



18th November, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,
G Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip Code: **507779**

Trading Symbol: **KANPRPLA**

Sub:- Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Submission of Transcript of Earning Conference Call on Financial Results for the Quarter ended September 30, 2025

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that an Earning Conference call for the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended 30th September, 2025 was held on 13th November, 2025 at 2:00 PM. The Transcript of the conference call is available on the website of the Company.

Link of the Transcript of conference call held on 13th November, 2025 at 2:00 PM:

https://kanplas.com/report_pdf/Kanpur_Plastipack-Earning_Call_Transcript-Nov_13_-2025-Final_1763445730.pdf

Please take this on record and oblige.

Thanking You.

Yours Faithfully,

For **Kanpur Plastipack Limited**

(Ankur Srivastava)
Company Secretary

Encl: A/a

Manufacturers & Exporters:

Flexible Intermediate Bulk Container (FIBC) | PP Multifilament Yarn | UV Master Batches | Fabrics | CPP Films
CIN: L25209UP1971PLC003444



D-19, 20 Panki Industrial Area,
Kanpur-208022, India



+91(512) 2691113-116



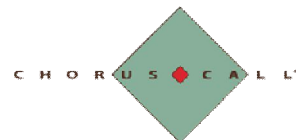
info@kanplas.com



www.kanplas.com



“Kanpur Plastipack Limited
Q2 FY '26 Earnings Conference Call”
November 13, 2025



MANAGEMENT: **MR. MANOJ AGARWAL – CHAIRMAN AND MANAGING
DIRECTOR – KANPUR PLASTIPACK LIMITED**
**MR. SHASHANK AGARWAL – DEPUTY MANAGING
DIRECTOR – KANPUR PLASTIPACK LIMITED**

MODERATOR: **MS. MAMTA SAMAT – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day and welcome to the Kanpur Plastipack Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in a listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note that this conference has been recorded.

I now hand the conference over to Ms. Mamta Samat from Adfactors. Thank you, and over to you ma'am.

Mamta Samat: Thank you Muskan. Good afternoon everyone and welcome to the Q2 and H1 FY '26 earnings call of Kanpur Plastipack Limited. Today we have with us Mr. Manoj Agarwal, Chairman cum Managing Director and Mr. Shashank Agarwal, Deputy Managing Director. We will begin with opening remarks from the management followed by an interactive Q&A session. Please note that this discussion may include forward-looking statements which should be viewed in conjunction with the risks and uncertainties that the company faces.

I now hand over the conference to Mr. Manoj Agarwal for opening remarks. Thank you and over to you, sir.

Manoj Agarwal: Thank you Mamta. Good afternoon everyone. I am pleased to welcome you all to Kanpur Plastipack's earnings call for the second quarter and half year ended 30th September 2025. I appreciate your continued interest and participation. After a strong start to the year, I am happy to share that Q2 and H1 FY'26 have further strengthened our growth trajectory both in financial and operational terms. The momentum has carried on. The quarter reflected the continued benefits of our strategic transformation, focus on efficiency and disciplined execution across all business segments.

During the first half of FY '26, the total income increased by 20% year-on-year to INR34.83 crores while net profit rose by more than 52 times year-on-year to INR14.47 crores. The earnings per share was INR 6.26 as compared to just INR 0.13 reflecting a strong turnaround in profitability.

In Q2 FY '26, the total income stood at INR166 crores up 8% from INR153 crores in Q2 FY '25. Net profit increased by 4 times to INR756 lakhs, translating to an EPS of INR3.25 compared to only INR.0.67 in the same quarter last year. This performance was driven by strong demand in our FIBC and fabric segments, better product mix, value-added offerings and sustained operational efficiencies.

Our balance sheet continues to strengthen. CRISIL rated our debt facilities at BBB+ for long term and A2 for short-term facilities, underscoring our financial discipline and improved risk profile. On the strategic front, we completed the acquisition of 76.19% stake in Valex Ventures Limited. during the quarter. The acquisition provides us with direct access to high-value, food-

grade and UN-certified FIBC customers in the UK and EU markets, aligning well with our goal of expanding global presence and enhancing value-added product offerings directly to the market.

The Board has accorded its approval, enabling the company to enter into a 50-50 joint venture with Essegomma S.p.A. Italy, an Italian company engaged in the manufacturing of multi-filament yarns, high-performance polypropylene yarns and technical textile solutions for establishing a joint venture company in India.

This joint venture will introduce high-performance Taslan yarn technology to India, marking our entry into a high-margin technical and luxury textile segment. This strategic diversification will also enable us to leverage our polymer processing expertise and enhance earnings quality over the long term.

We have also planned a capex of INR105 crores for capacity expansion, process modernization and diversification to be implemented over the next 12-18 months, for which the Board has just accorded us an in-principle approval. Under this project, we propose to invest INR58.04 crores in a needle-punching non-woven project, being a greenfield facility, to enter high-growth segments like automotive interiors, shoe insoles and artificial leathers and carpets.

Additionally, a sum of INR47 crores shall be spent in the FIBC Division at Unit 3 at Gajner Road. This will further add about 1,200 metric tons of conversion capacity next year, ultimately with an incremental target of 6,000 metric tons over the next five years.

Operationally, our focus remains on margin expansion, cost optimization and process automation. We continue to invest in digital tools, lean processes and efficiency improvements across the value chain to build a resilient and scalable business model.

Looking ahead, we are confident that the strategic initiatives undertaken in H1 Financial Year 2026, including the Valex acquisition, Essegomma joint venture and the capacity modernization will drive consistent, profitable and sustainable growth, positioning Kanpur Plastipack as a preferred global partner in industrial packaging and technical textiles.

I now invite our Deputy Managing Director, Mr. Shashank Agarwal, to share detailed insights on our financial and operational performance for the quarter and half year. Thank you everybody.

Shashank Agarwal:

Thank you very much. Good afternoon, everyone. I will now take you through the detailed financial and operational performance for the quarter and half-year ended September 2025. For Q2 FY 2026, the total income stood at INR166 crores, an 8% increase year-on-year from INR153 crores in Q2 FY 2025. On a quarterly basis, income was broadly stable, reflecting steady demand in both exports and domestic markets.

The EBITDA stood at INR16.33 crores, up 44% year-on-year, with margins improving from 7.4% to 9.8%. The net profit came at INR7.56 crores, compared to INR1.44 crores in the previous quarter. That's almost a 4.25 times increase year-on-year, driven by operational efficiency, product mix improvement and better export realizations.

For H1 FY 2026, the total income stood at INR348.34 crores, up 20% year-on-year with an EBITDA up 73%, being INR31.87 crores and a net profit of INR14.47 crores, compared to just INR28 lakhs in the H1 FY 2025. This performance marks one of the strongest half-year results in the company's history.

Our export business continues to be the key driver, contributing 74% of the revenue, with a volume of 6,600 metric tons, valued at INR119 crores during Q2 FY 2026. Europe continues to remain our largest market with 51% share, followed by a staggering 27% in South America and 17% in North America.

The rest is contributed by Asia. The balanced geographical mix helps insulate us from regional demand fluctuations and also ensures steady utilization across our manufacturing units. Operationally, as I said last time, we continue to focus on efficiency enhancement, automation and debottlenecking across manufacturing facilities. This quarter, our focus remains on improved warehousing and logistics, and throughput improvement with reduction in turnaround times.

We are in the process of deploying a modern automated warehousing system that will introduce advanced racking and retrieval infrastructure for improved inventory control, space utilization and operational safety.

Sustainability continues to be at the heart of our growth. We are steadily progressing towards our goal of sourcing over 60% of our power from renewable energy alongside a zero-liquid discharge and recycling initiatives, enforcing our commitment to environmental stewardship. During this quarter, 53% of energy was sourced through solar. The company remains net-debt-light, maintaining a healthy balance sheet and a strong cash flow generation.

With the consolidation of Valex Ventures beginning quarter three, we expect stronger European presence, better price controlling and margin improvement. The Essegomma joint venture is expected to contribute meaningfully after commissioning and generating a meager annual revenue of only INR25 crores in the first couple of years. This is a very long-term project that would drive us in a luxury textile segment.

Our INR105 crores capex program focused on capacity expansion on FIBCs and diversification into needle-punch non-wovens will be the key growth catalyst for the next phase of company's growth. The diversification into non-woven fabrics will mark KPL's entry into a fast-growing market with applications in automotive, shoe insoles, carpets and artificial leathers. The project will be led by an industry veteran with over 25 years of experience in this

sector and will open new avenues for growth in technical textiles. Implementation will take place over the next 12 to 18 months in a phased manner.

To summarize, quarter two and H1 FY '26 have demonstrated profitable growth, margin expansion and financial prudence. With the ongoing strategic investments, product diversifications and a robust order book, we are well positioned to sustain momentum in the second half of the year. Thank you. We can now begin with the question-and-answer session.

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

Urmish Shah: Yes, am I audible?

Shashank Agarwal: Yes.

Urmish Shah: Yes. So, thank you for the opportunity and congrats on a good set of numbers. So, my first question is on the margin front. We are doing significant capex and obviously, are taking new initiatives. And we have clocked a decent set of margins in this quarter in H1. So, when you talk about sustainability of margins, is the figures that we have clocked this half sustainable or can go upwards also going forward?

Shashank Agarwal: Yes. So, as I said, these numbers are coming out of the margin increase that's happened because of the situation in the market. Not only the situation in the market, but also increased volumes and diversification in two different markets. So, going forward, these numbers are expected to remain sustainable.

Urmish Shah: Okay. Sir, on the tariff front, have we had some news considering that there are news of India and US cracking a deal by the end of the year? So tariffs scenario can you just explain what news is there currently?

Shashank Agarwal: Sorry, could you repeat your question, please?

Urmish Shah: So on the US tariffs front, we were also subjected to higher tariffs. So, now when US and India are almost near to crack a deal on the trade deal, how is the tariff scenario coming out?

Shashank Agarwal: So, it continues to remain a risk and a challenge until that reversal happens. Going forward, if the tariffs remain as it is, then it's a risk on the business. But if this reversal happens and there is an agreement that is achieved within this calendar year, then we will see extreme robust growth in the last quarter of the financial year with the demand going up again. Up till now, there has been limited direct impact.

Urmish Shah: Okay, sir. Sir, my final question is with the respect of the JV with Essegomma. Sir, you said in your comments that the expected revenue for the first couple of years will be INR25 crores per

annum. But once going forward, maybe say for example in the next five years or six years, what is the quantum of revenue that you are expecting north of INR 25 crores?

Shashank Agarwal: It's very early days to comment on it. Obviously, when we are venturing out into a new business division and that too a joint venture with a global market leader, there are plans in place which are extremely long-term in nature. This is just the first phase of that project that we have to see on how it unfolds in the next couple of years. There are no significant capital expenditures for this project. And it is more of an experiment to begin with. And if it works, then we have a huge upside potential.

Urmish Shah: Okay, sir. Thank you and all the best.

Shashank Agarwal: Thank you.

Moderator: Thank you. The next question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello.

Shashank Agarwal: Hi, we can hear you. Yes.

Disha: Yes, thanks a lot for the opportunity. So I have a couple of questions, sir. So firstly on the JV, because you said it's too early to comment on the revenue potential, but at least on the margin front, because this is an entry into very high-performance yarn. So what sort of margins will we see here, sir?

Shashank Agarwal: So, I mean, for the joint venture itself, the margins should be between 5% to 10%. But as I said that this is just step one. It's a very long-term project. And we have to go step by step. Because it's a nascent market. It's a new market. And it's the luxury segment. So it takes time to break in.

Disha: Right. Okay. All right. And sir, the Greenfield plant that is coming up, what will be the timeline? When will we expect commissioning and revenues to flow in from that segment?

Shashank Agarwal: So revenues should start flowing in H2 next financial year. And the commissioning should be completed by H1 of the next financial year.

Disha: Commissioning by?

Shashank Agarwal: H1 next financial year.

Disha: Okay. So because we are now moving into very different product segments and also now we're going into this non-woven segment. So how do we see the product mix evolving? And how do we see the contribution changing going ahead?

- Shashank Agarwal:** So for the next couple of years, we see that non-woven should contribute to almost 20% of our total product mix and revenues. It should also contribute to almost 20% to 25% of our EBITDA margins on the increased EBITDA and on the increased revenue.
- Disha:** All right. So 20% is what we expect from this segment?
- Shashank Agarwal:** Yes.
- Disha:** Okay. All right. And so in general export, what is sort of the growth guidance for this year and FY27 going ahead?
- Shashank Agarwal:** So there is a lot of volatility that is there because of the tariff issues that are currently going on. We will see more visibility probably by January next year. The European industry in general is doing pretty well and manufacturing is increasing in the U.S. which remains to be our two consistent markets. Even the agriculture output in South America has been good. So the global demand will continue to remain robust.
- Disha:** Okay. All right. All right. Thank you, sir. That will be it for my side.
- Moderator:** Thank you. The next question is from the line of Dhruv Mimani from Niveza Investments. Please go ahead.
- Dhruv Mimani:** Hello
- Shashank Agarwal:** Hello. We can hear you.
- Dhruv Mimani:** Hi. I just wanted to ask what is the current order book of the company?
- Shashank Agarwal:** The current order book?
- Dhruv Mimani:** Yes.
- Shashank Agarwal:** Yes. So the current order book is about a couple of months at the moment.
- Dhruv Mimani:** Okay. Thank you. And my second question is what is the current Japan market revenue and are there any expansion plans in Japan?
- Shashank Agarwal:** So we are continuously working on the Japanese market. As we speak, one of our key executives is there in Japan. The current revenues are insignificant at the moment, I would say. It is probably less than about INR2 crores in a year. But these are early days. We have to see the opportunity where it lies.
- This year, Europe and USA have been very strong. So I mean, we have to have our geographical distribution in place so that if there is a market that is doing well somewhere, then there is another market that is not doing well at that moment.

- Dhruv Mimani:** Okay. Sure. And sir lastly, my question is what is the source of funding for the INR100 crores capex?
- Shashank Agarwal:** So broadly, it is through internal accruals and about INR35 crores rupees of debt should be taken.
- Dhruv Mimani:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yes, sir. Thank you, Sir. Sir firstly, very, very elaborate and descriptive investor presentation, sir. It answers maximum questions. So a lot of effort has gone to it. And we hope that there is a continuity of the dissemination of information that we have chosen this time.
- Sir, the way we are looking at our first half's EBITDA at closer to INR32 crores and our endeavor to improve on the FIBC segment on the higher side, what should be the conservative EBITDA trajectory for H2? Taking into account firstly, the tariff impact and secondly, the strong order book which Mr. Shashank just mentioned.
- Shashank Agarwal:** So we do not see any significant changes in the trend that are there. It should remain the revenue and the margins both should remain similar to what it has been in H1.
- Saket Kapoor:** Okay. Sir, you have been alluding to the fact that we are moving more towards the higher proportion of FIBC in the total profile. So the percentage will remain the same about we have exit for quarter two?
- Shashank Agarwal:** So quarter two always a quarter of festivals and rainy season and that remains a challenge and then quarter three there are festivals and the harvesting because of Diwali and the Kharif harvesting that happens. Quarter four is when you should see a significant change in the product mix ratio.
- Saket Kapoor:** So we have to look for quarter four for the improvement.
- Shashank Agarwal:** So trend-wise it is already happening, but a significant change should happen by then.
- Saket Kapoor:** Okay. Sir, you have explained to us the recently announced capex. So what should be the asset turnover going ahead when we are deploying this INR105 crores going ahead especially for the greenfield activity? I think so that will take some time. So if you could just give us a long-term update also and what should be the asset turnover?
- Manoj Agarwal:** So the greenfield non-woven project estimated investment is about INR55 crores - INR60 crores. And full production will give us about INR120 crores - INR125 crores turnover

additional, because the segment that the non-woven project is catering to is again highly diversified.

If you see the presentation it says that we are targeting three major segments, the Automotive segment, the Shoelining segment and the Carpet Backing segment, the carpet backing and the carpet laying segment. The carpet segment is seasonal in nature also. So shoelining we have an advantage we are in Kanpur. And so we are able to market that product there. This is the basic funda.

Saket Kapoor: Okay. And sir, in your slide where the strategic growth and diversification initiative is mentioned we have mentioned about the FIBC addition capacity to the tune of 6,000 metric tons. That will happen in the next five years. What should be the addition annually, sir? What should we expect out from there? And what is the total investment that is going to this only in addition of the FIBC capacity?

Shashank Agarwal: Yes. So it is about INR 47 crores.

Manoj Agarwal: The investment.

Shashank Agarwal: The investment.

Saket Kapoor: Okay. Okay.

Shashank Agarwal: And your second question was that what is the incremental capacity every year, right?

Saket Kapoor: Yes, sir. You have mentioned 6,000 in the next five years.

Shashank Agarwal: Yes. So that will be 1,200 tons every year.

Saket Kapoor: Okay. So, FY 2026-2027 when March 2027 we will be seeing 1,200 tons to be added that will be the first capacity to be inclusive.

Shashank Agarwal: Correct. Correct, correct. FY '27 will be 1,200. FY '28 will be 2,400, FY '29 will be 3,600 and so on.

Saket Kapoor: Okay. Sir, as you mentioned about the order booking part, earlier, sir, we used to have visibility for weeks or you mentioned something about the month. I missed your part.

Shashank Agarwal: So it is -- so the current order book is between eight to nine weeks.

Saket Kapoor: Eight to nine weeks. Okay. That is the 2.5 months. And the average...

Shashank Agarwal: I will be just two months.

Saket Kapoor: Two months. Yes, sir. So sir, this is the average we have? Or do we see a traction in the same?

- Shashank Agarwal:** Sorry?
- Saket Kapoor:** Sir, this is what the average has been or because of the impact of --
- Shashank Agarwal:** This is a little bit more than the average.
- Saket Kapoor:** Sir, and two small points. One about the Valex acquisition, sir, I think so the -- what should be the potential? I think so earlier you have spoken about that Valex have a huge potential in terms of the market penetration and then the improvement in profitability. So if you could just give us some color how will this will be a value-added investment in the fold of our company, Kanpur Plastic?
- Shashank Agarwal:** So I think Valex is about at -- sorry, how much? It's at about GBP 1.5 million of revenue. And it should grow at a consistent pace of between 5% to 6%.
- Saket Kapoor:** Okay. And margin contribution?
- Shashank Agarwal:** So the gross margin in Valex Ventures is at about 15% to 20%.
- Saket Kapoor:** Okay. And sir, currently, we have -- we are facing some impact because of the U.S. tariffs. So we have borne any of the tariffs on our part or the entire --
- Shashank Agarwal:** We have not borne any tariffs yet, and we do not expect to bear any tariffs. That is not the expectation of either the end customer or the distributor.
- Saket Kapoor:** Right sir. Sir, I join for the following -- for my follow-up if any. And sir, once again sir. Thank you for the very elaborate discussion and presentation, sir. Thank you.
- Shashank Agarwal:** Thank you.
- Moderator:** The next question is from the line of Rohan, an individual investor. Please go ahead.
- Rohan:** Yes. Thanks for the opportunities. I have a few questions regarding your JV and the capex plan you have laid out on the presentation. So sir, for the JV with Essegomma, we are expecting revenue of INR25 crores per annum. So can we know where we are right now in setting up stage, like is the facility already set up or where we are in that stage?
- Shashank Agarwal:** So the agreement should happen in this month. And we should expect commercial production by Q1 next financial year.
- Rohan:** Okay.
- Shashank Agarwal:** Because there's a process of technology transfer in this joint venture as well, which would take some time and training.

Rohan: Okay. So this will require 1,000 metric ton of capacity. So have we found out -- is this going to be a greenfield or a brownfield project?

Shashank Agarwal: It's a brownfield project.

Rohan: Okay. So what units -- in which unit are we going to use this?

Shashank Agarwal: Sorry?

Rohan: Which unit from like we have 4 units, right? And out of which Unit...

Shashank Agarwal: Unit 3.

Rohan: Okay. And sir, regarding our capex plan of INR105 crores and that's for capacity expansion in Unit 3, where you said that 1,200 metric tons per annum would be added every year. So what would be the -- when would the trading division warehouse be constructed and be ready?

Shashank Agarwal: So trading warehouse is a very, very small investment. It is just about INR1 crores or even less than that, and that would start by January.

Rohan: Okay. Fair enough. And so, this INR47 crores would be equally divided over the five years, or we are going to do major capex in the next one or two years and then we will be doing minor capex as and when we add capacity.

Shashank Agarwal: So, 90% of this investment will happen in the next 12 months.

Rohan: And sir, regarding our entry into non-woven products, can you just give us some brief regarding the plant size, the capacity, where we are going to install this plant?

Shashank Agarwal: So, as I already said it's there in the investor presentation, the total expected revenue on 100% utilization is about INR120 crores. It will cover automotive segment, artificial leather, the shoe industry and carpets.

Rohan: Yes. I get that, but where would be our plant?

Shashank Agarwal: Where? In physical?

Rohan: Yes sir.

Shashank Agarwal: Unit 3.

Rohan: Okay. Everything, all the capex are going to be added into Unit 3?

Shashank Agarwal: 95% of the capex is happening in Unit 3.

- Rohan:** Okay. Sure. Okay, any more questions, I will get back in line. Thank you.
- Shashank Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, the initiative that we have handed over to Grant Thornton. When will we start expecting the results, what timeline have they been given in terms of...
- Shashank Agarwal:** I'm just requesting my CFO to answer that.
- Shobhit Agarwal:** Hello sir. Work is done in the phases. So, the first phase will be done in this quarter itself, and we'll give the report in the coming Board meeting. And then next phase will be done in the next quarter and that segment will be handle in this manner.
- Saket Kapoor:** Okay. And sir, what happened exactly worked out with them, what kind of efficiency or cost savings they have -- they will be -- the program will be offering to us in terms of the margin.
- Shashank Agarwal:** So work is going on. There are specific scopes that have been given, which are related to -- some of them is related to efficiency management. There is some risk identification and then there is some automation. There are multiple things that have been given to them, work is going on, we should get some output in the next quarters.
- Saket Kapoor:** Okay. Sir, post-exit of this quarter wherein our FIBC contribution percentage say is X, what should be the additional percentage we can expect for the remaining part of the year and then the next year as in your way forward, you have mentioned that we are adding more capacity and then we are also going ahead with the de-bottlenecking exercise. So taking these two into account, what should be the trajectory of the contribution from the higher margin FIBC at the exit of the first part?
- Shashank Agarwal:** H2 upon H1, so H2 should be about 15% higher than H1, and next financial year it should be about 25%, about -- as a full year it should be about 15% higher than the current financial year.
- Saket Kapoor:** That is a significant number, sir.
- Shashank Agarwal:** Yes, it is a very significant number, yes.
- Saket Kapoor:** Okay. And that would be definitely margin accretive for us in terms of the switch that is happening. Okay. Sir, there is also the major component of human resource that is involved. So, sir, what is our work on that? And I think there are several programs that we are also running that I read from the annual report in terms of educating the workmen, especially on the stitching side. So, what work is being done on this, sir, and what is there on this?

- Shashank Agarwal:** So, I'll answer it in three phases. So, one, automation is an ongoing continuous exercise. We are always identifying opportunities where we can do it and that's something that continues to happen across the year.
- On the stitching side, we are training and retraining and creating awareness amongst new people who want to join stitching and who can get trained to stitch. So, now there are two training schools that we are operating. One is in Unit 2 and the other is in Unit 3 because the future expansion is going to come in Unit 3 for FIBC.
- So, that has also started. And the third point is that if you see that we have set very, very small targets of only 1,200 tons per annum for FIBCs and we are spreading 6,000 tons over the next five years. That is keeping in mind that manpower availability is decreasing with time in the country because everybody is wanting better skilled workers and better paying jobs and more white-collar jobs than blue-collar jobs. So, that's keeping that in mind that we are setting extremely conservative targets.
- Saket Kapoor:** Okay. Sir, in the presentation, I was unable to find out what is our current capacity in the FIBC segment and our utilization level. If you could just help me out with it.
- Shashank Agarwal:** So, the current capacity is 18,000 tons and we are at 14,500 tons at the moment, which is 82%.
- Saket Kapoor:** Okay. And what should be eyeing, sir, by exit of H2?
- Shashank Agarwal:** It should be between 85% to 86%.
- Saket Kapoor:** 85% to 86%. Right. Thank you.
- Moderator:** Thank you. The next question is from the line of Aniket Redkar, an individual investor. Please go ahead.
- Aniket Redkar:** Good afternoon, sir.
- Shashank Agarwal:** Good afternoon.
- Aniket Redkar:** So, sir, I have a few questions regarding our business. In terms of export, you are a two-star export house and have some global footprint. So, I just wanted to understand what is the export revenue mix today and how do you plan to grow the exports in the future?
- Shashank Agarwal:** Sorry, could you repeat once more?
- Aniket Redkar:** So, I just wanted to understand the export revenue mix and how do you plan to grow the export share?
- Shashank Agarwal:** So, I think the slide number is there. We have almost -- so, we have given a continent-wise exports. 51% is in Europe, 27% is in South America, 17% is in North America.

- Aniket Redkar:** Okay.
- Shashank Agarwal:** Is that your question?
- Aniket Redkar:** Yes, correct, correct. So, sir, I just wanted to understand in terms of geography, which are the geographies you are targeting specifically in the future?
- Shashank Agarwal:** We continue to remain the market leader in Europe and that is where we will continue to further increase. There is a significant focus on North America and as I said before as well, Japan is at a very nascent stage, but it will continue to rise over the next years. It is a very big opportunity.
- Aniket Redkar:** Okay. Okay. Okay. And, sir, recently with the acquisition of this Valex, just wanted to understand what is the expected incremental contribution you are looking for in terms of revenue and margin for FY '26?
- Shashank Agarwal:** Just one second. So, the incremental revenue should be about -- I mean, I think it is better that we come back with exact numbers. So, we will send the exact numbers to Adfactors on this.
- Aniket Redkar:** Okay. Okay. And, sir, in terms of this product diversification, is there any plan to have the new product line? I mean, in terms of more value-added products or packaging or speciality kind of fabrics that you plan to roll out?
- Shashank Agarwal:** You are talking about nonwovens or FIBC?
- Aniket Redkar:** Yes, yes, yes. Nonwoven, yes.
- Shashank Agarwal:** So, in nonwoven, it is a completely different product line and that is all speciality technical textiles and of high value-added category.
- Aniket Redkar:** Okay. Okay. And, sir, can you throw some light on the capex which you have planned?
- Shashank Agarwal:** So, we have planned INR106 crores [Technical glitch] crores. Out of it, INR47 crores is into the existing business line, which is FIBCs, increasing its capacity and some automation in the warehouse. And INR57 crores is in nonwovens, which is a completely greenfield project.
- Aniket Redkar:** Got it. Got it. And, sir, one last question on the ESG part. So, as you know, the packaging has increasing the environmental regulations like plastic use and recycling, how we are going to recycle the plastic and all. So, how are you preparing for the regulatory shifts and what share of your offering are there in terms of recyclable or bio-based material?
- Shashank Agarwal:** So, 100% of products that we manufacture are recyclable. We also offer products that are made out of 100% recycled products as well. So, there is a regulation in some European

countries where 30% of it needs to be recycled. So, we have been following that regulation for a couple of years now.

Aniket Redkar: Got it. Got it. Got it, sir. Thank you so much, sir, and all the best for the future.

Shashank Agarwal: Thank you. Thank you.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask questions. The next question is from the line of Vikrant Sahu from RK Advisors. Please go ahead.

Vikrant Sahu: Very good. Good afternoon. I just have a few questions. Like we have seen there is an income growth of 20% year-on-year in H1 2026. So, how is the demand trending across the domestic and export sectors in year-on-year as well as in quarter-on-quarter terms?

Shashank Agarwal: So, mainly the growth is coming out of exports only. Domestic, although the demand is more, but our focus remains exports because the margins there are better. So, I would say that the entire growth is coming out of exports.

Vikrant Sahu: And also, what contributed to Europe maintaining a 51% share of exports and are there any plans to diversify geographically?

Shashank Agarwal: Europe's share in exports reflects KPL's strong customer base and demand for high-value products. Going forward, the company is pursuing geographic diversification through deeper penetration in Asia and Africa, as I mentioned Japan and South Africa and the Northern African countries. So, that will ensure sustainable growth with a more balanced portfolio.

Vikrant Sahu: Okay. So, and also, what are the company's medium-term growth priorities like organic capacity expansion, product diversification or global integration?

Shashank Agarwal: So, medium-term priorities, they remain on scaling the capacity and that's why the capex expanding its value-added product portfolio, deepening global integration through the acquisition and hiring of more professionals there. These initiatives together will enhance profitability, resilience and long-term value.

Vikrant Sahu: I have a few more questions like how is KPL leveraging its brand Bharat identified to strengthen relationships with multinational clients and expand export share?

Shashank Agarwal: So, I mean, we are positioned at a very good time with the Bharat brand in the global market. Everybody identifies with it. It underscores the strength and quality, reliability and operational excellence. With the growing global reputation of India, the company is deepening relationships with multinational clients. They have started looking at India in a very different eye. And this is what is expanding the export share.

- Vikrant Sahu:** Okay. And one question is from the operational part, like which export regions or product lines are driving the sharp recovery in volumes and profitability?
- Shashank Agarwal:** So, it has been exports and FIBCs.
- Vikrant Sahu:** Okay.
- Shashank Agarwal:** And yes, and it's mainly coming from Europe with the higher value of product sales. And there has been a pressure on North America due to the uncertain tariff. But the focus on diversified geographies is helping us maneuver this.
- Vikrant Sahu:** Okay. Thank you so much, sir. I got my answers.
- Moderator:** Thank you. The next question is from the line of Rohan, an individual investor. Please go ahead.
- Rohan:** Yes. Thanks for the follow-up opportunity. Just pardon me if I missed out on this. Sir, I just wanted to know regarding your non-woven project. So, when will this project start and the facility will be commissioned? And like how much time will it take us to reach the INR120 crores, INR130 crores top line that we are projecting on INR58 crores of capex?
- Shashank Agarwal:** We projected INR120 crores to INR125 crores of top line. That is first thing. The 100% capacity utilization or let's say 95% capacity utilization should come out in FY 2028. 80% of it should be achieved in FY 2027. And H1, next financial year, we should be able to commission the plant. And H2, next financial year, we should see the revenue start coming in.
- Rohan:** Okay. So, from H2, the revenue will start coming?
- Shashank Agarwal:** Correct.
- Rohan:** So, within like six period of time, we will be able to ramp up to 80% capacity utilization. That's what you are trying to say?
- Shashank Agarwal:** So, the H2 would be about, let's say about 30% of the 100% that I am talking about, right? So, let's say INR30 crores to INR35 crores of revenue.
- Rohan:** Okay.
- Shashank Agarwal:** And FY 2027 should be about INR85 crores to INR90 crores, yes. So, we should be able to achieve that number.
- Rohan:** I am just getting a bit confused. So, for FY 2027, whole year, what are we trying to, like -- the facility will be coming from H2?

- Shashank Agarwal:** Sorry. Because I am a non-finance guy, I sometimes mix up with finance numbers. So, for FY 2026-2027, our sales will be, where is the sale value written? Yes, 30 crores is what is expected in FY 2026-2027. INR92 crores in FY2027-2028, and FY 2028-2029 should be about INR102 crores. Yes, those are the numbers.
- Rohan:** Okay. So sir, when we are saying like we will be doing INR35 crores, INR36 crores in FY 2027 and out of INR120 crores, INR130 crores that we have targeted. So sir, do we have any -- have we just started with client addition or are we in talks with clients or how are we going to do the sales and business development of this initiative?
- Shashank Agarwal:** So, for the last four months, we have been mapping all the customers and the distributors for this. So, the sales and distribution plan is ready for FY 2027-2028 on how we want to do and which customer is what we want to touch, who are the people we want to onboard. So, it's going on in that direction.
- Rohan:** Okay. Okay. Sure. Yes, that was from my side.
- Shashank Agarwal:** So, there are two aspects to the non-woven business. One is the customer and then the other is also the quality of the product, which is extremely pivotal in this and R&D has been going on in the last couple of months on this and we will continue to do that because it's a highly technical product.
- Rohan:** Got it. Okay. Sure. For more questions, I will get back into queue. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, handing the conference over to the management for the closing comments. Over to you, sir.
- Shashank Agarwal:** I would like to thank everyone for joining in and giving in this time. We will continue to do the investor calls after each board meeting. You could reach out to AdFactors for any queries further on. Thank you.
- Moderator:** Thank you. On behalf of Kanpur Plastipack Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.