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25<sup>th</sup> August, 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 Conference Call for the 4<sup>th</sup> quarter and financial year ended on 31<sup>st</sup> March, 2025 and 1<sup>st</sup> quarter of the financial year ending on 31<sup>st</sup> March, 2026, held on Tuesday, 19<sup>th</sup> August, 2024 at 05:00 pm (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 Conference Call conducted on Tuesday, 19<sup>th</sup> August, 2025 at 05:00 pm (IST) to discuss the Company's performance for the 4<sup>th</sup> quarter and financial year ended on 31<sup>st</sup> March, 2025 and 1<sup>st</sup> quarter of the financial year ending on 31<sup>st</sup> March, 2026.

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  
Company Secretary & Legal Head

**Encl:** As above

# Investor Call II Pakka Limited II Q1 FY 2025-26-20250819\_170127-Meeting Recording

August 19, 2025, 11:31AM

2h 0m 21s

● **Sachin Srivastava** started transcription

**SS** **Sachin Srivastava** 0:10  
Move.

**PP** **Pranay Pasricha** 0:14  
Good evening everyone. My name is Pranay and I lead brand and marketing at Backup. On behalf of the entire team, I'd like to extend a very warm welcome to all of you to our quarterly one of financial year 2526 investor call.  
Um, and thank you for joining us today.  
I'll just start, uh, sharing the presentation.  
Um, Sachin, please confirm if my screen is visible.

**SS** **Sachin Srivastava** 1:12  
Yes, perfectly can.

**PP** **Pranay Pasricha** 1:14  
Great. So before before we begin the presentation, please allow me to introduce the leadership team, Mr. Ved Krishna, who is leading the business overall. He's the business head.  
Miss Neetika Suryavanshi, she's the finance head for the company. Mr. Shubham Tibraval, he has joined in as food service business head. Mr. Rolando John, he's leading the America America business, so he's America's business head.

**SS** **Sachin Srivastava** 1:34  
E.

**PP** **Pranay Pasricha** 1:48  
Mr. Satish Chamvalumani, who's donning multiple hats right now as U.S. business

head and leading innovations on interim basis. Mr. Sachin Srivastava, who is the legal and secretarial head.

**SS Sachin Srivastava** 1:52  
Yes.

**PP Pranay Pasricha** 2:05  
We also have Mr. Gautam Ghosh, who is the Executive Director and leading leading the overall CNG part of the business. So just to set the tone for the session, we'd like to begin with a short video.  
Of our of of something that we did during the Mahakump earlier this year, Chuck products were used at the world's largest religious gathering, the Mahakump Festival, and I'll play the.  
Oh, just give me a second. I just confirm it is not shared.  
OK.  
Yes, as in my screen is visible, right?  
Yeah.  
So there seems to be some issue.  
I will just replay.

**VK Ved Krishna** 6:12  
You're muted.

**PP Pranay Pasricha** 6:13  
Sorry. So hopefully you got to see the video. Sorry for the, you know, the lag which was there in the middle. So as you just saw, you know, this was a pride milestone for our brand.  
Building on that, Chak has also been adopted in other revered institutions and celebrations including Mata Vaishna Devi Shrine Board, Mahakal Temple in Ujjain, Rathi Yatra in Puri ISKCON temples and you know during the upcoming Ganeshotsav in in Maharaj.  
So this growing acceptance reflects Chug's emergence as a trusted, sustainable choice in some of the most respected cultural and spiritual settings across India. With that, I'll hand over to Neetika, who will start taking us through the business

performance of our India.

Business. Um, need to go over to you.

**NS Neetika Suryawanshi** 7:12

Thank you, Pranay. Greetings everyone. Good to see you all again after the slightly unusual gap. Thank you for your patience and support as always. As we all know, we were delayed in the declaration of our consolidated financial statements for the financial year 252425.

This unavoidable delay was primarily due to the first time external audit of our US subsidiary Baka Inc Until FY2024 we were we were doing this subject to internal management review and the management certified financials were submitted for inclusions.

The results were not audited because the host country does not require such compliances and plus the size of the entity was not material in terms of exposure for the holding company. For March 25 cycle, the auditors have reviewed not just one year, but this has been reviewed retrospectively from March 22 onwards.

Which is to ensure compliances and accuracy. This required substantial paperwork, reconciliations, restatements, etcetera, etcetera. And this was to ensure that PACA INC's books are compliant with the India's requirements in India. Further, there was an acquisition of PACA Guatemala, which is a step down subsidiary.

For Packer Inc, and this required further a reconciliation of three accounting standards, Guatemala, US GAAP and Indias. As a result, the originally planned financial closure date could not be adhered to. We successfully completed this with no qualification from the auditors.

I'll start with quarter one. Pranay, I request you to move to the next slide.

For the results quarter one FY202526, the slides reflect all comparatives mostly in red, but that is because of a very positive development. As a part of Packer family, you will be glad to know that we could start our schedule chart for the expansion of Paper Machine 3 and the Pulp web.

**PP Pranay Pasricha** 8:57

You.

**NS Neetika Suryawanshi** 9:11

The pulp sales were stalled in April and May to be able to accumulate pulp for paper

machine one and two, and this was for a total of 14 days. Both paper machine three and the pulp mill are now operating. We did also experience a lower NSR weaker than expected pickup as.

Has been across the industry. However, in our assessment, we are better placed than most of our peers and have been able to save through this much better for the PPT. The other income reduced primarily because of the FDS that were parked from the equity money that we were basically parking as in the FD. So the interest incomes. Dropped, the money is now being utilized for the project. The PBT reduction is primarily A trickle down impact of the lower revenue. There is no specific incremental expense that I should be mentioning here.

**SS** **Sachin Srivastava** 9:59  
Yeah.

**NS** **Neetika Suryawanshi** 10:04  
For the Food Services division, I mean we could run wrap and carry as you can see is what I explained to you. In the Food Services division, we did see a slight welcome increase in the revenue quarter on quarter basis. The year on basis there was a slight drop.  
Next slide please.  
Already explained.  
In terms of the consolidated results, the revenue saw an increase while the PPT dropped a little as we made more investments to the cause. I'll hand it over back to you, Pranay, for the next speaker.

**PP** **Pranay Pasricha** 10:48  
Neetika, do you want to cover key ratios as well?

**NS** **Neetika Suryawanshi** 10:53  
Oh, sure, sorry. These these are the key ratios. As you can see, we have taken an industry median as well and this is primarily because we do not have a exact competition or a peer comparison for our industry. For reference, we have taken the companies that are engaged in sustainable packaging.  
The source of our data and comparison is Screener and these are FY2425 numbers that have been uploaded on the app. ROCE and ROE both would carry an impact of

the preferential equity that was raised and debt to equity includes the working capital as well.

I cover the banking updates here first.

Sure. In terms of the banking updates, post our financial closure that I had mentioned to you during our last call, we have three banks wherein the financial closure has been completed. We have already received disbursement from Axis Bank. They are the two banks are completing their internal compliance and we should be able to have the.

Disbursement soon. Plus, I would also want to highlight that 91.06% of equity equity shares of promoter groups have been released from the pledge and the balance is also in process. There are just some technical glitches at the bank's end where these screens are not very clearly visible, but we are working towards it and we should be. But to have this done soon as well.

Thank you. Handing over to you, Pranay.

**PP** **Pranay Pasricha** 12:24

Um, sure. Um, thank you, Neetika. Uh, Ved, uh, if you would like to take over and guide us through, you know what, what overall we're trying to, uh, achieve in the coming quarter and the time.

**VK** **Ved Krishna** 12:37

Absolutely, absolutely. Pranay, thanks. Namaskar to all of you. And again, apologies, deep apologies for not being able to do the investor call last quarter. As Nitika explained, there was a lot of ruckus because of this consolidation and we actually wanted to do it post consolidation, but as some of you pointed out.

We will not do this in the future. In case there are delays, we'll still do a standalone call. What we've also decided is that this time it's three days after our board meeting. We'll try and come keep the investor calls within one day of the board meeting so that it's very fresh and as soon as the results are released, we are kind of sharing. Things with you and also taking your guidance and of course we are excited about the times to come. Some of it Nitika has mentioned and I'll update you further. Let's go ahead, Pranay.

So we start with the dream, and I'm going to reiterate this because we haven't played the regular video and some of you may be attending it for the first time. Um, Yep. And this is a singular idea for Pakka, a cleaner planet. Everything will we do is in

service of this one idea.

So the question becomes how do we do it? And there are three basic ideas that we are pursuing for that and it's all around scaling regenerative packaging. The first one is our traditional products, which is basically utilizing sugar cane based paper for paper bags or wrap and.

Carry division as we call it. The second, of course, we've gotten into the food services. Chuck, like Pranay played the video, has gained momentum. We have huge plans and of course, I'm very excited about Shubham stepping into the role of the business head from a board member and I'm sure there'll be a lot of changes that you'll see in the coming few months.

Months and of course this is the big dream we are after. We are working on setting up PM4 which will be started in the next 6 to 8 months and that will be the first machine in the country that creates barrier coated papers and we will try and target various segments with that.

**SS Sachin Srivastava** 14:39  
Yeah.

**VK Ved Krishna** 14:47

So what is our big, hairy, audacious goal? I know we are infamous for this, but I'll still state it. The idea for 2030 is to produce 500,000 tons per year of material, which leads us to actually trying to create a global impact. We currently produce about 50,000. With this expansion, we'll become 100,000.

With the Guatemala expansion will become 250,000 and then we have to cover ground for another 250,000 and that's what we'll work towards. This will also lead at an average cost of \$2000 per ton to a billion dollars in revenue. Currently, of course, we are hovering around 50 million.

So that's a 20X growth. I know it is big and hairy and audacious, but of course the team is very excited and we continue to work every day towards this one idea.

Again, dropping down from there, you know what are our goals for this year, which is I'm sure you are very keen on understanding that. So what we have started doing is that we have started enhancing focus and productivity for the Carrie segment. We have traditionally been in this segment for both.

**SS Sachin Srivastava** 15:52  
Oh.

**VK Ved Krishna** 15:54  
Pouches and bags, but there's a significant refocus that we are doing in terms of optimizing the products on every machine that we have, recreating numerous ideas to create more value for the customer and you know in that domain trying to make sure that the machines become more profitable as well.  
The second, I know you as investors, you've been very focused on the food service segment and we are as well. And of course we'll continue to create value and there is a significant plan that is in place. I know you've been asking for it and Shubham will start.  
Presenting it right after me, I believe.

**SS Sachin Srivastava** 16:36  
2.

**VK Ved Krishna** 16:36  
We are. We have an ongoing project right now. We have now commissioned a certain section of it and we are working towards making sure that the project gets commissioned with barrier quoted grades by the end of this financial year.  
Innovations has been something that has driven the company for a long time. We've had a few hiccups, but we are back on track. There's a lot of good things happening. Satish might present a few and I will of course tackle a few as well. And there is many new things to come, including strong leadership in the domain.  
This is of course been something that has been in the anvil. We've been working hard on it and Rolando will give you the current position. But there is a certain amount of certain amount of tweaking that we have done with the current Trumponomics, which has led to numerous opportunities. I'm going to actually talk about it a little.  
little bit in our next slide.  
So what are the changes that we are making? They are again in line with what we are trying to achieve. There are numerous changes that you may have heard about and some you may not have. We are changing the leadership significantly as you know



our Managing Director and Business Head for India, Jagdeep.

Has moved on. I have come back in to lead right now, at least in this critical period. I will be based in India and we will make sure that we will overcome all the challenges that we have today. We have our board member, Shubham, who's come into the management team and he's going to lead the food.

Services and again, you'll get to know more about him and from him. Rolando, who has been leading the finance, now steps in to lead the Americas to make sure that the project goes through as well as the commercial.

Direction that we've taken there and of course there are many other changes that you'll get keep getting to know as we go along.

Nitika already mentioned this. I think it's a huge step. It has taken a while to think about who our long term partners are going to be and these three banks have stepped in. We are very excited about our partnership with them and slowly things are coming into.

An action mode with them and we are again very keen to build a strong relationship with these banks.

Again, you'll get more details, but we have Juan Gabriel Mosquera, who's come in from Carvahal, which is a large Colombian company. He's based. He's going to be primarily based in India for the next 6-8 months, slowly and surely commercializing the delays that have happened in the flexibles.

He is somebody who understands pulp and paper quite well, understands barrier coating quite well. So we are leaning heavily on him and he's built a team to commercialize the flexible substrates, which we will again be announcing numerous tie ups in the next couple of quarters that are in the making and they're very exciting times for us, of course.

The other big one, which I'm sure Shubham will talk about and we've been working hard on, is the delivery container. There's a lot of good things that have happened there and in due course you'll kind of learn more about them as well.

Again, Neetika mentioned this part of the Jagrati project has been commissioned. Now the machines are stabilizing as we speak. The PM3 is now has has a much better pressing system, which basically means it'll produce more as well as it will.

Produce different and better grades that we can use for numerous applications.

We've changed the pulping line more or less completely and we have set up a part of the recovery boiler already so that that pulp can be consumed and in the next phase we will also expand the recovery when we set up the PM.

For project.

This is again a welcome news. I know Rolando will talk more about it. We have now got Rothschild who is now leading our banking. They have extremely positive about the capital raise there. We already have a commitment from Latam Capital for 25 million. I know Rolando will talk more about it. Trumponomics has meant that we have a huge.

Huge opportunity which we are now pursuing in order to near shore numerous products and we will work hard at making sure that that happens.

**PP** **Pranay Pasricha** 21:25

Thanks, Ved. Satish, please guide us through the innovations updates.

**SC** **Satish ChamyVelumani** 21:35

Thank you, Pranay. Good evening, everybody. Pranay Mo thanks. So we continue our great progress with flexible packaging. Our earlier grades, M3 and M1 are getting a lot of traction.

So what we wanted to do is to stabilize the M3 performance so that we can launch a successful product in the market. So that is something that as we had mentioned, our team is super energized about. Juan Gabriel has come in to help us out on that. It's a a a very welcome change that that we all are super excited about and the team ran a great pilot in London last the last month.

For NM development, this is going reasonably well and we are looking to accelerate the development and complete a product that can go perform in the market. So this is expected to go through the fourth quarter.

And as we have been informing everybody that our M1 has found a a home for our first pilot for a deep pouch application that is something that we are actively pushing and this is.

In this is on the annual. This is in development already. In terms of the pilot, we expect the pilot to continue to happen between QQ 3 and Q4 of this year. So flexibles is.

OK, um.

This is, this has become the heart of our innovations now and we continue to push ahead. Pranay, you can, you can move, sorry. And on the food services side, as as Wade mentioned, we are continuing to develop a complete delivery ecosystem and which starts with the containers.

And the meal trays on the delivery containers. Our designs have taken fantastic progress is how I would put it. We have changed the design from the earlier a simple paper lid to a bagasse lid which has a compostable glue underneath and this has given us fantastic.

Protection. Lots of tests that are being done, especially to optimize the glue. The team is working really hard and we are very close to cracking and qualifying it. With that success, what we have started doing is to work on ideating for the military. So these are delivery meal trays which will have multiple compartments, very well suited for Indian product applications. And the second major category in take away is clamshells. Multiple product designs have been completed. Multiple product qualifications have been completed.

We are finishing up our final tests. We should see these products hitting the hitting the factory in the next month or so.

**PP** **Pranay Pasricha** 24:42

Thank you, Satish. I'll hand over to Shubham now to guide us through the food service business plan.

**ST** **Shubham Tibrewal** 24:52

Good afternoon everyone. It's nice to e-meet all of you and I'm very much excited to join the packer management team and help grow the food service business and take it to the heights. So I I truly.

And reach maybe as a quick introduction about myself. So as already mentioned, I was actually part of the backup Board of Directors as an independent director and I have now joined since the 1st of July the management team.

I have a previous experience in retail consumer businesses and a 10 year experience in private equity when I specialized in business turnarounds in Paris, France for over 10 years. And as I step into the food service businesses, it's not been very long, but I definitely see.

Some key areas of growth where we can definitely push and grow rapidly and we will detail some of those opportunities later on.

So just in terms of what the market currently looks like and how we see we take this forward, the market is very fragmented compared to when we started out. You guys have been I think part of the journey since the beginning and.

We now have over 70 competitors in the market, so it has become very fragmented.

Most of the competition in the market is smaller players, localised players that smaller investments and therefore some cost advantages.

And in general, there is a general shift in consumer behaviour where customers are moving from disposables to reusables. These are just broader trends that we are observing in the market, but all of these represent enormous opportunities for us that we can.

Or work with. So one of them being we can acquire capacity in the market which has which is great for us as we look to grow. So that allows us to work with the outside manufacturers or especially when they're doing product development, product testing and in product expansion we can go outside and.

Some capacity, we look to broaden the product mix because new customer segment categories have opened up with specific requirements and we will be looking to servicing those and there is a very, very large unexplored B2C opportunity.

Currently we are, uh, exploiting a small portion of it, but this is a much bigger play.

So maybe just to explain the the overall opportunity, right, the the the why this is such an exciting space for us to be in and why there is so much that can be done here. The overall food packaging market in India is approximately \$6.3 billion.

This is of course all materials and clearly plastic is the leading material which is being used with approximately 60% market share. Now it's just the disposable tableware market in the six billion is around \$425 million.

Of course, as you may imagine, the the biggest customer segment here is the Hareka market. It's basically hotels, restaurants and catering companies and the document and the and the product which is mostly used are cups.

This is just to give you an idea of how this market opportunity, this 435 million, how does it break up across customer segments of B2B versus retail and where do we currently stand and where do we see ourselves?

Going towards over the next three to four years. So currently we have a roughly 1.5% market share and we definitely see ourselves being the market leader, being the first mover in the country and also the product innovator.

Of capturing a good 10 to 15% market share, which would give us a very, very significant revenue opportunity of 600 plus crores.

This is how this overall market breaks up in types of different product categories. As Satish already mentioned, you will see that the biggest one of the big second biggest categories, plates were already present, but the second biggest category is delivery containers and clamshells and those are products that we are launching over the next

couple of.

Months and This is why we're also very optimistic about the coming quarters is because this opens up a whole new market for us.

So.

In the last couple of months, the business has seen some key wins and that is also showing some positive trends that we will be able to work with. So one is we've won back some lost accounts. So these are some QSR accounts which we had previously lost to competitors.

And what we've realized is that customers are coming back to us because they recognize the quality of our products. So sometimes they may have changed for cost reasons, but eventually they end up coming because the product performance of the competition does not meet the requirements.

We have found a new customer segment in religious institutions where we've seen tremendous success as already mentioned.

Another customer segment which is very, very big and we've only scratched the surface is institutional catering. We have recently started working with Compass Foods and Sodexo.

We have also started exploring the B2C market where on the Q-commerce channel, which is basically Blinkit and Swiggy, we have increased our presence from around 30 cities to around 186 cities in India and that has helped us double our revenue just on this segment.

And on the B2B front, we have also done significant progress. We have opened 25 new cities, so the products are now present Pan India.

In terms of the strategy going forward, the way we see we should be running the business and how we can help grow it. The first one is efficiency. We will continue to work on optimizing our production and leveraging the availability of outsourced facilities to meet the demand.

Product innovation is definitely one of the big pillars of our growth. So as I already mentioned, clamshells and delivery containers are in the pipeline already and will be launched very soon. And two other categories which are very exciting is beverage cups and cutlery.

Lastly, on the sales front, on the B2B part, we're looking at horizontal and vertical growth. So horizontal growth, we'll be looking at expanding to new markets, new cities and vertical growth is increasing our share of wallet in the cities where we are already present.

We want to de-risk the business which is today quite B to B focused and leverage the B to C market which represents great potential which we are seeing thanks to a presence on Q commerce. And we'll also be looking to expand our export business with the new products that we're launching which are very much needed in these areas.

Export markets such as clamshells.

Over to you, Ranai.

**PP** **Pranay Pasricha** 32:48

Thank you. Thanks, Shubham. Rolando, if you can start with the America's business plan.

**RY** **Rolando Yon** 32:55

Thank you, Pranay, and good evening to all.

So just a brief background about me. I joined Baca last year as a group CFO and as of August of this year I'm running, I'm heading the US and Americas.

Business. I hold a finance and economics degree, postgraduate degrees in digital transformation and a master's degree from Harvard University. Before joining PATA, I was the CEO of San Diego Sugar Mill.

Who is actually one of the raw material providers or future raw material providers of Baca. I have over 20 years of experience at T level roles in organizations such as Capgemini where I was the CFO for Guatemala and Fidelity Investments where I was doing some.

Investment banking in in the US. Um, next slide please, Renee.

In terms of updates, very exciting news. As Bette had mentioned previously, we are dividing the project in three different stages, the first stage.

In the molded products and this is to basically take advantage of the opportunities we are seeing in the market right now given the Trump economics, there's a huge demand for molded products in the US and given the strategic location that we have chosen.

For America's facility, manufacturing facility, which is Guatemala, that is near short to the US, very low on tariffs at 10% and very short lead terms, lead times for logistics into the US.

We're seeing a pretty, you know, a nice opportunity to get into the set up a molded products facility in the next year. That's an investment of around \$15 million and we

will be doing that by importing bulk.

And in parallel, we're still working on our stage two, which is to build a barrier coated paper facility. That plan is to go live in 2028.

It's a \$265 million investment in a new stage 3 we will be building or flexible packaging facility.

In terms of where we are, actually very exciting news. We have partnered with Rothschild to support us during the equity raise. As you may remember, we had been working with Nomura Investment Bank. However, Nomura was very focused on private equity, and given the situation right now, we've seen U.S. private equity is kind of on hold. Um That's why we have now engaged with Rothschild, who is one of the largest investment bankers, investment banking firms in the world.

In Latin America, especially in the northern Latin America, that is Central America and Mexico, they have managed the largest M&A and equity raise deals over the past five years. So we are very excited with this collaboration with them. Um We already are already making headways in

The equity and debt raises, we have already \$25 million under LOI. This is an investment fund from Panama. As as you may know, Panama is the financial hub for Latin America. So we're very excited to, you know, be collaborating and and and. And getting ourselves funded from Panama, that opens a lot of doors for us. Currently we're under a due diligence process and once that due diligence is finished.

We can go further into the debt or senior debt that may be needed for the project. Also, we have another \$12 million in process of LOI. This is coming from investment fund in private equity funds here in Guatemala.

So with these two and senior debt secured, we we should be able to close those \$50 million for the first stage. And again, our aim is to have the project live by June 2026. But.

And with that, I hand it over back to Perry. Thank you.

**PP** **Pranay Pasricha** 38:05

Thank you, Rolando. Yes, please.

**VK** **Ved Krishna** 38:06

I can go ahead when I.

So yeah, just our commitments for this quarter. Pranay, you can go on.

So yeah, like you heard from Shubham, we'll continue to rationalize the food carry division. We are of course looking at many opportunities for outsourcing, but also optimizing our own production facility.

Supply chain as well as, sorry, that was for food carry and now because we've just kind of modified one of our machines and we are optimizing the products, food service like I mentioned, there will be rationalization of products as well as supply chain.

Again, we've almost finalized the new lead. Of course, Satish has been doing the interim work and we will make sure that the lead is onboarded within this quarter and there is a clear, there's already a clear road map for 2526 and the team is working towards those goals.

The Jagrati projects needs to be speeded up and now that the financial closure has taken place, we are expecting the funds to flow in and once they do, then we are working towards closing and commissioning the project within this financial year.

Again, like Rolando mentioned, there is rationalization that we are doing with Trumponomics and I saw there's more questions around that. We'll answer them as we hand it over to you. But basically there is a huge opportunity that is coming our way with the Guatemala exposure and we will like to capitalize on that.

Those are our commitments for this quarter. We will of course update you in the next quarter too. So over to you, Pranay, and we can start with the questions. Thank you all again for attending.

**PP** **Pranay Pasricha** 39:58

Thank you, Ved. We'll now move on to question and answers and to ensure that everyone gets a chance and I can already see a lot of hand, you know, already a lot of you have questions, but I'll still lay down some instructions.

So you can use the hand raise button on teams on top to ask a question. I'll go sequentially and when I announce your name, you can unmute and ask your question. Please keep your questions to a maximum of two.

To it's a it's a humble request so that everyone gets a chance to interact with the leadership. I'll I'll start with the questions and the first the first question is from Mr. Sudrith D. Patil. You can.

You can go ahead with your question.

**S** **Sucrit.D.Patil** 40:57



Yes, good evening to the PACA team and my name is Sukrut Patel. I have two questions specifically, one for Mr. Ved Krishnan and one for Mrs. Suryavanshi. So first to Mr. Krishnan, it is a forward-looking question as PACA expands globally and builds its regenerative.

Packaging platform. How are you planning the next big step, especially in using tech and partnerships to create new materials or circular systems? Is there a road map to make Pekka a global leader in compostable?

Packaging not just through not just through exports, but by shipping standards and supply chains in key markets like US and Latin America, yes.

VK

**Ved Krishna** 41:51

Absolutely. That's a great question. Thanks, Sukrit. So fundamentally we work on 8 different directions for innovations. Four are product related and four are process related. And we look at not just Bagasse, but we look beyond which kind of connects to what you were talking about.

The first part is on flexible, so of course the short term means. So we work on things we want to take out in the next one or two years and then we look at possibilities in the next 5 to 10 years. So those are the two stages we follow. So there is a whole road map for flexibles initially looking at a bagasse based paper and quoting on top. Also looking at microbial fermentation, etc. I won't get into the technicalities, but how does how does nature do things and how do we adapt it in industry? The 2nd is in the food services like you heard from Shubham and from Satish that there are certain products that are coming out this year.

But there is a lot of work going beyond that. Then the third is in rigid packaging, which is like how do we change the ready to eat meals and how do we change the frozen meals? And the 4th is of course in the food carry segment. So of course short term the idea is how do you improve the quality of paper based bags but then beyond that?

How do you create new substrates? And then we also work on numerous industrial wastes and that leads to waste valorization, but it also leads to finding new available fibers as well as different products like say whey protein that is wasted from the yogurt industry. So we try and.

See how we can polymerize that the the one criteria that we have is that it has to be over 100,000 tons a year so that we can meet the aims that we are trying to meet. We are also looking at other ideas and innovation and I want it doesn't connect to

your question, so I'll avoid that, but it's basically around green chemistry and ecology.

So that's more process LED innovation. So we are continuously looking at new products, expanding what we know and finding out what we don't know is the mantra that we follow for our innovation. I hope that satisfies your question.

**S** **Sucrit.D.Patil** 44:00

Yes, yes, fair enough. And just my follow up and the final question too is to Mrs. Suryavanshi. As you just now mentioned you as you invest across India and Guatemala, I just want to understand how do you decide to put capital like between new plants?

Or R&D and global partnerships. Is there a system that helps you balance short term profits with long term impact and leadership goal? Can you just shed some color on that please?

**NS** **Neetika Suryawanshi** 44:35

Of course, yes. Whenever we are looking at what we are investing in, in terms of expenses and in terms of capital investment which will have long term impact, we definitely look at the liquidity to be available for the operations and for as in going forward, say a year, year and a half and keeping that in mind.

The new tie-ups in case of enhancement of working capital limits are required and internal approvals will definitely be split between the the operational efficiency and the long term investments. But yes, internal approvals is where we basically decide in terms of the ROI that would be available and how that has to be invested.

**S** **Sucrit.D.Patil** 45:16

OK, fair, fair enough. So that's all from my side. I wish the entire team best of luck and looking forward to me too in the next Q2.

**PP** **Pranay Pasricha** 45:26

Thank you. Thank you, Suchit. Mr. Paras, you can go ahead with your question.

**NS** **Neetika Suryawanshi** 45:26

Thank you.

**PC** **Paras Chheda** 45:34

Yeah. Thank you for allowing this opportunity. You know, my question is, you know, this entire narrative in terms of our leadership has, you know, switched over, it said over the last 6 to 8 months, I think.

You know, I mean starting with the head of innovation, you know going out and then you know somebody was again sort of appointed in that place, Doctor Sam I believe and then you know he's also left of you know and then we are in the process of probably looking out for another innovation head and.

Then Mr. Jagdeep Hira having stepped down and I believe he was the master of execution for us, you know, and now you know, and don't take me in an offensive manner, but the arrows have been thrown in multiple directions and I believe, you know, the team is sort of short of backing those arrows.

You know, and each arrow is heading its own direction, but there has to be a adequate backup. So my question really is just to boil down to a single, you know, piece is that there are these two big projects. One is the Jagruti Ayodhya for now and the Guatemala project.

Now, Mr. Jagdeep, having left, what is the plan in terms of the leadership first to man these departments and ensure? Because I believe execution is where the challenge lies, not the vision and the dreams that we see. That's definitely laid out quite well.

**VK** **Ved Krishna** 46:58

No, that's a great question, Paras. Thank you for asking that. So, yeah, so to spell it out one by one. Number one, let me assure you, Packer has extreme depth when it comes to team and people. You'll be surprised if you ever visited us. I would in fact request you to visit us if you can, and I'm sure Sachin will be organizing something soon.

Maybe, you know, as soon as we start Project Jagrati in the next 6-8 months. So I think that'll be a good time for investors to come. What you'll notice is that the PACA team has a lot of possibilities and we continuously work on leadership development. So there is a whole. In fact, this week we have a women leadership program that is happening maybe.

Gautam can add more color to that. But basically there are 20 women who have been identified across PACA to build leadership for the future. But let me go one by one innovations. Yeah, we had Doctor Ramji Subramanian, who was leading it for a

couple of years. We found that the application was a little bit short.

A lot of what we wanted. So we wanted somebody who was more application oriented. We found Doctor Sam Son who came in. There was a challenge which we identified very quickly, which was of course that most of the innovation was happening in India and he was based in US, which was one challenge, but we knew that. But the second challenge was that coming from.

Large companies like LG Chemicals and also not having cellulose knowledge made it an impediment in understanding what we were doing and we found at that expense and that kind of distance, we didn't want to further kind of extend that contract. So it was our call, not his, to kind of go ahead.

Of course, there will be a new person coming in. We are in talks with the prospect and we are hoping that we can introduce them in the next quarter or so. That said, nothing has stopped. So because again, like I talked about the team, the team is extremely strong.

We subdivided the team into eight different areas where we innovate. It has gone on. Satish has been leading that. He's been coming back and forth to India, of course, doing many things online and keeping the ball rolling. So just so that you know, yes, I would not say that nothing gets hurt, of course, you know, like if a leadership. Changes there. There is a certain impediment that comes in, but it's nothing that major. You know, things have gone on. We have a great team in place. Juan Gabriel Mosquera has come in for flexibles. We have Pankaj Khaikar, who was in Germany. He has shifted again to India. Juan Gabriel is from Colombia.

Pankaj Khaikar is from is was in Germany for 6-8 years. He just came back and joined us. We have a young woman who's coming into heading our biopolymer. She's a masters from Columbia University in US. They're all in Bangalore. Again, we can take investors there at some point to the Bangalore lab.

The second is of course a huge one. Jagdeep has been suffering from this health since COVID and it had been back and forth and we were he was finding and we were finding that the speed of execution that we needed was becoming challenging for him. He remains a very, very dear friend of for all of us here.

We have his and we have his complete support, so just so that you know, he will remain in connection with the project and help us as we build the project. But we knew that we needed a more active kind of action orientation right now and that was the reason why I decided to shift back to India.

And I definitely commit that till the project is up and running, I'll be around and we

will make sure that the leadership is also further developed. And as you see, you know, we have new active, effective leaders that are emerging. Shubham was part of the board. He knows PACA for a while.

And he's now stepped into a management role. So it's not somebody new. Rolando again, you know, has been around with us and then he stepped into the Americas role. So as you see, there is a lot of depth that we have and you'll continue to see that. And then again, we are driven by a singular mission and that'll continue whether.

We change or somebody moves in or out that'll that'll still continue.

**PC** **Paras Chheda** 51:09

So, so just to summarize this bit, you know it would have been probably better you know if a number 22 Jagdeep would have been developed having known the issue broadly. So that would have ensured smoother transition. But having said that, just to.

Understand this first point, but in place of Jagdeep, we are at the moment not coming in with a single again equivalent of Jagdeep for execution. Or is it going to be Gabriel in that position or is that position being part filled with couple of guys? Ensuring some specific things like Gabriel or you know and the Pankaj Kera you mentioned. So is there somebody stepping in place of Jagdeep at some point in time or we will continue with you heading and Smodi other guys helping you out? Uh, get this Jagrati up and running.

**VK** **Ved Krishna** 52:02

Yeah. So let me give you a little more color on the depth. We have plant that is now being handled by Narendra Agarwal and Narendra has been with us for 30 years. He is really a master of operations. So he's leading the plant and sorting the issues that are coming.

We have Deepak Pandey, who's an old hand in projects and he's the one who is kind of handling the Jagriti project. I have stepped in because I think at a time like this we need stability. We want to make sure that the team knows that we are there together and we are moving.

There will be, absolutely. I totally agree with you. There will be somebody who is going to lead India in the end. It is not going to be me. But that said, you know, whatever it needs, still it needs, I'm around. But of course we are hoping that in the

next year either someone, somebody develops internally or we.

We identify externally. So in case you have ideas, we are more than happy to explore, but not right now in the next 6 to 9 months for sure. Both the main names that you mentioned and Pankaj and Juan, both are innovations, not production.

**PC** **Paras Chheda** 53:12

Understood. OK. And just a second query from me and you know in terms of one is on the Jagrati and Guatemala both whilst on Guatemala, I understand the non metallic product is anyways not there and the head of innovation also probably still not there and that will take some time. But my question is really on the Jagrati. Ruthi front that we are moving ahead with this flexible you know probably packaging project so.

Are we sort of comfortable and very, very clear in terms of possibility of commercializing this metallic, you know, packaging material that we can produce successfully and marketed at a commercially lucrative? Because my understanding is that you know it will not be.

Cost comparative against the other products that is there, that is number one. But having said that, even if we are technically able to produce and which I'm not sure and which probably I would request you to respond on whether we are very, very confident technically to manufacture greaseproof paper which has not been again done in the history so far.

So whether we are technically qualified, I mean capable of producing and especially on a commercial scale project and if need to be at some point if the flexible coated you know packaging doesn't probably take off either due to our technical capabilities or if it's the market that where you know this cost.

Competitiveness doesn't work for us. Whether we are open to going down to the greaseproof paper path and you know we'll be sort of comfortable producing a greaseproof paper at a commercially, you know, viable scale.

**VK** **Ved Krishna** 54:54

Yeah, again, great too.

**PC** **Paras Chheda** 54:55

And this question applies both for actually Jagruti and Guatemala, because eventually it's sort of same.

Yeah, so great questions. And I think in a way Rolando kind of covered it in his slide, but I'll again give a little more understanding of that. So the base paper, there is a base paper that is created which automatically is a greaseproof paper because what happens is that you create a dense sheet which is nonporous with a certain kind of primer coating on it, which happens on the machine.

So that's greaseproof, just just by standard kind of discipline. The machine we have taken is also suitable for that. The people who are providing the machines also have a lot of expertise in that. Juan Gabriel, who is now leading the flexibles, has a background also in understanding and building grease.

Grades Sudhir, who leads our production, is also very well abreast with greaseproof. So that's a non issue. But ideally we don't want to stay with greaseproof. Yes, greaseproof is a market product. It can sell da da da da, but it'll sell at 1415 hundred dollars.

Ton and that's something that doesn't add enough value to the customer or to us. So what you have to imagine is the three stages that Rolando actually provided. So greaseproof stage is very easy. You can start producing it in the next 6 to 8 months as soon as the machine starts.

But when you look at flexible packaging, it's a whole range of solutions. Think of it as a barrier coated paper right now. Think of all the things you as a consumer use which has a thin polyethylene coating, say a sugar sachet.

Pan masala packet, oregano or snack, kind of small snack bag, etcetera, etcetera, which has already in paper. The only difference that needs to be made is to replace the polyethylene coating. So that's the first stage. So we can do that and we can do that economically.

Especially at the scale which we are planning, the challenge remains of flexible packaging which is for achieving the kind of moisture and the air barrier that is needed for a 12 month to 15 month shelf life product. So that's the big challenge that we've been tackling.

Just so that you guys know, even last month we had a huge, huge Shubham was in fact there for the trials in England. There was a certain amount of success, certain amount of learning that came from it. So that goes into another iteration of trials for that. But like we said before and Satish mentioned that the.

Metallized substrate can work, but yes, we are not planning to produce the

metallized substrate in either of the plants. But there is a step-by-step process. So we can go from a \$1500 to a 3000 to a \$5000 product. So that's the stages that is planned. In an ideal world, we would not be focused on grease proof, we'd be focused on barrier coated paper.

So that's the idea that we are pursuing the Jagrati project with.

**PC** **Paras Chheda** 57:58

Right. And so the 670 crore project that you mentioned there that includes the quarter machines that will be required for this purpose.

**VK** **Ved Krishna** 58:07

Yep.

**PC** **Paras Chheda** 58:07

And and the 12 month process which is required for this, for that you know quoted paper that is still time, I mean eventually at a commercial scale to be established or will that be sort of established by the time commercial production begins from Jagruti?

**VK** **Ved Krishna** 58:28

No, I think that'll take some more time, uh, especially the non metallized creates that we are working on the the there is a lot of learning that has happened in the next last six months. I'll give you again a simple example.

**PC** **Paras Chheda** 58:37

I was talking on the M3, the non metallic anyways I'm not referring to but on the M3 which I believe.

**VK** **Ved Krishna** 58:41

Metalize, it's not a challenge that we've already gone beyond 12, so that's not a challenge, but but we can't metallize. So metallize at that scale doesn't work. You have to do it at a much smaller scale. So so that we are doing right now. We are Co developing certain products in India with another mill, which again hopefully you'll get to know soon.



**PC** **Paras Chheda** 58:46

But.

What is?

**VK** **Ved Krishna** 59:00

And then we will have our own products come in in another 6-8 months.

**PC** **Paras Chheda** 59:05

Right. OK. I'll come back in the cube. Thanks.

**PP** **Pranay Pasricha** 59:09

Thank you, Kashmi. You can go ahead with your question.

**KD** **Kashvi Dedhia** 59:18

Yeah, thank you for the opportunity. So in Jagrati, given that we don't have coating machines for now for flexible, still the project cost was around 425 crores as hard cost. So excluding the coating machines out of 675 crores while the remaining were some of the soft costs like interest during the construction period.

So can you please let us know what exactly is the total project cost that is the hard cost and what will be the peak debt level that we can see in FY27? And also has there been any cost escalations for Jagrati?

**VK** **Ved Krishna** 59:53

What was the second part of the question, Kashmi?

For 27.

**KD** **Kashvi Dedhia** 59:57

So what was? So what is the peak debt level that we can expect in FY27?

**VK** **Ved Krishna** 1:00:03

Sure. OK. So, so yeah, so in terms of the quarter, it is included in the Jagrati project. I think maybe Nathika can take out the exact figure, maybe 36 crores is what I remember. Nathika, I don't know if you have it in front of you, so.

**NS Neetika Suryawanshi** 1:00:18

I'll I'll check in the.

**VK Ved Krishna** 1:00:18

Yeah, yeah. So, so, so, so there is a offline quarter in in in the Jagrati project that is already there. We are, we are still in the middle of that because we've just have sort of finalized the bankers. So we are still kind of assessing, we are still working.

Towards making sure that we try and continue with the current project cost, but I think let us give us another quarter. If there are any escalations, we'll get to know within that time. Right now the work is how do we do it within the 675 crores that is there, the peak debt level for.

This is around 440, right, Nathika, in terms of term loan, yeah, so that'll remain the same for for 2027. Of course the working capital which is ongoing is about 160. So I would say if you take both, it'll be about 600 crores as the peak debt level, but just like I presume you guys.

**NS Neetika Suryawanshi** 1:01:02

Yes.

**VK Ved Krishna** 1:01:18

Know this, but our working capital is typically seasonal, so it is kind of peaks in the sugar season around April and then it starts going down.

**KD Kashvi Dedhia** 1:01:30

OK. OK. And have you started any sales of M3 or tableware in US from India and what is the response there considering the tariff situation, etcetera? And So what is our plan of action from Indian exports to US?

**VK Ved Krishna** 1:01:46

Satish, do you want to take that?

**SC Satish ChamyVelumani** 1:01:47

Sure. So we we, we. So there are two parts to this quick, I mean to this answer. The first one is on the not necessarily M3M1 is something that we are piloting with a

large converter.

That is going into AT pouch application. We are continuing to make fantastic progress there. I should we should see some decent quantities going into sale hopefully in the next two quarters. So that's on the M1 side.

And on the model fiber side, we have been getting in at least about a couple of containers a month over the last two months and it continues to grow despite the chumponomics, if you will, the cost of.

The the increased cost of tariff has has about 7 1/2 to 8% impact on the final sales figures. So that is something that we are avoiding by moving to a much more efficient supply chain to the coast.

So this is something that we are very actively working on. We do believe that the 7 1/2% increase that we see on the final selling price, again it's on the final selling price to the end consumer is something that is becoming manageable that's.

Again, that's in the interim. As Rolando has been saying, we are looking at a longer term solution of near shoring closer to the America, closer to North America. This is going to be the again, this has opened up lots of opportunities, right? The Trumponomics have opened up lots of opportunities for us.

Especially with the tariffs in the other countries and our strength of presence in Central America, we are looking at a much, much better long term and in the interim we are managing with even moving our.

Outsourcing facilities closer to the coast.

I hope that answers.

**KD** **Kashvi Dedhia** 1:03:55

Yeah. OK. That was helpful. Thank you.

**NS** **Neetika Suryawanshi** 1:03:58

And just to add 36 crore is the number for the quotas added.

**PP** **Pranay Pasricha** 1:03:58

Thank you.

**KD** **Kashvi Dedhia** 1:04:03

OK. OK. Thanks.

**NS Neetika Suryawanshi** 1:04:04

After you've got it.

**PP Pranay Pasricha** 1:04:06

Thank you, Mr. Kostov, you can go ahead with your question.

**KB Kaustav Bubna** 1:04:10

Yeah. Hi. Thanks for taking my question. So I'm a little confused. Could you please explain what all products do you classify as flexible packaging and what is the total investment which has been made, the CapEx which has been made-up to date?

On these products that you classify as flexible packaging, what is the total investment incremental apex that's going to be made over the next two or three years on all these products that you classify as flexible packaging? And to sum it up, what is the fixed asset turnover or the revenues you can make?

On the total investment that is being made by y'all in flexible packaging.

Along with the margins that can be sustainable margins that can be made on these products.

**KD Kashvi Dedhia** 1:04:55

OK.

**VK Ved Krishna** 1:05:00

Great questions. Again, I'm glad you asked that cost of. I'm sure others may also want that clarity. So typically in industry parlance, flexible packaging is something that is multi layered packaging. So if you can imagine a potato chip bag, a cookie bag, a chocolate wrapper.

Etcetera, etcetera, etcetera. You know, anything that has a long shelf life, which is typically in the industry, it's upwards of nine months, nine months, 12 months to 18 months to even 2 years, you know, So there are many products, you know, like if you open a bag of chips and taste it, you'll feel like it's been made today, like just an hour back. But if you look at the.

Manufacturing date, it'll typically be three to six months at least. And that is the magic of packaging, right? Because it's keeping the air and moisture out and it's nitrogen flush, so there's nothing inside that is kind of harming it and that's typically

flexible packaging.

The typical flexible packaging that we see as humankind today is 4 to 5 layers. It is typically like you'll see a shiny metal surface which is for water barrier. There will be a base subject substrate like a polyethylene that me a hot melt kind of coating on it for making sure there is.

Is a adhesion that happens when it's when it's heated etcetera. So there's typically 4 to 5 layers, dye layers that are there in any structure which also makes it non compostable, non recyclable, non economical for a collector, I mean rag picker, etcetera, etcetera, etcetera. So that's what.

Is really trying to solve for the last few years. How do we make it both recyclable in the paper stream, which is 70 to 80% recycled and along with that make it compostable, curbside or home compostable and make it toxic free because these. These products, if it's consumed by a cow, a bird, etcetera, etcetera, it's going to really harm the marine life and the territory life. That's our big kind of effort that we've been doing. When you say you know what are we trying to do? So when I said there is a difference between flexible packaging and a barrier.

Coated paper. So barrier coated paper is typically 2 layers and typically what you see in the when you use it as a customer, it'll be a paper plus a polyethylene layer. That's the typical structure of a barrier coated paper. Of course there are many, many, many substrates in barrier coated papers as well. You can look at VCI coating which is.

For anti rust you can look at numerous other substrates like silicon coating which is for like when you have a release paper like a sticker paper that's also a barrier coated paper and there are many like I can just name 100 right? So 100 applications there. So what we are saying is that we are going to.

If we cannot meet the goal of flexible, we are going to land with various barrier coated applications that have a certain amount of moisture and air barrier, but they are not the 1215 month shelf life. Typically a sugar sachet is a three month shelf life or oregano or.

Red pepper sachet. So that's a typical difference and they can take in. They are more forgiving. They can take in a certain amount of moisture than air. The second part of your question is more tough for me right now, but I'm going to put in something there which hopefully Nithika will not.

Not be unhappy with, I would say we are definitely looking at an upwards of 30% EBITDA margins in any of the products that we are trying to work towards. We will definitely look towards and that includes the barrier quoted papers.

As well, right. We are not looking at a different margin, but the top line is very different, right. If you sell a product at \$5000 versus 3000 or \$2500, that's the typical kind of difference that is there. So that's something that we have to continue working on.

And try to get results as we go along. So that's that's fundamentally where we are. I don't know if I answered your question. I think there's maybe one part that I'm missing. Go ahead.

**KB** **Kaustav Bubna** 1:09:10

Yeah, I think no, no, I I think I I think there's. So one point was.

Currently, is this flexible packaging project? Is it still a project in R&D phase? Is there no investments currently being committed or is it in the or in the CWIP stage? When will it be? You know, so a little bit of clarity over there.

**VK** **Ved Krishna** 1:09:24

Yeah, you talked about investments, yeah.

Yeah. So what we've been doing is that we have been going asset light on this. We have a couple of customers, one of course is in the market. We have been working with about three or four other customers whose products you'll start seeing in the next few months. Those are all outsourced sites. So typically what we have done is that we've taken a certain.

Structure of paper from Europe that was similar to what we were trying to produce and then we have started kind of doing these applications and putting them in the market. That also gives us a lot of, it's like an MVP. It gives us a lot of feedback on improvement. I'll tell you a simple example. We've been working with Mars and Mars told us recently.

We've done a fold test. We had no clue what fold test was, right? We said what is that? So, so they said, oh, you know, it all works well till you don't fold it and keep it under pressure. So we said, oh, we have to test that. I said what is the standard? He said there is no standard, just do it. Just just put in a certain 5 LB weight.

And leave it for half an hour and then test it again. So this is kind of a reiterative learning curve. So right now there is no CapEx, CapEx. We have invested a lot on the R&D side. So we have our own kind of testing systems. We are now investing in a pilot coating system, etc, etc. There's a lot of work that has gone.

To outsource testing where the team ran a lot of different formulations last month.

So I would say yes and no. It is beyond R&D as in just on the table, but it is not yet at a proven level where I can tell Mars that can you use.  
Use my product that is not yet there.

**KB** **Kaustav Bubna** 1:11:12

OK, so this so M1M3, these are not flexible packaging and that's not flexible packaging, is that? But that's not flexible packaging.

**VK** **Ved Krishna** 1:11:16

Those can, those can, those can. Sorry, sorry. I'm talking about nonmetallized. Yeah, very much flexible, very much flexible packaging. So those can meet the norms. But obviously as soon as you do outsource paper, outsource metallization, outsource coatings, you also and small batch runs, you also end up with a certain.  
Cost and as soon as you talk to a bigger company that matters a lot. So, so smaller companies, more sustainability oriented companies are the ones we are working with right now. The bigger companies we'll really be able to tackle when we have the scale and the cost efficacy.

**KB** **Kaustav Bubna** 1:11:52

OK. And just last question, if you don't mind, you know the last two quarters you've been below 10% EBITDA margins. So could you walk us through, yeah, last two quarters, right? No, not including other income.

**NS** **Neetika Suryawanshi** 1:12:05

Oh, no.

**VK** **Ved Krishna** 1:12:05

No.

No, no, we've not been under EBIT 10% ever. What are the EBITDA margins last two quarters, Nitika?

**NS** **Neetika Suryawanshi** 1:12:10

Hello.

As in this quarter was about 16 ish, but last quarter was around the same 2021. Yeah, yeah.

**VK** **Ved Krishna** 1:12:19

20 something, yeah.

That's it. So, so just to clarify what Natika said before, there was a shutdown where we were upgrading the machine. So the impact of that 16% is coming from 15 days of shut, which results in a 5% differential straight away. So we would have been at 2122 if the 15 day shut wasn't there.

**KB** **Kaustav Bubna** 1:12:23

Yeah, am I looking at something wrong?

**NS** **Neetika Suryawanshi** 1:12:24

And this.

I explained on the chat as well, right?

**KB** **Kaustav Bubna** 1:12:43

OK, good. We'll chat more than about this. Thank you.

**PP** **Pranay Pasricha** 1:12:50

Thank you. Um, Shubham, you wanted to add something?

No, sorry, that was all.

**ST** **Shubham Tibrewal** 1:12:56

No, sorry, that was a fat figure I put on the bottom line mistake.

**PP** **Pranay Pasricha** 1:12:57

OK. OK. Um, OK, Shrini, you can go ahead with your question.

**ST** **Shreny Tanawade** 1:13:06

Yeah. Thank you. Good evening. So my question is regarding the outer pouch of a tea bank. So what kind of offering is this and what kind of volumes and margins can we expect here? And could you please share the details about the costing here as well as the celebrity?

**SC** **Satish ChamyVelumani** 1:13:25



I'll take that. Yeah, it's a little too early to understand the the volumes we are. Again, the application is pretty huge. We are running pilots with one converter who has presented the product to.

**VK** **Ved Krishna** 1:13:25  
Satish.

**SC** **Satish ChamyVelumani** 1:13:43

Two customers, again because of confidentiality, we can't, we cannot reveal the names today. Both are in the US and the initial indicator volumes are. Again, it's pretty decent is what I would want to say and in order to minimize the again impact of tariffs, we are also looking at doing these conversions in the United States. Now we should be able to give you much better figure in the next in in in the next meetings.

But I I will guarantee you that there is a a decent amount of margins that we are baking in because of the problem that we are trying to solve for the customer. Both in terms of margin and price, excuse me, both in terms of pricing and the cost, both are well under control is is how I would want to put it. I don't know that I could reveal the numbers today.

**ST** **Shreny Tanawade** 1:14:46

All right. And my second question is what is happening in R&D team and guide us through if we can see any materially new product offering in the next 9 to 12 months and please talk us through more about if M3 is a sellable product for the US from India.

And how much premium is it to existing subscribe?

**VK** **Ved Krishna** 1:15:10

Satish, you want to go ahead? You want me to address the first part?

**SC** **Satish ChamyVelumani** 1:15:13

Yeah, you want to address the first part with because that's a lot more exciting for you and then I'll get come to the second part.

**VK** **Ved Krishna** 1:15:16

OK. Yeah. So, so of course innovation is something that we really value. So what we did was when we realized that there was a little bit of a flux that was happening in the company, we dug deep within the company.

And we created eight different teams that are working in the eight different directions where we do R&D and innovations in and the projects have gone on and gained momentum. So that said, there are at least three products that are in the horizon right now and I'm definitely keeping my.

Indy is a whole MVP trial error. We don't want to launch something that has not been tested by the customer. So it's a whole process where there is a back and forth that happens. We are at a very, very close stage for a couple of very interesting products. We want to make sure that they are significantly game changing for the customer. So of course we have our fingers crossed to be able to launch in the next within this quarter. That said, if by chance there is any kind of delays, it'll still be within this year, that's for sure.

So there are at least three products that are in the making right now which are significantly different from what you and I get in the market as consumers. They will all kind of come into the fray in the next six months. Max, I would say hopefully some in this quarter, Satish.

**SC Satish ChamyVelumani 1:16:51**

On the on the second part, where what are the products that are getting exported from India and what sort of a premium are we getting? Currently what we are exporting is our Chuck branded products and.

There are a specific ethnic need that we are addressing today because our products are designed for very Indian applications and these are finding home in some of the most prestigious religious institutions such as I was sharing a video of chuck plates being used at ISCON Washington.

DC umm and we are finding lots of takers for.

Our plates and bolts, as I mentioned, the average has been around 2 containers a month now and this is like this will see a slight uptick in the next few months for our existing products. Along with this again now that we have opened the market a little bit, we're also looking at launching our.

Our clamshells into the market. We had a great NRA National Restaurant Association show in May where we had presented our clamshells and the new delivery range and that is our Holy Grail. We are trying to solve the delivery problem that exists, which is

real.

And if you look at the price premium that these products command in terms of again what is currently being used in non compostable versus compostables, there is a good.

2X is what I would say in the market. If a compostable product is available at \$0.20, the excuse me, if the non compostable is available at \$0.20, the compostable product is available at about 30 to \$0.40. So that's the market premium. But of course we are not selling at the market premium.

Compared to the other manufacturers, because of our designs, we are still able to maintain our our our current price points which are slightly elevated about 10 to 20% higher than what other exporters slash even Chinese imports are bringing to the market.

**ST Shreny Tanawade** 1:19:06

And this was regarding M3 right and not table there.

**SC Satish ChamyVelumani** 1:19:10

Now I mentioned tableware. That's what we are exporting now.

**ST Shreny Tanawade** 1:19:14

Right.

So what is regarding the M3 pricing premium as compared to existing?

**SC Satish ChamyVelumani** 1:19:21

So I can't talk about M1M3. We hit a small snag in the market. So we are, we are continuing to work on optimizing M3 not in terms of performance. There is a little certification that we had to we had to get.

On M1, we are at about 5 to 10% more than the that that's where we have priced the products at about 10% more than the conventional options and it's been gladly accepted by.

Our converters.

**ST Shreny Tanawade** 1:20:04

Alright, thank you.

**SC Satish ChamyVelumani** 1:20:06  
You're welcome.

**PP Pranay Pasricha** 1:20:07  
Thank you. Thank you. Uh, Mr. Hiren, you can go ahead with your question.

**HP Hiren Patel** 1:20:14  
Yeah, thank you. Thank you for giving me opportunity and it is great to see you way back in India to spend more time in India. So my first question is on the project Jagrati. So what I understand that because of the delay in the development of the flexible packaging, so now what we are targeting Jagrati.  
Capacity to be fully utilized by approximately in the March 2026 or it would be the phase wise capacity utilization. So basically would just want to know that when it would be reflected in the numbers.  
And and for flexible packaging, are we targeting it within next one year whether we will be utilizing this because flexible packaging has a high margin. So whether we are targeting it Jagrati facility would be utilizing for flexible packaging in next one year time for.  
Either NM or this metalized.

**VK Ved Krishna** 1:21:13  
Thanks so much. The Jagrati capacity, typically what happens in an operation like ours, the machines, the base paper machines, they take a little while to optimize. So what happens is that we are going to start the pulp mill is already.  
Started. So of course in the next month or so the pulp mill will be optimized. So it will already be at a 200 ton production, which is the new capacity for the pulp line. The other part, the machine typically in the first year we take 60 to 70% capacity utilization. So for 2627.  
I would not go beyond that and then it starts, you know, optimizing at 80% and then goes and stabilizes at about 90%. So that's the typical curve that we see. So that is what I would assume that will happen. Of course we'll continue to try and.  
Do as well as we can. So the way I would look at flexible packaging right now is that let's start with barrier coated papers and keep building. So of course there'll be a lot of new formulations. What's happening in this world is that there is constant new

development of formulations. I'll give you an example that we just experienced. There's a certain term called viscosity, which makes a big difference in the coating of the the products that we are doing, and the viscosity that we were getting at our lab was at about 500.

I don't remember the unit, but say 500 XYZ was the viscosity that we were getting. And then when we went for trials in England in a small pilot, the because of the temperature, ambient temperature, the viscosity rose to 1500. So there are. Applications like that that we have to overcome. So it takes a little more time. Second thing that is happening as you those of you who track sustainable packaging, you may realize that there's a lot of new substrates that are coming. I'm sure you guys are tracking Balrampur Chini. They are coming out with numerous PLA, but it's not just PLA, right? There's a numerous range of.

We work very closely with them in the development side as well on how we can co-develop certain products. There's a whole PHA range which is constantly evolving. The molecular lens are totally different than the PHA, PHP, PHPV, etc, etc, etc. Then there is a numerous areas of nanocellulosis that we.

With again a lot of different structures there. So there is a lot of development that is happening which is going to and you hear about CV, you know that's another whole range of products. So we continue to engage with a lot of these kind of ideas.

And the world is going to keep moving in the next four to five years. There's going to be new things that are going to happen. And that's the reason we have decided to go offline for our coating and not online because a simple viscosity change can, you know, make the machine totally.

The product can be totally different or the production system can be totally different. So it takes a little time to stabilize. So I would say we will start with the barrier coated grade. We will optimize that and continue to experiment with flexibles.

**HP** **Hiren Patel** 1:24:25

OK.

OK. So but whether we have off tech agreements in place or it would be based because capacity ramp up would take time. So we are going based on the capacity.

**VK** **Ved Krishna** 1:24:46

So for barrier coated papers, you don't need off takes because you're all you're doing is replacing the polyethylene. So you need to basically continue to work with our

current converters. Still you can meet the price and the performance specs, you're fine. That said, it's a good idea. We can maybe take some trials in the next quarter to at least do some running.

Runnability kind of trials, but that's all it'll need. In terms of flexibles, we are building towards it. Every day there are conversations, but obviously the offtakes will only come when we are successful in performance as well as price. So we have to tackle both those things, which is a relatively.

Intense and constant kind of evolution that happens.

**HP** **Hiren Patel** 1:25:30

OK. And my second question is on the resizing of the project, Gautam Mala project. So whether restructuring or resizing has been mainly because of the financing funding issue or whether it is because of the delay in the development of the flexible package because what we understand that we were. Getting.

The complete Guatemala facility to be earlier utilized for the complete flexible packaging and not not for molded. Now we have changed that we are going in the stage by stage. First would be molded and then flexible. We are targeting now by 2028 because obviously as there is no funding, so obviously we will not be able to see in next one or two years.

Any type of the full scale project in the Gautamala. So just wanted to understand the main reasons for behind the complete resizing.

**VK** **Ved Krishna** 1:26:20

Rolando.

**RY** **Rolando Yon** 1:26:24

Yeah. Thank you, Ed. So I would say we are trying to capitalize on the opportunities, right. So right now we see a huge opportunity for us in the market for, for, for molded and when thinking about.

The the strategy to set ourselves up for success in the Americas going in with molded products makes, makes, makes a lot of sense. This is something that we have given given a lot of thought.

On the funding side, we are gaining some traction, maybe not as fast as we would have hoped for at the beginning, but definitely we're getting some traction. I would

not say that's the main reason we are delaying the project, but.

Rather, we are taking a more safe start approach to the project. I would say where again we first set up the molded facility.

We get all the logistics of the commercial channels set up and in the meantime we continue with the equity raise and the set up of the larger facility for better scaled.

You know as as as as my colleagues have stated, we are still.

Developing or or fine tuning rather the flexibles. So I from that perspective actually also the timing is is set up so that you know when we are.

Ready to go full-scale with this product, the water model facility is already being, you know, set up, set up and running.

Yeah.

**HP** **Hiren Patel** 1:28:26

Yeah, because the concern was that because yeah, with very fast development of the all the alternative technologies and nowadays in the R&D. So whenever we would be ready with the flexible packaging in 2028 it may happen that we should be also competitive based on the latest technology.

**PP** **Pranay Pasricha** 1:28:27

Thank you.

**RY** **Rolando Yon** 1:28:50

Yeah, that's that's correct.

**HP** **Hiren Patel** 1:28:54

OK.

**PP** **Pranay Pasricha** 1:28:55

Thank you. Um, we'll move on to the next question. Mr. Jeet, go ahead with your question.

**JG** **Jeet Gala** 1:29:02

Yeah, thank you for the opportunity. My first question is largely around Jagriti project and mainly around greaseproof paper. So just wondered, I'm I'm dividing my question into four parts, 2 regarding production and two regarding sales. So have we

have we done any trials on some paper machine with?

Respect to you know how to make the greaseproof paper it's viability, it's optimal quality and all of that. And 2nd is with respect to cost competitiveness. I think you mentioned in the past that we've done some study by a firm called AFRI and over there they had mentioned that we are one of the lowest cost producers and I think you referred that even with respect to PM4.

That will be lowest cost producer. So do we have any cost advantages while while we make a greaseproof paper from a PM force. So these two questions are around production and on the sales side like the previous participant asked, I mean are we forcing any challenges in optics or we are very sure that we'll be able to you know, sell the material.

Uh outrightly. So that is one question and #2 around NSR. So I think uh wait Sir, I think you mentioned some 14 hundred \$1500 per ton which is largely around 12130 rupees a kilo. So have we seen any volatility or any downward pressure on the NSRS which you know impacts the investment thesis?

Only considering grease proof. So right now I'm not considering any flexible but only looking at grease proof. I mean just did your stuff on because we we are we don't have Jagdeep right now. So what I understand is he was the one who was working on the machines, you know probably developed that grade of paper.

So just wanted to, you know, understand the entire thing. So I'll ask my second question after you respond to this. Thanks.

**VK** **Ved Krishna** 1:30:44

You're a you're a wise man. You asked four questions in your first question, but OK, we we we have deep love for you anyways, Jeet. So we will answer all of them. So just so that you know, I'll answer the last part first. Jagdeep is very much with us. He's not gone anywhere. It's just that he will not be actively involved.

**JG** **Jeet Gala** 1:30:55

Thank you.

**VK** **Ved Krishna** 1:31:04

That said, he has a full commitment to make sure that PM four runs well. So he's a very dear friend for all of us, but me for sure. And we know that he'll be standing with us all through and that's a you have his number, you can call him and ask him



so, so, so that is, that is very clear.

Between us that that will remain. But that said, like I said in the beginning, Pekka has a huge step. You visited us. I hope that you have enough confidence in the team that we have in terms of GP. Let's start one by one. The greaseproof paper, yes, we are fully confident because there is another company that uses our pulp.

Every month to produce grease proof paper and release paper. So it's it's exactly the same formulation. We'll just have a much more updated and a much better technology to be able to produce similar grades and better. I would say cost competitive of course, you know, because we have our own pulping.

You know we have a advantage with energy costs that we produce our own energy. So with those two there is there's always cost competitiveness that we have off take for sure. You know in the beginning the market tests you, you know we'll have our own challenges of course, but that's part of the fun that you.

Kind of seed the market a little bit. You go back and forth, you make sure you'll have to obviously provide a much better price, etc, etc. In terms of the NSR, yes, the NSR currently in India is about 120 a 130 rupees for grease proof. We are of course still hoping not to sell any grease proof because the market is over.

Already a lot of people have entered this market in the last year. Even we even sell greaseproof already to seed the market from an outsource site even now. So we are selling to be able to understand because customers are similar. But that said, people have decent capacity. They are already in the market. So we are.

Still hoping that the edge that PACA gets is the amount of work we've done in terms of the coating formulations. So if not flexible, let's start with the barrier coated grade and that's the direction we will head. The greaseproof is under pressure in terms of the cost side.

And that said, we will still make money at that price, but is it what Paka is aiming for? The answer is no.

**JG** **Jeet Gala** 1:33:26

So just a follow up to this, what is the difference between a barrier coated paper and a greaseproof paper? Because what I assumed both of them to be the similar one, right? Or is there any difference in both of them? Not not assuming flexibles. So just as a base paper, how how different is a greaseproof versus a barrier coated? people like you just mentioned.

**VK** **Ved Krishna** 1:33:45

Looks like you joined the call late today, Jeet. Anyways, we've talked a lot about this. Barrier coated paper is basically a paper coated with polyethylene, which is basically things like sugar sachets, oregano sachets, bag in box applications like different spices, et cetera, et cetera. So that.

**JG** **Jeet Gala** 1:33:48

Yeah.

**VK** **Ved Krishna** 1:34:05

That's a much simpler grade. It doesn't need a 1215 month shelf life and it doesn't need the same barrier coating, so that already exists. The only thing is that you are replacing it with a more sustainable substrate. So that's the idea that we will push. It is the similar customer base that we already have. They already use our paper. They just line it with polyethylene. We are going to try and provide a better structure with similar kind of pricing. Flexibles is of course a totally different ball game in terms of the shelf life and in terms of the barriers.

**JG** **Jeet Gala** 1:34:37

Understood. So thanks for the clarification. And my second question is around the Gautam Wada project. So I think the first step is a \$15 million project which is largely around 400-500 crores and starting with molded project and over there I think what I assume is that 10 million seed is from India which has already been invested largely. We've invested some 8-9 million right now.

The balance is going to come from equity which is 40 million is what you've mentioned. So So what are the timelines that are we are attaching over here and at what dilution, what valuations and when will the second stage of funding start?

Because again I mean barrier coating is something we we we will we would have already known right in the next 6 to 8 months so.

How far are we? How soon are we going to, you know, start with the second round of funding? Because the larger step up is going to come from the second round, which is barrier quoted product, yeah.

**RY** **Rolando Yon** 1:35:29

I would say that we have actually already started that whenever we're talking to the investor, we're not investors, we're not talking about on the stage one, we're talking to them about the whole project, right. So, so the idea again ultimately our objective.

Is to have that flexible packaging facility. That's our ultimate objective. Now we have broken down into three stages and whenever we're talking to investors, we tell them about the three stages, right. So some investors are willing to come in.

At this first stage and some other investors may be willing to come in at the second or third stage, but again, the same investors that are coming in in stage one may be going into stage two and.

Or three. So it's something that's already happening as we speak to the investors.

**JG Jeet Gala** 1:36:33

And then can you give some idea around the valuation on something on that front please?

**RY Rolando Yon** 1:36:38

Yeah, sure. But that's a great question. So for the first stage we, we, we, you had a question about dilution. So for the first stage given the size of the project and what we have on Taka has already.

**JG Jeet Gala** 1:36:39

OK.

**RY Rolando Yon** 1:36:55

put in. We don't expect you know a large dilution, at least in the first stage, because again, PACA has already put some and the financing structure that we're looking is probably going to be a lot more

2nd floor or methanine type of structuring where there is not a lot of dilution for PACA. Now for the 2nd and 3rd probably we will see more of a pure equity coming in.

And dilution is to be negotiated at those stages. We're not there yet, but in terms of valuation, we are looking at somewhere around somewhere around between 7 and 9X.

Of the initial investment, that's when we compare against peers in the industry and the evaluation in the US stock market.

**JG Jeet Gala** 1:38:03

All right. I'll just wait for the next quarter. I think we'll have more clarity by then. I just wish the company all the best because we've been attacked by all the concerned and negative news in the last nine months. So I just hope the company they will do tide this smoothly. Thank you.

**PP Pranay Pasricha** 1:38:19

Thank you. Uh, Miss Manali, you can go ahead with your question. Manali, you are there.

**VK Ved Krishna** 1:38:35

Husband already asked all the questions, so Manali is Jeet's wife.

**PP Pranay Pasricha** 1:38:40

Right. OK. I'll move on to Vishal. Vishal, you can go ahead and ask a question.

**VS Vishal Sharma** 1:38:48

Hi, good evening. So I I guess a lot of being discussed about innovations and technicals. So I'll straight away shoot on the financials because that's what I'm interested in. So I I guess in 2022, you know the company had made a lot of predictions for sales and profits for every year.

**PP Pranay Pasricha** 1:38:50

Good evening.

**VS Vishal Sharma** 1:39:06

And I guess you must have considered or made some assumptions prior giving those figures would have been addition of new clients or maybe existing clients increasing the orders, maybe fivefold or something. But then you know we've missed out on that. There's a lot of difference.

In our projections and the actual outcomes. So I I just want to understand that we have the goal, we have the vision, but our execution has failed.

Or whether we like it or not. So as an investor, my question is that I would like to know the realistic predictions for the next three years. That's question one, 2627 and 28.

**VK** **Ved Krishna** 1:39:49

I'll take it, Nathika. So yes, absolutely agreed. There was a certain plan in place to get to a certain number and we are way below that number. We did try to do it inorganically. So the plan was fundamentally.

**VS** **Vishal Sharma** 1:40:02

As because as far as I am going through, a projected figure for 2526 was roughly around 2 1/2 thousand crore of revenue and 500 crore of pack. We are much, much below that.

**VK** **Ved Krishna** 1:40:16

Yeah. So, so let me, let me address that it wasn't 2 1/2 thousand, but still significantly higher than the current revenue. So, so the idea, the whole focus was to bring in the growth that was needed through the project that we are doing right now.

And of course, the funding took a little time, the stabilization, the ordering, etcetera, has taken a little time. So it's been delayed. It's not derailed, but delayed. So, so the whole idea is that we want to achieve the barrier quoted and the flexible grades in the next year or so and that brings us back on track.

The second objective, the second methodology for achieving the targets that you mentioned was the growth in food services and that was mostly inorganic and there has been a challenge with that. So I agree with you that there has been failure at our end in order to really get the outsourcing in place and to be able to rationalize.

Is the offerings that is happening now and also of course the market has been in a bit of a flux in terms of the bans that were supposed to come, etcetera, etcetera. But let's not, let's not blame the market at all because in the end, you know we are responsible for whatever we commit to.

So, so I would say as packer, we are definitely delayed in reaching those numbers, but we are, we still remain confident that it is a two year kind of delay. But we do plan to achieve those numbers in the next two years. So of course this year we will.

Work towards making sure that the project is commissioned. So you see a significant impact in the year 202627 and then of course 2728 is when we will actually hit the

numbers that we were mentioning there. So, so yes, there is a delay for sure and we take all responsibility for that.

But we still remain on track overall in terms of the plan.

VS

**Vishal Sharma** 1:42:14

OK. So my question two is around question one. So As for the projections, we were supposed to be at 2 1/2 thousand crore of revenue, but as of now we are at less than 500 crore of revenue. So if we, you know, are still focused on 20-30 to be our target for achieving sales of a billion bucks, that's about.

9000 crore, how are we going to do it? Because I think at the beginning of the presentation you said that you're still focused in achieving these figures in 2030. So what has happened is we are lagging in the revenue, so we've got a lot of ground to cover. How do we do it?

VK

**Ved Krishna** 1:42:53

Absolutely. I think great question and we remain committed to that figure and that timeline. The way we are working towards it is of course to stabilize India. We want to make sure that the figures that you're talking about is a little bit different from my memory, but I'll check the numbers because you seem to be confident about those numbers.

But that said, the idea is that if I talk in terms of tonnage first, India will reach about 100,000 tons by 27 ish considering the 50,000 ton expansion. Guatemala is slated for 50, about 15150 tons, sorry.

150,000 tons and that should be in place by 2028. What we have done is that the Guatemala site is planned as a mirror site, so the whole design has been made so that we can add in another line as soon as we have more pagas.

Second is we of course continue to hunt for more sites. Depending on our financial acumen and execution acumen, there may be other opportunities that may come our way. We are exploring a few even right now.

Which are bagasse lead. The second part of that puzzle of 500,000 tons or you can translate it to money is that can we evolve and introduce fresher products. So that's the other idea that we are working on and Co developing a lot of these possibilities right now and.

And that will see the light of the day in the next couple of years again. So we remain focused on that number. We'll continue to work towards that. We definitely have a

very clear visibility of half that number in terms of about 250,000 tons is very clear. This is concrete.

Steel on the ground kind of an idea. The other 250,000 tons is still, I would say it is a pie in the sky, but we obviously as a team are working towards it and the aspirations comes from a singular idea. How do we make change and how do we make change at scale? So yes, there are no absolute answers right now, but there's. That is happening in that direction.

**VS Vishal Sharma** 1:45:05

OK. Just my final question is that you know to achieve that figure we would since we are focusing more on the FMC player and the phone business, we would be needing somebody who's you know substantially big like a Nestle or maybe in India like an ITC or something. So I.

Or don't want you to disclose any names. Are we in talks with any of these players? You can keep the names confidential.

**VK Ved Krishna** 1:45:30

All the ones, all the ones that you mentioned and more.

**VS Vishal Sharma** 1:45:34

OK. Thank you.

**PP Pranay Pasricha** 1:45:38

Thank, thank you. Manali has posted a question on chat and because there is some issue with Mike. So she's asking what is the outcome for the further investment in Chuck project?

Quantum kind of machines that we are going to order given automatic machines troubled us in the past. What is the big picture over here as segment? Uh, in Tacka Limited you had indicated that there will be a fresh investment only if the segment can be big.

And profitable one, given there is an inflow of a lot of cheap material from the competition, but at the same time Chuck is an established brand. Her second question is what is the status of delivery container? Is it going to be a profitable one? And also Chuck losses have reduced in Q1 even with the shutdown. So what kind of quarterly?

100 to be expected in the next 3/4, any positive production peaks did we make in Q1 which resulted in lower losses?

**VK** Ved Krishna 1:46:41

Shiva, you want to go?

**PP** Pranay Pasricha 1:46:41

So wait.

**ST** Shubham Tibrewal 1:46:46

Yeah, I can take this one. I'm Ali, thank you for your question. It's quite a detailed one. So I'll try to answer all parts of it. But I think on the whole there is a lot of competition and it's cheap material competition, but in a lot.

A lot of ways it's actually good for us because it's helping us expand the market. It's helping taking this product category to customers we're not necessarily able to target and Chug being the most established brand, also the one with the best quality products and the leader in the category.

In terms of innovation and benchmark in terms of quality and safety standards, it does give us an edge, right? So it makes the whole market bigger and it increases our opportunity to gain more market share. So we definitely see.

The arrival of competition as a positive, it says the market is growing, people are looking to enter it. In terms of the delivery containers, we are almost there. I think we are just in the process of finalizing the.

The technology that we will be using to manufacture these because there is a lot of innovation here that we're doing and it's really one-of-a-kind first time in the industry innovation. So all the processes need to be created, but we definitely see the product will be launched in the coming quarters as Satish had already mentioned.

And yes, of course we it is going to be a profitable one. It is the fact that the product will be leak proof. I think we'll give it a lot of edge. It'll be the first actually in the market, right. It will be leak proof and compostable. So I think I think that's that's really the USP there.

Oh, and I think there's a question around investments on the, maybe Wade, you want to cover that?

**VK** Ved Krishna 1:48:48



Absolutely. Yeah. Manali, you have a great memory. So, so for from our side, we have been looking very deeply into the whole structure, not just our production, outsource production. So two parts to this. So number one is can we go asset light more and more so Shubham and the team have now outsourced.

Three sites, right, Shubham, 33 sites, yeah. So, so now there are three sites and as Shubham said, there is a significant traction that is happening through that in terms of the location, the kind of products that that will be made and the distribution system for the supply chain.

**ST** **Shubham Tibrewal** 1:49:11  
Yeah.

**VK** **Ved Krishna** 1:49:26  
So the work is ongoing there. That said, of course we want to work on our production and improving that. We've gone through a lot of possibilities there in terms of what is the technology available after going like our team has gone literally around the world two Times Now to kind of find the right technology and. Don't remain confident in the technology available yet. So what we have done even in the last few days is that we are rebuilding the prod machines that we have. So what we realize is that technology hasn't moved to the level where we wanted, so we don't want to risk.  
Another failure there. So what we started doing was that let us that the machines that were giving us trouble, let us try and rebuild those and restart kind of the production there. So we will continue to produce and increase our production organically while we outsource a certain number of products and build partnerships in the market.  
That said, the we are very clear as a team that we will produce for sure. We will continue to produce and improve. We are working with a couple of suppliers to make sure that the technology evolves faster. In fact, we had some very. Interesting visits even the last quarter with some of the kind of front runners in the whole molded fiber technology space who have been around for 20 years now. They are helping us sort some of the technology in house. So there is a lot of a lot of things happening. Give us another.  
I would say another quarter, three months. I think by the time we meet next, we should have much more clarity on our own production. But that said, that is still not

stopping us from building new products and new supply chains.  
Then it's just a time check for you. Yeah, 8 minutes.

**PP** **Pranay Pasricha** 1:51:12

Thank you, Miss.

Yes, please. Miss Khyati, you can go ahead with your questions.

**KD** **Khyati Devani** 1:51:21

Yeah, hello, hello everyone. So my question is regarding the past performance. So like if we see on a quarter on quarter basis or on your on your basis, we can see around the 15 to 11% of decline in the revenue. So any particular reason like which we can attribute and also like?

If we compare entire FY25 with FY24, there is marginal increase in the revenue by around 1,00,000. So you know any particular reason in the past like why we could not achieve any, you know, significant growth in it?

**NS** **Neetika Suryawanshi** 1:52:02

You go ahead. Sorry.

**VK** **Ved Krishna** 1:52:05

No, no, I was just going to say Nitika, so you're perfect.

**NS** **Neetika Suryawanshi** 1:52:06

Oh, OK. So I think Kathy, I explained this quarter, this quarter on quarter is definitely the the 14 day shark. I think in the past it has as Ved already explained that yes we are working towards making things better in terms of revenue we were affected by. Various factors that were affecting the industry in terms of efficiency, we have been improving continuously and that's what we are aiming for even going forward. This quarter as we explained and I wrote on the chat as well is is an exception because of the shutdown and we were not even selling pulp because we were holding that back for PM one and PM.

For production, PM three already was down and pulp also was affected.

Wait, you want to add anything to this?

**VK** **Ved Krishna** 1:52:56

Nope. Well covered.

**KD** **Khyati Devani** 1:52:59

OK, OK, got it. And any like any scope for like reduction in the overall expenses part so that you know because we can see the overall EBITDA and all has gone down year on year.

**NS** **Neetika Suryawanshi** 1:53:11

Of course, that's what I exist for, right? So that is a continuous ongoing effort for sure.

**KD** **Khyati Devani** 1:53:19

OK. OK. Thank you.

**VK** **Ved Krishna** 1:53:20

There's there's always scope.

**NS** **Neetika Suryawanshi** 1:53:22

Absolutely.

**PP** **Pranay Pasricha** 1:53:25

Thank you. Uh, Mr. Shiv. Uh, I'll go with your question first.

**SP** **Shiv Patel** 1:53:32

Yes, I thank you for the opportunity. Uh.

Sir, Sir, how do you plan to reduce the cost of flexible packaging from thirty-five square meter to twenty-six square meter? And how long will it take for you guys to do that?

**VK** **Ved Krishna** 1:53:52

Sorry, didn't get that question. 35 rupees a square meter. Is that what you mean?

**SP Shiv Patel** 1:53:58

Yes, Sir, 35 square meter.

**VK Ved Krishna** 1:54:02

I don't think that's the right price. Satish, you remember the cost right now, 21 ish.

**SP Shiv Patel** 1:54:02

Oh.

**SC Satish ChamyVelumani** 1:54:08

I I don't want to quote a different.

**VK Ved Krishna** 1:54:10

Is is something that comes to mind? Yeah, I don't remember the price right now, but 35 is definitely not it. We are definitely way lower than that. We are at a hitting range of about. It is about 20 to 30% higher than the current substrates is where we are at and we plan.

And to reduce that by bringing it in house. That said, you know there will always be a certain, I should say always that's not a good statement. We'll keep working towards the right price point. But ultimately for us it's not about price, it's about value creation.

Can we provide the way Pekka works is ultimately go back to first principles, look at what the customer is looking for, build from that point. So ultimately the customer is not looking for even though they say they want to just replace the product, that's really not the case. They're looking for an experience.

The experience is holistic, right? There is a whole idea of a substrate, a conversion process, a packaging process, a branding process, like a printing and a aesthetic process, unpacking experience for their consumer. So we look at the whole chain and we see how we can add value.

In each of these areas, it also is like things like you know Shubham was talking about design. We also look at inventory. You know how can we reduce the customer's inventory by having a design that is so that you can have like for example the the containers that we've created right now.

The 7:50 ML and 1000 ML has the same lid. The 500 ML and the 350 ML have the

same lid, so the inventory reduces for the customer. How do you innovate the supply chain so that the customer doesn't hold inventory for over a week for example. So it's a price, absolute price.

Is I think ultimately something that is a low bar. We would always look at how do you create more value for the customer holistically rather than the price itself. But that's it. Coming back to your question, we're not at the 35 mark, we are lower than that. But that said, we'll continue to work at the price point as well, but beyond that. You know, tearing a paper is way nicer than tearing a petroleum polymer. So we'll also look at the sound and the feel and everything else around that.

**SP** **Shiv Patel** 1:56:27

OK, Sir, my second question on are you planning to use third party pulp, third party pulp for Gautamala plant?

**VK** **Ved Krishna** 1:56:41

Sorry, didn't understand that again, Shiv. What did you say? Third party?

**SP** **Shiv Patel** 1:56:44

Are you are you planning to use third party pulp for Gautamala plant?

**VK** **Ved Krishna** 1:56:50

Yes, that's a great question. Initially what Rolando presented, sorry, Rolando, I'm taking your question. But yes, these two what has happened and Rolando and I have both mentioned Trumponomics and we are all witnessing these changes in the world. So it's very interesting because first there's a duty and it is not just a tariff, but it's also.

So anti dumping duty that came on China and Vietnam, then India and then Thailand and then there is also that 50% duty on Brazil. So Brazil is the biggest supplier of pulp and we are in Guatemala, not as far as other places from Brazil. It's still quite far. It looks shorter than it is. It's a big continent.

So yes, the idea initially is to go for outsourced from Brazil and then move to our own part.

**SP** **Shiv Patel** 1:57:36

And Sir, why are you pulling into value added when their margins will be the same as existing paper business?

**PP** **Pranay Pasricha** 1:57:40

Oh.

**VK** **Ved Krishna** 1:57:49

I hope not. We will definitely want to create the products with more margins. But the way Packer works is the driving force remains the first part, which is a cleaner planet. So we tackle numerous products that others are not tackling.

So we started with the idea of a Styrofoam replacement or a Thermo call replacement. So we built that business and we continue to build that business. The idea is that how do you get to a level where there is no Styrofoam to be seen or no styrenes to be seen because they are not just harmful for.

The planet, they're also harmful for marine and terrestrial and human health. So how do you work towards that? And of course we are a business, so we make sure that there is a margin. The second idea is that and these are products that cannot be recycled, they cannot be reused, etc, etc, etc. So the second range is that.

Off.

Multi layered substrates, again the same problem from health and planetary health perspective and we are trying to solve that. But of course we are in business and the only way we can continue to sustain is to have margins. So we are of course hoping to create more value and generate more margins for all the.

Products that we create, but the driving force remains scale and performance. So those are the two driving force and we of course assume that the margins will come if we can crack those two.

**PP** **Pranay Pasricha** 1:59:17

Thank you. Thank you, Shiv for your questions. I think we have run out of time and we'd like to close this call now. Thank you everyone. Thank you everyone for your valuable time and thank you to the leadership for staying on and answering the questions.

**SP** **Shiv Patel** 1:59:24

Thank you.

**VK** **Ved Krishna** 1:59:38

OK.

Yeah. And Pranay, just to add, in case you guys have some, I know there are a few hands still raised. We don't want you guys to wait till the next quarter or anything like that. We request you to send your questions to Sachin and we'll make sure that in the next week they are answered if there is something we haven't answered on this call. So thank you all again for your.

Trust on us. As we've said before, we will leave no stone unturned to make sure that we go towards the goals that we've committed to. Thank you so much.

**PP** **Pranay Pasricha** 2:00:08

Thank you.

**SC** **Satish ChamyVelumani** 2:00:12

Thank you everybody.

**ST** **Shubham Tibrewal** 2:00:13

Thank you, everyone.

**HD** **Hatim Diwanji** 2:00:14

Thank you so much.

Bye.

**NS** **Neetika Suryawanshi** 2:00:17

Thank you. Bye.

● **Sachin Srivastava** stopped transcription