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Submitted By	Sachin Kumar Srivastava
Designation	Company Secretary & Compliance Officer

Disclaimer : - Contents of filings has not been verified at the time of submission.



7/Govt/SE/2024-25/0088

17th February, 2025

**National Stock Exchange of India
Limited Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla
Complex, Bandra (East),
Mumbai 400 051
Trading Symbol: PAKKA**

**BSE Limited
Department of Corporate Service
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400 001
Scrip Code: 516030**

Sub: Transcript of Investors Video Conference Call (Group Meet) of 3rd quarter and 9 months ended on 31st December, 2024, held on Tuesday, 11th February, 2025 at 09:30 am (IST) under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Transcript of Investors Video Conference Call (Group Meet) conducted on Tuesday, 11th February, 2025 at 09:30 am (IST) to discuss the Company's performance for the 3rd quarter and 9 months ended on 31st December, 2024.

Kindly take the above information on record. The transcript attached is also available on the website of the Company <https://pakka.com>.

Kindly bring it to the notice of all concerned.

Thanking you,

Yours faithfully,

for Pakka Limited

Sachin Kumar Srivastava
Digitally signed
by Sachin Kumar
Srivastava
Date: 2025.02.17
21:35:09 +05'30'

Sachin Kumar Srivastava
Company Secretary & Legal Head

Encl: As above

Investor Conference Call Invitation for Q3 FY 2024-25 (Pakka Limited)-20250211_093121-Meeting Recording

February 11, 2025,
1h 33m 43s

Sachin Srivastava started transcription

Pranay Pasricha 0:03

PP

Well, I'll just introduce. The company leadership. So we have Ved Krishna, who is the group lead and the vice chairman of the company.

Sachin Srivastava 0:10

SS

Yes.

Pranay Pasricha 0:16

PP

We have Satish. Satish is leading the US business. He's the US business lead. I'll just request everyone to be on mute. Thank you. And we have Rolando. Rolando is the group CFO. We have Gautam, who is the Executive Director, and we have Sachin, who is the Company Secretary and Legal Head. So, we'll proceed with this quarter's presentation. I'll just share my screen just a minute. Yeah, Sachin is my screen visible? OK. Alright, so we'll just for the benefit of the new investors, we'll start with a short introductory video. Request you to please go through it. It represents you know what we're trying to achieve here at Packer. Is the sound coming? OK. So I'll just share again. So that was a short game. So, what we are trying to achieve in our vision? Now I would like to hand it over to way we'll first go through the India Business Performance, International updates, innovation updates and financial updates. And then at the end of it, we'll take questions and answers. So, request you to please take over.

Ved Krishna 4:43

VK

May have good morning all of you. I'm of course not supposed to take this section, but Jagdeep is on his way to Columbia. He's just landed and he requested me if I can do it because he's still on his way to the hotel, hopefully he'll be able to join us in some time and it's a good thing because we are trying to do a big business possibility exploration there, but yeah. Let me take you through. The performance that we have achieved. So first of all, I'd like to inform that it's been a very, very tough quarter. Overall, if you see the packaging business has not has been very challenging. That said, we are extremely proud of our team to maintain at least very similar numbers. To the last quarter and also a little bit up from the quarter, same quarter last year. So if you see the top line, it's at 111 crores and the bottom line is still quite profitable. The book, which is at 17.45 crores, which is of course higher than last year, the same quarter. A little bit lower than this year's last one. Let's go ahead. So if you look at our main business right now, which is food wrap and carry, which comes from our paper operations, you'll see that there is a significant. Again, maintenance of the overall business and in fact it's a little bit higher when we compare it to the last years, nine months. And this is of course been a little more challenging. It is a little bit higher in terms of revenue, but of course we continue to struggle on the side of the profitability which is in the next screen. Which is the food service disposables. If you look at sorry this is again food wrap and carry. So of course again quarter 3 compared to last year we are up but if you compare it to quarter two it's been little bit poorer. Yeah, this is where the challenge lies. And I know you all have been very, very concerned about this area. We continue to struggle. This is primarily because

of a large influx of players in this field. About 50 new players have suddenly come into the field and the pricing has been completely arbitrary. Which means that in the short term we have to face a lot of competition and that has meant that, you know, we've had to kind of take a few shutdowns. There's not been enough. Does that have been a stock build up and now we're looking towards re-strategizing how to move this business and make it stronger? But again, we can only say that we are concerned and of course apologetic as well because we were very point about this business, but it has taken a hit when it comes to this year. We are very, very happy to state that project Jagruti is going well despite facing a lot of challenges because we are situated in Ayodhya, which is right now going through the Kumbh Mela kind of, I would say total mayhem because of that. So, we are not being able to take trucks in the cement is kind of stranded. The machines are stranded, but that said, I think the team has again been working day and night to find ways to get it in the main. All progress is that it is 44% complete. The main line is of course the flexible packaging line, and you'll be delighted to know that you know it's the progress is good, the machine is coming from a wonderful French company called Alimo, which is specialized in these kinds of applications. And again, we've designed the machine. With a lot of thought and it is going to really be a definitely hoping to create a big difference in this domain as we go along. So, the idea is that by the end of this year, we start with our base paper production and then we set up coding operations early next year to convert it to real flexible packaging. There are some more glimpses of the project progress. Just to give you a little bit of a site. I am told by Sachin that there may be an investor visit in March. So, you'll get to see a lot more action when you come to the site. But the ETP is almost complete. We always try and take our responsibilities very seriously when it comes to the environment, so we've already more or less commissioned it. There is a lot of progress on the recovery boiler pulp mill, the paper machine building is started. This is a little picture of the pooja ceremony, but this will ultimately lead to the flexible packaging line. Let's go ahead. Hand over to Satish.

Satish ChamyVelumani 9:40

SC

Good morning, everybody. Thank you, Ved. I have been handling innovation for a for a little bit for the last two quarters. I'm very excited to announce that Doctor Sam Sohn has joined us as the new head of Innovations. He's gonna be operating out of Portland. Can you all hear me OK?

Ved Krishna 10:05

VK

Yep, Satish, you're good.

Satish ChamyVelumani 10:08

SC

Great. I've had some issues with my headphones. So Doctor Sam comes with plenty of experience in material sciences. Working with large teams, managing over 150 researches in the past. Great innovator, we are super excited. He has done plenty of work in sustainable materials. But LG Chem, SC Johnson, Samsung, Amcor and DuPont. In fact, he just joined us today at the Portland Office. We are super excited to have him onboard. And I would wanna give a a good update on flexible packaging. We are making great progress with NM development and. The strategy today is to accelerate the nonmetallized flexible packaging development and while we are doing that commercialize M3, there is a great demand that has come in from. Both the US market and India and we are looking at commercializing M3 with outsource operations right away. And while these two are happening. Again, these two would definitely lead us into commercializing non metalized. So if you look at, I mean we go by quarter by quarter. So the first quarter which is April, May, June, I'm pretty positive that we would have the development completed and in second quarter we would commercialize M3

and in third quarter we would go ahead. And commercialize nonmetallized so that that's what we are looking at.

Ved Krishna 11:51

VK

So M3 just for investors is a metalised substrate, which is our first. Edition of the product.

Satish ChamyVelumani 12:00

SC

The classification made. Sorry, I should have been clear. We have been using internalize and I'm so caught up in my head with NM and M3. Let's go. And on the food service disposable side? We our our entire focus has been on the delivery sector over the last few months and if you most of our investors can recall that we have been working tirelessly on coming up with the best possible design for Indian food Service applications, which is probably the most Challen. In the world and we have cracked it to about 95%. So there's a slight delay in development. Now we are accelerating this further. Again, I and we have just shown only one picture here, but there are multiple sizes but they all they all look the same, right? So this is our new family of delivery containers. We're pretty excited. There have been lots of discussions that are going on around the world in fact where that I had great conversations today with the with the distributor in the US market, a large one. While we are working on the actual delivery containers, the take away market is also something that has been growing. On the on on the compostable disposable side. So we are developing our clamshells for both India and the US market. So between the delivery containers and the clamshells, we would have a full range of products. You have given the sizes on the on the right. And the left side of the delivery containers the. This is exciting stuff that's happening on the food services side. Activate.

Ved Krishna 13:51

VK

Take over on international growth. Let's go ahead. Lots of updates here, and of course, as Satish said, very, very excited to have Doctor Sam Sohn join us. It be it's taken a long time. We've interviewed maybe between Satish, me and some of the board members. We've probably gone through over 20 very, very high-quality talents. Ultimately, we think we found a person and as Satish said, he's just joined in today and we are starting. In fact, he'll be in India. Beginning like later the next week, actually, and spending some time there, understanding and then of course working towards moving the lab to our Portland location. The other one is again, lots of progress on the project Kawok or Guatemala side full load engineering plan is underway, which is one. Of the concerns the investors had raised and we are now planning to conclude the full load by March. The US launch with Satish is leading and hopefully can put in more speed now that Sam is there for innovations is again strategy has been built and as he said, we are meeting distributors now appointing distributors here. You call many of these distributors, brokers. So, we are this month we are planning to appoint at least five who will represent us in different areas and of course. Different collaterals need to be need to be built in terms of ounces versus Liters etc. So those are things which are underway. The other concern that the investors had shown was on engineering and EPCM contracts. Here again, we are almost on the verge of closure. And again, it'll be done within this quarter. We'll have our EPCM contractor for the project, Carvak as well, and it's just the final choice that is being done now. Sft set flexi trials are underway in US. In fact, our first release tomorrow. So it's that fresh and we were going to convert it for customer who's asked for it and we are hoping that. Orders will start coming in post that conversion and we can start moving the product which is the earlier phase of material which is the metalised substrate. But then of course this month we are also planning to have a

lot of non metallized trials and hoping for. Working towards finalization in March so that we can start moving that material as well. The partner has been finalized as well for conversion. Again, like I said, with Sam joining Product Innovation Lab location has been finalized as Portland. We looked at some other locations across us and the team building has just kind of begun where we've started thinking about what is the areas we need people in and who all will be shipped from India and what is the new kind of people we'll need in the US lab. This is the project Kawok timeline. As you see, the land purchase is complete. As in, we've paid the initial money this month. We pay the remaining amount and then we start building the government. The permissions have started. We've started getting a lot of quotations from different suppliers. Jagdeep me some of the team members are heading to Europe next week and we will be finalizing more or less our technology providers. The main technology providers, which is again flexible packaging and also for pulp lines. And then of course the idea is again that by the Max. By the beginning to middle of 27, we start. Production here. This is what the render looks like now. This looks not as big as it is. It is actually 60 hectare, so 150 acres of area is what the site is. I think it has been designed really beautifully because the way we've designed it is that it is. It'll produce about 360 tons a day right now of flexible, but it has the capacity, a mirror capacity to produce another 360 tons. So the. Total possibility of production here is 720 tons a day. Which translates to almost 300,000 tons a year, which is decent capacity to make our dreams of a cleaner planet. More visible. Yep. Hand over to Rolando.

Rolando Yon 18:33

RY

And good morning everyone. So in terms of key ratios, as you can see for 2425? We have decreased our ROA and ROC and this is mainly due to the fact of the preferential equity that we issued. Obviously, this has a dilution effect and therefore the ROE and the ROC come down. In terms of debt to equity, we are at 0.36, which is very good and below the the industry average, so pretty good. Results in terms of our key ratios. Next slide please. And I'll hand it over back to it. Thank you.

Ved Krishna 19:21

VK

Alright, so the commitments we had made and where up now, so commitments that we had made was to build a distribution system in us again like I said, broker network is being built and distribution mechanism at least for molded fiber will be done within this quarter the deli. Solution like Satish said, there has been delays. We've gone through numerous trials and our team refuses to budget. Even I keep telling them that it's OK if it's a 510% problem. But Satish is smiling because. Even today, we had an discussion where he said Nope, not moving till it doesn't leak at all. So so at least I'm hoping that what we come out with will be like will be much better than what I had expected. And of course we talked about metallized flexi solution. Both are, like I said, does mean a product stabilization issue. And then of course, the idea is to now stabilize and launch along with. Our partner in us this quarter. The idea of the the the next commitment was the team build out and sales initialization. This is on. There is a little bit of a delay in distribution and sales mechanism, but I feel that we will catch up in the coming year. The organization structure was being made. Much stronger. It has already been put in place and then we have our annual planning this month and we will further strengthen. The structure and the incentivization we had committed that the Jagriti key ordering which is our India project will be completed. Risk mitigation strategy will be in place. Both are making strong progress and for the US, the idea is that quarter one which is April onwards, we will be on the road for raising the money for the Kawok project. So that's the update and the commitment to the investors. For next quarter over to you, Pranay.

Pranay Pasricha 21:22

PP

Thank you, Ved, and thank you Satish and Rolando. We'll now take questions and we'll try to. Answer As much of them as possible. I request you to please, you know, press the hand raise button on the on the teams window. You can also post your questions on chat and we'll try to respond there as well. So I'll just go. Please limit your questions to. A maximum of two so that all the investors get a chance to ask their questions. So the first hand is for voiced by Mr. Jeet Gala. So please go ahead with your question. Mr. Jeet, you can unmute and ask your question.

Jeet Gala 22:16

JG

OK. Can you hear me now?

Pranay Pasricha 22:18

PP

Yes, go ahead please.

Jeet Gala 22:20

JG

Okay, I have two questions. One is what is the status for the Guatemala Project fund raise? So what we understand is there are a lot of things that are probably, holding back. So for example, one is the off take agreements. Second is you know other is mitigation points probably you know revolving around say having a flexible paper solution because we are still. Not, you know, we've not cracked the non-metallized version of the solution and that is what we are going to do. Ahead, right. So Metallize is not going to be done with. I mean all the capacities are going for. Are going to be the non-metallized ones. So what kind of reaction are we seeing from the investors on having a visibility on the solutions and even on the delivery container range, because that is also one, one part of the capacity that that is going to come up. So so with respect to that, I mean. What are the major hindrances that we are seeing, which is, you know, stopping or delaying the fundraise project and 2nd of course is around detailed engineering which also took a lot of time. So, I mean where? Where are we exactly? Stuck over there. So that's my first question.

Ved Krishna 23:24

VK

OK. I'll take that one. So great Jeet as usual on top of your research. Yes. So there were five issues that the investors pointed out to us. This was back in Rolando. Was it November? December? Something like that. And we committed to them that we will conclude them in. Yeah, three to four months. So which is now and the five issues were the first was that our engineering was there, but it was still at a basic level. So they wanted much more what they call. Full load engineering. So the team actually sat down. When was it? Last month and basically with our engineers from China, the Guatemala team and the India team. And there is a clear road map now and by the end of this month, we'll have the full load engineering complete. The second concern was the quotations that we had. Were not from the final suppliers because we had said that the final suppliers are going to be some of these. Front kind of the leading European ones. Most of our quotations were Indian and Chinese, so they said they want because of course they don't want the project cost to go up in the middle of the project so. So again, like I said, we are now made significant progress. We also have quotations, but apart from that we are meeting. All the main suppliers next week actually, and and then then they will be invited to Guatemala at the end of March where we will start finalizing the Lois. So that was the 2nd concern. The third was that although we have experience of running similar companies, similar projects, we don't have it in Latin America and don't it in this size. So they wanted a very strong EPCM contractor. So we've now had four

kind of discussions. We've shortlisted 1 and that's a very, very competent EPCM partner that we will finalize within this month. The fifth was that all our patents were actually India company. Oriented so they wanted that they should be part of us because that will be the company they'll be investing in, which we also felt was a good idea because it's a stronger. Jurisdiction. So we've started moving those to us. That the 5th was exactly what you said in terms of off take commitments. We did have off take commitments, but they were promissory letters. They wanted to convert it to contracts so that work has now begun and we've drafted a contract. We are now talking to various people and you're absolutely right the non metallized substrate is not perfected as yet. So so those trials do need to take place. So we are still hoping that we will end up doing some trials in March based on which we can start getting some initial interest in offtake. That said, even if the off take is not complete, we will hit. Ode show by April and the idea is to at least start pushing the investors and try to get hopefully the right valuations as well. As far as the delivery goes. Just a correction, we went through a lot of financial exercise and now the Guatemala project is entirely flexible. It's not delivery at all. No molded fiber at all in Guatemala. So it's going to be 360 tons of flexible packaging, that's it, single line. It the returns are way better when it comes to a single line and more efficiencies etc. So I hope that answers.

Jeet Gala 26:53

JG

Understood. Thank you, Sir. And so my second question is again on the flexible side. So while we're saying even in India, we'll be probably, you know, doing a commercial volumes on the metalised M3 version of the paper. But eventually like you said in the earlier calls that you know doing metallization involves polyethylene and doing it at scale also it's not Poss. Of course then then this is all about, you know, building relationships right until you eventually find a solution in a in kind of a grade of a paper solution that you eventually find out. But what? What is the? I mean probability of putting up a capacity or it's 100%? I mean zero. I mean, you're putting up a metalized capacities, not a possibility. Is that so?

Ved Krishna 27:36

VK

No, you can always put up a metalized facility. That's not a challenge. There are a few complications that could happen. Number one, there are two types of metallizations that you can do. The first is transfer materialization, which is fundamentally what you gathered from the last call where you take a metal kind of aluminum kind of on a polyethylene roll. You stick it together with the paper. So that's called transfer. The other is deposit metallization which has happens on PE Kind of material like you see in the potato chips and stuff. That's actually a spray metallization and you call it vacuum materialization or deposit metallization. That is not possible on paper because paper is fundamentally hills and valleys.

Reuben 28:18

R

You're listening.

Ved Krishna 28:22

VK

So, so you know, so Sachin, you may have to mute someone who's unmuted.

R

Reuben 28:22

Obsessively. Any advice? You want me to?

Ved Krishna 28:27

VK

You might have to see that list so So basically that is that is. Well, I wouldn't say it's not

possible. It's not great. We've tried both. What happens in that methodology is that you don't get the kind of barrier that you want. Plus, it's a batch process, so the only way it works is 30 tons of batches. So you have to have multiple. Metallisers so yes, it is in theory it is possible, but and the second side of it. So one is OK. Let's consider it's possible. The challenge is that we want all our products to be home compostable and recyclable in the paper stream. It'll remain home compostable if you make it. Metallization because metal demineralizes. But when you come to recyclability, if it's put into a paper stream, if it's put in lower volumes, you won't even notice it. But you can imagine at a higher volume there will be some shiny substances that will come on the recycled paper. So we don't want that. So. So that's the other reason why we have to have non met. Now when you come to non metallized the second part of your question. The important thing is that we want to do it at scale. That's a big thing. You know, we want to really devote ourselves to building scale. So in non metallized we can do dispersion coating which is a water based solution and you can do it at a like you know we're talking about a six meter machine 6m wide machine in Guatemala running at 800 to 900 meters a minute and we can. Do it dispersion coating online. So Guatemala machine, we are talking about online coding. Not Even so it won't even be a paper. And then. Then quoting it'll be one line. And that's only possible and you immediately save 6 to 7% material, right? Because if you're going to, if you're going to transfer it twice, then there is a six to seven percent loss, which is a huge loss when you look at the life cycle. So. So that's the only way. Now you're concerned. There are numerous levels of barrier, right? It's not just one that I can do potato chips and it needs .5 wvtr and under two OTR or oxygen transmission rate and water vapor transmission rate. There is numerous applications that we have and we have a whole grid now. Certain applications like Tea for example, Satish, what is it, 20 OTR and 10W VTR.

Satish ChamyVelumani 30:48

SC No, the 20 is what we achieved and we gave it to.

Ved Krishna 30:52

VK Yeah.

Satish ChamyVelumani 30:53

SC I mean, they said 100 to 120 is even acceptable for team.

Ved Krishna 30:55

VK No problem. Yeah. So there are different applications. So if you look at the teabag, it goes for 100 OTR instead of under one. So like that, there's hard boiled candy. There's granola, there is. The sugar sachets etc.. So we are now bracketed those, yeah, spices.

Satish ChamyVelumani 31:15

SC Spices, yeah.

Ved Krishna 31:17

VK So there are numerous applications which we'll be able to tackle. The only part now is that how do we make sure that it is lowest amount of code weight? And the lowest amount of cost. So that's what we are kind of working on and that's why a little bit more time.

Jeet Gala 31:37

JG Under the thank you for the detailed answer, I have few more questions. I'll come back in the queue. Thank you.

Pranay Pasricha 31:42

PP Thank you, Mr. Paras. You can unmute and go ahead with your question.

Paras Chheda 31:50

PC Yeah. Thank you for this opportunity. Just wanted to understand what kind of valuation are you looking for? The Guatemala project in April, you know that invested that fund raise that you're targeting? So that's one. Secondly, I wanted to understand what is your strategy going forward with a molded products. You know that has now again switched back to loss. That's a bit of a concern, you know, I mean, the higher you grow and you know if the losses increase, it just eats out from the you know frontline business. And just last one thing is, if I understand correctly, project Jagruti will be completed by the end of this calendar year or commissioned, yeah. Is that understanding correct?

Ved Krishna 32:33

VK I'll answer the second two and hand it over to Rolando for the free money valuation expectation. Rolando, but yes, the last question, the idea is we are definitely planning to Commission Jagriti within this calendar year. The molded fiber absolutely of bang on very deep concern for us. We are looking at numerous ideas and options. Two parts to the challenge. The number one remains. A huge issue which you are all aware of is our choice of technology, which has always been troublesome right from the beginning. We've struggled with it. We've got it from 30% capacity utilization to 55, but that's not good enough, so. So, we are kind of stuck at 55 percent, 55 to 60% capacity utilization, really not great. So, so now we are kind of in the middle of thinking how do we do this. So there are some machines that work at over 80. There are some machines that work at say 50, so average is out to 5560 because the bigger machines are working at a lower capacity. So that's a technology selection mistake, which mostly I'm responsible for, but we are trying to now see how we can bite the bullet and alter the technology. So then what happens is that we become by default the lowest cost producer in the world. So that's, that's the one target that we have. The second is how do you create deeper value for the customer? So that's a debate that we are having internally. The initial idea was to focus on larger scale QSRs and. Institutional catering. But we are now actually even thinking, and maybe you guys can guide us also one of the debates that is happening internally is that do we go more B to C where we start doing more like the we're already doing a decent we didn't expect now it's gone. To over 20% of our revenues coming from. On the ziptos and the blankets of the world. So, you know, do we do more that side? You know, start setting more because the profitability and the margins are definitely better there because obviously as soon as you have a bigger customer, there's there is always more suppliers et cetera, et cetera. So both ends we want to tackle. Well, we are meeting at the end of the month. The team has been kind of exploring numerous options. There will be. They will have to be a strategy shift for sure. On the food services side, so. So that's for sure. We are of course we remain hell bent on succeeding. So that's something that we will keep striving towards. But that said, you're totally on the mark. We felt that we are out of the water. But we've again gotten gone into the deep end. This is a challenge for us and the team is again really working hard to get us out again. Rolando, over to you.

Rolando Yon 35:30

RY Thank you, Ved. Yeah. The first question had to do with the amount of equity raise for the project in Guatemala. So the original size of the project. Is \$380 million out of which \$180

million is equity and \$200 million is that now out of the \$180 million, Back limited has already committed \$10 million, so we were. We ideally we're looking for outside investments of outside equity investments, sorry, of \$170 million. Now, as wet mentioned, we have changed a little bit the scope of the project. We are focusing now 100% on flexible. The original project had 80%, flexible, 20% molded. So given this change and given the fine tuning we're giving to the engineering. That number may change a little bit. So it's gonna be anywhere between 1:40 one \$70 million. Still not finalized, depending on the final cost of the project.

Paras Chheda 36:39

PC Yes, thank you.

Rolando Yon 36:39

RY Thank you.

Ved Krishna 36:39

VK Sorry Rolando, the question was more around the valuation. So the pre money valuation is about 500 million, right? And so we are expecting a dilution of 30 to 40% is it, right, Rolando?

Rolando Yon 36:51

RY Sorry. Yeah, I'm yeah, that's correct.

Pranay Pasricha 36:56

PP Thank you Ms. Manali. You can go ahead with your question.

Manali Gala 37:05

MG Hi. So just a follow up with what Paras said. I mean, while we are looking at a dilution of 30 to 40%, but considering the current market scenarios, you know how things have developed or is it really possible to raise that kind of money at 30 to 40% dilution? Or we, I mean, we may have to.

Rolando Yon 37:12

RY (audio not clear)

Manali Gala 37:25

MG Progress ahead with the figures because. Things have changed completely. I mean, so that's one question. 2nd is why we are looking at. You know we are seeing this food delivery concerns there. Now this is ramping up since a very, very, very long time now. So I mean now also even with a strategic change or something, would that still be able to? We will be able to pull it off. Considering you know, I mean like now we were having the delivery containers which were water resistant, which we have. We were speaking about that in the last phone call, but nothing on the same lines has come. You know we were expecting it to come here, but possibly that. Taking a little more time and we may be moving you know ahead but you know having with so many things going around, what is the possibility of the real possibility when we see that you know to move out from that Range or you know metallized will perform first or. You know, how is it? I mean, I just wanna understand.

Ved Krishna 38:26

VK No great questions as always. Yeah, you change of scenario and every day you know the world

is kind of shaking. There's definite. So there are two, one kind of -1 positive. So in terms of sustainability, it's taken a backseat for sure, especially in the US market. Of course, the other markets still remain important.

Manali Gala 38:47

MG

Right.

Ved Krishna 38:50

VK

Now it's like, yeah, even we don't need, we don't need paper straws and all those kind of statements are coming out. Which is obviously a point of concern. But the second side, Manali is very interesting. Economics is point. Lot of investors are very, very interested in investing, certainly on the US side. So the only way we'll get to know is to hit the road. So actually we don't know. And of course it depends on what is the kind of interest we are able to generate. At least our bankers are. Nomura are not. Concerned yet? They say that you know it's a good project. It doesn't matter what government, what policies, etc. Once the risk has been mitigated the fact five factors we said they feel that it is still doable. That said, again, first rodeo for us also. So let's go out into the market. Let's see what they say. What we are clear about is that it's a great project, something. Something has led us here. So that that kind of. Universes collaboration will keep happening. And we'll be guided one way or the other. So it won't go futile that we are very sure and that's also taking us like I said in the beginning, Jagdeep has just landed in Columbia and joining him day after there, there is a partnership opportunity there trying to make products there, supply to the other markets. While we do our own Guatemala project, etc. So lots of things in the air. We remain focused on our agenda of, you know, building these products. We do have a pivot, a little bit and we are looking at Europe as well now. Earlier, we were not at all looking at Europe and let's see if that's the case. We'll start supplying in Europe and that's again another thing we are doing in May, again doing a lot of meetings in Europe within May as well. The second, again like, like you said, it is a challenge. So there are two ways like I said to paras, there are two ways we are tackling it become the lowest cost producers in the world. So one is cost competence. 2nd is of course, you know, we've always had a strong inkling towards design, but there is a delay definitely I would say a shortcoming at our end that we were hoping in fact to launch the delivery containers. I would say two quarters back, not even last quarter. But it has taken a hit. I would not. There is no excuse. In the end, it is our responsibility and we did expect to launch. There has been a gap. There has been a gap in the team, there has been a gap in the execution of the project. It's not. It's not rocket science. End of the day. So we should have been able to crack it. We haven't given up on it yet. If you're asking me that we haven't given up on food services because we know we can be the lowest cost producers and the highest quality producers, we just have to up our game. So, so not there yet where we say that we are giving up on food services because it's tracking us down this month. Later, the team is going to. Provide us their strategic direction because we've also said that there is no use dabbling in a business which is going to generate. 60 crores of revenue and two crores of profit or no profit, that's obvious. So we have said that we have to have a significant market share. Within the disposables market, so the target is at least 20% of the total disposable market, not molded fiber disposables market. How do we March towards that is something that we are kind of exploring with the team. And, and let's hope that they will come out with a good strategy and we'll be able to update you in the next quarter. Rolando, do you want to add anything on to the first part?

Rolando Yon 42:43

RY

Well, I think that's a wonderful question. Wonderful question. Yeah, that that dilution comes out of a financial exercise, right. And that's still up for negotiation. However, I do think that the fact remains that we are bringing in all the know how. And we have taken most of the risk, right. Coming into Guatemala, signing the MOUs for the. Raw material supply. Invest in the 1st \$10 million, etc. So you know, we believe that these arguments in addition to what VET has mentioned gives us very strong argument. To maintain that dilution, I do think, however, especially with the first investors, there may be some negotiation, and it may come down a little bit. But I think you comfortable. We're in a pretty good position. When that the negotiation comes up, so I don't think that number that the illusion number is gonna move a lot. Thank you.

Manali Gala 43:53

MG

OK. So just I mean with like you said, cost of production is something that you know working on but you know now it's been a very long time that we're working on this. Now it's back if we consider bagas is like, that's a cheap raw material. You have power in your hand. So when these two major things are with you, I mean, in spite of this, we are still, you know, struggling with cost of production, so. Now I mean, what major change would you bring in, which would actually lower it? Because like now you said that there are 50 new players that have come in. You know this XYZ. So one is that that however, I mean what kind of strategic change is gonna come because we already have to very good strong points in our hand. Secondly, it is more also about that how much really is the lifeline of this? I mean, how much are we really ready to still give it and what would be the point, you know that think no. Now this is the stop and you know this is it like. There's no more, you know, this is how we're gonna go about it. That. This is the stop here. Beyond this, there's nothing possible.

Ved Krishna 45:00

VK

So singular issue. You're totally right. We are the lowest cost bulb producer globally. We have our power cost to be, I would say one of the lowest, if not the lowest. And those are the main inputs apart from some chemicals. So those are the three big inputs. So what? What the other companies do is save on chemicals. That's by lowering the quality. So. So that's fundamentally it. So the only singular challenge has been machine efficiency. And that really brings us down because our fixed cost is high. We have a very, very much stronger, much heavier management setup. Team . Branding, marketing. All those costs are way higher than everybody else. So we are looking at those fixed costs. The biggest one is, of course, machine evidence. You can't. You can't expect to make huge money with 5055% capacity utilization and that's the one mistake which we have to amend.

Manali Gala 45:55

MG

Right.

Ved Krishna 45:58

VK

So yes, there may be. If we are convinced about the team strategy, then we might. Bite a bitter bullet one more time where we may say that we'll take a write off. On the current machines and invest in new machines. That is a possibility. Now how will we do it? Etc. How will we fund it? It'll probably be a European machine will take a supplier's credit, etc. So again, that's again something that we will decide later this month. Happy to, you know, inform you guys even like doesn't have to wait for the next investors call. We can take these out and inform you on the decision. We are definitely hopeful that the team will come out with something strong. I totally agree with you if it's going to be just, you know, just like little bit here little bit there that doesn't make sense. Ultimately, the projections have to become better

than our wrap and carry. Simple as that. If you're going to say that you're going to do so much work and so much effort and generate lesser revenue and lesser profitability than the basic wrap and carry segment. Then it's not worth it. So that we are clear about and that's something that's been communicated very well. But in the end, you know, like we can't. It's our team, so we can't we take the responsibility. We can't blame anyone else. We choose the team. We choose the team, players, we, we generate the enthusiasm with within them. So, so you know. So that said, we will definitely. Try to turn things around. Still not given up yet is what I would say. When will we give up? That's \$1,000,000 question. Well, of course we won't take the company down. So. of course at this stage where we feel there is nothing coming, we will give up but. Hopefully that day won't come.

Manali Gala 47:46

MG OK. Thank you.

Pranay Pasricha 47:48

PP Thank you, Mr. Vignesh. You can go ahead with your question. Oh, Mr. Vignesh, you can unmute and ask your question.

Vignesh Iyer, sequent Investments 48:04

V Hello. Am I audible now?

Pranay Pasricha 48:06

PP Yes, please go ahead.

Vignesh Iyer, sequent Investments 48:07

V Yeah. Hi. Thanks for the opportunity. So my question is on our ongoing which was expected to, you know complete by end of March, but due during due to the ongoing, I mean CAMELA would there would be a delay of a month or so on the project?

Ved Krishna 48:29

VK To be completed by the end of this year, we will complete it by the end of this year. It's still the still the same. Yes, Kumbhmela has we had a. We had a more aggressive target internally. That's kind of been a little bit dashed, but that said, you know, we have a crazy team. They are still running around in vehicles 2:00 AM trying to get cement in and metal in and all that sort of thing. So Gautam is smiling because he's been fighting day in day out to find ways to get trucks inside the factory, et cetera. So we. We are trying our best, but that said yes about month has been what would you say Gautam about a month of compromise?

Vignesh Iyer, sequent Investments 49:09

V Got it. Got it. Yeah. So basically your aggressive target has been normalized is what I would say, right? So yeah, my second question is on the geopolitical scenario. I mean, with such a huge capex coming up, right? So. You know a company like McDonald's. Who is eyeing 2030 for? You know 36 or 40% lower emission. I mean and that is targeted using you know more eco-friendly ways. So what is the change in political environment going to impact the target that is been set by such MNCs right to reach a goal of more? A greener no way of operating and in case of any slowdown on such target of reaching by 2030. What would be our competency to match? You know our cost or our realization for that matter? With products which are, you know, not like environmental friendly, but very quite cheaper available. So what is our way to tackle this?

Ved Krishna 50:24

VK

To liken everything else, there is a plethora of companies. There has been a lot of sliding. Of targets that people had set. You know we have Coca-Cola that had said 28. Now it's moved to 2030. There is. There is various others, so, so. So, we are seeing that change. But what we also see is that there is a desire for change for multiple reasons. One is, of course, the government regulation. That's one part of it. But there is also customer awareness. Gen. Z is a different breed. And then we find that there is a clear understanding in the companies that it does give them stronger brand value. If they use more sustainable solutions now, ultimately we as a company feel that. You know, there is no reason to think that sustainable products are going to be poorer in performance and more expensive in cost. I think that's a misnomer. We need to defy that. So. So ultimately the idea will be how do we perform better at a lower cost. So that's something we discuss day in, day out and explore. So I think this whole idea that's the starting point needs to be that of it's sustainable. You will have to pay more and expect less.

We feel that that's that in itself is AI would say a wrong place to start. So we continue to speak to various companies and we again see various companies who are totally focused on what the government says. There are companies who are self. Kind of enthusiastic, but the big challenge for companies remains also availability of material at scale.

So that's something that they cannot compromise with. Like I said before, in one of the calls, like if you think about a company like Unilever, they need 16,000 tons just to for the small shampoo sachet. Now, who's the company that is going to provide 16,000 tons becomes a challenge. 1st is of course quality of material and then how are we going to provide? So both those things need to be addressed and we purely look at it as an economic play. We have to provide better products at a better price and the right price, I would say not a better price. So that's something that we continue to look at and we will try and match the current substrates in terms of both.

Vignesh Iyer, sequent Investments 52:45

V

OK. Got it. Got it, Sir. That's all from my side and.

Pranay Pasricha 52:47

PP

Thank you, Vignesh. Thank you, Mr. Hiren. You can go ahead and ask your question.

Hiren Patel 52:55

HP

Yeah. Hi, good morning. So I already understand that obviously management is also concerned about the molded product business and already other investors have already asked. But my question is mainly on regarding see Pakka being given pioneers. So we understand that obviously whenever any companies are pioneering any product. Company faces lot lots of cost in developing the market, training the market and having a lots of the going through various trials. And whenever new entrant comes, he can leverage this particular learning of the Pioneer Company and may not have to that much the cost of the developing or training the market and maybe based on the whatever mistakes like you rightly said that maybe because of the technology selection or. Machine efficiency. They may be able to now, who are the companies new entrant? They may be able to. They don't have to face this particular cost and maybe able to help more competitive. Product set lower cost. So because podcast main now valuation and all the future strategies on the type of this, all those new product and services which are not available in the marketed right now, including the flexible packaging.

So do you foresee this type of continuity in the other product also like mainly on the flexible packaging for which the main strategy of the Pakka? For the coming. Near a 4C future, so that may be also case that at present there are not, so not a lot of company who has a similar product, but when it will take some time one or two years for Pak also to be launched this product in the market. And in next few. Years or times, obviously new entrance would come based on the technology or whatever has been developed by PAKKA. So what will be the unique? USP of the Pakka. To ensure that being a pioneer will also help you to gain the market share and Bingle low cost because this is the product which doesn't have that much product differentiation. People are obviously, as you rightly said, that it would be the cost. Competitiveness would only drive the market if it is the similar quality of the product. So what would be the main USP where PAKKA would ensure that this particular? Thing would not happen for in the future for this new product.

Ved Krishna 55:28

VK

Few parts. Great question again. But the good thing in life is that whatever happens to us is our responsibility. So we cannot blame markets. We cannot blame others. You know, nobody stops us from innovating. Nobody stops us from cost improving our cost. Nobody stops us from moving ahead. So there is nobody else to blame in life. So that's very strongly in our ethos. So yes, it's a good thing that others are copying us, then US copying others. So we'll definitely prefer that than the other way round. So we would rather keep charging ahead and innovating and creating better products. The 2nd and the bigger part and this may sound a little utopian to be investors because you're coming from a financial discipline. But fundamentally, why do we exist as back up? We exist because we want to leave the earth cleaner, so that's the big goal, right? The business is to support that goal. The end of the day we would love it if more and more people come right. If we were to create something and more people came, that means that goal is being supported. Right. The more the people are, the more the material is, the more the innovation is, the more the push is for us to accept the right. So, so, so we do have things like design patents, but we haven't yet taken anyone to court. There's enough copying of design that is happening, but we say you know, OK, there's a lot of other ways to do this better. We can have better customer service. We can have a better consistency of product. We can have, you know, numerous things within that to be able to accept. Similarly, in flexible packaging for sure. There will be chemistries that will happen. There will be structures that will be copied. It again depends on how good we are. I'll be able to do our job well. Are we able to fulfill the promise we are making to the customer? Are we adding value to the customer if we are not adding value to the customer? Then we don't have rights to exist right in the end. You know, if we are just doing that because of protectionism, I would say that will be harmed at some point or the other that would, that would be challenged at some point or the other. So I would. Say the key for us is to build a strong innovation engine to build a lot of strength in our cost excellence to build much stronger customer connect and relationships and consistency, which is what we've done over the last 40 some years. In pulp and paper today also you know in there are grades of paper. We are probably the most expensive. But the customer doesn't switch because they know the kind of service they're going to get. The kind of consistency they're going to get. So we have to build the same engine. So the good thing is, you know we are the only ones to blame. We can't blame anyone else. We do have like like what Manali was saying earlier we do have pulp. We do have power. So if we can build more excellence in our operations and our customer service, we will succeed. So. So I would say more people come the better it is overall.

Hiren Patel 58:21

HP

Thank you. And the second question is related to this already discussed .13 now us, the government being change and obviously their focus is on the more pro oil Trump being a more pro oil and that and it may divert some capital. But obviously as you said that.

Pranay Pasricha 58:22

PP Thank you.

Hiren Patel 58:40

HP Ultimately, it will be the consumer who may push the market. But if considering that U.S. market doesn't show. That much demand in at least near four or five years of the timeline. And as you said that you are also targeting European market, but how much would be the transportation cost or whether it would be the negligible part because this product obviously is volumetric product and doesn't? Have that much in one container. Obviously the cost of the product would not be that much, so transportation cost would be more so, but even if. You are exporting from the Guatemala to European market, would you? We still able to compete on the cost part.

Ved Krishna 59:25

VK Let's look at the two businesses we are pushing. The first is the food services, which is where your point comes in of volume metric. So that's pretty well established in us and us is not the only market that's decent market in the Latin America region as well. The the other good thing is that you know China already has a 35% duty. Colombia or Guatemala, at least, doesn't. Maybe Mexico does already, but even Mexico and Canada don't yet. So let's see what happens there. There is a lot of geopolitical drift that is happening. But again, as businesses, we have to see what we can do. So. So of course, as far as the project Kawok or the Guatemala project goes, we're not going to build a molded fiber facility, but are we going to supply food services or molded fiber? Yes, but we are doing it through an outsourced model there. So. So it's a little less risky, little less capital intensive as far as the flexi goes, it's a pretty. Strong product transport because you do fit 26 tons in a 40 foot container. So so it's similar to deals of paper because it's strongly bound so that we'll be able to ship, but I still hope we won't be shipping to Europe. You know there is enough possibilities in Latin America. There will hopefully be conscious companies in North America just so that you know there is a conglomerate of companies that is just in the, I don't know if you've received it yet, Satish may know, but they've committed 220,000 tons. Of material from us if it meets the specs that they want, it's a conglomerate. It's multiple companies coming together and the one umbrella. So they've said we are. We want to take even this is after the election. Yeah, not before the election. So they said we are. We are hell bent that we want your products to succeed because trying to also save old growth forests. It's not just petroleum, so it's also to do with, you know, not wood based, but you know. Renewable fiber based. So they are. They are. We're gonna produce 140,000 at the peak. And they are already saying we will make sure that you sell 120,000 and that's in written form, right? But not a contract, but at least a promise read letter. So there are good things and there are challenges and only time will tell what happens. The key again remains the same questions are we? Is our performance as good or better than the current substrate? Is our price or cost competitive? Are we adding value to the customer? So those are the three basics of business according to me. And if we are taking all those boxes, it doesn't really matter what the other side is. Guatemala gets a slap of 25% duty, which is higher than the others. Then we'll find another way. But we feel that you know those three, if we are ticking off, we should be OK.

Hiren Patel

1:02:21

HP Thank you.

Pranay Pasricha 1:02:21

PP Thank you. Miss Priyanka, you can go ahead and ask your question. You are unmute.

Priyanka Dhingra-SBIMF 1:02:36

PD Ist to unmute. Yeah, OK, OK.

Pranay Pasricha 1:02:37

PP Yeah, now you are audible.

Priyanka Dhingra-SBIMF 1:02:41

PD Great. Hi. Hi everybody.

So first of all, congratulations on your new hiring of the I I think he's titled as Head of Inno. No, not head of innovations, but I think head of products is it so great that we have another head over there products and innovation.

Ved Krishna 1:02:53

VK Products and innovation.

Priyanka Dhingra-SBIMF 1:02:57

PD So is it safe to assume that the research will now move to Portland and or will have two centers of research, one in India and 1:00 in? Portland.

Ved Krishna 1:03:07

VK So the main center the. So we are dividing it into two. The Product Innovation Lab and the process innovations. So the main innovations will be in Portland and there are four areas of products that we work on, two or three of them. You are very aware of and 4th is something that we have been quietly working on, but it'll become noisy in some time. So the. First one is flexibles. The second one is wrap and carry, which is our traditional, but we also work on other materials. Apart from. Cellulosis then it is the food services which you are aware of the molded fiber. But we also work with your friends on say forming PLA and stuff like that. So then then there is the 4th area is rigids which is your cupboard. Kind of ready to eat meals, frozen meals? So those are the four big areas which will be important.

Priyanka Dhingra-SBIMF 1:04:00

PD OK.

Ved Krishna 1:04:03

VK That's kind of decided. We feel that even if it costs five times. We need to have the right talent. Talent is everything. Their talent, collaboration, talent, collaboration. So we're biting the bullet there. We've kind of decided we're not going to move away from there. There are also four process areas that we tackle. The first is base material research. Of course, we know that the world doesn't start and end with bagasse, so we work on soil. We work on hemp. We work on con. We work on whey protein etc. Anything that we can find beyond 100,000 tons of material post industrial waste? So those are the two categories that we kind of base ourselves on. The second is green chemistry, so you know utilizing water as a solvent rather than. A chemical that we use today. Enzymes and things like that. So that's the second area.

The third area is waste valorization. So how do we add more value to cash and carbonate to rises? Cache to bug *** bit? Because they are all great materials. And then what can we create from them? For example, we are also the largest producers from our sludge in our area, so. So those are things that have come out of that discipline and the 4th is ultimately to reduce the ecological. Ecological. Weight that we put on the. Climate on the on the planet and our aim is ultimately things like how do you become carbon neutral? How do you become carbon positive, and you know, so that's the four. So, the four process ones are going to be more oriented towards the plant. So. So in India as well as in Guatemala, but they will have a Direct Line to Portland to San and a dotted line to India. Operations head. So that's the way we are structuring it for now. But again, these are evolutions and then they will happen. But these are the 8 broad areas we do research in.

Priyanka Dhingra-SBIMF 1:05:59

PD Sure, sure. Thank you. The other question I wanted to understand was you said that there are about 50-60 more competitors in the molded product space. Are you limiting these numbers only to the bagasse space molded products, or you're thinking about the others as well? And are they centralized in up because of comb? They have, you know, suddenly come up or these are, you know, located pan India.

Ved Krishna 1:06:23

VK The first sorry lightning in my utopian side, but I'll call them collaborators, then competitors. So 50 to 60 collaborators who have come into the bagas side.

Priyanka Dhingra-SBIMF 1:06:29

PD OK.

Ved Krishna 1:06:34

VK And it could be bagasse. It could be fiber. So. So I they may be using word or they may be ITC is coming in and they'll mostly have word. So you know, so, so some kind of renewable fiber, I would say. And they have been cropping up for a while, I think. As as somebody was saying before, you know, like when they've seen Pakka. The noise we've made, not the profits we've made, the noise we've made. They've kind of entered the fray. The good thing is Priyanka that we do set bulk to them. So our pulse sales still makes money even if our molded fiber doesn't. So you know, so that's the idea.

Priyanka Dhingra-SBIMF 1:07:11

PD Yeah.

Ved Krishna 1:07:14

VK We've cropped up all over and I'm amazed that they've cropped up without any. Tie up for raw material or anything else. So so yeah. So they are all over ups, but not majorly in up there pretty much. I don't know. Satish may know what the distribution is, Satish, but, but yeah. But it's not just up, right?

Priyanka Dhingra-SBIMF 1:07:36

PD So at any stage we are not sorry.

Satish ChamyVelumani 1:07:37

SC No, it's quite a bit.

Priyanka Dhingra-SBIMF 1:07:40

PD Yeah, you were saying, Satish.

Satish ChamyVelumani 1:07:40

SC Then I was just gonna take, you know, quite a bit on the.

Priyanka Dhingra-SBIMF 1:07:42

PD So at any stage we are not envisaging any dearth of raw material because of these competitors, right?

Ved Krishna 1:07:50

VK So the collaborators are basically buying bulk from us, so none. Apart from ITC, SETI are tied in between, but they shut down the molded fiber site. Apart from ITC, none of them produce Pak the bulk they will have to buy, whether from us or there is some paper players who are giving Palmid interim. Then he does century. Does they are importing from Thailand? But. They could have depth depends on if we are selling or not. So we'll of course stop selling once our flexible packaging operations are up. We won't have any bulk to sell. So. So we do have we if we do sell then it'll be to our outsourcing partners only.

Priyanka Dhingra-SBIMF 1:08:29

PD Sure. Right.

Ved Krishna 1:08:35

VK So we have about four partners right now. So those are the partners we continue to support, but otherwise we won't have bulk to sell.

Priyanka Dhingra-SBIMF 1:08:42

PD Sure. So my other question is with respect to the metallized flexible packaging that we were talking about. Are there any trials still going on in India for metalized packaging or we are totally going to move towards non metallized in India as well?

Ved Krishna 1:08:56

VK Satish.

Satish ChamyVelumani 1:08:59

SC There are plenty of interest that is coming about Priyanka. We continue to work with Brawny Bear. That is also another chocolate company. You know it's they continue to stay interested. There are plenty of opportunities that are definitely knocking on our doors, but we are metering them out. Definitely there is a lot of focus that we have to give to nonmetallized, so I'm making sure that the R&D team is so focused on at least because. That's what we need to make. And we are and commercially we are addressing what we can.

Priyanka Dhingra-SBIMF 1:09:37

PD OK. So we hope to hear good news from you on the non-metallized and metalized part. Also soon and with respect to the US market, of course most of my questions have been answered and they were asked by other people. But just trying to understand do you see? Any change in the expectations of US based companies on their sustainability targets or do you get an inkling that probably they would end up not wanting to spend too much on sustainability

efforts now? And in that respect, would we want to sort of consider? To the project costs based on maybe what kind of money we can make now that the entire thing seems to have changed.

Ved Krishna 1:10:16

VK

I would say early days still and I see a spectrum of companies and the conversations we are having there for sure. You're right. Like there is, there is enough companies were saying that, OK, you know we don't have to. This is not high priority anymore. They don't see it as I, at least I haven't heard from anybody overt where they say that we are not interested. They say that it's not a priority right now and we would rather do other things. It's, as Trump says, drill baby drill. So you know, so there, if you drill baby drill. Going to be other polymers that will come out as well. So that's understood. But like I said, in the end we are not there to replace petroleum or plastics. I think that's a low bar according to me. It's. If as humans we feel that we want to replace plastics, we are setting a very low bar. We want to create better materials. That's a very different thing, right? And when you want to create better materials, you want to create better performance and better value creation. And I'm not saying better price, but value creation. So one way or the other, we need to think about that and then be adamant on that because units only 7080 years back, somebody created a styrene or a althea, you know, so it was gas, right? They just captured it and created athlete so if it was created 7080 years back. Personally, I don't see any reason apart from our own inhibitions why we cannot create something that is. Better and more value added. So I would not yet worry about it too much. Maybe by the next quarter I might be sounding more worried, but we'll wait for another quarter for that.

Priyanka Dhingra-SBIMF 1:11:57

PD

Sure, sure. Thank you.

Pranay Pasricha 1:11:58

PP

Thank. Priyanka. OK, Captain Vishal, you can go ahead with your question.

Capt. Vishal Sharma 1:12:08

CS

Yeah. Hi, good morning.

Pranay Pasricha 1:12:10

PP

Yeah, company.

Capt. Vishal Sharma 1:12:13

CS

Yeah. My first question is, in 2024 during the year. You mentioned that you were in a very confident of 20% plus margins. So on the same lines, can you please provide guidance for your revenues a bit on margins you expect for 26 and 27?

Ved Krishna 1:12:36

VK

My board is already very unhappy with me and. These forward-looking statements I'm going to avoid that. What I can assure you is that we will continue to work the way we have been. Working and we will try and make sure that we do our utmost to to, to maintain what we've been doing so far.

Capt. Vishal Sharma 1:12:59

CS

OK. Question 2. I think a lot of people have asked this, but you know I've invested in Pakka since 2016. Seventeen. So it's been almost 8-9 years and I've been following the more lip products quite closely. So I believe it was launched somewhere in 2018 and since. Then we have been, you know, struggling to make profits in this. So can you please give us guidance on the plan you have right now in place to make it more profitable in the coming years? And since we've given a lot of time, how much more time do you need? Are you anticipate for a total profited?

Ved Krishna 1:13:38

VK

\$1,000,000 question and Manali already you know asked me on this so give us another month. We are meeting the team later this month. They are supposed to provide us with a plan for significant impact and then we'll be able to decide within March the direction we are headed. So either Sachin, if you can make a note, we can specially send in. What is that methodology, Sachin too, can we send? A communication. Or maybe we can send it through BSE, right? We can send communication to the investors because this is valid. The city. You're muted. So. So yeah, if we can send.

Sachin Srivastava 1:14:13

SS

We can send them back later to the administrator, also through e-mail and upload them on this stock changes.

Ved Krishna 1:14:15

VK

That. OK. Great. So let me give us another month what we will do is Sachin. Let's make a note of it. Post our annual planning, so maybe at the end of March we will send a note on our plan for the food services business.

Capt. Vishal Sharma 1:14:33

CS

OK. Thank you.

Pranay Pasricha 1:14:38

PP

Thank you. So Mr. Paras, you can ask your question.

Paras Chheda 1:14:49

PC

Yes, sorry, I think you see what? I'm highly impressed, Sir, with, you know, the thing that you know, you've been saying that it's your responsibility in terms of holding products and entire business decisions. So that's a very good, you know, sort of positive approach towards the business. But and I don't want to pressurize much, but you know just one thing that I feel on this molded products obviously it's been quite a long time you know for it to turn around. It turned around, it seemed like it turned around. And then it dipped into red. My only suggestion to you is to sort of reconsider the entire proposition. You know, probably back from scratch because you know, the longer this continues and probably in a few try to increase the turnover, probably this may have a further impact on the profitability of the company. Otherwise without this could be doing very well. So I mean obviously it's up to the team eventually, but it needs deep consideration in my, in my opinion, what I wanted to suggest is set deadline, you know beyond which. Sort of. You know, you try and curtail the exposure to this segment is my understanding and it could be a little bit premature in general. But I mean from the many businesses that I've seen across you know, in terms of investing. You know, I feel some at some point in time, you know, you should just reconsider and take a

decision with a deadline. That's the only suggestion I have sort of. Do you have a deadline in mind at all?

Ved Krishna 1:16:21

VK Very appreciated.

Paras Chheda 1:16:23

PC Ved on that or it's still a movie.

Ved Krishna 1:16:24

VK Yeah, yeah. Like I said, we will send a special communication to all investors within March. So I do have to give our team possibilities. So the team is working hard towards finding the overall scenario. Like I said before that you know we have given a clear target that if we cannot capture at least 20% of the disposables market in the country, there's no reason for us to be in the bus. So you can back calculate that amount so if we.

Paras Chheda 1:16:51

PC Yeah. And yeah. We need to be profitable about it.

Pranay Pasricha 1:17:01

PP So Yes.

Ved Krishna 1:17:03

VK Yeah, yeah, of course. Yeah, there is no reason to be in the business if you're not profitable.

Paras Chheda 1:17:04

PC I must say, yeah.

Ved Krishna 1:17:08

VK We're not looking for revenue, only for sure.

Paras Chheda 1:17:09

PC Yeah. Absolutely, yeah. Because you know, you've seen, you know, various new age businesses just targeting revenue and market shares, but do not really deliver bottom line.

Ved Krishna 1:17:19

VK They have SoftBank money, we don't.

Paras Chheda 1:17:23

PC Yeah, yeah, yeah. And this last thing, Vijay on this. This was on this Trump administration and whether and there have been some discussions. I heard that whether that Trump administration does have an impact on our fundamentals. In your opinion, you know you've been traveling. You meet people, you meet investors and your suppliers. Customers, likely potential customers, et cetera. Now you are in the, you know, process of sort of off take agreements also which. So which will make it very clear to you, you know, where do you stand? But in general, what's your sense? You know, with Trump administration coming in. Is business for you going to be as usual prior his administration or things could be tougher?

Ved Krishna 1:18:09

VK

I don't think business will be as usual anywhere in the world, so that's clear. You know, like, of course, things will be shaky at the kind of. Decision making that is happening in merely 3 weeks. So, we are clear about that. But that said, like I said, the fundamentals of business are end of the day, make a superior product, make it consistently provide value to the customer. So those three have to be adhered to in any business and that's what we will focus on. The other only other thing I'd like to add is that if you look at us is not merely a federal led country. States have a lot of sway. So, so you know, So what are the big markets for renewable sustainable products? It's the West Coast which is the California, Oregon, Washington and it is the East Coast, which is the New York region and then down to Florida.

Paras Chheda 1:19:01

PC Alright, alright.

Ved Krishna 1:19:02

VK So they'll they will remain with their own jurisdiction. SB54 is the California law which is coming in that will remain. It will not be. It will not adhere to what the federal guidelines are. So it's the. The United States. It functions as various countries when it comes to, say, various laws. So we will see, of course, geopolitics will clearly impact, but that's not according to me. Again, that's not if we are, if we are Hanford just by that, that means we never had a good product to start with. So it cannot be that reason.

Paras Chheda 1:19:34

PC No, no, absolutely and.

Ved Krishna 1:19:36

VK Yeah. So, we have to look at the basics in our product up to this up to spec.

Paras Chheda 1:19:42

PC Yes, and just lastly, I would like to say that you know your approach in terms of you know making it a superior product and not targeting an alternative to plastics is a is a very solid approach. And I think that's how you should sort of look at.

Pranay Pasricha 1:19:43

PP Right.

Paras Chheda 1:19:56

PC It. Thank you.
I think it's it's a really a positive approach.

Pranay Pasricha 1:20:00

PP Thank you. Mr. Venkatesh, you have a question?

Venkatesh S 1:20:10

VS Good morning. Hi VED Hi Satish. Hope all is doing well boss. I want to just give a I'll take three 2-3 minutes, one minute of premise because I've been tracking a lot of people's questions and I think I would love to moderate this discussion. Everybody's question is a reward around. One factor, which is something that is out of our control and I think the core thing, I think we

any business focuses on is the core process, the capital and the customer. There are three CS that people look at. I think things like Trump, Modiji, all this will come and go. I know we play life. Accordingly, I don't think that is something that is broadly under control. I'm very happy that you paid respect to a lot of people. The fact of the matter is, as we navigate as we go along. So full credit to you for accepting the questions. And second question is do people also ask about the core process in terms of what do you want to do about the molded fibers business? I think the same repetition in different ways. In my sense is that my request is that Sir, you guys know what you're doing. Your company is \$120 million market cap for which we are getting a basic paper and pulp business and you guys are trying to innovate and you're also trying to set up something fantastic in Guatemala. So that's completely a venture capital investment. If their optionality works out, it's great for everyone. So my sense is you should don't. I would. Really think that. Don't put yourself under pressure that one month you want to take a decision or anything because. You never know where you're gonna hit. Maybe you just wanna figure out. This is a kind of money that I'm gonna put in there, and I'm not gonna waste any more of this or because we are all financial analysts and fund managers. We're looking at this year's returns and next year returns to be. Honest with you, a lot of people don't think 10 years or five years here, OK? So that's one second, Sir. Most importantly. Sustainability one of this question that keeps cropping up across the board is whether sustainability makes sense and whether things will change. I think sustainability is gonna be very good economics going forward and a lot of people realize that you will make a lot of money if your business is sustainable because you draw out of nature and give it back to nature. So something that I don't think you should. Give up quickly. One suggestion that I have two questions and one suggestion the question is. In terms of the team we are talking about the India business. Jagdeep was there. He's doing a great job. Then we got ahead of innovation products. And what about and Satish is moving to take care of the US business? So whose baby is the India? Customer B2B or the B2C business, if the molded fiber business is going to take off and we want to attack and we want to take 20% market share, who is the person responsible to get it there over the next 12 months or 20? Four months. That's my first question. 2nd in terms of. Organization structure. Is this enough? For you in terms of business development, go to market. Who decides whether you want to be B to C company or AB to B company? Because with my question actually is if you, you know in a typical day's mind space how much of your mind space goes to B to C&B to B on the. Molded fiber business. How much is on the core business and how much is on Guwahati Mala? If you think about it? I think we may get some answers. That's my first question and. If you can answer that and they'll come to the suggestion party.

Ved Krishna 1:23:42

VK

OK, as usual. Venkatesh is always great to get hear from you and get your views because they always spark more thought. So just a side note, on your time line. So when we were finalizing the land in Guatemala, our CEO there, Eduardo said. You know, why are you buying this land and spending a million and a half or something on this? You know, we can just lease it and it's only going to be this much in Guatemala, I said sure. If it's for 500 years, so. So you know you're talking about one year, two years quarter at least as back up. We are thinking in terms of 500 years you know can we can we create something that will create value for humanity for beyond at least.

Venkatesh S 1:24:08

VS

Yeah.

Ved Krishna 1:24:23

VK

Beyond hundred years, if not 500 years, so, so that was the kind of thought process that we went through when we purchased the land as well. Absolutely spot on. I think the biggest challenge for any. Leader is building the right team. And I would say that at least my greatest achievement in the last year has been surrounding myself with absolutely spectacular people. And you're seeing few of them on the screen right now.

Venkatesh S 1:24:46

VS

Yeah, yeah.

Ved Krishna 1:24:47

VK

And you've met some of them in person as well. And you know Jagdeep well and you know absolutely. Like has kept us part of the reason why we are able to dream that we are what we are dreaming is mainly because of his leadership in India.

Venkatesh S 1:24:51

VS

Yeah.

Ved Krishna 1:25:00

VK

You know to be able to kind of go beyond and think beyond.

Venkatesh S 1:25:04

VS

Yeah.

Ved Krishna 1:25:04

VK

So yeah, so great team. You're noticing Satish taking over us again. Spectacular shifts in Satish came here. Rolando coming in and building a finance solid finance kind of structure and of course. We are in the middle of a kind of finalising the India finance structure as well, totally right on the. With Satish leaving, we don't have a business lead in the in the food services business is what I would call it and that's something that is an active search right now. So so, you know, we are.

Venkatesh S 1:25:35

VS

OK.

Ved Krishna 1:25:35

VK

We are looking for a person. We have a good sales guy, but that won't fly right in the end. You have to build a business. So Jagdeep is actively looking for that person. My personal time only goes when he identifies and short lists the person. So. So it's not my time that goes on it in terms of B to C&B to B, we do to data LED discussions. You know what is paying, what is not paying.

Venkatesh S 1:25:49

VS

Yep.

Ved Krishna 1:25:59

VK

How is it moving?
Where do we create value?

Where do we not create value?

How do we shift my whole thought process or our whole thought process works from how do you keep it simple?

How do you go for lesser number of SKUs?

Venkatesh S 1:26:10

VS Yeah.

Ved Krishna 1:26:12

VK How do you go for lesser number of packaging solutions?

How do you go for lesser numbers of distribution systems?

And create volume.

So that's the fundamental questioning that we do and that comes from a singular idea.

What is packaged Pakka is a business that is trying to build scale in manufacturing.

So that's our bottom line.

So anything that is not adhering to that we will drop.

So we've dabbled in a lot of things, but we ask the question again, is this going to create scale in manufacturing?

Because it doesn't feed our ultimate goal.

Right. Which is which is a cleaner planet.

So if you're going to do a little bit of dabbling here, little bit of dabbling there.

That's not going to create impact. So, so it's singular idea which is built on this.

That's the only question we kind of ask again.

And say yes or no based on that.

Venkatesh S 1:27:06

VS Just a little bit, I think it was Hiren was us talking about lots of guys coming in, 50 people more technologies coming in.

My sense is if you get your product right and decent cost structure and the team, I think it's pretty easy to fight the unorganized market. If you're really targeting only 20% market share.

So my sense is please take your time and figure out whether this business works or not.

And I think you've got something, right.

I think we just need to find you.

My suggestion was, since you talked about the process that goes on at Guwahati Mala and you talked about water as a solvent, four sources from which things come into the factory.

So and you talked about 100,000 tonnes.

I was just looking at Google Maps and I found that Guatemala is pretty kind of there's a Pacific, but it's quite close to equida.

It could have.

It could have the world's largest banana producing nation and banana, as you know, is a compostable fantastic ecologically sustainable product. You may want to think whether Begas, while begas exist while you. If can that be used as a feedstock as well? Because in you know something that.

I thought I should bring it up to your alley because they produce 360,000 tonnes of bag bananas every year.

What happens to this? The 2nd is I think the US market is quite huge.

Trillions of dollars of economy.

Trump no Trump. I'm sure there are a lot of guys who want to take this product.

I mean, so and again, Latin America, Brazil, Argentina, Canada, as long as it exists as an

independent country also is a good market.
So. So that's what it is, yeah.

Ved Krishna 1:28:38

VK Even if it exists as a 51st date, it'll still be independent.

Venkatesh S 1:28:41

VS Perfectly. Yeah, perfectly OK with this.
We just want to sell, yeah.

Ved Krishna 1:28:44

VK Yeah. So no banana is something that we've actively worked on. Banana and Abaca, which is a cousin of banana. There's a few challenges with that. Like any other fiber.

Venkatesh S 1:28:50

VS OK.

Ved Krishna 1:28:54

VK 1st is it's not post industrial, so collecting is a big challenge.
It has 90% water in the stem, which means you have to squeeze in the farm because it acts the water acts as a fertilizer for the farmer.

Venkatesh S 1:28:58

VS OK.
OK.

Ved Krishna 1:29:06

VK The third is the inherent silica is high.
The inherent silica is almost 20%, so in the process itself what happens is that you have a challenge when you are trying to recover the chemicals.

Venkatesh S 1:29:11

VS OK.

Ved Krishna 1:29:17

VK So it's good for alternatives like textiles, but when you look at or, you know, like you have a backup which has a lower amount of silica. So it goes into tea bags nonwovens, those are mostly ibaca, which is again Philippines. So, so well aware of the fiber Gu.

Venkatesh S 1:29:17

VS Right. OK.OK.

Ved Krishna 1:29:34

VK Itself. You know, Rolando knows this well. Eduardo, in fact, owns a lot of banana plantations. So yeah, But itself has a lot of plantation as well.

Venkatesh S 1:29:40 Oh. Oh, super, super. Where when do we get to hear on the India business head?

VS

Ved Krishna 1:29:48

VK Oh, you mean for the food services?

Venkatesh S 1:29:48

VS For the food services business, yeah.

Ved Krishna 1:29:51

VK Fingers crossed search is on. You know these things. Are they? You know when the stars align, hopefully within the next month is what we are targeting.

Venkatesh S 1:30:00

VS Super. That's it from my side. All the best.

Ved Krishna 1:30:02

VK Thank you, Venkatesh.

Pranay Pasricha 1:30:03

PP Thank you.
So we'll take the final question from Hiren and then close the call.

Hiren Patel 1:30:08

HP Yeah, just a follow up question on this particular project progress you have already mentioned in 44 percentage progress has been achieved for Project Jagriti and 15% for flexible. But can you provide some distribution like generally it is being monitored on EPC based on S cur? So how much engineering? How much procurement and how much construction progress has been achieved for Jagriti as well as the Co-op project? Just in terms of EPC, so we get better idea of the completion time.

Ved Krishna 1:30:38

VK That Pranay is going to kill me. They actually had this slide and I haven't had him remove it. I said don't give complications. You know, they literally had each area wise. You know what is the progress? How much is the? I said, what will investors do? Trying to see how much you've done in recovery. Boiler how much can e-mail you that slide if you want but on the carvak side, it's more on the it's, it's on the engineering, just the land procurement has happened and we'll start building a boundary the next month or something. So.

Hiren Patel 1:30:56

HP OK. Sure. Thanks. Thank you.

Ved Krishna 1:31:08

VK It is relatively straightforward. It's more on paper. The Jagriti. Side is of course different sectors have different progress sides, but from an why I said to Pranay that it's unnecessary fundamentally depends on the flexi line, right? Everything else is serving the flexi line. So there are two from a revenue standpoint, there are only two additions, the PM3 expansion and the flexi line. Those are the two big ones. There is a few delays in PM3, so it's middle of the year now it was earlier targeted for March, April. There are a few delays in supply, not at our end, so it's going to be June, July. So there is a kind of about 15% increase in production

because of that and of course in quality. But the big one is end of the year. So it. Going to be everything else is in service of that. So even if you see a lot of progress and say RA, TP, it's 95% or actually the Commission did, so it's 100% right. But you know what, good does it make in the end?

Hiren Patel 1:32:09

HP Yeah. So, OK, OK. So just I so we are on track to be completed flexible packaging like as you said by the maximum by the early next year means 2026 February or March 2020.

Ved Krishna 1:32:22

VK So we are on track to create the base paper for flexible packaging because the NM has not been proven yet. We haven't in India ordered the quoting machine, but that said the base paper is a grease proof paper that'll sell regardless, but so that we'll start stabilizing that. And like Satish said, if he gives us the formula in the next.

Hiren Patel 1:32:38

HP 2.

Ved Krishna 1:32:46

VK Quarter. Then we'll order the quarters and that's typically a six to nine month split. So we should still meet the next year, early deadline.

Hiren Patel 1:32:53

HP Oh.

Venkatesh S 1:32:58

VS So the Hiren is asking these questions because he's an engineer procurement, he's done work for Adani.

Hiren Patel 1:32:59

HP OK, OK.

Venkatesh S 1:33:04

VS So you probably hire him as a consultant.

Ved Krishna 1:33:04

VK Clearly.

Venkatesh S 1:33:06

VS He comes on board, yeah.

Ved Krishna 1:33:10

VK Good, good. Thank you Hiren. That keeps us on our toes. Next time I won't get Pranay to remove that slide just for you.

Hiren Patel 1:33:16

HP OK, OK. Thank you. Thank you.

PP Pranay Pasricha 1:33:18
Thank you.

VK Ved Krishna 1:33:18
Thank you guys. As always, thank you all for your support, your questioning, your guidance. We keep looking forward to these calls.

VS Venkatesh S 1:33:21
Thanks guys.

VK Ved Krishna 1:33:26
It's always so much. Energy and excitement for us. So, thank you so much for your support.

VS Venkatesh S 1:33:31
Thanks. Thanks for patiently answering.

PP Pranay Pasricha 1:33:32
Thank you.

SC Satish ChamyVelumani 1:33:33
Thank you everybody.

HP Hiren Patel 1:33:35
Thank you.

RY Rolando Yon 1:33:35
Thank you.

● Sachin Srivastava stopped transcription