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Date of 10-Jun-2026

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Subject / Compliance Regulation	Announcement under Regulation 30 (LODR)-Analyst / Investor Meet – Outcome
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/2026-27/0025
9th June, 2026

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: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Investors' Conference Call for the fourth quarter and financial year ended 31st March, 2026.

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Part A of Schedule III thereof, we hereby submit the transcript of the Investors' Conference Call held on Tuesday, 2nd June, 2026 at 04:00 p.m. (IST), wherein the management discussed the financial performance of the Company for the fourth quarter and financial year ended 31st March, 2026.

In compliance with the aforesaid Regulations, the transcript of the said conference call has also been made available on the website of the Company at <https://pakka.com/>.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

for Pakka Limited

SACHIN
KUMAR
SRIVASTAVA
Date: 2026.06.09 23:49:20
+02'00'

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SACHIN KUMAR
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Date: 2026.06.09 23:49:20
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Sachin Kumar Srivastava
Company Secretary & Legal Head

Encl: Transcript of Investors' Conference Call

Pakka Limited II Investor Call II Q4 FY 26 II Earnings-20260602_160046-Meeting Recording

June 2, 2026, 10:30AM

3h 11m 50s

● **Shashi Mishra** started transcription



Pranay Pasricha 0:04

Others also.



mukesh sehgal 0:08

Is it on?



Pranay Pasricha 0:08

And.



Kaustav Bubna 0:09

She.



Pranay Pasricha 0:11

Okay.



Kaustav Bubna 0:12

Ohh.



Pranay Pasricha 0:26

Okay, we'll start.



Kaustav Bubna 0:30

Yes.



Pranay Pasricha 0:30

So good evening, everyone. On behalf of the entire Packer team, I'd like to extend a very warm welcome to all of you for our quarter four investor call. Thank you for joining us today.

to introduce our leadership team.

Mister Veth Krishna, Group Lead, Mister Mayank Jindal, Manufacturing Business Lead, Business Head, Mister Shubham Tribiwal, Food Services Business Head, Miss Nitika Suryavanshi, Finance Head. Also joining us today is Mister Himanshu Kapoor.

who is the non-independent, non-executive director. Based on board's recommendation, we have asked him to step in to this call to address queries related to our recent funding. He will be taking us through the details for the same and addressing queries regarding the same at the end of the session.

My name is Pranay and I lead the brand and marketing function at Packer and we'll proceed with the presentation now.

The.

 **Kaustav Bubna** 1:52

The name goes.

Yes, wait, we should come.

 **Pranay Pasricha** 2:00

Yeah, I'm just sharing my screen.

 **Ved Krishna** 2:01

Shashi, please keep putting people on silent here because otherwise there'd be noise around. So anytime you hear background noise, please put check where there is if somebody's not put themselves on silence.

 **Kaustav Bubna** 2:06

The.

 **Muskan Manucha** 2:13

Talk about.

 **Ved Krishna** 2:16

Like that.

 **Pranay Pasricha** 2:16

And I, yeah, and I'll request people to please bear us for the time of presentation,

and we'll take questions later. So, over to you, Veth, to start off to kick off the presentation.

VK **Ved Krishna** 2:36

Namaskar to all the investors. And this is an important call for us because we realize that there have been a lot of challenges in the last year and of course in the last quarter as well. But it's important that we address those challenges up front. So we have a lot of learnings from the last year, which I want to start with. And then of course, we take it forward from there.

 **Pranay Pasricha** 2:39

And.

VK **Ved Krishna** 3:00

So first and foremost, what we realized was that there was a challenge that came in because of our lack of funding that happened that we had kind of arranged. The idea was that there'll be a couple of equity investors who come in and then the rest will come from bank. But what we realized was the faltering of the share price led to another one investor not honoring the warrants, which meant that we had to scramble for funding. That has been effectively put in place now, but it of course took us back significantly. It also took over a lot of management bandwidth to be able to arrange this.

 **Pranay Pasricha** 3:32

Who?

VK **Ved Krishna** 3:40

The second was that, of course, it is again related to funding. If you don't have money in the bank, everything slows down. And because of that, there was a challenge in the speed of the project execution. This is a huge project, and we are trying to actually set up four plans simultaneously, which is not an easy endeavor for any team.

It has gone forward. We will also show you the significant progress that the project team has made, but it also meant that the lack of fund flow and some challenges within the, with some suppliers led to a little bit of delay in the project execution.

There has been a lag in product development, which you have pointed out before. We are definitely working on it. There are significant changes that we are making as we go forward, and we will discuss that. But what we found was that there was a lot of focus that we had to bring towards commercialization, and those are still happening, but we see that the speed at which we would have liked to do it



Pranay Pasricha 4:36

Yeah.



Ved Krishna 4:41

has been lagging, so there is a learning there too.



Pranay Pasricha 4:47

No.



Sandeep Aggarwal 4:48

I plan.



Ved Krishna 4:48

We have certain limited resources and we can utilize them in certain ways. And what we realized was that we had spread ourselves thin. Of course, you guys also pointed it out, but we felt that maybe we could do multiple projects at the same time. But that also led



Sandeep Aggarwal 4:51

It is.



Ved Krishna 5:07

to significant reduction in bandwidth. So we have narrowed down and made our focus India to stabilize India first. And we will do that before we take up anything else. So that will help us gain momentum here. There has been some movement in the team, as you have noticed as well. We are working on more solidity. towards team. Mayank has of course joined us as our manufacturing business head, and we are excited to have him. He comes with a very strong background of over almost 30 years in the industry, worked with JK for a significant period. And Mayank,

maybe when you start talking, it'll be, we haven't put in a slide of your introduction, so, and we realized that this is your first call.

So I think it'll be good if you just give the investors a little bit of your background. I'm sure a lot of them have already looked it up. But yeah, over to you, Mayank. Let's start with the review and then I'll come back towards the end.

 **Mayank Jindal** 6:02

Good.

Yeah, thank you very much. Let me introduce myself first before we go to the business performance, as Ved said. Thank you very much. This is Mayank. I have over 30 years of, in fact, over 35 years of experience in the industry. I have worked mainly with a major integrated Mills India abroad.

My major tenure was almost 2 decades with the JK paper, from the very prominent paper manufacturer to India. In addition to this, I have served in Thailand for about 6 years, and my last assignment was in Indonesia. I was with the Apple Fine Group, one of the largest manufacturers globally.

 **Pranay Pasricha** 6:33

Who?

 **Mayank Jindal** 6:50

In all the segments of the pulp and paper, and I recently joined just two months back, it is exactly two months today.

 **Pranay Pasricha** 7:00

Mayank, your video is...

 **Mayank Jindal** 7:01

I am a technologist from I.D.

 **Pranay Pasricha** 7:04

Sorry, mind you just...

 **Mayank Jindal** 7:05

I don't know what something is wrong. I kept it on, but I really do not know what is the issue with the camera.



Pranay Pasricha 7:12

Maybe there is a slider on the top of the camera, you have to slide it open.



VK Ved Krishna 7:19

We can tackle it after the presentation. Let's keep going.



MJ Mayank Jindal 7:20

The Vikram.



Pranay Pasricha 7:20

Okay, sure.

Yeah.



MJ Mayank Jindal 7:25

Okay.

Yeah, go to the next slide.

Okay, there's a few highlights for the quarter four performance. And here we can see the revenue has improved by 8% over the last year, same quarter, and 4% over the quarter three performance. So that shows some indication that



Pranay Pasricha 7:48

Who?



MJ Mayank Jindal 7:54

We are coming on right track as of the revenue is concerned. And PBT side, yes, there was a negative.

And there are various factors which I'll be covering in the subsequent slides.

With more details.

If you see on the overall financials, yes, there was a dip around 13% on the overall year. And the major reason was that we had taken a major shut in another machine.

I'll explain in more details in the subsequent slides on that also.

This is more about the wrap and carry business.

Specifically, which we do from the facility, if we see the quarter four performance here also, there was a 4% up.

in the quarter four over the last year, same quarter, and 6% up over the quarter three performance. So that's how this was consolidating well. Again, there was a dip at the PBT level, 16%, 17%. But this is an indication, I mean, this is far better than overall year for Jose VC, particularly for the rep and carry.

But I'll share you the data reasons for this also in the subsequent slides.

Go to the next page.

So this is the overall year performance, 303 for wrap and carry only. So here there was a volume drop of 17%, as I said, one specific reason of the machine modification shirt. And the same has impacted on the PVT also to almost 50% drop.

Next.

So challenges, NBC, actually the good thing is there was not too many challenges which we faced in this year. One was the PM3 outage, that it was a planned shirt. We planned for a 20 day shirt, but incidentally it has taken longer and took almost 40 days to complete this work. So PM3 was our major machine.

the highest capacity machine, which is contributing almost 50% of the total volume.

So this has impacted severely and the impact only for the PM3 outage was 11 CR on the PVT.

And another was the pricing impact. See, there are many new entrants are in the market and they are trying to establish. So there was a sort of pricing war. So they made the market a little tough on that. And because of those NSR, we had an impact around 16 CR.



Pranay Pasricha 10:27

No.

Yeah.



Mayank Jindal 10:33

Now, we forwarded, we see that how to how to go ahead on this. So, this PM3 part still it is continued the modification we have done, but some capacity increase which was expected was not done. So, this we have planned in this this month, we'll be doing in the 4th week of June.



Pranay Pasricha 10:34

Yeah.



Mayank Jindal 10:53

And with this will help us increasing our production by 10 tons a day. And this will give a boost to around 8 CR on our PVT alone. And in addition to this, we are taking many other measures, the cost optimization and the ramp up and OGR that we are outsourcing and that we want to increase and go up to later.

Find ATPD. Well, sorry, I'm sorry, it is TPM.

500 tons a month. So gradually we will be increasing it and launch new grades so that the market competition and those things we can cover up and enter with a better contribution products.

And with this same, with this, we'll be able to go for a higher contribution product and the product mix in PM1 and PM2, one or two product we have already tried and giving you better results.

Go to next.

Yeah, that's all I think from the rep and carry side. Over to you, Shubham.



Shubham Tibrewal 12:04

Thank you, Mayank. Good afternoon, everyone. I will walk you through the performance of and the highlights of the food services business unit. Then we can move on to the next slide.

So here we have some good news, which is our revenue for Q4 was significantly higher when we compared it to the same quarter last year. So we clocked approximately 17 crore versus 11.5. Quarter on quarter growth,



Mayank Jindal 12:29

No.

Yeah, put it together.



Shubham Tibrewal 12:35

was not that much better.

 **Mayank Jindal** 12:39

So.

 **Shubham Tibrewal** 12:43

But that is because for us, Q3 is one of our strongest quarters because of the festive season and usually...

There are some impacts of re-rationalization and stock taking due to which buying is slightly reduced. But all in all, our revenue trend is extremely positive. The changes that we've put in place in the business over the last year are starting to bear fruit. In terms of the PBT,

There is an impact, sorry Pranay if you can just stay on the last slide, thank you. On the PBT, there is a negative impact and this negative impact is due to some one-off items. So I will go through them in a subsequent slide, but this is not reflected.

 **Pranay Pasricha** 13:24

Who?

 **Shubham Tibrewal** 13:29

Dev of our true operation performance on the code business.

You can move on to the year on year numbers.

Thank you.

So like I said, we have managed to achieve significant growth over the last year in terms of the top line. The bottom line is impacted. We will go through the reasons of how much of this is from the code business and how much is it from non-recurring or one-off.

 **Pranay Pasricha** 13:56

Three.

 **Shubham Tibrewal** 14:00

actions which were taken in Q4.

So what did drive our higher revenue and what were the changes that we were able to implement and the result we achieved can be summarized here. Others, of course, not all, but I think these are the main highlights for the year. So we grew our volumes

significantly by 20%.

from 2,600 tons last year to 3,100 tons this year.

Oh, this added 8 crores of top line for us. This is net revenue.

We did this by expanding significantly our presence of Pan India. So we unlocked what we call unlock new territories. So we made our products available in 25 new cities and especially on the B2C front, we were able to get significant results and get a lot of momentum because we were able to grow this specific channel, which is, of course, the highest margin channel by 2.5 times. So we went from approximately 2.5 crores last year to 6.5 crores this year.



Pranay Pasricha 15:05

Yeah.

You?



Shubham Tibrewal 15:18

Okay, thank you. Thank you.

So now why were the losses so elevated? It can be explained in two parts. So we have roughly 3 crores of losses which are coming from the plant and the manufacturing.

So we were facing some issues with the equipment we have in the plant and



Pranay Pasricha 15:31

The.

Who?



Shubham Tibrewal 15:41

Due to that, we had even taken a shot of certain machines in the middle of the year. And that had a significant impact on the overall cost of production because there's a lot of equipment which is running in the back end and we have a lot of fixed costs.

So when the output dipped, the costing of the rest of the products also went high.

There were a lot of changes and improvements which were attempted at the plant to upgrade the machines, fix the machines. They were requiring higher maintenance than usual. And because of this, there was some losses which were incurred at the plant level, which were not planned.



Pranay Pasricha 16:08

Yeah.



Shubham Tibrewal 16:22

There were also some one-off non-cash items for three floors, which was in code. And this was relating to basically clearing some slow-moving inventory and old stocks, some write-offs of, again, old packaging materials, inventories. We kind of did an inventory thorough cleanup of our books.

and reconciliations of the inventory and the stocks. And we had also booked some old project development costs, which were there in the books, but we decided to write them off so that we can have a clean start as we start this new year.

Our plan of action is we want to build on the growth which we have.

created last year, the momentum which we have created and the network that we have built. So we again want to keep growing our B2B business. And the way to do that is to again have more and more, ensure higher availability of our products. So again, target of 25 new cities.

and also increase the number of touch points in each city. So what we call our the seller and distributor network. And we're of course working on winning back and acquiring some big accounts, which helps us kind of move volumes. Retail is where we are seeing

the most success and then we also feel there is a lot of potential in the market. So we will continue to build on this B2C business. There are still a lot of retail points, touch points where we are not yet present. So we are expanding the target for the end of this current financial year is to be present at

every single major quick commerce, e-commerce, modern trade, and big box store that's available to us. Most of these actions have already been launched, so we are fairly confident that we will get very good growth here. And again, this is the highest margin journey for us.

Another initiative that we have taken, and in light of what I mentioned in the previous slide relating to the manufacturing related losses, is to scale the business through outsourcing sites. So these are sites where we are supplying our own bulk and we are getting our own products manufactured. So we are using our plants in different locations. This has many advantages. So it reduces the cost of our products. It optimizes freight, because currently we were manufacturing and shipping

Pan India. Now we will have manufacturing sites probably all around the country and we will be able to serve markets locally.

This is expansion without Capex because it is capacity which already exists. So we will be able to scale the business without having to invest a whole lot into it. And of course, it's much faster to execute than to build capacity. So that's the whole idea. We go asset light.

And we basically add just incremental data to all the.

We want to, we will be undertaking new initiatives as well this year to diversify our revenue streams so that we basically come through new product categories which we are launching. This includes a range of products in the food services category which our customers require.



Pranay Pasricha 19:52

Yeah.

And you are good.



Shubham Tibrewal 20:01

Of course, continue to build the delivery range because, as you may all be aware, it's a market which is growing very, very strongly in India, and we see great potential for our products in there. And we also started to look more closely to the US opportunity because our team there has opened a significant pipeline for us.



Pranay Pasricha 20:02

.

Yeah.

Ohh.

Cool.



Shubham Tibrewal 20:23

So there's very strong demand in that market and we are exploring how that can capture that.



Pranay Pasricha 20:24

Really?

ST **Shubham Tibrewal** 20:34
That's it from my side of...

VK **Ved Krishna** 20:35
So, I take that.

 **Pranay Pasricha** 20:39?
No use.
So then, may I take that?
Later.

VK **Ved Krishna** 21:01
build the right pace paper for barrier coating in the future. So the idea is to get the Prater product right. So we are actually in the middle of working with certain European pilot machines, and we are going to take some trials within the next couple of months to get the product and provide it to the customers before the machine comes on stream.
the non-metallized Flexi, we have reached a stage where we are now able to take a pilot trial. Right now, we were kind of running on smaller, what we would call lab pilots, which are continuous machines, and numerous trials have happened. We've taken the cost down significantly and the efficacy up.

 **Pranay Pasricha** 21:24
Yeah.
Good idea.
I really like.
No.

VK **Ved Krishna** 21:41
as well. And now we are relatively confident that we will be taking this product and running it on a certain kind of scale where we can actually provide customers with material and then start coating. Of course, the other one which we have been focused on and it's taken again longer than we had.



Pranay Pasricha 21:42

Is the problems that you do?

I do that.

The.



Ved Krishna 22:01

Envisage is the delivery containers. We actually did a soft launch at Akhtar this last quarter. The response was excellent. There is some challenge in terms of costing, which we see, but that said, you know, we will do a phase one kind of launch within this quarter, which is basically...



Pranay Pasricha 22:17

Idaho.



Ved Krishna 22:21

working towards making sure that a smaller production of a certain number of products is done in our facilities and we start launching it in the market. And of course, this should lead to a larger expansion as well. A large, significant step that we have taken now



Pranay Pasricha 22:24

Yeah.

No.

Anything.



Ved Krishna 22:44

is to move our Bangalore facility to Ayodhya. And that has been done after a lot of deliberation, because of course, the main challenge for us, or the reason why we were in Bangalore was mainly talent. So we have talked to the team. We do think most of our team will get retained, and we can invest much more heavily in Ayodhya.



Pranay Pasricha 22:45

Facebook.

No.

VK **Ved Krishna** 23:05

rather than being on a rented site. And that also enables it to be closer to the operations team, which means that we are working towards faster application and commercialization. So this is a step that will be carried out within the next two months as well, which means that our innovation site for now is also going to be.

 **Pranay Pasricha** 23:07

Do you know whatever?

No.

Yeah.

VK **Ved Krishna** 23:25

So those are the big innovation highlights and of course there are many others which we continue to work on.

 **Pranay Pasricha** 23:34

Over to you, Himanshu, sir, for funds funding efficacy.

HK **Himanshu Kapoor** 23:40

Yeah, I think, good afternoon, everybody. Ved had mentioned and right in the month of October, the investors, Cardinalian and SBI had blessed us with this project, but due to, as he said, the fall in the share price, I think the warrants could not be subscribed.

 **Pranay Pasricha** 23:43

Man.

And.

A

The.

I am.

Yeah.

Play the song.

HK **Himanshu Kapoor** 24:00

by the Carnelian Group. Although we are thankful to those investors for at least investing into the company. So when it came to the board somewhere around October or November, the challenge became was that a 73 crore warrant



Pranay Pasricha 24:08

Hi.

Hey, Gautam.

Hey.



Himanshu Kapoor 24:17

which tantamounted to about 146 crores to come from the bank, and an escalation of roughly about 75 crores totally brought a 300 crore shortfall. So in the month of November, when we were doing the board meeting, it was imperative for the board that somebody gets involved and come so that we can come out with a solution.

I think the bigger challenge in the entire game was to convince the bankers, which was the step A1, that if they would have given the Pari Pasu, then it would have been a smaller funding to the extent of 100 crores. The management team tried its level best, but the bankers did not convince to give Pari Pasu to the new lender coming into place.

And that is why we had to go into a total funding of overhauling the entire project, because the essence of the project lies in the project getting started rather than just starving for money in the entire project. And all our wealth and everything lies only in the fact faster the project is implemented and it starts generating revenue because it's already been

roughly in our two year, two, 2 1/2 years since the date we launched the entire Jagriti project. So the essence of the funding, I would just like to point out.

So basically the refinancing done was done by Neo Group, which replaces the existing bankers. The revised terms, the way we have done it in terms of is the cash outflow for the next 24 months roughly becomes the same. I mean, even if there is a interest or repayments which would have started for the bankers. Those have been the cash outflows have been carved out in a mechanism that the company doesn't suffer. So as a part of the revised terms, we get a four month moratorium and there is no principal repayment for 16 months. And in this, after even the four months for the next 12 to 18 months, there's a 12% interest.

However, the effective rate will be 16.95%. The facility drawn is in form of debentures

of 500 crores. Neo Group also puts in equity, which the shareholders have already approved to the extent of 30 crores. And the promoter infuses 85 crores in terms of equity. The security that has been given

Against this is first charge on the fixed assets and the second charge on current assets and personal and corporate guarantees of the promoters as well as the associate companies and the pledge of shares of promoters.



Pranay Pasricha 27:06

Thank you. Over to you, Mayank, sir, for project updates.



Mayank Jindal 27:09

Right, can you, can you?



Pranay Pasricha 27:13

That.



Mayank Jindal 27:14

Play the video.



Pranay Pasricha 27:15

But any.



Mayank Jindal 27:24

This is our project site, well site, and this is the PM4 machine that we are building up.

This is the recovery boiler and this is the power boiler and the turbine.

This is the some videos during the erection time; this erection already completed.

Okay, so.



Pranay Pasricha 27:51

on the Internet software.



Mayank Jindal 27:53

In the project, Agnihotri, actually it has taken various phases. So we are putting up a brand new paper machine, which will be giving us a very specialty, the full gate

paper. In addition to that, to support this, there will be a new recovery boiler. There is a new power boiler, and there is a 15 megawatt turbine.



Pranay Pasricha 27:56

But.

Hey.



Mayank Jindal 28:14

So that we can enhance little of our Pal production as well.

Because right now our recovery is a is a bottleneck on the pump, so it will give us some boost in the production as well, so that entire it will be balanced to meet the complete demand for our new machine.

Some modification work in our pump fill and a fluid treatment part which was taken or already has been completed.

And PM3, as I said, this one small pending work that will be completed in this month.

And power plant and the recovery boiler will be commissioned in the month of July.

So these are ready.

And then that testing work is going on. And the machine that we are expecting, though there was some delay in the funds availability, but we are still expecting by end of September, this machine will also be producing.

I.



Pranay Pasricha 29:14

Okay.



Mayank Jindal 29:16

Next.



Pranay Pasricha 29:16

On.

Okay, thank you. Thank you, Mayank, sir. Over to you, Ved, for the next year's plan.



Ved Krishna 29:24

Great, so of course I understand that there must be concerns from the investors looking at last year's performance, but we are confident of bringing things back on

stream and these are the big, heavy goals for next year. Let's start with those, Pranay. So of course, first and foremost, we realize as a team, we have to work really hard to effectively commission Project Jagriti, which part of it is already commissioned. But I think in the next month, we will see another couple of power plants like our power plant and recovery coming on stream. And in another three to four months, we should start

commissioning the paper machine, which takes a couple of months for stabilization, but the paper should be out. And as I kind of confirmed before, that we will be doing some pilot runs as well in other machines so that we can start putting the new product out in the market because it is going to be a little more unique than what we have right now in the market in general.

MJ **Mayank Jindal** 30:12
Yeah.

VK **Ved Krishna** 30:22

So that's the big one and we are all focused on that. And of course, as Himanshu said, the money is in the bank now. So a lot of things which were lagging behind changes and we can move much faster and push our vendors to finish the job.

So the other one which Shubham mentioned, and we are doing it on both ends, I think Mayank inferred it to it as well. What we are seeing is that there is a certain number of products that our customer needs, and we are trying to do it not just organically, but inorganically. So the food services team is building a network of almost

10 suppliers who we are going to provide bulk to and off-take products from. The big decision that we have taken now is that the Ayodhya plant will be refurbished completely, which means that all the equipment that is there right now is going to be removed, sold, or leased out to the current.

manufacturing facilities, and we are going to do a cleanup and look at new technologies at the right time when we actually have funds. We are going to bring the plant back in. We do plan to produce food services, but it might have to take a pause at our end. That said, even on the paper side, we are continuing to build our strength in an asset-light model. We have now reached over 300 tons

MJ **Mayank Jindal** 31:22

Okay.

VK **Ved Krishna** 31:43

of outsourced greaseproof. We are bringing, we'll bring it to about 500 tons per month. We will also try to see if we can enter the lower gramet segment through another tie-up and as well as flexible packaging through outsourced, at least till we have our plant running.

 **Pranay Pasricha** 32:05

Yeah.

VK **Ved Krishna** 32:06

So Shubham talked about it and I understand there must be a little bit of concern and I'm sure there'll be questions later on the food services business. We have discussed in depth with the team and we feel strongly that we have to continue. We have actually even discussed it at the board and the board is also very clear that this is a segment that we don't want to

We want to make sure we want to, we keep building on this segment. So we are going to keep transforming it. And I know like what we've seen is there's a lot of passion with Shubham at the helm and the team there. And we are quite confident that this year we'll see a significant transformation and profitability in the food services.

Division.

So of course, we know, and I'm sure there'll be anxiety around the new products. This has been a challenge in terms of speed, but as we stand today, we are ordering machines to actually start building the delivery range at scale and do the phase one of expansion. The Flexi, we are going into pilot runs.

Now it is a delicate, interesting, difficult, and possible chemistry that we've been working with. But we are close to at least doing some significant trials at the global stage, and we are hoping for more significant news in the coming quarters.

And of course, as you see, there is only that much we can do on the market side. So our team, especially the finance team, has taken up a very strong cost optimization effort, which helps us overall because, you know, in difficult times, you can focus

more on the cost side and we are taking up different costs and we are kind of looking at each one with a magnifying lens.

there is going to be at least a significant cut on the cost side so that we can transform the business and make sure that we deliver on the objectives that we have set out to and also on the trust that you've bestowed on us. I think over to you, Pranay.

You're muted, Pranay, you're muted.



Pranay Pasricha 34:28

Of.

So sorry. So thank you, Ved. Before we move on to the questions, Neetika, do you want to share the investor meet plan with the team?



Neetika Suryawanshi 34:42

Sure, sure.

Thank you. Just as awaited, we propose to do an in-person investor meet with the next quarter results. My team will revert to you with the final details, the agenda and the arrangements. Thank you, Pranay, back to you.



Ved Krishna 34:59

Just adding to Neetika, the request from the investors has been, and we are also very excited to host you in Ayodhya. So the target is that we will commission the machine and say, as Neetika said, in terms of next quarter, so say when we end the quarter in September.



Pranay Pasricha 35:00

Thank you.

Yeah.

Is this a?



Ved Krishna 35:19

After that, we are going to say the October meeting. It will not be an investor call or it could be an investor call, which is hybrid. So we will request a lot of the investors to come over. It'll give you a lot of confidence when you actually come to the plant and see the action on the ground. So that's the effort that we will commission the plant.

or soft commission the plant and then have you over at the plant in for the next investors call.



Pranay Pasricha 35:49

Thank you. So we'll now move to question and answers. So some ground rules. So to ensure that everyone gets a chance, I would request the participants to please limit your questions to two, a maximum of two for one.

chance and we can circle back if there are more questions. You can use the hand raise button on the top to mark your, so I'll mark you in the queue and go as per first asked question basis. And we'll also be active on chat.

So, you can also post your questions over chat, and we'll keep responding there. So, I'll just open the floor to Kostov first. Mister Kostov, you can unmute and ask your question.



Kaustav Bubna 36:44

Yeah, hi, Ved. Thanks for taking my question. So, you know, because of all the back and forth and change in your guidance over the last few quarters, I'm kind of confused. So, so now, as we look at it from today's point of view, from a product basket, what will the company be focusing on?



Pranay Pasricha 36:45

They were suddenly from Yadav.



Kaustav Bubna 37:04

Is the R&D initiatives continuing for the metallized and non-metallized flexible packaging products, as has been earlier communicated? Could you just run us through, you know, what the company has stopped focusing on? What is it continuing to focus on? What is the product?

product opportunity of all these R&D initiatives? That's the first question. And the second, should I mention the second question now or should I?



Ved Krishna 37:34

Go ahead.



Pranay Pasricha 37:34

Yeah, you can.



Kaustav Bubna 37:36

Yeah, and the second question is...

The instrument, I really want to understand why the promoter is infusing money through optionally convertible instruments. The reason I'm asking is because, you know, the share price has been volatile and, you know, we're still, the company is still not in that trajectory.

of, you know, which instills investors with the confidence that the price will appreciate. So in case, you know, you put in 25% of your funds and then the stock price falls, you know, then that's not really painting a true picture because you won't convert your warrants. So I just wanted to understand why obviously convertible instruments and

You know, then that's not a realistic picture, this 85, 90 cross, whatever this amount is that you're looking to invest.

So these are the two questions.



Ved Krishna 38:29

Great, Srivastav, great questions. And I'm glad you brought up the flexi first. So of course, that remains front and center for us. What we've realized is a couple of things in the last few quarters, and we've been working again, as you are aware, with lots of global converters, global companies.



Kaustav Bubna 38:30

Yeah.



Ved Krishna 38:48

And there are two parts of the puzzle. The first is that when does one bring in the coating in words? So the only time we can do it is when we have the chemistry solved. So the way this works is that the paper gets made. There's a certain amount of coating that you do on the machine that we will continue to do and that closes the what we call closing the sheet. So basically the porous.

The porosity of the paper, which is natural, becomes non-porous. So it will not have

any kind of oil or water seeping through. But for a flexible pack, you need way more. You need more barrier chemistry. So what has happened is that over the last couple of years, we've been looking at numerous chemistries. It has been relatively complex because what happens is that there is a certain amount of viscosity, which is basically the

kind of the way the chemical flows. And what happens is that as soon as you change temperatures, there's a lot of challenge because these are a lot of new age chemicals. So what we realized was that there is, and as soon as you buy a machine, it's designed for a certain viscosity. So what happens is that the drying area is determined based on what two factors, solids and viscosity in a chemical. So what has happened is that we are not at a stage yet where we can be totally sure that it is going to do the production that we want it to, because these are new age kind of chemistries that we've been working with. So what we've decided is that let's make the base paper, which is non-porous.

designed for a flexible pack, continue to feed the market with that product, and try and find usages through the converters to use that product. Now, the second part of it is within the same question, is the converter's appetite. So what happens is when you...

try and quote barrier chemistry yourself, you're taking a certain amount of business away from the converter. So many times they don't want to kind of, you kind of cannibalize your relationship. So what happens is that they are not that keen on that happening. So we don't want to do it till we are very, very sure of that aspect. So we are now tying up with converters for them to quote and print the paper.

rather than us trying to do it. So that's the actual situation on the Flexi non-metallized side. On the metallized side, we continue to grow the market, push the market. But of course, our hope remains that we are going to keep shifting towards non-metallized, which is always the case. We ideally don't. So again, just to repeat Packer's 4 principles,

home compostable, recyclable in the paper stream, marine and terrestrial safe. So that's the challenge, right? The last two, that what happens is metallized will oxidize in the climate. It might even recycle. That's not a challenge. But when an animal or a fish consumes it, we find that questionable. So it was always a challenge in terms of of the chemistry from the metallized aspect. But that said, we will continue to push it till we have a solution on the non-metallized side. Totally focused on it. We are definitely not giving up on that direction. It has to be done. As you may have noticed,

we've been on the table with global companies on Ellen McArthur Foundation for the small sachet.

objective and we are going to keep building on those relationships as well. It has taken longer and we are deeply, but we remain deeply committed to that direction. I'll let Himanshu step into the instrument a little more, but just from my side, we will not not subscribe to the warrant. So the challenge is that as promoters, we can only creep.

5% every year. So that's why it has been done as a optionally convertible instrument, but Himanshu can address that a little more.

 **Himanshu Kapoor** 42:33

Yeah, I think Kostav Ved answered that question well. I think the basic reason is that once the investor comes into place, there are certain guidelines and frameworks within which the investors operate. But when a promoter comes into place, there is no challenge at the end of the day. He's put all his stake into the company. And that is how he looks at

moving, I mean, growing the company and taking the company forward. So I don't think that's a challenge. That's just an instrument. And even to tell you, I mean, the SEBI decided price was about 92 rupees, which was coming as per SEBI formula. And the money has been put in at 110 rupees. The primary reason for that was that the book value of the company was 109 rupees at that point of time. So anyway, the promoter has put a skin in the game by giving a premium of 20% to the investors, which was there. And I think slowly and steadily, because the money is already there in the war chest. It's not that the money is not there in the war chest. So at any point of time, the warrants will not fail. I hope I've been able to answer your question.

 **Ved Krishna** 43:45

Vinay, let's move.

 **Kaustav Bubna** 43:45

Yeah, thank you.



Pranay Pasricha 43:46

Ohh.

VK Ved Krishna 43:47
Thanks, South Costa.

Pranay Pasricha 43:47
Thank you. Thanks, Kostov. Mr. Jeet, you can ask your question now.

JG Jeet Gala 43:53
Yeah, I have two questions. So one is related to funding. So I think the total amount of NCD is 540 crores, right, and not 500. So I just wanted to know what is the end use of this 540 going towards. So one would be towards refinancing. So what is the refinance outstanding as on 31st March? So I could see it's somewhere around 307 crores.
It's appearing in the balance sheet, but there are some fifty-sixty crores of other financial liabilities and other, you know, other liabilities of another fifty-two crores, so this out of this 540, how much would go towards refinancing and how much would go towards your incremental debt requirements which were there in the project? And secondly, I mean, how do we cater to our incremental working capital requirements? Because once PM4 comes into picture, you'll have another whatever, 100, 150 crores of additional working capital limits coming in, right? So how do we tie up that? Because again, we've given all our mortgages and pledges to Neo, right? So just wanted to understand that.
part. So that's my first question. And second, like you said, you are phasing out all the old machines of Chuck. So does it imply that the volumes of Chuck will go down for the next two, 3 quarters? I mean, just wanted to understand that a bit detailed.

VK Ved Krishna 45:04
Neetika, do you want to tackle the first bit and then Shubham?

JG Jeet Gala 45:05
Yeah.

HK Himanshu Kapoor 45:05
Support.

NS **Neetika Suryawanshi** 45:07

Come on, she was doing that, go ahead.

VK **Ved Krishna** 45:11

No, no, you go ahead, Neetika.

NS **Neetika Suryawanshi** 45:12

Okay, okay. So basically you were right on the outstanding that is a pairing. So the usage of the fund will definitely be repayment of banks first and then the rest of it goes towards the project. In terms of the working capital enhancement, some of it will be.

Let's talk before the season to be prepared for the machine to start even now. And as we go forward, we would definitely be looking at that. In terms of working capital requirement, I think another differentiation here, GG, would be that the first charge would be on the current assets when it comes to working capital lenders. And that will be, I think for them, the only difference is that the pledge is no longer there, which in any case was not with them.

So, for them, it's just the working capital and first charge.

Over to you, Shubham.

VK **Ved Krishna** 46:03

Manucha, you might want to add here.

HK **Himanshu Kapoor** 46:04

Yeah, yeah, I just want to add. So, Jeet, 540, 500 is the NCD. 40 is a green shoe. I mean, that's a question that has been built into the system, basically. And that green shoe will always be at the option of the lender. So, 540, 40 crores is green shoe, because in totally easy, just see the dynamics of the project. I mean, 200, 220 or

NS **Neetika Suryawanshi** 46:06

Okay, sure.

HK **Himanshu Kapoor** 46:24

210 odd crores has already been invested out of equity and internal accruals. And the

additional 530 and 85 should be sufficient enough to cover up the project outflow as well as the GST that goes on top of it, because GST is not a part of the project, but that comes as an accrual over a period of time. So the NDOs definitely, so you said it is roughly about

including the LCs issued is roughly about 350 to 370 odd crores, and the balance goes only in Project Jagriti. So the entire effort of the management team basically here is to ensure that Project Jagriti comes to a closure and starts giving benefits at the earliest. So that is how

This entire thing has been devised. On the working capital front, Jeet, let me clear one thing. See, our basic working capital requirement on the balance sheet is only for Bagasse as well as for Husk. The pulping capacity in this project has only increased from 130 to 180 tons. Balance, finished stock anyway, the company keeps only for 15 to 20 days in terms of

paper, and about 25 to 30 days in terms of molded products, basically. So the 50 ton increase of bagasse, if you tantamount into money, I mean, per day would yield an additional working capital requirement of 20, 25, maximum 30 odd crores, plus the new products coming into place. So at any point of time, your working capital requirement will not be in the tune of

50 crores which you're talking about, it will be between 45 and 50 crores, but definitely there'll be internal accruals coming and saved into the system, which will not inflate that working capital to that level.

VK **Ved Krishna** 48:09

And sorry, just adding to Himanshu. So the current account debtors are there and they will continue to support the company that has already been discussed with them.

JG **Jeet Gala** 48:19

All right, thank you.

ST **Shubham Tibrewal** 48:20

Ohh.

On the Mohd.

 **Ved Krishna** 48:22
Shubham.

 **Jeet Gala** 48:22
Not that.

 **Shubham Tibrewal** 48:24
On the table, the way we will plan the phasing out of the machines is to ensure that there is no impact on the business, so we are in fact growing, so our requirements are only increasing month over month, and therefore the shutdown of the machines in Ayodhya will happen in sync with our ability to build capacity at outdoor sites, so that will ensure that there is no...
adverse impact on the business.

 **Jeet Gala** 48:52
Understood. Thank you.

 **Pranay Pasricha** 48:55
Thank you. With the person with the GS moniker, you can go ahead and ask your question. GS.

 **gs** 49:07
Hi, Vaibhav. Hi, everyone. Just wanted to check, we are taking funding at a very high cost. Is there a protocol that we can come out of at any point in time once we are stabilized? That's the first question. And the second question is...
What do we see in the near future, say, FY27 and 28 as the outcomes that we will be happy with?
in terms of revenues as well as product mix save. Shubham can highlight from a molded perspective and overall from a company's perspective, maybe Wade you can guide us.
Thank you.

 **Ved Krishna** 49:53
Himanshu, I think the first part you may be better.

HK **Himanshu Kapoor** 49:58

Can you repeat the first part? I think I missed out on the entire sequence.

G **gs** 50:01

Yeah.

VK **Ved Krishna** 50:01

So it's sorry, I can address and then you can supplement the. So yeah, absolutely. The way Himanshu and the team have structured the deal is, I'm going to call you GS because that's what your tag says. So GS, the way Himanshu and the team have structured the debt is exactly how you are seeing it.

G **gs** 50:02

Amit.

Yeah, sure.

VK **Ved Krishna** 50:23

It's actually a very short term measure and we can actually come out without any premium in 15 months. So the idea is, and from a new asset management side also, they are not people who want to stay in the long term also. So of course, you know, any company cannot keep, you know, taking the burden of 70 odd percent in terms of cost. So the idea is that we get over this whole hump in the next year and a half and replace them again with debtors and we'll start working on it right away. It won't be that, you know, you start working on it then so that you start structuring the replacement also right now. And Neo also plans to work on it with us.

So how do you lower the cost of capital at that stage will be our aim. And of course, the way Himanshu explained in the beginning as well, that the way the cash flow works as well, that you have a four month moratorium and then 12% interest literally till there is a turnover of the lenders. So the balance, the gap of between the gap that is created between 12 and 17 odd percent is actually paid for at the time of replacement by an additional debt. So total cost of capital actually doesn't work out to be that high. But Himanshu can explain that a little better than me.

Yeah, very interesting question. And I think the basic premise in the way it has been done. So you go on the financial numbers. I think we are financial people and financial investors. It's better to talk. I mean, till 20 in the financial year, 23, 24 and 25, the company was doing a consistent EBITDA of 80, 85 odd crores basically into the system.

Now, because of the pricing pressures and some shutdown issues which Mayank has mentioned, the current year has come down. So if the company was supposed to replicate that performance entirely of whatever has been follow, whatever has been achieved, I should say in the last

three preceding years, then an 80 crore EBITDA to top it up by if your new plan starts. So I've always been maintaining this fact that if you look at the financials of the company, the S&GA cost and the team cost constitutes between 29 and 32 percent today. But when actually

the new plant would run up. The SNGA and the team cost, which is roughly about between 115 and 120 odd crores, will not go to 200 crores. It will go to maybe 160, 170, 175, or 180 crores. So 180 crores means and if you get an additional top line of say even 200 crores,

that definitely drops down to about 26, 27% basically. So totality on an overall level in 16 months time, you come to a place where your actual differential labor down on a 600 crore turnover again increases by 18 crores. Then you have the UP subsidy, which has already been approved by the UP state cabinet of another 12 crores.

every year that comes into place. So said that, that if bare minimum EBITDA, which the company looks at in the next two years is roughly, say, about 125 to 130 odd crores bare minimum, basically. So even if there's an 130 crore EBITDA, today what the bankers take

The bankers take about a forex on that, basically, in terms of the Bata cover, which is about 520 crores. And that's the exact amount of 500 crores in terms of NCDs that has been borrowed apart from the promoters portion that will have to be seen at that point of time. So I don't think in terms of numbers, there is anything which is something, I mean, I'm even not assuming anything practically. Maybe the takes six months or nine months to stabilize, then also we are roughly, say, at about 80%, 90% of that number. And if the management team and the team at the ground is able to turn around the plant faster, then you'll be having a better contribution

coming into place. And if in a financial aid, so it may be that if in financial year 28 by the end of the EBITDA is somewhere around 140 and 150 crores. It's very easy to replace the entire transaction in the next 16, 18 months with that tracked rate coming into place and coming back to normal. So this is just a measure which has been taken and I really want to thank even our earlier investors and even I think the new team for granting that breather so that this project can be completed.

VK

Ved Krishna 55:01

Shubham and Mayank, that's a great question. GS, that's a great question. I'm excited to hear what are you going to be happy? What will make you happy, Shubham and then Mayank by the end of the year?

G

gs 55:02

Thanks for the explanation.

ST

Shubham Tibrewal 55:16

Yeah, sorry, yes, I I lost my train of thought along with uh, uh, much we have explanation on the funding. So, your question was on the the product pipeline for the coming year, the products that we will be focusing on.

VK

Ved Krishna 55:28

He actually asked it in a better way. Yeah, go ahead, yes.

G

gs 55:28

What will make you happy as the outcome for the next, what will make you happy as the outcome for the next two years? What will make you happy as the outcome on both businesses for the both years, coming year and beyond that, please?

ST

Shubham Tibrewal 55:33

Sorry?

Hotel.

MJ

Mayank Jindal 55:37

Yeah.

ST Shubham Tibrewal 55:37
But.

MJ Mayank Jindal 55:38
Yes.

ST Shubham Tibrewal 55:41
Understood.

MJ Mayank Jindal 55:41
Yeah.
Yeah.

ST Shubham Tibrewal 55:45
Okay, fantastic. Thank you. I think there are three or four exciting things on the food services side that we are working on and that I would hope play out in the next few years. So that is on the product front and on the manufacturing and on the product front, I think we're very excited about the delivery opportunity because again, as a market, it will only grow, grow, grow. So the faster we are able to get a strong product in there, that is a very, very interesting opportunity. And that is why the emphasis of the company, since so many quarters, to develop something there. It's a very, very big opportunity. So
If we can crack that, that will be fantastic. The other possibility which is very interesting is on the manufacturing side. So as we kind of mentioned that we'll take a small break as we kind of fix the issues in the plant and think how we want to build that. But again, given our intrinsic advantages of being an integrated mill, we have the potential of being one of the lowest cost producers in the whole world. So I'm very excited that when we do this again, we will actually achieve, we will achieve that and that will give us an unprecedented advantage in the market. The opportunity in the US is very, very exciting because that market is of course a lot more developed and larger than the Indian one. So this year is more like a trial run for us in that market. And if you're able to successfully perform there, again, that would represent a very, very big potential for the business in the coming years.

I would say these are three things I'd be very excited to work on over the next two years. Thanks, over to you.

 **gs** 57:35
Yes.

 **Mayank Jindal** 57:36
Yes, and as far as the IOTA side is concerned on the paper, the challenging point is in this year, how fast we can do the commissioning and stabilize the machine. And we still expect that by the end of this financial year, we should be able to achieve 60% plus production capacity. And the next financial year, we expect 75% plus that should I mean, that should be a good relief on this. And of course, over and above this, we would really be looking for a good market support so that whatever the new product we induce should sell well.
Yeah.

 **Ved Krishna** 58:14
I'll also add to that, GS. In terms of the flexibles, if we have five major brands, a part of their portfolio converted to our flexible solution, that will be great. And I'll add to that five, what also the important part is the five major converters.

 **Mayank Jindal** 58:15
Just.

 **Ved Krishna** 58:33
willing to buy regularly from us will be whatever we produce in Ayodhya, because it will be the effort that is being made is to create something which is truly suitable for the application. So, you know, so if that those two things happen, then we would be in a very, very good situation.

 **gs** 58:53
Thank you. I have one more question if I can. Pranay.

 **Pranay Pasricha** 58:57
Yeah, sure, go ahead.

G **gs** 59:00

Could you give a bit of insight on market situation right now in terms of the pricing power, which we were hit by last year? Because I think Chinese product prices at least have started going up because of whatever measures China is taking. So will that give us a kind of tailwind as our project comes on?

Stream, and second, what would be the asset turns on this Jagrit Tripathi project? So, if we are spending 700 crores, how much turnover are we able to eventually get out of it at the full capacity utilization?

VK **Ved Krishna** 59:35

Okay, first things first, in terms of the market, of course, you know, us being very focused on certain specialized segment, we don't typically get hit by the paper cycles. But that said, there is always a ripple effect. What we have noticed in the market is the typical wrap and carry market that we have focused on so far, is definitely got a significant impact, not so much from the Chinese actually, more from the, and I know you meant the Chinese prices going up, but it has been significantly hit from the low cost waste paper based producers, which is actually quite a concern for us because waste paper in general should not be applied to food. Because, but as we know that in our country, it is possible to bypass the laws. The laws are there, but they show it as a secondary packaging instead of primary packaging. So it does touch food, but it, you know, I'm sure all of you eat QSR based food and you'll realize that the quality of bags and wrappers has been going down significantly.

But that's it. We have to ultimately focus on our efforts and make sure we find alternative markets, which is what the team has been doing. So we do see a lot of traction in certain areas that we have focused on that are very, very specialized markets that have grown, started at 50 tons, today at 400, 500 tons a month. So those are specialized applications that the team has found where there's a significant price that we are able to govern. But there is a challenge in terms of overall demand supply mismatch. There is a certain amount of supply that is coming into the market and everybody has to find a place, which means that there is a certain challenge that gets created in terms of the market side. In terms of asset turnover, we are definitely looking at upwards of 500 crores in terms of revenue on the base paper. So that is the, that's the effort. But

of course, things change significantly as we crack the flexible code. So then it becomes a very different

The asset turnover, but maybe again, Himanshu can guide more on that front.

HK Himanshu Kapoor 1:01:55

So that's a very interesting question. I think, see, understand the contours of this. I think only a paper machine of 100 tons on the base paper is getting added, rest all is sort of retrofitting in terms of the power, the recovery, the pulp, which is an auxiliary to produce this kind of paper. So I think

If you were to go in terms of the project aspect, I think if flexibles comes into place, there's a very simple thing. If a normal base paper is sold today between 110 and 120 rupees a kg, the flexibles in terms of plastic today is sold at between 250 and 300 rupees a kg. I'm not going to the...

per square meter, because actually packaging goes on square meter on the area that is basically covered in terms of the substrate, in terms of the food or maybe the substrate that comes into place. So the capacity, if flexibles will come into place, the turnover can go between 1200 and 1500 odd crores additional from this particular site.

Otherwise, it will really depend on the kind of paper. So if we are able to do different kind of paper, if we are able to do a glassine paper, maybe the realization goes between 130 and 150. If we had to do a normal base paper, then it comes between 115 and 120. So at the peak capacity, it will be between...

350 to 500 tons basically in that. But more important point is being an integrated facility is on the EBITDA number basically rather than the revenue top line in this particular thing. And that is why the outsourcing thing has been taught by the management team to actually work out on. So the EBITDA

at the full capacity would be somewhere between 25 and 25% of the entire plant, basically. So if I would say today we are doing roughly about 420, 430 at peak, 356 maybe this year because of a 40 day shutdown.

then that can go up to basically 700 crores, between 700 and 750 crores, assuming that the molded products opportunity that Shubham is saying is stagnant. If that were to go up, then it can go to a turnover of 900 crores and an EBITDA of about 25% is the more

realistic number on the base case and if flexibles were to the case, then I don't think there is any challenge in terms of the entire thing. I mean, a turnover of roughly

between 1400 and 1500 odd crores and with an EBITDA of maybe 22, 23 odd percent at that point of time. That's what the number shows. It's up to the operational team to actually, you know, Get those numbers now, and just go and get those.

 **gs** 1:04:39

And thank you, everyone. Thank you so much.

 **Pranay Pasricha** 1:04:41

Thank you. Mr. Vanch, you can ask your question now.

 **Vansh Sachde** 1:04:48

Hello, am I audible?

 **Pranay Pasricha** 1:04:51

Yes, yes, you are audible.

 **Vansh Sachde** 1:04:52

Thank you for the opportunity. So I just wanted to ask that you can see that revenues have dipped YOY this year. So what can you expect on the top end front for the next two years or so? And secondly, on the margins front also, they have dipped. So do you expect them to stabilize?

And if yes, then what margins can we expect for let's say again the next couple of years?

 **Ved Krishna** 1:05:20

So, Himanshu, how optimistic do you want me to be?

 **Neetika Suryawanshi** 1:05:27

Not at all.

 **Ved Krishna** 1:05:27

Not too optimistic. Okay. So that's what my team slams me for. You know, like you always show the optimism and instead of the realism, as they say. But that said, so

there is a certain revenue that we can generate from the current operations, which has been more or less around the 420 odd mark.

NS Neetika Suryawanshi 1:05:29

You are not talking to say something.

VK Ved Krishna 1:05:46

then there is an additional revenue that we can generate from the new facility, at least the four, five months that we will have of some production and ramping up, as Mayank said, that, you know, hopefully reaching or averaging about 60% for the months that we kind of produce. So that's the other. revenue. As Shubham said, there are significant plans for growing the food services. So that growth in that revenue from the current 60 some crores to higher. So that will should total to a significant increase. I won't give you an actual number. In terms of EBITDA margins, we will definitely look to come towards where we were. earlier, which was around the mark of 22 to 25 odd percent. So that will be the effort by the team to reach there. And yeah, and I think I'll leave the calculations to you and then Neetika will be happy with me with that.

VS Vansh Sachde 1:06:46

Yes, thank you so much.

 **Pranay Pasricha** 1:06:51

Thank you.

Did you have one more question?

JG Jeet Gala 1:06:56

Yeah, one follow up. I think you mentioned the NSRs of 140, 150 for release paper, glassing paper versus 110 for base paper. And while at the same time you mentioned taking some trials on some European machines right now. So are we clear as on today, what are we going to make on PM4? I mean, is it going to be release paper or is it going to be base paper?

I mean, are we ready with our?

VK Ved Krishna 1:07:21

A great question, my man.

Ajit, great question as usual and important question as well. So this is something that we have spent a lot of time in the market with. So we're going to try and produce both. It's basically release is the base paper. So as you imagine, so how do you imagine flexible? It's basically a paper that has very low porosity.

doesn't absorb too much chemical, and is able to run on the converter's machine. So if I'm going to break it down, that's how we see the base papers. So there are different parts of the structure. That's what the role of the base paper is. Release paper is something we had targeted basically because it goes into siliconization. Silicon is extremely expensive. So the way we structure release paper is that it shouldn't absorb any silicon.

and people go down to 0.4, 0.5 GSM or grams per square meter of coating because the paper is so good in terms of absorbance. So that's what we are targeting. So within release, there are many grades, right? Even the other grade, which is in common parlance called glassine is something that you mentioned, which is basically more smooth and a see-through kind of grade.

So what our product, the way we have envisaged the product, it is basically looks like a glass sign and doesn't absorb much grade so that the buyer has see-through properties in paper and also makes sure that the converter doesn't have to put in too much chemical.

So that's how we have envisaged or dreamt of the paper itself. So the part of the pilot machine trials is to make sure that we are not starting with trials when the machine starts. So exactly what you said, there are recipes that have been created to ensure that that product works. We have worked.

closely with our paper machine designers and suppliers to create that kind of paper machine to enable that product. And now we want to make sure that we have proof before we make it on the paper machine. So those are the steps you follow. You kind of create a structure in the lab, the furnace, the chemistry, et cetera, et cetera.

Then you kind of try it in certain smaller facilities. Then you go for a pilot before you go in the big machine. So that's the stage that we are in. Typically, when you look at a true glass sign, it goes through something called a super calendaring process, which is what makes it like a glass, right? It's very, very smooth.

Those of you who actually know glassine paper, it's like sometimes you see it in medical packaging, or actually a very good example is the when you go to an airline and they have those baggage stickers, what comes out from the back, the release of

the sticker, and it's actually more expensive than the top, the what they call the face or the...

label that is there. So the sticker back is a typical glassine paper, and as you'll realize, it's a little bit see-through. It's a very glassy kind of finish, and that's where the word glassine comes from. But these are all the family of release. In terms of the pricing, the ranges that we have seen are in between that exact range, which you mentioned, about 110 to 150.

That's the top end is about 150, a European kind of product. And local Indian product can also be around the 110 mark. So of course, as you enter the market, the market tests you. So we are not expecting to sell at 150 right off the bat, as much as we would love to.

So we would probably come in and somewhere in the middle. We would try and see how the properties are. And if the properties are way better than the product at 110, we will price it somewhere in the middle. In case the machine is struggling in the beginning, which with Mayank there, hopefully there'll be less struggle now. So we will hope.

Hopefully be, if there is a struggle, we'll have to go down towards the 110 number. But these are all kind of interim steps, Jeet, as we stabilize. But of course, the holy grail still remains how much of that becomes a barrier coated paper. But that said, let's stay with the base paper itself, and we will try and get creep towards that.

number of 130, 140 at least within this financial year or early next year where we stabilize.

 **Jeet Gala** 1:11:36

Perfect. Thank you so much and all the best.

 **Pranay Pasricha** 1:11:40

Thank you, Mister Ravi. You can ask your question.

 **Ravi** 1:11:45

Yeah, thank you for the opportunity. First of all, congratulations on your new hire. Best wishes to Mr. Mayank, Mayank Jindal. And I really hope going forward, you know, the new leadership team will aggressively work towards, you know, the goals. My first question is to Mr.

Shubham. Again, you know, congratulations on the launch of the delivery container,

and I really hope we see these containers in our kitchen soon. So, in last August, you had shared your...

goals and vision for check, you know, that is the food services and we had hoped that we will capture 15% of the market share by 2028. I think that is roughly around 680 crores or whatever I think you had mentioned. So are we still on track for that because

you know, even nine months, nine months have passed and we have not seen any meaningful growth. So do you think we are still on track for it? You know, with all the, you know, upgrades that you're planning?

ST Shubham Tibrewal 1:12:59

Yes, definitely. I think when we start out, I know if in the world of finance, it's what you call a hockey stick, right? You lay the groundwork for a lot of things on which you don't see immediate returns, but the return is accumulation. There was no one corrective action which would overnight. It was not a switch, right, that we could go suddenly from

where we were to 5X. So that kind of growth only comes through making a lot of small, small changes. And those changes and the results of the actions or the measures we've put in place do not come in immediately. They actually compound. So when these two start bearing fruit, it will come.

altogether. So we continue to work towards that goal. We are quite optimistic. And of course, in that approach, we keep adapting as well. So we keep trying to refine it. There are things we plan which work out, some others don't, but we pivot and we find another way. So we are quite confident, again, I think everyone mentioned on the call,

This business has a lot of potential. We are very well positioned to take advantage of that potential. So I think with everything we are planning, we should, I'm still quite confident that we'll get there.

R Ravi 1:14:19

All right, all right. Good luck on that. And my second question is to Mr. Wade. So, Wade, as you know, you know, investors have really struggled for the past 1 1/2 years, right? So none of us have our smiles back, you know, like we used to have.

ST Shubham Tibrewal 1:14:24

Thank you.

R Ravi 1:14:38

in 2023 or 2024. So I think basically, you know, Pakka, I think whatever commitments we have made, we have not made any of the commitments. So my question to you is on the larger goals that we had, you know,

either about Guatemala or our 2030 goal of 1 billion US dollars in revenues. So are we still, you know, chasing that goal? And, you know, how soon do you think investors will be rewarded, you know, for their patience? You know, I'm talking about those

300 levels where I think even SBI and Karnaline had invested and most of us actually invested then, you know, looking at the growth of Jagrati and Kawak. So when will we get back there? Because whatever we have invested now, it's, you know, 1/3 of that, you know, it's basically 1000 rupees invested.

We are at 300 rupees now. So when do you think investors will be rewarded? Thank you.

VK Ved Krishna 1:15:48

It's a very pertinent question, Ravi, and we are definitely responsible for that. So let's look at the core of Pakka. Why are we here? So the focus and the heartbeat of Pakka is in a singular idea that how do you leave the planet cleaner? And we know we can only do it through scale.

What we are realizing is that similar to what Shubham said, there is a certain learning curve that we are going through. Absolutely no changes in terms of where we want to get to. There is absolutely zero changes and the team is as kind of driven towards that goal of scale.

There are certain setbacks that we've been open about, we have noticed, and in the end, there is no one else to take the blame but us. So ultimately, we have to take the responsibility of the delays in products, the delays in funding, the delays in projects, the delays in or shifting of goals as well.

But we feel that that's the journey. That's the journey we are on, and we will have to continue on that journey. And of course, there is a larger kind of responsibility in place for us to try hard. So that's what we are going to do. We'll continue to march in

that direction. We are going to keep trying our level best and tweaking as we go along. Like you've noticed Mayank comes in with a lot of experience and ability. So of course, you know, me personally having a partner like Mayank or Shubham, all the people on the screen, Neetika, Himanshu is a huge gift, right? So because obviously there is nobody, no one person that actually carries out this effort.

So of course, as a team, we remain very closely knitted and directed towards our vision. And we will continue to support each other through the challenges. Shubham is making significant pivots, right, as we are faced with challenges. So he still feels that two years down, there'll be a very different revenue number and a profit number.

which we've all been waiting for. So our effort will remain in that direction.

Guatemala, US is a pause, as Shubham mentioned, that he's still very buoyant on the US market. Yes, he will not be able to near shore it, but he'll keep supplying from India. So at least the Indian revenue kind of grows. And we might keep the Pakka Inc. company alive to be able to keep nurturing that goal. Guatemala again is a dream that we want to work towards. There's an enormous amount of groundwork that has gone in. The project is literally ready with detailed engineering, which is a huge effort it takes kind of to do that. And we have kind of put all the partners there on.

pause that, guys, we are coming back, but let us stabilize India first. So, and very similarly, our board as well. So the board is as committed. In fact, we were at a board meeting a couple of days back, and we mentioned our kind of trepidation to the board, and the board was absolutely adamant.

that we have to put in our absolute best for the vision we have taken. So the board is also with us. So with that, that gives us a lot of confidence.

We are totally responsible for eroding your wealth. And we want to make sure that we do right by you. And we are extremely thankful for the investors to stand by.

We've seen large and small investors have faith in the company and stand with the company. So what we will continue to do is

do our job, which is to ensure that we scale, we are profitable, we grow the top line, more importantly, we grow the bottom line, and we will continue to engage with you come what may, right? So even if we have faltered, even if we have kind of not delivered on the goods that we promised,

We will continue to engage, continue to make sure that we win your confidence of transparency, and hope that, you know, as one or two of these products click, there'll

be a different feel in the market again. So that's the trajectory we'll be on. And we'll definitely hope that the faith that you have bestowed on us is well rewarded.

 **Ravi** 1:20:01

Alright, thank you. So, on a lighter note, when do you think Pakka will be a billion dollar company?

Okay, at least, you know, we...

Uh...

 **Ved Krishna** 1:20:24

The effort will be in that direction, for sure.

 **Ravi** 1:20:27

At least, you know, we investors thought, you know, by 2028, it will be a billion dollar company. I am not talking about the revenues, I am talking about the market cap with your Gautam and Jagrati. But unfortunately, we are sub 400 crore and it is very hard to, you know, see that for us. Hopefully, in the next two years, we'll bounce back. Best wishes and...

Good luck. Thank you.

 **Pranay Pasricha** 1:20:54

Thank you. There are no more questions. Wait, we can close the call with your closing note. OK, we have sorry, we have one more question. Yes, so Mr. Prabhakar, you can go ahead with your question.

 **Ved Krishna** 1:21:02

I think somebody just raised one.

 **Prabhakar** 1:21:06

Bing.

Yeah, hi. So, we already we have taken like a 400 or say 500 place the debit right. So, how much soon we can close that? So, I mean, because interest may be like a 60 core per year, maybe, I mean, maybe I'm wrong, but how much soon we can close because it is...

very hard if you get lower profits, so it will eat as that interest will complete company

money.

So, how much close? I mean, how much early we can close that?

VK Ved Krishna 1:21:45

Man, sure that one is we or Neetika go it.

NS Neetika Suryawanshi 1:21:48

Okay, sorry, I missed the last number. You said how much, what do we, how much close do we close at? What did you say in the last line?

P Prabhakar 1:21:57

How much we can early? So how much early we can close that? We have taken the Amod at 500 codes.

Yeah.

NS Neetika Suryawanshi 1:22:07

I think the idea is to do it the earliest we can. When you say that the entire earnings would be taken up by the interest, that is slightly incorrect. I think we do have, even with the EBITDA that we are at at present, we do have a lot of room for our internal accruals being invested.

I think we, I would not want to give a number here, but I would just say that we would want to make it the earlier we can. Let me not be very optimistic and say that it will be this many years. I mean, open to Himanshu sir if he wants to add a number to what I said, but yeah.

HK Himanshu Kapoor 1:22:47

Yeah, Prabhakar ji, that's an interesting question. But even if we were to go to the bank debt route, I think the interest outflow on 500 crores would have been 50 crores, if not 60 crores. So that delta is not that much. The only thing is, it's not the interest closure, it's how fast can we commence Jagruti project and how fast can we bounce back to all our performances in terms of food services as well as the Juangabriel Tripathi plan that will actually make a difference to the company. So I, in my honest view, for the, at least for the first quarter, there would be not very significant change, but definitely changes can be visible from the second quarter onward in terms of the trajectory. And the faster we bounce back,

I think the faster we will be able to replenish and move out to this loan, yes, as per it will take a minimum of 15 to 16 months to actually wipe out this particular high cost debt that has come into the system. If it's faster, it's better for the investors because then everything bounces back at the end of the day. But minimum, it should take about 15 to 16 months to bounce back.

 **Prabhakar** 1:24:02

Thank you.
The.

 **Pranay Pasricha** 1:24:04

Thank you. Thank you, everyone. I think we can close now. Wait, any closing notes from you?

 **Ved Krishna** 1:24:11

Thank you all once again for constantly supporting the company. I know it's been tough times, as some of you mentioned, but I can give you my team's commitment that we will leave no stone unturned, work really hard to make sure we honor your trust and responsibility that you've bestowed on us. And thank you so much for being here on the call and taking the time.

 **Pranay Pasricha** 1:24:15

Really.

 **Ved Krishna** 1:24:34

We look forward to seeing you in person in October. Thank you all.

 **Pranay Pasricha** 1:24:39

Thank you, thank you everyone for joining us today.

 **Himanshu Kapoor** 1:24:43

Thank you.

 **Mayank Jindal** 1:24:45
You.

 **Neetika Suryawanshi** 1:24:45
Thank you.

 **Shashi Mishra** stopped transcription