

Date: 25-05-2026

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

Stock Code: 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 21<sup>st</sup> May, 2026. 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

Puja Arora Mehrotra  
Company Secretary & Compliance Officer

# Creative Graphics Solutions India Limited

## Analysts - Investors Meeting -21<sup>st</sup> May ,2026

**PA** Pulkit Agrawal

Hello and good evening, everyone.

Thank you everyone for joining us. This is the earnings release conversation that we will have today. I first of all would like to thank all of you for your patience. I realize we have started half an hour late. There was a technical glitch because of which the results were not getting uploaded.

I hope you have all seen the results now. We will also walk you through the results. We realize that you have not had enough time to go through the results, but we will walk you through them and we will be happy to answer any questions that you have. There is also a press release that we have uploaded.

I will share the link with you for that as well. For now, let's start.

Mr. Deepanshu Goel, who's our managing director, is with us today, and he will start with the opening remarks, and then I'll follow up, and then we will be available for your question and answers as well.

Thanks.

Deepanshu, over to you.

Deepanshu, you are on mute.

**DG** Deepanshu Goel

Hi everyone. First of all, sincere apologies for the delay. There was a glitch. We could not actually upload the results. So anyhow, we are going to share all the results right here because there will be definitely some shortage of time for you to go through all the things.

It has been a mixed year for us. There has been a rapid growth, growth in the terms of the sales, growth has been in terms of when it comes to Wahren and we have increased the capacity. There have been different CapEx they have done. They are at the round of the corner, some have already been implemented, some are about to, and there has been a very good order book, but definitely the situation has been very volatile. There has been a very challenging situation at time. There was a delay in scheduled project that has increased over the past, and also...there was supply challenges and I would ask Pulkit to share all the results along with the result along with the full detailed report, and we'll be happy to share you to take your questions. Thank you, Pulkit, over to you.

Pulkit.

Can you please share that report?

**PA** Pulkit Agrawal

Yes, sure. Just give me a moment.

Is it visible to all of you?

**DG** Deepanshu Goel

Pulkit start from the first page, please.

Yeah, it is visible. You can go ahead.

**PA** Pulkit Agrawal

For everyone, our total consolidated income for the year was Rs.348 crores. It is up from 135 crores in year 23-24. So we have been on an upward trajectory. Our profits have also been increasing. Although there has been a slight decline year on year. In FY24-25, our profit, net profit after tax was 20.77 crores, which has been 18.67 crores in FY25-26. There is a slight drop and we will discuss about this drop shortly. In the half year numbers, consolidated numbers, you will see that our revenues top line was 172 crores, slightly below the previous financial, the previous half year, which was H1 of 2026, but significantly higher than the same period last year.

In H2 2025, we did 140 crores and in H2 2026, we did 172 crores. So up significantly year on year, but a slight drop from the immediately preceding six months. The profit at the consolidated level has declined to 6.55 crores from 12.21 crores in the immediately preceding six months and compared to the same period last year, also there is a significant decline and we will discuss the reasons shortly.

The standalone performance, you will see again, there is a significant rise in both sales and profits. Again, on the profit front, there is a very similar number to the last financial year, for the full year, and for the six months in H2.

There is a decline compared to both year on year and first half of this financial year, although we continue to, you know, so the reasons behind it,

we have shared on this group chat, the earnings release. You can all go through it. What we have tried to do is we have tried to answer some of the questions that you might have.

Why is the full year consolidated sales higher but profit is lower? There are two key reasons we have been discussing in our past interactions as well.

The first is that we have been focusing on capacity enhancement and capability building during the year, because of which we have

launched not one, not two, but multiple, at least four new areas of offensive. So we have launched A Flexo factory in Bangalore another one in Oman. We have a PVC, PVDC product line that has just gotten commercialized and a new 20,000 metric ton Alu Alu factory is in the process of getting commercialized. So that will happen in the near future. All of this has caused our expenses to be higher and the accruals from the top line of these initiatives will come only in the next financial year, which has caused, although sales have grown on the consolidated level, profits have not.

The second reason is something we have discussed in our past interaction as well is the challenges that we've seen on price volatility, H2 was a very volatile period for all of us. There were tantrums from America and there were also war-related supply chain issues because of which both the sentiment was damaged, as well as there were volatility in raw material prices, especially in aluminium prices and foreign exchange. Aluminium is 50% of the raw material for our pharma packaging business, and we were significantly impacted by it. So, our estimate is that around 5 crores of impact in our gross margins in the pharma packaging business was because in H2 was because of aluminum prices and foreign exchange and supply chain related issues.

At the consolidated level, sales were lower than H1. Now let's compare the numbers between H2 and H1. You will see that for the consolidated numbers, even the sales figures, H1 versus H2, were slightly lower. So, 172 crores versus 177 crores. There is an impact of H2 again in this the pharma packaging business, as I just mentioned, was impacted due to war-related supply chain issues March month was especially impacted as even as even prior periods, volatility was there in prices, but even supply got restricted in March significantly, and that has continued in April and May also. Our Flexo business was also impacted in H2 because of the macroeconomic scenario. So there has been impact on the flexo business as well.

One note here is that in the standalone numbers, you will see that there is a significant rise in the standalone numbers. There is some internal sales that we did in H2 from Creative to Wahren. This is purely a business decision because Creative being a listed company gets better offers from some suppliers, so we buy in Creative and sell it to Wahren.

We have also created a business. We received good feedback from all of you regarding us, regarding our previous business update and we have used the same format for this update as well. So, this is the business update. Deepanshu ji, would you like to speak on this?

**DG** Deepanshu Goel

Thank you. So, as we have already disclosed so many times and discussed, there was a PVC, PVDC machine which we had acquired through NCLT. It took some time to get commercialized. We are happy to share that we have commercialized the production of it. There has been definitely, we have orders in hand, but there is some shortage of our raw material which we are trying to solve.

Pulkit, can you go to the same sheet, please?

Then there was another tandem machine which is another unique purchase of us. This is also has given a different capability. We have also commercialized this in April. We have right now we are at the sampling stage. It gives a different product line for all the pharmaceutical companies.

And as for this year is concerned, we are very, very enthusiastic for this product line.

The third is our Bosch machine, which really got delayed and it is now has already been installed and all the trials runs are being happening right now. We are at the cusp of starting the commercial revenues within coming future, very soon.

As far as the market is concerned, we are totally focusing on, we have increased the capacity, we have increased the capability, we are totally focusing, we are totally focusing on the export market. We received our first export order in February. It is a long gestation time. It is a long, the obstacles are high and we are happy to share that we still have now 100 around 100 metric tons of export partners in hand.

We, as far as the flexographic is concerned, there has been a one or two years which have been not very good at the sales of flexography, but with now EPR practices are coming to a picture. We anticipate that the current year is going to be a much better when it comes to the sense of flexographic printing plates. We, in anticipation, we had started a Bangalore facility. It had been also commercialized. We are at the stage of acquiring clients, testing, and there was another expansion in Oman, which actually got delayed because of this war issue. There has been a supply challenge there. There has been an issue of the manpower right now. We are going to solve this very soon and we have hope to commercialize this facility in coming future, in next quarter, in coming quarter. So, we, as far as this mitigation is concerned, we have insured all of our debtors. This has already been disclosed last time and we continue those also. We, as far as the financial are concerned, as our revenues are growing, we need a better working capital platform. For that, we have tied up with another bank, Citibank, as a second banker.

And we are also getting some discounting from different platforms.

So as I discussed for the exports, we had our first export in February. Now we have ordered to cover more than 100 metric ton. We are totally focusing on exports. There is a better realization of money and we hope that this would add to our profit or margin and our revenues this year considerably.

So this was the update from our side. If I would invite all of you to ask questions.

**PA** Pulkit Agrawal

We are open for questions.

First question is from Arnab Nawalkha. I am unmuting you.

Please ask your question.

**A** Arnab Nawalkha, Trisula Capital

Hi, Deepanshu and Pulkit. Thanks for the opportunity. What I want to understand is, sir, since we have now almost entirely pivoted business towards Wahren Alu Alu foils, so what is our competitive strategy or say your right to win in this segment, particularly against some of the larger and well-capitalized incumbents like your Svam Toyal, which has the fort backing?

**DG** Deepanshu Goel

So, I tell you the whole, we are not the Svam toyal is not a competition anymore. We are, if you look at the Svam has been focusing only on one product that is Alu Alu Wahren, has built its capacity beyond Alu-Alu. Now, we are not dependent on only one product. Svam has a not mitigated this, not has expanded its strength.

Now, we go to any client where we have all the product when it comes to OSD, we are dealing with CR foil, we are dealing with the Blister foil, we are dealing with the with all PVC, PVDC products. We have a tandem exclusion, three-layer, four layers, where the there is no not many suppliers even in India, so that has given us the strength. We are much newer than Svam for sure and we have a better market capitalization when it comes to sales, because they have been there for 25 years. If you see, if you see within a span of 3.5 years, we are at a 50% of sales, as far as the Alu Alu is concerned, and we are very hopeful that within this year and within coming year, we should be superseding their setting that Alu Alu and beyond that, we are not limited to one product.

**A** Arnab Nawalkha, Trisula Capital

So, Deepanshu ji, what would you attribute is like our competitive advantage in this segment? Is it like operational efficiency or manufacturing process or sales network or what exactly is our right to win?

**DG** Deepanshu Goel

Well, my voice is not very clear. Can you come again, please?

**A** Arnab Nawalkha, Trisula Capital

Yes, sir. I was just asking, is it audible now?

**DG** Deepanshu Goel

It is audible, but a little bit the voice is a little bit is blurred.

**PA** Pulkit Agrawal

I'll repeat the question on behalf of Arnab. The question is, what is our right to win in the Alu Alu business?

**A** Arnab Nawalkha, Trisula Capital

Yeah.

**DG** Deepanshu Goel

So, we have a, if you we are competing with, if you are talking about in comparison to Svam, I think we as a product lineup, this is there are a lot of products I would not name the client. There have been so many clients who have been easily initially difficult to be approached. They have been calling us, inviting us because the Product line we have.

Secondly, we are the only one when it comes to Alu Alu besides Swamp who have been able to give that kind of a quality and service to to the pharmaceutical manufacturers. How that we can take it as a that we are alternative to supplier to them and we, as we have been in the industry for the last 25 years for the packaging printing because of the Creative Graphics, the kind of strength we have in the printing and adding the value, I think we will be in coming time, because it is a matter of time now, this will be shown into the market.

So I think that we are not lesser than Svam. I will not say it, but the strength right now in the in the terms of product portfolio and the terms of value addition, we are much ahead than Svam.

**A** Arnab Nawalkha, Trisula Capital

Got it, got it. So, my next question was in terms of client concentration, if you could put up a number in terms of what is our top 5 or top 10 customers contributing as over our top line.

**DG** Deepanshu Goel

So, our distribution is very, very equitable. It is not concerted to one or two clients who are have been buying 80% of the, so 80% of the revenue it has not been there. It has been very very well distributed and because in pharmaceutical, especially for the primary packaging which we have been manufacturing, the initial resistance is high that they start buying up with a very smaller quantity. If we talk about the large clients like Intas, Torrent and Cadila and Zydus, they had now they started very slow and they have started buying. You can rate them. This is one of the highest buying client, but they're still 80- 20% but does not applicable or does not apply here. It is very distributed. We are more than, we are having more than 400 clients and slowly, steadily they have started buying more. To be honest, we have an order book which we are not able to complete every month, so it is actually spreading to the next month, every month on month, with the new facility on the world, we are hopeful that would be increasing our revenue by completing this order, we will be much more aggressive and owing to the now our performance in export market. I think this year should be one which would show that we, for which we have for the last three years, we have built up the capacity. Now it is time to show the performance and when it comes to the revenue.

**A** Arnab Nawalkha, Trisula Capital

Got it. Sir, just last question. So, on previous calls, we have spoken about that we want to essentially double our top line every year going forward. But given that micro economic environment has changed a tat bit since then. So, and if you're doubling top line every year, then

essentially say three years out, you're moving up eightfold. So, I think, do you believe that it is too aggressive and we need to taper it down or how are we looking at the business trajectory from there?

**DG** Deepanshu Goel

Pulkit, can you summarize because the voice is not very clear here?  
If you could understand.

**PA** Pulkit Agrawal

I could also not get it, Arnav ji. You will have to repeat for yourself.

**A**

Arnav Nawalkha, Trisula Capital

Okay, sir, I'll just repeat it. On previous calls, sir, we have talked about that we want to double our top line. We want to double our top line every year. That is the idea. So, say we are doubling our top line every year for three years, then we are moving 8 folds in terms of net. We are going eight times over. So, given the changes in macro-economic environment, do you think we have to revise our estimates or?  
How do you feel the business trajectory headed?

**DG**

Deepanshu Goel

I don't think we need to revise; there have been some correction here and there, but as far as the Indian market is concerned, as far as the outside demand is concerned, there has been no impact as such, as if now.

**A**

Arnav Nawalkha, Trisula Capital

So, so you think we can double top line every year going forward?

**DG**

Deepanshu Goel

We are, we are, that is that is our expedition and we think the kind of facility we would definitely try to.

**A**

Arnav Nawalkha, Trisula Capital

Got it, got it. Thank you so much.

**PA**

Pulkit Agrawal

Arnav ji our installed capacity across all the businesses is capable to support 1000 plus crores of turnover already.

**A**

Arnav Nawalkha, Trisula Capital

Okay, got it. Thank you.

**DG**

Deepanshu Goel

Pulkit, can you unmute Mr Manjeet?

**PA**

Pulkit Agrawal

Manjeet ji, please ask your question.

**DG**

Deepanshu Goel

He's still on mute, Pulkit.

**PA**

Pulkit Agrawal

No, I have allowed him to speak. He will have to unmute himself.

No problem, we will take the next question from Vardhaman Lunia ji. I am unmuting you now. Please ask your question.

**VL**

Vardhman Lunia

Hi, I just had a slight question on the demand side. So why exactly is the war disrupting pharma packaging demand for us, you know, as a smaller player? Because, you know, the Middle East market really is not, you know, a top one or two export market. So, is it purely sentiment driven or is there something else that is more structured?

**DG**

Deepanshu Goel

We all know there has been no impact on the demand as if now. There is a shortage of supply. We are really struggling when it comes to supply. We all of our raw material is coming through imports. There has been a severe delay in supply. There has been a cancellation of orders from the supplying side going to war. That is the only challenge as if now.

There is no impact. I don't know about the future, but as if now, there has been no impact on the demand side.

**VL**

Vardhman Lunia

Understood. Thank you.

**PA**

Pulkit Agrawal

Thank you.  
The next question is from HK, I am unmuting you now. Please ask your question.

**DG** Deepanshu goel  
Yes.

**H** HK  
Yes, thank you for the opportunity. Am I audible?

**PA** Pulkit Agrawal  
Yes, you are.

**H** HK  
Yes, sir, we said that we would be, you know, doubling our revenue every year going forward. So that implies that the 1000 crores of top line target that we have, that would be achievable by FY28. Is my understanding correct?

**DG** Deepanshu Goel  
Yes.

**H** HK  
Right, and some majority like 70 to 80% of that is coming from Alu Alu. So, what exactly, like what will be a margin profile in Alu Alu?

**DG** Deepanshu Goel  
So, what I just wanted to convey that is not the Alu Alu there have been different products on that when it comes to explore the margin profile is much better, which we are targeting right now, and the exact margin profile you can see and Pulkit can share data, so...  
Our product portfolio is much wider. It is having not many other products. Even in Alu Alu, we are doing lot many holography and other anti-counterfeiting features supplies, which has a much better margin profile.

**H** HK  
Right, sir. Sir, in this year we did a consolidated top line revenue of around 345 crores. So, can you give the split of it by business segment?

**DG** Deepanshu Goel  
so if you can see Pulkit, you would be able to give this answer in a better place.

**PA** Pulkit Agrawal  
Around 130 crores was from flexo business, rest was from Alu Alu.

**H** HK  
Okay, and so on the 1000 crore top line, what would be a business split or you know top line split at that time?

**PA** Pulkit Agrawal  
80% from the Wahren business, which will itself have Alu Alu, it will have PVDC, it will have tandem products and 20% from flexography.

**H** HK  
Right, and what is the margin profile or margin profile of Wahren Business?

**PA** Pulkit Agrawal  
The margin profile at that state would be around 17-18%  
Gross margin and mid-teams 14% kind of EBIDTA Market.

**H** HK  
Understood. I'll get back in the queue. Thank you.

**PA** Pulkit Agrawal  
Thank you.  
Next question is from Deepak Poddar ji  
I am unmuting you. Please ask your question, Deepak Ji.

**DP** Deepak Poddar  
Hello,  
Am I audible?

**PA** Pulkit Agrawal  
Yes, you are audible.

**DP****Deepak Poddar**

OK, great, great, great. OK, thank you very much, sir, for this opportunity. So, I just first up wanted to understand, I mean, the margin impact that we saw in second half. I mean, it was major because of, I mean, the expenses related to PVDC and then the flexo revenue also got impacted and the Wahren also didn't do that.

So, I mean, what are the key one to reason that you would attribute to the margin decline in the second half?

**PA****Pulkit Agrawal**

Yes.

So the first reason is the margin was anyway going to be impacted because we are on an expansion phase and our expenses are and our expenses are front loaded. So, our expenses are upfront, whereas the benefit will come in future periods. On top of it, we also had a very volatile period, in the pharma business because of the tariff situation and the supply chain issues, war related issues, that has added as a layer on top of it. Those are the two big reasons I would say.

**DP****Deepak Poddar**

Okay, okay. As we see how we stand on those two reasons as we stand today, I mean, has the volatility reduced in pharma business and since the expansion we are through, right, and largely. So how should one look at your margins? I mean, will it come back to originally, or how much time will it take?

**PA****Pulkit Agrawal**

So I'll be honest with you, the supply chain issues are not, we are not still out of the woods yet. The, it is open news, I don't, I think I am an expert on it. Everybody is, you know, in the same boat. So, we are not still out of the woods yet, but I think now we have started to get some visibility on things normalizing.

**PA****Pulkit Agrawal**

I think the world will adapt very quickly and we are operating to that plan. If there is a change, then we will also adjust accordingly.

**DP****Deepak Poddar**

So, I mean, do clients understand that? I mean, does that help because of this volatility? Do we get the price increase, hikes on the clients? How is that?

**PA****Pulkit Agrawal**

Yes, absolutely. The prices have gone up. So, it's a partnership that we have with our clients. It is a sticky business. Our clients are people who want best quality, they want best hygiene, they want best qualifications. So, it is not like they will get it elsewhere, but it is also not like we will get an unreasonable price hike. So, we have received price hikes on our product every month. I'll give you a sense. A few months ago, we were selling at 400 rupees. Now we are selling deepanshu ji at 550.

**DG****Deepanshu Goel**

Yeah, So the price range price range is definitely 30% more than 30% higher than what we were selling earlier.

**PA****Pulkit Agrawal**

Yeah.

So we have been able to pass on those prices, but that does not mean that the volatility will not hit us. Volatility will hit everyone.

**DP****Deepak Poddar**

Okay, okay. So, some portion we have been able to pass on to our customers. That will kind of help us.

**PA****Pulkit Agrawal**

Yeah.

Yes, yes, absolutely. In fact, we have mentioned it in the past. We have we have had situations, as Deepanshu ji said, there is no dearth of demand in the pharma space. We have not seen demand come down, but supply challenges have been there because of which we have had several months in which the demand was there.

**PA****Pulkit Agrawal**

We planned according to the visibility that the supply will come, but the supply did not come. We had to buy at a higher price in the following months and fulfil the demand of the previous month. Because once we have taken the order from a customer, we don't go back and revise the price. So that has hit us. We hope that with our new machine coming up, we will have some significant capacity plus I think the world will adapt and the supply chains will become normalized so we will be in a stronger position.

**DP****Deepak Poddar**

Yeah.

Okay, okay, any guess on the timeline, I mean, in terms of margin normalization, will it take three months, six months? Any sense you can give that to me?

**PA** Pulkit Agrawal  
What can I say? Every day is so volatile, sir. We are also watching; we are also watching the news.

**DG** Deepanshu Goel  
It's going on.

**DP** Deepak Poddar  
Yeah, I understand that, but...

**DG** Deepanshu Goel  
Because it is not, it's not question of margin items, question of supplies. So, there is, if I give you one example that we buy PVDC from a company abroad, they were having stalls here, they are a warehouse. So, when we got so many orders, they actually had some fire with the one kind of a container with them. So, there has been, if you see the client is ready to pay, but we could not produce because it was no PVDC at that point of time. So that supply challenges have been impacting, not that, to be honest, the pharma companies, they understand that they, because there is no supply, they will have to actually look at this series also. So, I don't think that is a challenge as of now. It is the margin profile will be much better. We are able to produce that kind of a quantity which we are aiming at owing to the supply chain challenge as of now.

**DP** Deepak Poddar  
Okay, so but I can say if this first half margin is the bottom, I mean, what we have seen in first, the second half margin, what we have seen is the bottom. Now things can only progressively improve. Would that be a fair thing to say?

**DG** Deepanshu Goel  
Should be, should be, yes. I hope for the best, and I think that should be.

**DP** Deepak Poddar  
Okay, understood. And just one last thing, the PVDC revenue has started, right?

**DG** Deepanshu Goel  
We started in January and because of, you know, the pharma structure, you have to supply some samples and then sampling gets approved. There are some few people will try to get the stability done. So that takes some time and we started getting orders, March onwards and we then there was some scarcity because there was a large order placed for the coating and it could not be delivered. So that these are the practical challenges which not me, but I suppose every manufacturer has been facing as if now. And I think that the situation now, we were everybody was taken over a surprise. Nobody even estimated that this will happen. Now people are much more aware. They are much more would say, prepared and definitely I think that we should be able to achieve the target we are aiming for.

**DP** Deepak Poddar  
Okay, okay, and Wahren capacity when it is getting on stream, the new capacity.

**DG** Deepanshu goel  
Sorry, Wahren capacity.

**DP** Deepak Poddar  
The new capacity when it is coming on stream.

**DG** Deepanshu Goel  
Purchase on the cusp of starting, so we have already done all the trials, so there's a last stage of doing it on the last trial where the supplier will go and the customer will validate of different processes, and we think very soon it will be the commercial next.

**DP** Deepak Poddar  
And demand is not an issue that we have already mentioned.

**DG** Deepanshu Goel  
As if now, demand is not an issue, as if now, there's no, we still our out of book is full and.

**PA** Pulkit Agrawal  
So, demand is not the issue, supply is the issue, sir. We need sufficient supply.

**DP** Deepak Poddar  
Yeah.  
Okay, I that's it from my side. I mean, we wish you both all the very best.

**PA** Pulkit Agrawal  
Thank you, Deepak Ji, Next question is from Rishabh Joshi Ji. I am unmuting you. Please ask your question, Rishabh Ji.

**RJ** Rishabh Joshi  
Hi, am I audible?

**DG** Deepanshu Goel  
You are.

**PA** Pulkit Agrawal  
Yes, you are.

**RJ** Rishabh Joshi  
Yeah, thanks, Pulkit, Deepanshu, for giving me time. A quick question is, you know, you've been mentioning the supply chain disruption issue throughout this call. I'm just trying to say, can you provide some little more texture on the nature in the sense that how you see this clearing out in terms of are we still having a very difficult time procuring it? Do you see that supplies are amping up at your end, providers end or some kind of visibility over the next two, three months, at least for the orders that we need for our capacity, we should be able to procure this material? Or is there still a lot of uncertainty and inability for you to really procure?

**DG** Deepanshu Goel  
No, well, that's a good question. The what has actually happened that we were taken for surprise that nobody estimated that kind of trouble or you know, some kind of volatility immediately and we were actually there a supply chain. You understand that there has been a sufficient supply chain, but the supply chain got disrupted. There was no incoming of the raw material because of the delays in ships. There was a nothing coming and it is actually we are still dependent on the imports. So, it has been impacting now. We taking that lesson from that we started ordering sufficiently, anticipating that there could be some delay, but still, if you see that, you know, still now, if I see that we have been importing PVC from Korea and largely from Korea and Thailand, and if the ship had to come last month it was delayed by 20-25 days, then after that it is not being cleared. There has been so much of clogging at all the boats and the rail out going. It is taking time, so still I don't know what is there, whether it's not only the supply challenges. Also, at this point of time in India, the clearing is not happening. It's taking a lot much time, so we are trying to handle the situation with the best of our ability, because is not pushing of the suppliers also handling the our esteemed buyers also, because we had committed something sometime and we are not able to supply to them, Is also they also understand the situation, but at the end of the day, the supplier the buyer is buyer, so hopefully, in coming future we'll be able to because with the action we have taken last month, last to last month, we'll have the impact in coming month and we should not have faced this kind of problem.

**RJ** Rishabh Joshi  
Okay, so sir, this shortage, therefore, can I say that will also be faced by other manufacturing units in India, this procurement shortage.

**DG** Deepanshu Goel  
I think, depending on what kind of a stock somebody had and what it is, but it has been faced by almost everybody. If you were talking about the PVDC, the all the supplier or the who has been actually calling each other to give some stock, but it was not possible. So, depending like how was...  
How lucky somebody was to have some kind of, you have so much of foil but if one ingredient is missing, then it would impact the, will not be able to supply. So this has been a challenge, not with that, with all the industry and it was visible from the conversation with the buyers and the data. it was not pertaining to only wahren it was actually there at all supply channels.

**RJ** Rishabh Joshi  
Got it, sir. So just too quickly, you know, also follow up on this is that so therefore for the pharmaceutical companies who are procuring this, my guess is a lot of their products are non-discretionary in nature. So therefore, if this availability problem domestically persists for a few more months, what is their alternative for them to fulfil their orders? Because obviously if we can't supply then it.  
Probably a real choke point for them also, right, in terms of their packaging solutions. So, do they import, does that threaten us? Is that just a temporary thing?

**DG** Deepanshu Goel  
Even the imports, it's not a question of, you know, we don't have a capability to manufacture Rishabh, so there is a challenge of import on the import itself.

**RJ** Rishabh Joshi  
So even the finished packaging import for if they had to get it from another Alu Alu provider outside, they still have challenges getting that supply in is what.

**DG** Deepanshu Goel  
There is a huge challenge, when it comes to transportation. If you understand, the transit time has gone twice as much as it was earlier, but the tariffs, the freight cost has gone high and it what and above if you go and check on ground that there have been no clearings happening, so it is, it is not pushing of the raw material. It is also related to the finished food. It is not that we are buying. On the contrary, when we buy and we are now equipped, I don't think there will be significant shortage of packaging material is going to be there they are impacted. They

are panic right now and almost every day all my sales, including me, have been getting calls to ensure that they get the supplies in time and the best of our capacity and capability. We are trying to ensure that there have been delays and to be honest, that is also we are not going very aggressive when it comes to sales because we have to have a back end protected when it comes to supplies. So, I think within a month it should definitely be improved and it is a matter of time.

**RJ** Rishabh Joshi

Got it, sir. Pulkit, next question for you is, you know, given this inflationary environment on our raw material side, how does this translate in terms of our working capital requirements, especially since we are now also going to be ramping up these PVDC lines and the tandem lines, hopefully at least by H2 of this year?

If you are saying that, you know, inputs are at about 30% higher 20-30% higher on the raw material side, do we have sufficient working capital limits? So maybe you can throw some light on even the bill discounting you spoke about because I did see in your update that you mentioned that you managed to successfully do a bill discounting transaction as well.

Because I think the market or personally also would be get a lot of confidence from understanding that we can achieve this glide path towards 1000 crores, even with this scenario at, you know, without the need to dilute our equity and that our working capital limits should be sufficient for this.

**PA** Pulkit Agrawal

Thank you, Rishabh, for asking that question. Very valid point. Our working capital requirements have indeed gone up. The normal LC that we used to open for 60 lakhs earlier is now a 90 lakh rupees LC automatically. Same for debtors and debtors have increased because the price of per kg material has increased. So, all of that has happened very recently. The good news is that we have been prepared for it. We have been working on the sidelines to get more working capital. We signed at the far end of March, we signed on Citibank, who has given us a limit of around 60 crores to the group. And we have also again in March, started bill discounting, which was something that we mentioned was a focus area in our last interaction. So happy to report that we have done our first on-ground transaction also of around 3-4 crores in March and those facilities are scalable. So those facilities are available and scalable and right now available for us. So, it is very tangible and we believe we can get more such facilities as we ramp up. We will obviously not need in the entire working capital for 1000 crores on day zero. So, as we continue to achieve these 60 crores should at least give us a few 100 crores of additional turnover. Once we achieve that, more is available. Those discussions have happened and there is in principle agreement for that.

**RJ** Rishabh Joshi

Got it, got it. My last question is on the flexography side. So, sir, you know, you guys mentioned that the Bangalore plant as well as the Oman plant has sort of not yet taken off. Any expectation there? Like, are you still seeing that demand is a little bit cautious over there, given your clients are you know typically FMCG companies, or do you see that this will get ramped up? Okay, Oman, I guess, is still, you know geopolitically sensitive but the Bangalore unit, can you see that ramping up? My framing of the question is basically to ask whether in the next year or two, can the flexo business also continue its momentum of, you know, mid-teens kind of growth numbers or are we looking at that more as the, you know, steady state of where it is today?

**DG** Deepanshu Goel

No, no, no, so Bangalore is a very statistical market for us. It is one of the fastest growing market when it comes to flexography, not Bangalore, but the adjacent places like Mangalore, Coimbatore they are growing when it comes to flexography. It is we are a new player there. It takes some time to get settled, to solve the **teaching** issues, to have a have a manpower setup and I think that will be wrapping up. I don't see any challenge that comes to from the demand side and we Creative Graphics is known for its name in the flexographic way. We see less challenges. It is all about that getting prepared with all this you know when you are Go to a ball, you have to be fully prepared. So, having the team and having the right guy, we, I would also like to bring into your notice that we recently hired a new CEO, Mr Rafeeq, He had been technical head of DuPont and he was earlier, he had been in the industry for the last 30 years, so getting that kind of a strength in the company who can stand alone can take to the company the new or high where we can establish ourselves with a high quality and high productivity and high efficient way. So, I don't see any challenge in coming future. It's only a matter of time and we are totally devoid of the teaching initial teaching issue that is it.

**RJ** Rishabh Joshi

Well, that's great to hear, Deepanshu. Last question is on the, you know, peak revenue that you can generate out of the Bangalore unit. Any estimates?

**DG** Deepanshu Goel

That is a tough question, to be honest. We are estimating.

**RJ** Rishabh Joshi

You know, if it had to be operating at, if it had to operate at full capacity, you know, as and when it ramps up.

**DG** Deepanshu Goel

Yeah, so maybe estimate of close to 10 to 12 crore rupees to of our revenue per annum.

**PA** Pulkit Agrawal

Rishabh, full capacity would be much higher, Full capacity would be much higher, but full capacity is not the right metric. I think 10 to 12 crores per annum is the number that is achievable in our rights.

**RJ****Rishabh Joshi**

Perfect, perfect. That makes sense. Wish you all the very best, hopefully for, you know, navigating through these challenging times and delivering some good ramp up in the coming year.

**PA****Pulkit Agrawal**

Yeah. Thank you, Rishabh.  
The next question is from Lokesh.  
Lokesh ji, please ask a question.

**L****Lokesh**

Yeah, can you hear me? Am I audible?

**PA****Pulkit Agrawal**

Yes.

**DG****Deepanshu Goel**

You are?

**L****Lokesh**

Yeah, all right. So, I just got to read the results and then like I could understand that there is challenging time like we are going through. So, I think the consistent results that you have posted over the year also created a lot of expectations on new people. So now we are actually down to about like, you know, 350 crore business and 10.5 EBITDA and then just 5.2 BAT margin. So how realistically we are thinking that we can hit about 500 crore revenue and then maybe 12% EBITDA of what we used to have, that's about 60 crore and maybe about 38 - 40 crore of like profit for the FY 27. So, what realistically your expectations are about that?

**PA****Pulkit Agrawal**

I'll take that question. So, Lokeshji, we have been honest with you. We have told you the challenges that have been there. We have also told you that those challenges have, we are still not out of the woods. I think that is public knowledge. We have told you sitting in on 21st of May, we are still not out of the woods and I think the world continues to remain volatile. So, we have also told you that we are operating to a plan. That plan is based on the assumption that things will normalize within a month, month and a half. This assumption is based on our discussions with other suppliers and other business people.

Based on that, I think 2027, we are still optimistic. First half, maybe some volatility, but second half, we are very optimistic and that is how we are approaching the business.

To give you accurate targets and assumptions, I think this is a very volatile situation and not the right thing to do. Does that make sense?

**L****Lokesh**

Yeah, that helps a lot and then like a follow up on that, like, you know, how do you see the pricing with your clients? Are you able to like, you know, I understand that the supply is a concern, but are you also seeing any, you know, demand side challenges in terms of pricing? Are you able to price it the way what you used to before?

**PA****Pulkit Agrawal**

Yeah, demand side, we are not facing any challenge on the pharmaceutical business. We have already told you that. We have been able to take price hikes. We have also told you the quantum of price hikes that we've been able to take on the pharma side. So, demand side is not an issue, which I think is the baseline for our operating plan. We have started, we are installing a new factory based on that assumption and that assumption is still holding touchwood.

**L****Lokesh**

Okay, all right, sounds good. And then I just have one last question in CG premedia, like, you know, do we have any revenue? I mean, how much of revenue we have from for this current financial year?

**PA****Pulkit Agrawal**

CG Premedia is a small entity. You should think of it as a business development unit within Creative, Its revenue was around 3 crores for the whole year.

**L****Lokesh**

Okay, do you see any uplift in their revenue going forward? Like, because I see them in presentations, but I don't know how far it is important to us going forward.

**PA****Pulkit Agrawal**

So their revenue has indeed increased. I think it was 1 -1.5 Crores last year. It has doubled this year. But don't keep very high expectations. It is an outreach effort from our side using which we try to enter and build relationships with large brands. So that is the idea there.

**L****Lokesh**

Okay, that's it from my end. Thank you so much and all the best for you. Thank you.

**PA****Pulkit Agrawal**

Thank you, Lokesh ji.

The next question is from Hriday Sahjwani ji. I am unmuting you. Please ask your question.

**HS****Hriday Sahjwani**

Hi, am I audible?

**PA****Pulkit Agrawal**

Yes.

**HS****Hriday Sahjwani**

Yeah. So hi, everyone. I just wanted to ask a question regarding the revenue. So, if you see the revenue has grown by about 37%, if you see the top line, where I see the margin compression, of course, you've spoken about is in the cost of materials consumed. So can you explain where exactly the cost of materials consumed has increased? If you could give a breakdown in terms of if it was logistics or the aluminium prices. And also, a related question to that is the margin, the aluminium prices, a structural issue in terms of margins. Like according to the aluminium prices, the margins will always fluctuate for the business. So, these two questions, if you could answer.

**PA****Pulkit Agrawal**

Sure, I'll take that up. So, large part of the compression in gross margin is attributable to raw material prices. Only a very small percentage to freight and other costs, although those have also increased. Aluminium prices have been crazy over the last five, six months. I think that is public knowledge, but so have been other raw materials such as PVC and Nylon derivatives, especially since the onset of these trade barriers and war efforts. So, majority of that is because of raw material price increase. So, your second question, whether it is structural, I don't think it is structural metal prices and commodity prices usually are cyclical, for us, this was a double whammy because we were not prepared for it.

We did not have huge inventories and we had a situation where we were building an order book in anticipation of a new factory coming up. So, we had a situation where we had an order book, which was in multiples of the supplies we were making and we had to honor all those contracts.

Once we, you know, by purchasing raw material at higher prices. I think that will start to abate now, more so as the new factory will come up. Yes, volatility in aluminium prices will continue to impact us, but I do not think it will impact us so much in the future.

Does that answer your question?

**HS****Hriday Sahjwani**

Yeah, yeah, so that answers my question, but just a related question to that. So, in terms of the margins, like you said about inventory management, right? So, with inventory management this year, can we expect better margins? Like another caller also asked, is this the bottom in terms of that?

**PA****Pulkit Agrawal**

See, with better inventory margin, with better inventory management, actually we need a better supply chain issue. It was not an inventory management issue at our side. It was a supply side issue. The orders were already placed, but orders got cancelled by our suppliers, orders got delayed, orders got repriced. All of that has happened because of the situation that we have had. So, which I think will start relaxing now based on the recent conversations we are having So, I think that will sort it, the creases will sort itself out.

**HS****Hriday Sahjwani**

Right, so in the sense we will be better prepared for it right this year because we couldn't see it last year.

**PA****Pulkit Agrawal**

We are, yes, we are trying to, we are trying to, it's still volatile, but touchwood, it will be better.

**HS****Hriday Sahjwani**

Right, and I just had a question about in terms of guidance because like a lot of the caller's attention, so the guidance is to double, right? And then we have achieved 37% growth. I understand it's a business and a cyclical issue, but should we be giving this kind of a guidance, knowing the kind of environment right now? like maintaining the guidance of doubling.

**PA****Pulkit Agrawal**

Thank you for asking that question. We have never given guidance. Please, please see the transcripts. We have specifically mentioned we don't give guidance and targets. It's an ambition to double every year. In the last interaction, also, we mentioned that it is an ambition. It will not be a linear growth. We have also mentioned that this ambition for 1000 crores is based on the new factories coming up, two of those factories have been delayed. We have mentioned about those delays in past transcripts as well as this time. So, it will be a non-linear journey.

**HS****Hriday Sahjwani**

Correct, correct. I understood that that clears it up. Very thankful for clearing that. A final question from my end is about the market size of

these segments. So, I was reading somewhere in terms of the flexo plates in India. It's about 600-700 crores. What is the market size for all your segments?

**PA** Pulkit Agrawal

Can you please repeat? Sorry, I lost you. We can actually, if you, if you got the question, please take it out.

**DG** Deepanshu Goel

You're asking about the market size of flexo plates?

**HS** Hriday Sahjwani

Flexo plates and your pharma packaging business, both of them.

**DG** Deepanshu Goel

The pharma packaging is a big segment if you if about. This Alu Alu market, because it is consist of a lot many products. There's a now Wahren has not been only dealing with the Alu Alu market, which itself is close to 5000 tons a month, which amounts to be if you converted the 500 rupees average price, you can get the figure.

And it is also another Blister market, which is maybe the double of this, and also PVC, PVDC market is 3000 to 4000 tons per month, including exports. So, they get the average revenue price is 280 to 300 rupees.

Also, the tandem excluding these is a different specialty product, where is it's difficult to get the overall market side because it actually has some kind of a over on different product line also, like not especially pharmaceutical, but also the contraceptive and some food market. So, the market as if now is quite big, and when it comes to flexographic plates, the market of the flexo plates is close to 1000 crore.

**HS** Hriday Sahjwani

And what would be our market share Alu Alu and the other segments right now in India? The market share in Alu Alu foils specifically in India.

**DG** Deepanshu Goel

For us? For us, we will be close to 10% now.

**HS** Hriday Sahjwani

Okay.

**DG** Deepanshu Goel

We do have a 10% of that 8 to 10% of the market share as of now, which we are looking to have a better capitalization in coming year.

**HS** Hriday Sahjwani

Right, okay, I think...

Right, so our long-term vision is in terms of the pharma packaging that will bring the volumes to the business, right? So, in terms of your long-term vision, I heard that you had appointed a new management also. I've seen a huge uptick in terms of employee expenses as well. So, if you could share what are you looking at in terms of setting up a more management to handle all these verticals.

**DG** Deepanshu Goel

As we, I, I think already shared, we have hired a new CEO who is who has been a better into the industrial flexography, who will be taking care of the creative Graphic client and has a very strong experience when it comes to flexographic plates. He has been working with a company like DuPont.

So, I think that that is the management we are looking at. Also, when it comes to Wahren, we have added people going to the new capacity that you can see that we have already declaring this on earning release.

So, the all the if you see the case in manpower is owing to the anticipation of the new facility which are coming beyond that, there has been no addition major addition when it comes to the Wahren management system.

So that we have added a new plant head for the new facility, that is it, but not at a very senior level.

**HS** Hriday Sahjwani

Right, right, that helps. Thank you, thank you.

**DG** Deepanshu Goel

Can you unmute, Mr Pratham?

**PA** Pratham Agarwal

Hello, sir, am I audible?

**DG** Deepanshu Goel

yes

**PA** Pratham Agarwal

Okay, so my question is our new 12,000 metric ton Alu Alu plant has still not commercialized. So, what may be the reason? Is it supply chain issues or we are not able to stabilize the product? So what is it?

**DG** Deepanshu Goel

No, no, it has been installed. It has been installation is a long process and it has to be compliant with all the compliances. There are the DMF compliances, there are the HU and different kind of SS. It has been installed and it is on the cusp of starting the new revenue stream. So maybe in maybe the next month, we will be able to convert that to the revenue stream.

**PA** Pratham Agarwal

Got it, sir, so...

**PA** Pulkit Agrawal

Pratham ji, last interaction we had given a timeline of H1 FY27. That is until September. I think we will do it much before that.

**PA** Pratham Agarwal

Got it, sir. So, sir, and like you previously answered to a previous participant, that we are seeing supply chain issues in the raw material required for ALU ALU. So, sir, this situation can still persist for a few months more. So, how are we securing those raw materials?

**DG** Deepanshu Goel

As I told you that we were caught totally surprised and there have been a consistent supply chain which we were acquiring. So, but going to this kind of reception, we have taken some steps and I don't think that we would have this kind of problem anymore. We are filling up our coffer with a lot of many supplies and we should be fully prepared in coming month.

**PA** Pratham Agarwal

So, for existing 8000 metric ton Alu Alu plant, what was our utilization for H2?

**DG** Deepanshu Goel

Because our March was a little bit disturbed.  
Because of the supply shortages, and if you see it, it is close to 80%.

**PA** Pratham Agarwal

Got it, sir. So, my next question is regarding our PVC PVDC plant. So, sir, just asking it again, has you commercialized it and have we recognized any revenue in H2?

**DG** Deepanshu Goel

Very small, because we there was a small revenue because going to the going to sampling, going to small because people start with the that is the one we are starting a business pharmaceutical business. We did commercial small commercial realization, but it was very, very negligible to start.

**PA** Pratham Agarwal

Okay, sir.  
So what kind of utilization are we targeting for FY 27 from our PVC PVDC plant?

**DG** Deepanshu Goel

Close to twenty-five percent.

**PA** Pratham Agarwal

Yeah, got it, sir. So, has there been any price increase in PVC, PVDC, as well, like ALU ALU?

**DG** Deepanshu Goel

Yes, yes, for sure.

**PA** Pratham Agarwal

So, what had been the quantum of increase?

**DG** Deepanshu Goel

Quantum increase is actually, I'm not able to tell you right away because there has been dependent on lot many things. There are, if you see the dollar has gone so high. So, depending on the dollars and we have to, whenever there's an inquiry, then you have to share the new pricing.

So it is in the tandem of close to 25% because there has been a very steep increase in the prices of the PVC. If you see the raising prices have gone very high, they have been now tamed to a certain level, but still higher than the previous levels. Also, all the chemicals and there has been an increase in the freight charges.

So, there has been increase in the price in close to 20 to 25percent.

**PA** Pratham Agarwal

Got it, sir. So, previously, we had for about 20% export for our Alu Alu business. So, if the situation normalizes again and we get the required raw materials, what kind of exports are we seeing for FY27?

**DG** Deepanshu Goel  
Still, not less than that.  
Twenty percent is in the top.

**PA** Pratham Agarwal  
Got it.  
And my last question, so what would be the utilization for our total Alu Alu facility of 20,000 metric ton for FY27?

**DG** Deepanshu Goel  
So that all depends on the supply chain getting this. As I told you that we have good orders in hand and we were looking at at least overall capacity utilization in the tune of 50%.  
See the full install capacity of 20,000 tons. So, I think going to the because April may have been impacted. So, let's see, could we should be 40 to 50%? We'll have to see how does the market behave.

**PA** Pratham Agarwal  
Thank you, sir.

**PA** Pulkit Agrawal  
Thank you, Pratham ji. Next question is from **Manjeet Buaria** I am unmuting you.  
Please ask your question, Manjeet ji

**MB** Manjeet Buaria  
Hi, am I audible?

**PA** Pulkit Agrawal  
Yes.

**DG** Deepanshu Goel  
You are

**MB** Manjeet Buaria  
Okay, Deepanshu ji, Pulkit Ji, first, thank you for laying out your, you know, press release. It's very helpful. Very few companies do that in such detail. I had three, four questions. You know, starting first with the Alu Alu segment. In terms of the market share, if we look at the industry, who are the top three players by market share other than you today? And if you could give me some sense of what their total capacity is, if you're aware about it.

**DG** Deepanshu Goel  
So, the largest player is Svam Toyal, when it comes to Alu Alu they have installed capacity of again, 18,000 to 16, 18,000 tons. They're doing, I would say, more than that. They are doing close to, sorry, they are doing 17 to 18,000 tons per month, constant capacity is higher than that, and after that, if the second player, there's one player, I do get packaging they, they are doing the close to 10,000 tons per annum close to 8-9000. I will not be able to keep the specific figure, but they have a mixed revenue stream and they are not listed also. So, I suppose they might be doing 8- 9000 tons and after that, ACG. ACG is doing the close to 6000 ton and that is all export largely exports.

**MB** Manjeet Buaria  
Got it, and Deepanshu ji, I was curious, you know, over the last three to four years, we scaled up Alu Alu segment from zero to almost close to 200, 150, 200 crores, right? How did these existing players react to it, right? I mean, what was their reaction? Did they cut prices? Did they give better receivable days to the customers? I mean, I'm sure they would have reacted in some way.  
and you know you have taken significant market share away from them. So I was just curious how the response has been.

**DG** Deepanshu Goel  
I won't say it is still significant. We are closely under 10% of the market share. Definitely when a strong contender enters into the market, the competition would try to switch that kind of a issue with cutting the pricing or with a lot many other things.  
But we have been, this is a normal practice, not in Alu Alu, but in every stream and every business activity. You would be dissuaded with a lot many because the initial challenges are to be taken care and we have been taking those challenges. And now, Wahren has been establish where if you know some pharmaceutical company, they would say that we are, if it comes to pharmaceutical packaging, Wahren has been the fastest ever-growing company when it comes to capacity building and capability building. So, we have been enduring all that kind of definitely difficulties and I don't see this.  
Because I see as a positive frame of mind, because yeah they would try to create some resistance for sure.

**MB** Manjeet Buaria  
So, Deepanshu ji, I was still curious again. I'm just pushing once more on this. You know, why did the customers choose to move away from, you know, well-established partners? You know, as Pulkit Ji was saying, it's a partnership approach right with these customers. You

know, what prompted them to move away from their time-tested partners and on incremental market share basis? I understand overall it's 10%. But the incremental market share we took over last three years would be significantly higher, right? Because the industry is not growing that fast. So you know what prompted them to come to us and, you know, leave aside their existing partners.

**DG** Deepanshu Goel

So, Manjit ji, there is nothing called stability when it comes to supplies. You in pharmaceutical, there is a process where they would like to see to onboard a validated, a compliant and good people with a good infrastructure on board.

So they will try to spread they will try to mitigate their risk with a good quality manufacturer. So, when we say that they are stable supplier, it is not the case. There have been lot many supplies issues. There could have been **monotonous** or there could be some kind of a You know, I would say monopoly when it comes to the pricing, when it comes to supplies and the buyers have been dependent on to that. So, when we saw that kind of a demand supply gap, that is why we have chosen this field. So, there has been always an opportunity, and as you know, there have been lot many startups, if you if you that has been could be the game, then you will lot see any startup. There are not many new biscuits to food things are coming on a daily basis and they're getting succeed. It does not mean that if I am a protein buyer, I will not shift to another brand going to this. It is dependent how strong you are, how well prepared you are, and I think that is market is open enough to admit any new player who is competent and even better than the current suppliers.

**MB** Manjeet Buaria

Understood. Thank you for that, Deepanshu ji. And you know, would it be possible to quantify what percent of our Alu Alu segment sales are finally to, you know, the top five pharma companies in our country, let's say Sun Pharma, Dr. Reddy, Lupin, or you are not aware of that when you supply to their contract manufacturers?

**DG** Deepanshu Goel

What kind of supplies we are supplying?

**MB** Manjeet Buaria

Yeah, what percent of your Alu Alu revenue comes from?

**DG** Deepanshu Goel

Would be difficult, would be difficult, but you know, depending on the buyer to buyer. So, for some buyers, you know, that they have a full faith in and they have been buying a good capacity. Still, they will not try to buy 100% from one supplier, So, would be difficult, Manjit ji, to for me to understand that numbers.

**MB** Manjeet Buaria

No problem, and sir, when we reach optimal utilization on our new Alu Alu capacity, once it gets commercialized, at that optimum utilization, how do we think about the gross margins and the EBITDA margin that segment can do overall Alu Alu segment?

**DG** Deepanshu Goel

Pulkit.  
Please.

**PA** Pulkit Agrawal

Sorry, can you please repeat the question?

**MB** Manjeet Buaria

Pulkit Ji, I wanted to understand that optimal utilization of our new capacity in Alu Alu segment, what is the gross margin and EBITDA margin range we can be in once we reach optimal utilization?

**PA** Pulkit Agrawal

See, Alu Alu I told you, EBITDA margin will be low to mid-teens at optimal level, that will be there.

**MB** Manjeet Buaria

Okay, and one last question was, you know, if you could just throw some light in terms of your PVDC and tandem segments, are they more competitive or less competitive than Alu Alu segment as you look to now scale them up?

**PA** Pulkit Agrawal

They are less competitive.

There are very few players in the PVC, PVDC, and the tandem of facility, and there is a latent demand, unmet demand in the market. which is why I think they are less competitive.

**MB** Manjeet Buaria

And this unmet demand is being made by imports of these products in the country.

**DG** Deepanshu Goel

Largely

**MB** Manjeet Buaria  
So, so it's an so it's an import substitution play for us in PVDC.

**DG** Deepanshu Goel  
Yeah, for some of the product, yes, for some of the product, yes, when it comes to PVC, PVDC, the export-oriented market, there is a lot of, if you see last company have been exporting that to different part of the world. So, it is a huge potential when it comes to exports.

**MB** Manjeet Buaria  
Got it in export markets are typically it would be via distributor networks or you work with customers directly in export markets in that.

**DG** Deepanshu Goel  
So, this market has a different, you know, at a different part of the world behave differently when it comes to, we have been going directly. There is no distributor as well, but there have been either the direct buyers or there have been agents in between, so we build directly, and the agent gets some commission who is based locally. So, all the local converters who have been, you know, they have been buying the bulk quantities and supplying seating and supplying to pharmaceutical companies like that. So, they are not traders of us, but they have been buying outrightly and selling.

**MB** Manjeet Buaria  
OK, Deepanshu ji and Pulkit Ji, thank you for patiently taking my questions. I'll come back in queue . There are more people.

**DG** Deepanshu Goel  
You're most welcome. Thanks

**PA** Pulkit Agrawal  
Thank you, Manjeet ji. I'll have Darshan Bharat Kala Ji, your hand is raised for a long time and you have not asked the question. I am allowing you to speak. Please unmute your mic and ask your question.

**DG** Darshan Bharat Gala  
Hi, Deepanshu, ji, Pulkit ji, how are you?

**DG** Deepanshu Goel  
Alright.

**PA** Pulkit Agrawal  
Hello!

**DG** Darshan Bharat Gala  
Am I audible?

**DG** Deepanshu Goel  
You are, sir.

**PA** Pulkit Agrawal  
Yes.

**DG** Darshan Bharat Gala  
I just wanted to understand, since you know there are raw material issues and we know we have known this after suffering for a while, like everybody else. Can I know that, Hmne abhi fir inventory may kitni mehno ki raw material rakhi hogi, given that we know that is there is there are supply crunches? So, have we thought about it, or rather, if we have thought about it, toh hmne kitne mehno ki raw material rakh le hogi in inventory as such?

**DG** Deepanshu Goel  
For inventory, Pulkit will be able to describe in a number way, but it is also ongoing process because the we order something that has been on to the there has to be a supply chain which has to be built over. We have been taking care of other future anticipation on the future challenges. I think that this time we are very well prepared.

**PA** Pulkit Agrawal  
So, the Darshan ji, our business is not like a, you know, Zomato business where we can order stuff and get it in 10 minutes, so order, but getting that material is the challenge right now. Ideally, we would want at least a month or two months of inventory in our warehouse. Right now, we are not at that position. We are slowly moving in that direction. For some materials we have sufficient stock, but for some materials we are short of stock, which we are trying to build up and because of the supply side challenges. It is situations like these which prevent manufacturing because our business is like that if we have 4 things and 5th is missing, we cannot make material.

**DG** Deepanshu Goel

As of now, I will give you the example that we have a huge inventory when it comes to aluminium foil this time, but when it comes to PVC, there was a short date or some adhesive, so there's a here and there that is preventing us to achieve the capacity utilization and conversion of orders into the value.

DG

**Darshan Bharat Gala**

Yeah, yeah, so that's why I was trying to ask this situation improve. We, yeah, given that we have faced so many windows.

PA

**Pulkit Agrawal**

It improved a little, as we mentioned earlier, little improve, not still out of the woods. That is how I would say.

DG

**Darshan Bharat Gala**

Correct, and one more question, sir: since, like, the price of Alu Alu has increased to 550 rupees so we have pass on the price hike or not?

DG

**Deepanshu Goel**

This price is after pass on, this is the selling price, so we are able to pass on.

DG

**Darshan Bharat Gala**

Okay.

Thank you so much.

PA

**Pulkit Agrawal**

Thank you, Darshan ji

Next question is from Arnav Nawalkha ji, I am unmuting you.

A

**Arnav Nawalkha, Trisula Capital**

Hi, hi, Deepanshu ji and Pulkit. Thanks for taking my question again. I just want to know one final thing. So, within pharma packaging, are we also doing blister for the packaging or not?

DG

**Deepanshu Goel**

No, we have just started doing, yes, because there has been a consistent demand from the clients and there has been an export demand, so, we have just started doing, we, have taken that facility, we have taken over we have bought that machine and we are just converting, we have just started converting this.

A

**Arnav Nawalkha, Trisula Capital**

Got, got, so, so if you just break up your 3-4 divisions, so your maybe how much revenue is contributed by Alu Alu foils, followed by followed by your PVDC, PVC and list of foils and tandem exclusion.

DG

**Deepanshu Goel**

Talking about the installed capacity.

A

**Arnav Nawalkha, Trisula Capital**

You can get given it either way, either in installed capacity or in terms of the current revenue. So, what is the?

DG

**Deepanshu Goel**

The currently value is not doing anything.

PA

**Pulkit Agrawal**

The current revenue is mostly A LU ALU foil. I have already given you the breakup between Wahren and the Flexo business. Within Wahren, it is mostly ALU ALU foil because PVDC only started in January and we are slowly ramping up the sales. There were also supply challenges in PVDC, so I think 50-60 lakh rupees in PVDC, rest all is ALU ALU Foil.

A

**Arnav Nawalkha, Trisula Capital**

Got it, sir. So, thank you for taking the question. That's it from the side. I wish you all the best for the future.

PA

**Pulkit Agrawal**

Thank you, Arnav ji

Next question is from Manjeet Buaria ji, I am opening your mic. Please unmute and ask your question.

MB

**Manjeet Buaria**

Thank you for the follow-up. I just wanted to check whether in all the supply chain issues, have we defaulted on any of commitments made to our customers or have we been able to meet all our commitments?

DG

**Deepanshu Goel**

So, definitely, there have been some delays in supply. We are able to assuage the buyers and there have been you know we are very committed when it comes to servicing of our client, but there have been some definitely delays this time, which we could not manage.

**MB** Manjeet Buaria

And long term, Deepanshu ji, do they do we sort of lose these clients because they have you know trust issues or?

**DG** Deepanshu Goel

Everybody is aware of the challenges; everybody is aware this is not intentional. Everybody understands that it is not only limited to us. This has been being faced by all the suppliers across not the packaging but also the APIs as for the pharmaceutical company. They are very well aware of the situation and when we talk to who their Purchase heads and they understand it's not from only from Wahren. This is this is spreading over all the across or not all to the backend but across all the verticals. So, it is they are they are understanding they understand that they are the we with the challenges we are facing, we are doing our best of effort to keep on supplying their goods.

**MB** Manjeet Buaria

Got it Deepanshu ji and Pulkit ji, one question was on, you know, in the pharma segment, in Wahren specifically, you know, steady state, what is the kind of receivable days should one expect in that business? Like, how do customers, you know negotiate receivable days?

**PA** Pulkit Agrawal

So receivable days, I think you should take them at around 90 days average, 90 to 100 days average. That is the trend that is emerging.

**MB** Manjeet Buaria

Okay, thank you, Pulkit ji.

**PA** Pulkit Agrawal

Thank you so much.

We will take two more questions, one from Raunak ji and then Rishabh Joshi ji. Rishabh Joshi ji has not asked the question before, so I'll open his mic first. Rishabh ji please ask your question.

**RJ** Rishabh Joshi

Hello?

**PA** Pulkit Agrawal

Yes, please ask your question.

**RJ** Rishabh Joshi

Yeah, hi, thanks for taking the question again. So just, you know, to sort of thing out a little bit more on the medium term or longer term, once this is stabilized you know, the question I was just trying to grapple with is we will be having a very significant market share in the Wahren business once our entire capacities are live. So over longer time because given that the size of the Indian you know Alu Alu business is at what you gave some insights, you know, about 5000 tons a month on Alu Alu and 4000 on PVDC. Is there for the subsequent time frames, is exports going to be a focus? And secondly, are we competitive when it comes to exports from a logistics standpoint to markets. So, I'm just trying to grapple with, you know, over the next three, four, five years, will we be able to scale up Wahren far higher than what this existing phase one scale up is happening? Or will we have to actually pivot to different types of products to get more and more market?

Sorry Deepanshuji, not able to hear you. I think you are on mute.

**DG** Deepanshu Goel

Good question, Rishabh ji, so market is, if you see the pharmaceutical market and the value in the market is growing more than 10% year on year. Also, the market has been from the simple PVC is getting into the PVDC. I see there will be a substantial growth when it comes to consumption of this packaging material itself.

Also, there's a huge potential when it comes to export. India is a very competitive economy when it comes to export. Either it's a pharmaceutical medicine or the packaging also. So, we are focusing our energies onto the exports. We are exhibiting at a different site. We are talking to different stake partners and it is being now getting through because it is a long process and we hope that even after achieving a considerable market share, there will be a huge, huge packaging items only for the pharmaceutical which would keep on giving us a future growth.

**RJ** Rishabh Joshi

Okay, that sounds very promising. All the very best.

**PA** Pulkit Agrawal

Thank you, Rishabh ji. Last question we will take from Raunak ji please ask a question.

**R** Raunak

Yes, sir. Thank you sir, for the opportunity, So, my question is given that aluminium prices are so volatile and it is posing a risk to our margins, so are we still not thinking of hedging aluminium prices or raw material prices?

DG

Deepanshu goel

We are, Pulkit Please, please elaborate,

We have taken some measures. So, we have already declared a couple of times. It's not because we are able to transfer that prices to our client for sure, but it was shorting our supplies, which we were overbooked. Pulkit, he's asking about the hedging. So, can you elaborate for us?

PA

Pulkit Agrawal

Asking about what?

DG

Deepanshu goel

Hedging of aluminium.

PA

Pulkit Agrawal

Hedging. We've recently enabled ourselves to start hedging for aluminium, but we have not started doing that yet. As Deepanshu ji mentioned, we have acquired a significant quantity of aluminium recently, so that is acting as a hedge right now.

We don't want to go overboard by hedging on top of it, but we will start doing it once we see.

First, the rates come down and 2nd, some stability on the aluminium availability. Does that answer your question?

R

Raunak

Yes, are we looking to hedge 100%?

PA

Pulkit Agrawal

Not necessarily, we are very new to the hedging game. The rates that we are getting the premiums on hedging are very high right now. So sometimes it also does not make sense to hedge and we are very new to it. So, we will take it one step at a time. We don't want to burn our fingers. The other way also.

R

Raunak

Understood. So, one last question. So given that supply disruption is a known fact and you're mentioning that there is no, there is robust demand, there is no disruption in the demand side and now we have increased the prices as well, given the situation of supply disruption. So, Sir, why still we are not being able to generate those higher margins given the prices we have increased, I mean, like what margins are we making given the price increase that we have made? given the supply distortion that you already know.

PA

Pulkit Agrawal

Yes, I'll answer that question. Raunak ji, we were in an expansion phase. We have mentioned in our earlier calls that we are setting up a new PVC PVDC factory. We are setting up a new Alu Alu foil factory, which has got delayed in anticipation of these factories coming up, We boosted our sales force and we started getting orders also. So, our order pipeline was in multiples of what we could supply, which means that we had an overload of order book.

But we were not able to supply. This situation got worse because there was a supply crunch also. So, what happened was we had to buy at a higher rate. When we orderly, we calculate.

Next month, we have to buy at a higher rate and supply those old orders, which has compressed the margins for us.

But the good news is for the future orders from those customers, we have been able to pass on those prices. So, this has continued to play out. Largely, it is getting completed now. We are not facing those issues any longer. That would hopefully that will continue. Does that make sense?

R

Raunak

Yes, like if we are facing similar situations in the future, so are we making any changes to our contracts that we keep that price escalation clauses in the contract in case supply disruptions persist?

PA

Pulkit Agrawal

So, we don't have long-term contracts. These orders are taken on a monthly basis. It is just that we were unable to supply, as Deepanshu ji mentioned. It was our fault, it was not the customer's fault, and therefore we didn't, we are in not a situation to go back to the customer and say, "Hey, prices have gone up."

They will say you should not have taken that order and it is also not ethical, which is why we have absorbed those losses. Deepanshu ji mentioned briefly during this call that he has also slowed down taking orders. We are not taking as many orders that we can take as of today because of the volatility, because our plant is still to be commercialized. So, we are taking those strategic decisions. We can, we have the sales manpower already. We hired an export team already. We already have export orders of 100 metric tons in our kitty. We can boost that when we want. With some time lag, and we will do that. We are being tactical in that sense.

R

Raunak

Okay, sir understood. So, one bookkeeping question. Could you tell the capex for Alu Alu PVDC and tandem separately if it's amount that we include?

PA

**Pulkit Agrawal**

I think if you see the consolidated cash flow statement, consolidated sheet, you will see around 30 crores of Capex.

R

**Raunak**

So I wanted the bifurcation for ALU ALU PVDC.

PA

**Pulkit Agrawal**

The PVDC was an old plant.

So, PVDC and tandem together cost us, so total capex would be around the machines were old. PVDC was only a 2.5 crore machine.

Tandem was so total it would be around 10 crores for machines, but we have also spent significantly on utilities and pre-operative expenses.

So, around 15, 16, 17 crores.

We have spent overall. But these new machines are significantly costlier.

R

**Raunak**

Okay, sir, understood. Thank you for answering my questions patiently, sir, and all the best for the future. Thank you, sir.

PA

**Pulkit Agrawal**

Thank you.

DG

**Deepanshu Goel**

Thank you, everyone, for staying here or trusting us and looking forward for this coming year with a lot more enthusiasm and I can assure you as Creative as Wahren, we are seeing this Book over as an opportunity. We are getting very good traction and we have built the playground to play; this is the year where we would like to play the most of the CapEx has already been done. The order building, order book is being built and the exports are being progressed. We think that this year is going to be a group of year of major action when it comes to revenue and thanks for keep faith in us. Thank you.

PA

**Pulkit Agrawal**

Thank you, everyone. I see that there are almost 20 plus participants. We started a bit late and we've been at it on this call for almost 1.5 hours. I realize that such a large participation means that we have a big responsibility. There is a lot of interest and trust that you guys have placed on us and we appreciate that. Hopefully we have answered all your questions to the best of our ability and with all honesty, we will try to continue doing these interactions. Thank you for your patience and your support. We really cherish that.  
Thank you.