Creative Graphics Solutions India Limited

(Formerly Known as Creative Graphics Solutions (I) Pvt. Ltd.)
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CIN: L22219DL2014PLC263964

Date: 24-11-2026

The Head- Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C-1, G Block,
Bandra-Kurla Complex
Mumbai - 400 051

NSE Symbol: CGRAPHICS

Sub: ***Submission under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015- Transcript of Analyst/Investor Call***

Dear Sir/ Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the analyst/investor call held on **Wednesday, November 18, 2026** at 04:00 PM. The above information is also available on the website of the Company i.e. https://creativegraphics.net.in/home/analyst-investor-meet-or-conference-call/

Kindly take the same on record.

Thanking you,

Yours sincerely,
For Creative Graphics Solutions India Limited

SHRAVYA SRIVASTAVA

Digitally signed by SHRAVYA SRIVASTAVA
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Shravya Srivastava
Company Secretary & Compliance Officer

Creative Graphics Solutions India Limited

H1 FY27 Earnings Conference Call Transcript

November 18, 2026

Management:	**Mr. Deepanshu Goel - Founder & Managing Director**
	Mr. Pulkit Agrawal - Group Chief Financial Officer
Moderator:	**Ms. Himani Singla - Investor Relations, Vogabe Advisors**

Himani Singla: Good evening, ladies and gentlemen, and a warm welcome to everyone joining us today for the earnings conference call of Creative Graphics Solutions India Limited to discuss the operational and financial performance for the half year ended September 30, 2026.

From the management team, we have with us today Mr. Deepanshu Goel, Founder and Managing Director, and Mr. Pulkit Agrawal, Group Chief Financial Officer.

Before we begin, I would like to remind everyone that some statements made on today's call may be forward-looking in nature and are subject to risks and uncertainties. Please also note that all participants are in listen-only mode and this call is being recorded. There will be an opportunity to ask questions after the opening remarks, using the raise-hand option on the Microsoft Teams platform.

With this, I would now like to invite Mr. Deepanshu Goel to share his opening remarks. Over to you, sir.

Deepanshu Goel: Thank you, Himani. Good evening, everyone. On behalf of the Board and the management of Creative Graphics Solutions India Limited, I welcome you to our earnings conference call for the half year ended 30th September 2026. I am joined today by Mr. Pulkit Agrawal, our Group CFO. Our results and investor presentation have been filed with the National Stock Exchange and are available on our website.

For the benefit of participants who are new to the company, I would like to begin with a brief introduction. I have been associated with this industry since 1998. For most of its history, Creative Graphics was a manufacturer of flexographic printing plates serving packaging customers across India. In 2023, we entered pharmaceutical packaging through our wholly owned subsidiary, Wahren India. Pharmaceutical packaging is now the larger of our two businesses and the principal driver of our growth.

The first half of FY27 has been a significant period for the company. It marks the completion of our investment phase and the beginning of a phase focused on scaling up. Revenue grew by 32.6% year-on-year, and all of our new production lines are now in commercial operation. At the same time, our EBITDA margin of 8.3% was lower than the 11.9% reported in the corresponding period last year. I will explain the reasons for this and the steps we are taking to address it.

Over the past two years, we have made significant investments to build the business. We added three pharmaceutical packaging lines and two flexographic plants, and we strengthened our team ahead of the growth we expect. We have also been prudent in allocating capital: two of these lines were acquired through the NCLT process at approximately 10% of their estimated replacement cost. Our pharmaceutical packaging capacity now stands at 44,000 MTPA, five-and-a-half times our capacity in FY25. With all the planned capital expenditure complete, our priority is to improve capacity utilisation and generate returns on these investments.

I would now like to address our margins. The decline in profitability compared with last year was due to two factors. The first relates to timing. We have built capacity for a significantly larger business than our current scale of operations, so the fixed costs of the new lines and plants are fully reflected in our results

while volumes are still building. The second factor was external. The conflict in the Middle East disrupted supply chains, increased our material costs and delayed the start of operations at our Oman plant.

I am encouraged by the trend. Compared with the second half of FY26, EBITDA increased by 56.6% and our EBITDA margin improved by approximately one percentage point. As most of our fixed costs are already in place, incremental volumes should contribute meaningfully to margins as utilisation improves. This operating leverage is central to how we have built the business.

Our focus is now on utilising the capacity, and the largest part of this opportunity lies in pharmaceutical packaging. The sector has strong long-term fundamentals. India manufactures approximately one-fifth of the world's generic medicines by volume, and every batch requires fresh primary packaging. Supply in this industry is governed by a rigorous approval process. Each customer audits our facilities, conducts trials on its own lines and qualifies our material before placing regular orders. While this process takes time, it typically leads to a long-term relationship once approval is granted.

A significant part of our effort has been directed towards building a pipeline of approvals, and converting these approvals into regular orders is our most important priority in the coming months. We are also broadening our product portfolio. Our new lines have extended our offering beyond Alu Alu foil to PVC/PVDC films and extrusion laminates. This allows us to meet a larger share of each customer's requirements as a single audited supplier.

We see exports as our most significant long-term opportunity. Our Drug Master Files in the USA, China and Canada enable pharmaceutical companies to reference our material in their regulatory submissions for these markets, which is an important differentiator. We received our first export order in February 2026, shipments are now underway, and we have appointed a Head of Export Sales to lead this effort. Over time, we aim for exports to contribute approximately 25% of our pharmaceutical packaging revenue, and the export business also offers better price realisations.

Flexography remains the foundation of the Group. It is a business in which we have deep expertise, it has higher margins, and it provided us with relationships with pharmaceutical companies well before our entry into pharmaceutical packaging. Our standalone revenue grew by 17.3% during the half, supported by our new plant in Bengaluru, which completed its first full half-year of operations. Our plant in Oman, our first outside India, has been installed and will serve customers in the Gulf and Africa. Its commercial start has been delayed by the regional disruption, and we now expect operations to commence soon.

I would also like to address our balance sheet. Our borrowings increased during the half, primarily to fund the higher receivables and inventory that accompany our growth. With capital expenditure complete, export factoring now in place and an investment-grade rating of CARE BBB; Stable, reducing working capital and debt is a clear priority for the management. Pulkit will discuss this in more detail.

Looking ahead to the second half of the year, our priorities are clearly defined. We will focus on improving the utilisation of our new lines, converting customer approvals into regular orders, growing our export business, commencing

commercial production in Oman and reducing working capital. We believe that delivering on these priorities will allow the operating leverage in our business to be reflected in our margins.

The platform we have built can support revenue of ₹1,000 crore and beyond without significant additional investment. I would like to clarify that this describes the capacity of our platform and is not a forecast or guidance. It does, however, illustrate the headroom we have for growth.

Before I conclude, I would like to thank our employees, who commissioned three new lines and a new plant while continuing to run our operations, as well as our customers, bankers and shareholders for their continued support during this phase of investment.

With this, I would like to hand over to Pulkit to take you through the financial performance in detail. Thank you.

Himani Singla: Thank you, sir. I would now request Mr. Pulkit Agrawal to share his opening remarks.

Pulkit Agrawal: Thank you, Deepanshu ji and Himani, and good evening, everyone. I will now take you through the financial performance for the first half, which ended on 30th September 2026. All figures are consolidated and unaudited unless I state otherwise. I have projected the slides on this webinar for everyone's convenience; they are also available on the NSE portal for anyone who has not had a chance to go through them.

Revenue from operations for the first half was ₹233.3 crore, an increase of 32.6% over the first half of FY26 and 37.1% over the second half. Growth was led by the pharmaceutical packaging business, as the PVC/PVDC and Tandem lines completed their first full half-year of production, although this production was impacted by the Hormuz crisis.

EBITDA for the first half was ₹19.5 crore and the EBITDA margin was 8.3%, compared with 11.9% in the first half of FY26. Profit after tax was ₹7.3 crore, compared with ₹12.2 crore. On a sequential basis, the picture is more encouraging. Compared with the second half of FY26, EBITDA increased by 56.6%, the EBITDA margin improved by about one percentage point and profit after tax increased by 11%.

In our last call in May, we explained the two factors weighing on our margins: the supply chain disruption caused by the conflict in the Middle East, and the front-loaded cost of our expansion. Both continued to affect the first half, specifically the first quarter, although their impact has now begun to ease. The supply chain disruption is visible in our gross margin, which was 24.9% compared with 27.1% a year ago, as material costs increased. Gross margin has, however, improved from 23.5% in the second half of FY26.

The cost of our expansion is visible in our operating expenses. Employee costs and other expenses together increased by approximately 45% over the first half of FY26, as we staffed and operated the new lines and plants ahead of their full volumes. As utilisation rises, these costs, along with depreciation, will be spread over a larger volume of output. Below EBITDA, depreciation and finance costs increased as the new lines were brought into service and our working capital borrowings grew.

I will now turn to the balance sheet. Our planned capital expenditure is complete, and net worth increased to ₹132.8 crore from ₹125.5 crore, reflecting the profit retained during the first half. Net debt increased by about ₹37 crore during the half to almost ₹120 crore. The increase in borrowings is entirely short-term and has funded the growth in receivables and inventory that accompanied our revenue growth. These short-term borrowings were covered 2.2 times by receivables and inventory. The debt-to-equity ratio was 0.97 times, compared with 0.73 times as of 31st March 2026.

We have a clear path to reducing leverage. No significant capital expenditure is planned going forward, operating leverage should improve as utilisation rises, and the export factoring facility we introduced during the first half converts export receivables into cash shortly after shipment. Our funding base has also strengthened. In March, we added working capital limits of approximately ₹60 crore, with Citibank joining as our second banker. In October, CARE Ratings assigned the company a long-term issuer rating of CARE BBB; Stable, which is an investment-grade rating.

Coming to the standalone results, I will briefly explain, as we did on the last call, that the company procures certain materials on behalf of Wahren because, as a listed company, it obtains better terms from suppliers. These sales are included in standalone revenue. Standalone revenue for the first half was ₹79.3 crore, an increase of 17.3%, and the standalone EBITDA margin was 12.5%, compared with 18.6% a year ago and 11.5% in the second half of FY26. However, I would like to mention that the flexography business has been flattish in the first half compared with the previous half and the year before, on the back of lower demand due to higher material prices. We can discuss this further during the Q&A.

Our focus for the second half is on the priorities Deepanshu ji outlined: improving utilisation, converting approvals into regular orders, growing exports and reducing working capital.

With this, I would like to go through the presentation very quickly to highlight a few points. We have been very actively focusing on exports and have had a very good performance on that front. We participated in five industry events across four countries and two continents and have seen good traction. We started our pharmaceutical exports only in 2026, and I am glad to report that we have achieved pharma export sales of over ₹12 crore so far, and we expect this number to grow.

We have also started two new flexographic plants, in Bengaluru and Oman. Oman was impacted by the war in the Middle East and is still in the early stages. Bengaluru has started production, and we expect handsome growth to come from Bengaluru shortly.

All of our pharma lines are now operational, including the original Alu Alu capacity of 8,000 MT. The new 12,000 MT Alu Alu line started commercial production just last month, and the PVC/PVDC and Tandem lines are also operational. Overall, we now have capacity in-house to support well over ₹1,000 crore of revenue, which we can now start filling and which should drive our growth for the next few years.

I have already spoken about the balance sheet, and I am happy to report that CARE has assigned us a BBB; Stable rating. We are also sufficiently funded in the

short term, with new banks available to us. We have done well on export factoring and domestic factoring, more such facilities are available, and we will continue to avail them to improve balance sheet efficiency. Most of the debt we are taking on funds working capital. We have also become a little more efficient in our working capital: as we have grown, we have been able to increase our current liabilities to support our current assets.

In terms of the segmental overview, as I mentioned, flexography was flattish and most of the increase came from the Wahren business. With all the plants up and running, we expect Wahren to continue driving growth. We are perhaps one of the very few players in the pharma segment present across the full spectrum, from standard and high to ultra-high and highest barrier products, and we offer a bouquet of products that is unmatched in terms of quality and availability. We continue to grow our customer base every month.

On our five strengths: we have two complementary businesses, both with recurring demand, and we have the capacity in place. With the capex cycle behind us, we are now focused on filling that capacity and growing our top line and bottom line. Much of the increase in expenses over the last year is attributable to new hiring and other costs related to the new capacities. These expenses are not expected to rise in line with revenue. Revenue should now start climbing while these expenses plateau, so we should see an improvement in the bottom line. Both of our businesses have high entry barriers, as we have discussed on previous calls, and our export initiatives have started to deliver results. I am very happy with our export performance so far this year, but there is a lot more to do and we will continue to focus on this area.

Both businesses are also well diversified in terms of customers. Wahren has 350-plus customers, in fact about 400-plus now, and Creative Graphics has 4,000-plus customers. Both have excellent client retention, and we expect both businesses to continue to grow. Flexography has had a flattish few months, but we expect it to revert as well.

As I have been saying, our Wahren capacity specifically is now capable of supporting over ₹1,000 crore of revenue, and we fully intend to utilise it to the maximum. That is all from my side. With this, I thank all of you and hand the call back to Himani to open the floor for questions. Thank you.

Himani Singla: Thank you, Mr. Pulkit. We will now begin the question-and-answer session. Participants who wish to ask a question may use the raise-hand icon on Teams. To ensure that everyone gets an opportunity, we request you to limit yourself to two questions at a time; you are welcome to raise your hand again for any follow-ups. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We have the first question from Mr. Harshit. Mr. Harshit, please unmute yourself and ask your question.

Harshit: Thank you for the opportunity. Since all our plants are live now, what kind of revenue and EBITDA margin are we expecting for H2 FY27 and FY28?

Pulkit Agrawal: We are known for not giving guidance, and we cannot give you guidance; it is a VUCA (Volatile, Uncertain, Complex and Ambiguous) world. But all I can tell you is that it will be better than the past. We exited H1 FY27 on a good note. Within the half, Q1 FY27 was the worst possible quarter we have had, but we have still

been able to show growth for the half, which means Q2 FY27 was very good. We worked very hard and were able to catch up. I hope, and I think Deepanshu ji will agree, that we will try to maintain that velocity in H2 FY27 as well.

Harshit: Sir, on the last call we mentioned that we would do around 14% EBITDA margin. Could you give some colour on the EBITDA margin trajectory going forward, in H2 FY27 and FY28?

Pulkit Agrawal: That is the steady-state EBITDA margin we have mentioned. We never give periodic forecasts or targets.

Harshit: Is there any listed player we can compare ourselves with to get a better grip on EBITDA margins?

Deepanshu Goel: You can look at Caprihans and Bilcare. There is another company, ACG, which I believe is not listed. You can compare with them if you want to.

Harshit: Sir, Bilcare has been doing single-digit EBITDA margins, right?

Deepanshu Goel: They have different reasons, and I should not be commenting on my peers. If you look at it, their reasons are apart from the business. The debt on their books is large and is not business-related, and that is weighing on their numbers.

Harshit: Okay. So this 14% steady state, do we see it in FY29 or FY30, or something like that?

Deepanshu Goel: It should be before that. We are working towards it and hope to achieve it sooner.

Harshit: Okay. And are we contemplating any fundraising going forward?

Deepanshu Goel: As Pulkit just mentioned, we do not require any funds as of now, so there is no plan to raise funds.

Harshit: Okay. Thank you.

Himani Singla: Thank you, Mr. Harshit. I will again request participants to limit themselves to two questions so that everybody gets an opportunity. The next question is from Mr. Manhar Rao Yadav. Please unmute yourself and ask your question.

Manhar Rao Yadav: Hi, sir. Good evening. In the H1 FY27, by my calculation, we did about ₹172 crore of revenue from Wahren after adjusting for the flexo division. Can we get a split between Alu Alu, PVC/PVDC and any other product, in rupee terms and in tonnage terms? Also, what was our October run rate in tonnage terms, and what utilisation are we looking to close the H2 FY27 at, for Wahren?

Pulkit Agrawal: We will not give product-wise numbers, but I can tell you that almost 85% of the sales were from Alu Alu. As we mentioned earlier, PVC/PVDC witnessed severe supply chain bottlenecks because of the war, which started to ease only in the latter part of H1 FY27. So the majority of sales came from Alu Alu.

Manhar Rao Yadav: Would you be able to mention the utilisation we exited at, which you have been sharing periodically, or what we did in October?

Pulkit Agrawal: Yes, sure. We exited H1 FY27 at 43% capacity utilisation. That is the exit number.

Manhar Rao Yadav: Sir, what I was asking is what utilisation we are looking to exit this financial year at for Wahren, unless you would not like to comment on that.

Deepanshu Goel: We are trying to utilise the capacity as much as possible. It has been a very turbulent half-year for many reasons, but we are expecting good growth. It would be difficult to give you an exact number, but we will try to achieve as much as possible.

Manhar Rao Yadav: One more question. By my calculation, we did about 17% gross margin in Wahren this half, roughly 300 basis points higher than the last half. Are these our normalised gross margins, or are we yet to reach them? Because of the inter-company bookings, at one point we were also showing 25%. I am talking only about Wahren, not the overall group. Is there room for expansion just on normalisation, not counting incremental exports?

Pulkit Agrawal: These are normalised gross margins. As I have mentioned several times earlier, you will see mid-teens gross margins, which could move by 2–3% either way. As we continue to ramp up the PVC/PVDC business, which carries higher margins than the Alu Alu business, we expect gross margins to keep rising slightly over the next few quarters. But you should take the mid-teens number as the long-term level.

Manhar Rao Yadav: One last question, sir. Our working capital limits and short-term borrowings have increased significantly. Is incremental working capital available to us, considering the growth we may see in the second half? From the outside it looks like we are almost at the limit.

Pulkit Agrawal: We are not at the limit. There is sufficient working capital available, but we don't avail working capital six months ahead of time. There are bankers and other players willing to extend facilities to us. As I mentioned, we have started relationships on the export factoring and domestic factoring side, and we will continue to scale up as and when we need them. Financing should not become a bottleneck.

Manhar Rao Yadav: Okay, sir. Thank you so much. That's it from my side.

Himani Singla: Thank you, Mr. Yadav. The next question is from Mr. Darshan Gala. Please unmute yourself and ask your question.

Darshan Gala: Hi, Pulkit ji. Hi, Deepanshu ji. A good set of results despite the turbulence you have faced. My first question: our other expenses have shot up, which is understandable. How much of this is incremental purely because of the situation we faced? The other expenses booked in this half are close to what we booked for the whole of last year. How much of it should we treat as steady state, carried forward, and how much was one-off?

Pulkit Agrawal: Standing where we are today, you should look at it as a steady-state number. Some of our power bills are part of other expenses, so if power costs, which have gone up because of the crisis, come down, we could save a few crores in this number. But I would not build my case on that; I would assume this is the steady state. As I said in my remarks, these expenses will not grow in line with

the top line. Going forward, you will see the top line increasing much faster than other expenses, so in percentage terms they will look much smaller in the future.

Deepanshu Goel: You are right, Darshan. At this point there has been an increase in the cost of freight and energy, as Pulkit mentioned. We are hopeful that this pricing will soften over a period of time, which should be a positive factor in the coming months.

Darshan Gala: Understood. Second, I know you don't give forward guidance, but what are the utilisation levels currently, in November, across the three plants, PVC/PVDC and the new Alu Alu line, in metric tonne terms?

Pulkit Agrawal: I can tell you the run rate for September, because that is the period we have closed. The run rate for September was about 43%, 40-odd percent, for Alu Alu and around 10–15% for PVC/PVDC.

Darshan Gala: And since an earlier participant asked by when we look to fully utilise the capacity, whether FY29 or FY30, and Deepanshu ji said earlier than that, can I take it that we are planning to utilise the current Wahren capacity by FY28?

Deepanshu Goel: That is the target, Darshan.

Pulkit Agrawal: Of course. Why would we want to delay it? If it were up to us, we would want to utilise it within the next month.

Deepanshu Goel: Darshan, pharmaceutical packaging is a tough business to be in, as you know; the entry barriers are huge. We are continuously in discussions and in the process of getting validated by various large pharma companies, and we are looking at export avenues where there has been good traction. So the idea is to utilise this facility as soon as possible. This large facility gives us a lot of headroom for growth. It has also given us a different spectrum of products, as there are many pharmaceutical companies abroad and in India who need these adjacent products. So it has definitely mitigated our risk and given us a platform for growth.

Darshan Gala: Wonderful. I know about the entry barriers; I have spoken to many industry people and they all have good reviews about you. One last try, as Manhar also asked: what exit capacity utilisation are we looking at for this financial year?

Deepanshu Goel: It is different for different products. I would say we should be at more than 50% utilisation for Alu Alu, and around 20–25% for PVC/PVDC.

Darshan Gala: This would be the exit run rate, right?

Deepanshu Goel: Sure.

Darshan Gala: Fine. I will fall back in the queue. Thank you so much.

Himani Singla: Thank you, Mr. Darshan. The next question is from Mr. Aditya Pahilwani. Please unmute yourself and ask your question.

Aditya Pahilwani: Congratulations, Pulkit ji and Deepanshu ji, on the numbers. I have two questions. First, we now have the machines in place and it is a matter of execution to scale them up. One or two years down the line, these machines

will be running at full capacity, so what is Wahren's aspiration after that? What is the next business plan? Second, on the previous call you mentioned that we had ventured into blister foil. How is that going, and what is the capacity there?

Deepanshu Goel: I will answer the second question first. We have already started with blister foil, but only for exports. As a strategy, we are not serving the domestic market with it. On your first question, about the next target after completing this facility, did I hear you correctly, Aditya?

Aditya Pahilwani: Yes. And expanding on it, we are a company where working capital is stretched, and a lot of money is already going towards interest. So how would we scale after this, in terms of which business, and how would we manage the funding given the stretch in working capital?

Deepanshu Goel: Aditya, as of now we are not spending anything further. Our complete, 100% focus is on using the capacity of these machines and increasing utilisation. We are not going for any other capacity or facility. We may require some small additions here or there to facilitate production, but not more than that; that is very clear. As for two or three years after that, to be very honest, we have not made a roadmap. Right now, we are totally concentrating on these two lines of business, where we need to increase the utilisation of our facilities.

Pulkit Agrawal: Aditya, you should look at it this way. Two or three years back, we were a company with a top line of about ₹90 crore, and we have built capacity for ₹1,000 crore. So we are already taking a big leap. We want to land it well first and enjoy the benefits of this big step before taking the next one. Once this is settled, the world is open, but we will not go outside our area of competence. We will keep expanding in concentric circles into adjacent markets that we know, and there are many of them. Right now we are focused on pharma, but there are several adjacent markets we can serve and expand into quickly. We have demonstrated in the past that we can latch on to a big opportunity and move quickly. But this is probably not the time. This is the time to keep our heads down and execute on the plan we have drafted for ourselves for the next couple of years.

Aditya Pahilwani: That answers it. On blister foil, what is the capacity there? Is it included in the Alu Alu machine itself?

Deepanshu Goel: No, it is a small capacity. We have taken an old machine to service export orders only. As I said, we are not focusing on the domestic market; we are concentrating only on exports through this. The capacity is very small, about 80 to 100 tonnes per month.

Aditya Pahilwani: Okay, and how has the response been, sir?

Deepanshu Goel: The response has been very good.

Aditya Pahilwani: Okay, that answers it. Thank you.

Himani Singla: Thank you, Aditya. The next question is from Mr. Arnab. Mr. Arnab, we have enabled your mic; please unmute yourself if you would like to ask your question.

We will move on to the next participant, Mr. Raunak Bansal. Mr. Raunak, please unmute yourself.

Raunak Bansal: Hello, am I audible? Sir, my question is on exports. In H1 FY27 we had our first exports, over ₹12 crore. What kind of pipeline do we see for H2 FY27, and will it be better than H1 FY27? Also, our long-term target is 25% exports. Which new markets are we exploring, and what new approvals do we need to achieve this 25% target?

Deepanshu Goel: That's a very good question, Raunak. In the export market, we are targeting Africa, Latin America, Egypt, Bangladesh and the GCC countries, all of which have very good potential. We are also looking at Europe, which is a tough market, but we are getting queries. Some of these markets are big in pharmaceutical manufacturing but import their packaging from other countries, and we see good potential for growth there, including Russia, Ukraine and other countries.

Raunak Bansal: Sir, we see that you also participate in many exhibitions. In all the markets you mentioned, do we already have the approvals in place, so that we can supply whenever we get an order, or are approvals still due for certain markets?

Deepanshu Goel: There are no country-specific approvals. We can supply to any country depending on the pharmaceutical company's requirement. What happens is that a pharmaceutical company raises an indent or a sample request, we supply the sample, it gets validated, and then they place an order, which we supply. That is the process, and there is no country-specific restriction on exporting to any country.

Raunak Bansal: Okay, sir. In H1 FY27 we did over ₹12 crore, so going ahead, half-yearly, I think we will be improving on this number?

Deepanshu Goel: Yes, for sure.

Raunak Bansal: And on exports, are we exporting both Alu Alu and PVDC, or are we focusing on only one product right now?

Deepanshu Goel: Everything in our basket. We are exporting Alu Alu and blister foil, which, as I said, is export-specific, along with PVC/PVDC and sachets made from extrusion laminates, which are a differentiator for us. Whatever the client requires, we have the complete portfolio for oral solid dosage.

Raunak Bansal: Okay. And sir, will we be able to achieve this 25% export target by FY28? I think you had mentioned a target earlier.

Deepanshu Goel: Hopefully. We are trying. The initial entry barrier is strong, because a customer giving you an advance or a letter of credit wants to be sure of your consistency and quality. We started with small samples and are now ramping up exports. We are dealing with many enquiries on a daily basis, and we have a dedicated export department looking after them. There has been good traction, and hopefully we will be able to achieve that target as soon as possible.

Raunak Bansal: Okay, sir. One last question, regarding…

Himani Singla: Sorry to interrupt, but since there are other participants in the queue, we are restricting each participant to two questions. I would request the next participants to do the same.

Raunak Bansal: No problem. I will join back in the queue. Thank you so much for answering.

Himani Singla: Thank you, Mr. Raunak. We will take the next question from Mr. Lala Ram. Please unmute yourself and ask your question.

Lala Ram: Am I audible? Thank you, Deepanshu ji and Pulkit ji. I have two questions. First, our total revenue capacity right now of ₹1,000 crore: is that only for the pharma business, or does it include the flexographic business?

Pulkit Agrawal: It is only for the pharma business, and it is much more than ₹1,000 crore.

Lala Ram: Can you throw some more light on what you mean by much more than ₹1,000 crore?

Pulkit Agrawal: We are just being conservative. That is all I will say.

Lala Ram: Good to know. My second question: the 13–14% EBITDA margin aspiration, let's call it an aspiration rather than guidance, is that for the consolidated entity or only for the Wahren business?

Pulkit Agrawal: For both, actually. What you will see over the next few years is that the pharma business will grow so fast that flexography will become a very small portion of the overall pie. So whatever is achieved in the pharma business will also be reflected in the consolidated numbers.

Lala Ram: Sir, a general question. The pharma industry is growing at, say, 10–12%, and we are growing at 40–50%. How are we able to do this?

Pulkit Agrawal: The pharma industry is worth many thousands of crores, and we are talking about one, two or three hundred crores. Even 1% of the pharma market can accommodate many companies like us.

Lala Ram: But you also say there is a moat, with switching barriers. So how are we getting such fast entry? How does an existing customer switch to a new player? That is what I could not understand.

Deepanshu Goel: Mr. Lala Ram, let me take this opportunity to explain. As we have been saying over many calls, our moat is technology and expertise. Having been in the flexographic industry, we are deeply connected to pharmaceutical packaging, in terms of both technology and the market. We have been supplying many labels and other components to these buyers, so there is an existing relationship.

Secondly, when we entered, we could see a definite gap in the market for the right kind of quality. If it seems that we are getting fast entry, that is because there was a clear requirement for a supplier who could deliver this kind of product on time, with the capacity and capability to produce such pharmaceutical packaging.

Thirdly, if you look at it, we are the only company that has built so much infrastructure in such a short period. Our peers have taken 20–25 years to build that kind of capacity, which we built in three-and-a-half years. This gives customers a lot of confidence in our product, and it spreads by word of mouth. Some peers are limited to Alu Alu and some only to PVDC, but we were able to build capacity across products at a very reasonable cost. That has given the Group a big head start. Our focus on quality, on service and on building different product lines is our moat.

Lala Ram: Thank you, Deepanshu ji. So basically I understand that the market was very big and there was strong demand, but the competition was somewhat lazy, not investing or adding capacity, and as a newcomer you moved quickly. Is it that the competition was lazy, or what was the barrier?

Deepanshu Goel: I would not say that; competition is never lazy. Some competitors are complacent. Beyond that, there is one large player and there are very small players who are not able to supply that kind of quality. When a supplier like Wahren comes in, it takes the share of the smaller players who are not compliant with all the requirements of a pharmaceutical company, and who cannot deliver the right quality and quantity at the right time. So there was a direct need. I am not saying anyone was lazy; everybody has a different strategy. And we have been lucky enough to be at the right place at the right time.

Lala Ram: Sir, I am very impressed. So what I understand is that you are taking market share from smaller, fragmented players with small capacities, and that is the bigger reason you are growing faster, rather than the bigger players losing business to you?

Deepanshu Goel: There has been some shift of share from the bigger suppliers as well, because pharmaceutical companies are also looking for an alternative supplier with similar capacity.

Lala Ram: Okay. Thank you so much, sir. I wish you all the best and really appreciate all the hard work of you and your team.

Deepanshu Goel: Thank you for your kind words, sir.

Himani Singla: Thank you, Mr. Lala Ram. The next question is from Mr. Satyam Agrawal. Mr. Satyam, please unmute yourself and ask your question.

Satyam Agrawal: Hi, sir. First of all, congratulations on a good set of numbers. A fundamental question on approvals: when you approach a pharma company, what does the approval process look like and how long does it take for a competitor to get into a particular pharma client? Secondly, what is the total market size of Alu Alu in India and abroad, and what is our market share?

Deepanshu Goel: Thanks for the lovely question, Satyam. A pharma company has a specific way of approving a new vendor. When my team approaches them, they first ask for a set of documents. Next, they ask for samples. Once the samples are tested, they conduct an audit. Some clients also ask for a stability study, where they keep a sample for six months to check whether there is any change in the packaging that could affect the medicine over a long period; this is mandatory at some companies. After the audit, they start with small orders to check quality, consistency and supply, and then they steadily ramp up orders if they see no lapse in compliance, supply, quality or other parameters. That is how we build business with pharmaceutical companies.

Satyam Agrawal: Sir, when we say the pharma business will ramp up very fast in the coming years, do we already have approvals from most pharma companies? Have we taken approvals over the last two or three years so that this ramps up quickly over the next two or three years?

Deepanshu Goel: Satyam, getting approvals is an ongoing process. We have approvals from, let's say, 300 to 350 companies that we are already supplying. But there are more than 2,000 to 3,000 companies that are not buying from us, and we are in constant touch with them to get approvals on a regular basis. It is a one-time process for each pharmaceutical company: once they approve our facility, they keep ordering, and no second audit is required unless there is some major lapse on our part.

Satyam Agrawal: Okay. And are we growing rapidly within particular pharma clients, if we name some big companies?

Deepanshu Goel: Yes. We have just onboarded Indchemie, Micro Labs, MSN Pharma and the export division of Hetero. There are many excellent pharma companies, including South Indian companies such as Caplin and Madras Pharma, and new clients are coming in for audits and starting orders on a daily basis.

Satyam Agrawal: Got it. Thank you, sir. And the other question was on the total market size of the Alu Alu foil business and our market share.

Deepanshu Goel: In India, the current market size is approximately 5,000 metric tonnes per month. We are not yet a big player, so we have very good headroom to grow. For the global market, I will not be able to give the right number right now, Satyam. It is a fast-growing market. The market is shifting from normal blisters to Alu Alu, owing to its aesthetic value and barrier properties, so it would be difficult for me to give the total global market size at this point.

Satyam Agrawal: So, sir, we would roughly have a 33% market share, because you said 5,000 tonnes a month, which is 60,000 metric tonnes per year, at the expanded capacity?

Deepanshu Goel: That is the installed capacity.

Satyam Agrawal: Yes, at the expanded installed capacity we would have a 33% market share.

Deepanshu Goel: If we are able to convert 100% of the installed capacity, which is difficult in practice.

Satyam Agrawal: Okay. Typically in our industry, what is the optimum utilisation we can go up to?

Deepanshu Goel: 80% to 85% is good utilisation.

Satyam Agrawal: Okay. Thank you so much, sir.

Himani Singla: Thank you, Mr. Satyam. In the interest of time, we will take one question each from the next three participants. Please limit yourself to one question. The next question is from Mr. Deepak Poddar. Please unmute yourself and ask your question.

Deepak Poddar: Thank you very much for this opportunity, and many congratulations on a good set of numbers given the challenges.

Pulkit Agrawal: Deepak ji, there is a very strong echo in your voice.

Deepak Poddar: Is it better now? I will try to ask my question and see if I am audible. You mentioned that the first quarter was bad and you recovered well in the second

quarter. Out of the ₹233 crore, how much did we do in the first quarter and how much in the second quarter?

Deepanshu Goel: Your voice is not very clear, Deepak. Which company are you from, if I may know?

Deepak Poddar: Sapphire Capital.

Deepanshu Goel: Sapphire, okay. Could you please repeat?

Deepak Poddar: I was asking about the revenue split of the first half, how much we did in Q1 and how much in Q2.

Pulkit Agrawal: I can't give you the exact numbers offhand, but I would estimate that Q1 was around 35% to 40%, and Q2 the rest.

Deepak Poddar: Understood. And given that approvals take time, when you say ₹1,000 crore for Wahren, that includes PVDC as well, right?

Deepanshu Goel: Yes.

Deepak Poddar: So given that it will take time, is it possible to optimally utilise our capacity by FY28, as you were saying to one of the previous participants?

Deepanshu Goel: We have the advantage that we are already supplying to many companies that buy our products. We think that will help us ramp up production on the newly added facilities and product lines.

Deepak Poddar: So it is possible? Approvals take time, but you are already tied up with so many companies, so you can utilise the pharma capacity optimally by FY28?

Deepanshu Goel: That is our target, Deepak, though it could be FY29. As promoters, we will try to achieve it as soon as possible. Let me be very specific: I am not giving guidance that FY28 will see full utilisation.

Deepak Poddar: Fair, I got it. That would be all from my side. I wish you all the best. Thank you so much.

Himani Singla: Thank you. We will now take a question from the chat, from Mr. Arnab.

Arnab: My question is on the pharma packaging business. If we categorise customers into two groups, CDMOs and generic marketing companies, my understanding is that Wahren has done a good job of penetrating CDMOs such as Akums and Tirupati, which are price-sensitive. What is our strategy to increase share and become a primary supplier to generic companies such as Sun, Lupin and Cipla, where entry barriers are much higher? Also, could you share the revenue split between CDMO and generic players, if possible?

Deepanshu Goel: Good question, sir. On the large generic players like Lupin that you mentioned, we are already supplying to many of them, including Aurobindo, Alkem and Lupin, as well as Intas, Ajanta, Torrent, Cadila, Zydus and numerous other companies. The split between CDMOs and pharmaceutical companies would be around 90:10, as there are far fewer CDMOs than pharmaceutical companies; that is natural. We are in discussions and getting validated by all the large companies, and we now supply to at least 40% of the major players. We are in constant touch with the rest of the really big ones, including Sun, where there

have been many conversations, and there are other targets such as Ipca, USV and several more.

Himani Singla: Thank you. Mr. Arnab, we have also unmuted you in case you would like to ask anything further.

We will move to the next participant, Mr. Prasad Heda. This will be the second-last question. Mr. Prasad, please unmute yourself and ask your question.

Prasad Heda: Good afternoon, gentlemen. Pulkit ji, if I understood correctly, Wahren's steady-state gross margin could be in the range of 17–18% and the EBITDA margin in the range of 13–14%. Is that right?

Pulkit Agrawal: Mid-teens is the answer; you should work with mid-teens. I think we should be able to achieve 17–18%, conditional on two or three factors. The first is growth in PVC/PVDC, which are higher-margin products, and the second is growth in export sales, which are again higher-margin sales of the existing products. Conditional on these factors, we should be able to achieve this. This is the gross margin we are talking about.

Prasad Heda: Okay, sir. Thank you.

Himani Singla: Thank you, Mr. Prasad. We will take the last question from Mr. Manprit Aurora. Please unmute yourself and ask your question.

Manprit Aurora: Thank you, and good evening, everyone. Just a clarification: you mentioned the H1 FY27 exit utilisation was 43%. Is that on the original Alu Alu capacity of 8,000 metric tonnes, or on the whole?

Pulkit Agrawal: On the whole 20,000 tonnes.

Manprit Aurora: On the whole 20,000 tonnes. And we want to exit the full year at least at 50%?

Pulkit Agrawal: Yes.

Manprit Aurora: And the growth in revenue has partly also come from the price increases we have taken in Alu Alu?

Pulkit Agrawal: Yes.

Manprit Aurora: We have traditionally been in the range of ₹380–400 per kg, and I think we mentioned it had gone up to ₹500–550. Given the war and so on, are these still the ongoing prices?

Pulkit Agrawal: Almost in the same ballpark right now.

Manprit Aurora: All right. Thanks a lot, and all the best.

Himani Singla: And one last question from the chat, from Mr. Amit.

Amit: How much of the employee and other expenses in H1 FY27 were front-loaded?

Pulkit Agrawal: All the employees we have hired have been hired in anticipation of sales. Many employees are common to the existing facility and the new facility; the new Alu Alu facility is not a separate facility but a brownfield expansion. So we will not be able to give an exact bifurcation of the front-loading of these expenses.

But you can assume that the majority of the increase in expenses has been on three counts, which I have mentioned in my remarks and during the Q&A. The first is higher power and fuel expenses, as diesel and gas prices have gone up. The second is higher logistics costs. The third is the increased headcount and other expenses on account of the plants getting started. You can assume these to be steady state, if the underlying factors remain status quo.

Himani Singla: Sure. We understand that you may have more questions, but in the interest of time, that was the last question. You are welcome to send your questions to the email address mentioned in the investor presentation, and we will respond at the earliest.

With this, ladies and gentlemen, on behalf of Creative Graphics Solutions India Limited, that concludes today's call. We thank the management and all of you for joining us this evening. For any further queries, please write to cs@creativegraphics.net.in. Thank you, everyone, and have a great day.

Deepanshu Goel: Thank you, everyone, for your time.

Pulkit Agrawal: Thank you, everyone.

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