</b>	<b>577</b>	<b>691</b>	<b>835</b>	<b>985</b>	<b>1,142</b>
Other Income	4	3	4	4	5	5	5
Depreciation and amortization expense	151	157	171	179	201	225	252
<b>EBIT</b>	<b>240</b>	<b>351</b>	<b>410</b>	<b>515</b>	<b>639</b>	<b>765</b>	<b>896</b>
Financial costs	98	92	105	107	107	106	106
<b>Profit before tax</b>	<b>142</b>	<b>259</b>	<b>305</b>	<b>409</b>	<b>533</b>	<b>659</b>	<b>789</b>
Taxes	36	67	81	106	139	172	206
<b>Profit for the year</b>	<b>106</b>	<b>192</b>	<b>224</b>	<b>302</b>	<b>394</b>	<b>487</b>	<b>584</b>
<b>Earnings Per Share (Basic) Rs.</b>	<b>4.7</b>	<b>8.5</b>	<b>9.8</b>	<b>13.3</b>	<b>17.3</b>	<b>21.4</b>	<b>25.7</b>
<i>Growth (%)</i>		82%	16%	35%	30%	24%	20%

Source: GEPL Capital estimates, Company data

Exhibit 49- Consolidated Cash Flow Statement

Particulars	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Profit before tax and extraordinary items	142	259	305	409	533	659	789
Add: Depreciation	151	157	171	179	201	225	252
Add: Finance Costs	98	92	105	107	107	106	106
Minority Interest In Subsidiary	-4	5	5	7	9	11	13
Others	3	-1	1	-	-	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>388</b>	<b>513</b>	<b>586</b>	<b>701</b>	<b>849</b>	<b>1,001</b>	<b>1,160</b>
Adjustment For :							
Core Working Capital	-97	-168	-151	-208	-221	-277	-376
Others	-	-	-	5	53	93	165
Tax Payment	-34	-54	-66	-106	-139	-172	-206
<b>Net Cash From Operating Activities (A)</b>	<b>257</b>	<b>291</b>	<b>370</b>	<b>393</b>	<b>543</b>	<b>645</b>	<b>744</b>
<b>Cash Flow From Investing Activities</b>							
Purchase Of Property ,Plant And Equipment, Intangibles Etc	-102	-188	-225	-347	-387	-432	-482
Others	0	9	9	9	9	9	9
<b>Net Cash Used In Investing Activities (B)</b>	<b>-102</b>	<b>-179</b>	<b>-216</b>	<b>-338</b>	<b>-378</b>	<b>-423</b>	<b>-473</b>
<b>Cash Flow From Financing Activities</b>							
Net Proceeds From Borrowings	-22	16	-15	-2	-1	-1	-1
Payment Of Lease Liabilities	-8	-11	-10	-10	-10	-10	-10
Dividend Paid & Tax On Dividend	-22	-17	-23	-32	-41	-51	-61
Interest Paid	-98	-92	-105	-107	-107	-106	-106
<b>Net Cash Used In Financing Activities (C)</b>	<b>-151</b>	<b>-104</b>	<b>-154</b>	<b>-150</b>	<b>-159</b>	<b>-169</b>	<b>-178</b>
<b>Net Increase/ (Decrease) In Cash And Cash Equivalents ( A + B + C )</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>-96</b>	<b>5</b>	<b>53</b>	<b>93</b>
Cash And Cash Equivalents As At (Opening Balance)	82	87	95	96	-	5	59
<b>Cash And Cash Equivalents As (Closing Balance)</b>	<b>87</b>	<b>95</b>	<b>96</b>	<b>-</b>	<b>5</b>	<b>59</b>	<b>151</b>

Source: GEPL Capital estimates, Company data

Exhibit 49- Consolidated Financial Ratios

Particulars	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
<b>Solvency (x)</b>							
Debt / Equity	0.37	0.43	0.38	0.31	0.27	0.24	0.21
Debt / EBITDA	1.75	1.63	1.40	1.2	1.0	0.8	0.7
Equity Multiplier	1.69	1.70	1.65	1.63	1.58	1.58	1.56
Interest Coverage	2.5	3.8	3.9	4.8	6.0	7.2	8.4
<b>Liquidity (x)</b>							
Current Ratio	1.98	2.02	2.15	2.10	2.15	2.11	2.11
Quick Ratio	1.19	1.16	1.22	1.20	1.17	1.20	1.17
Cash Ratio	0.35	0.34	0.34	0.22	0.21	0.21	0.23
<b>Profitability (%)</b>							
Gross Profit	24.8%	24.7%	23.2%	23.7%	24.7%	25.2%	25.2%
EBITDA	12.9%	13.9%	13.5%	13.9%	14.7%	15.2%	15.2%
PBT	4.7%	7.1%	7.1%	8.2%	9.4%	10.2%	10.5%
PAT	3.5%	5.3%	5.2%	6.1%	6.9%	7.5%	7.8%
Operating Cash	8.6%	8.0%	8.6%	7.9%	9.5%	9.9%	9.9%
EBIT	8.0%	9.6%	9.6%	10.4%	11.2%	11.8%	11.9%
<b>Returns (%)</b>							
ROE	5.5%	9.4%	10.0%	11.6%	13.4%	14.4%	14.9%
ROCE	10.2%	14.3%	15.5%	17.9%	20.0%	21.4%	22.1%
ROIC	7.9%	10.6%	11.2%	13.0%	14.4%	15.2%	15.6%
ROA	3.2%	5.6%	6.0%	7.5%	8.9%	9.8%	10.2%
Return on Fixed	12.7%	7.8%	13.6%	14.6%	17.7%	20.7%	22.9%
<b>Turnover (x)</b>							
Working Capital	3.31	3.62	3.72	3.90	4.05	4.07	4.07
Inventory	2.98	3.30	3.46	3.65	3.65	3.65	3.65
Capital Employed	1.28	1.49	1.62	1.72	1.78	1.81	1.86
Payable	5.88	7.75	8.33	8.11	7.93	7.85	7.77
Receivable	3.71	4.38	4.74	4.68	4.68	4.68	4.68
Asset	0.90	1.06	1.15	1.24	1.28	1.30	1.32
<b>Per Share Ratios</b>							
Book Value	86.3	94.0	102.9	114.9	130.5	149.8	172.9
Earnings Per Share	4.7	8.5	9.9	13.4	17.4	21.6	25.8
Operating cash	11.4	12.9	16.4	17.4	24.0	28.5	32.9
<b>Multiples</b>							
PE	12.9	7.5	7.8	19.9	15.2	12.3	10.3
PEG	-0.8	0.4	0.4	0.6	0.5	0.5	0.5
PB	0.70	0.68	0.75	2.3	2.0	1.8	1.5
EV/EBITDA	5.1	4.3	4.2	9.7	8.0	6.8	5.9
EV/SALES	0.7	0.6	0.6	1.3	1.2	1.0	0.9
EV/CFO	7.6	7.5	6.6	17.1	12.4	10.4	9.0

Source: GEPL Capital estimates, Company data



## VALUATION & RECOMMENDATION

### RERATING ON CARDS AMID CHANGE IN PRODUCT PROFILE

- H.G. infra Engineering Ltd.'s stock is trading at PE multiple of 10.3(x) of forward earnings for FY27E.
- We estimate a CAGR of 15.1% growth in Total Revenue during FY 23-FY27E period.
- Profit after tax of Rs 584 cr. crore is estimated for FY27E. We Applied a PE (x) multiple of 16(x) (50% premium to 10yr Median) and arrive at a market Capitalization of Rs. 9340 cr. (current Market Capitalization Rs 6000 cr).
- A 56% upside is visible as per valuations.
- We initiate coverage on 'Time Technoplast Ltd' with 'BUY' rating with a fair price of Rs. 411/share (16x FY27E).

## BOARD OF DIRECTORS



- Mr. Bharat Kumar Vageria, Managing Director
- He has expertise in Accounts, Finance, Corporate Affairs, Taxation and Legal functions.
- He has good experience in polymers and is a member of Institute of CA of India.



- Mr. Raghupathy Thyagarajan, Director, Marketing
- He is Managing key client relationships.
- He holds an masters Degree in Business Management from reputed institution.



- Mr. Naveen Kumar Jain, Director, Technical and Operations
- Holds A Engineering degree in Electricals from IIT Delhi
- He is a Polymer processing experts and in-charge of R&D team.
- Focus on developing new manufacturing Solutions.

Recommendation Rating	Expected Absolute Return (%) over 12 months
BUY	>15%
ACCUMULATE	<10% and >15%
NEUTRAL	<-10% and <10%
REDUCE	>-10% and <-20%
SELL	>-20%

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Reg./Corp. Office: D-21 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400 001 Contact No +91 22 66182400

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