Date: 13/08/2026

To,
BSE Limited
Corporate Relationship Department,
25th Floor, P J Towers, Dalal Street,
Fort, Mumbai – 400001
SECURITY CODE NO. 544814

To,
National Stock Exchange of India Ltd
Exchange Plaza 5th Floor, Plot no. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
SECURITY CODE NO. KNACK

Dear Sir/ Madam,

Subject: Transcript of the Q1 FY27 Earnings Conference Call

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting transcript of the Q1 FY27 Earnings Conference Call.

The same is also uploaded on the website of the Company at: https://knackpackaging.com/investor-relations.php

You are requested to take note of the same.

Thanking you,
Yours faithfully,
For Knack Packaging Limited

PRAVINKUMAR AMBALAL PATEL
Digitally signed by PRAVINKUMAR AMBALAL PATEL
Date: 2026.08.13 16:40:28 +05'30'

Pravinkumar Ambalal Patel
Whole-Time Director
(DIN.: 06468752)

"Knack Packaging Limited

Q1 FY27 Earnings Conference Call"

August 10, 2026

E&OE: THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON AUGUST 11TH, 2026, WILL PREVAIL

MANAGEMENT: MR. ALPESH TULSIBHAI PATEL – CHAIRMAN & MANAGING DIRECTOR – KNACK PACKAGING LIMITED
DR. AJAY KUMAR DUBEY – CHIEF FINANCIAL OFFICER – KNACK PACKAGING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Knack Packaging Limited Earnings Conference Call Q1 FY27. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Before we get started, I would like to point out that some statements made or discussed on today's call may be forward-looking in nature and must be viewed in conjunction with the risks and uncertainties that we face. The company does not undertake to update these forward-looking statements publicly.

I now hand the conference over to Mr. Alpesh Tulsibhai Patel, Chairman and Managing Director from Knack Packaging. Thank you, and over to you, Mr. Patel.

Alpesh Patel: Good afternoon to everyone. It gives me immense pleasure to welcome all our stakeholders, analysts, investors, and members of the investment community to Knack Packaging Limited's first ever earnings conference call, following our successful listing on the National Stock Exchange and the BSE.

On behalf of the Board of Directors and the entire Knack Packaging family, I sincerely thank each one of you for the confidence and the trust you have placed in our company. Listing on the Indian capital market is an important milestone in our journey. While it is a significant achievement, we view it not as a destination, but as the beginning of the much larger journey.

Since this is our first earnings call, I would like to spend a few minutes introducing our business and sharing what makes Knack Packaging a differentiated company. Knack Packaging is one of the leading integrated, innovation-oriented, export-led, and sustainable-oriented packaging solution provider, offering a diverse range of packaging solutions including printed and laminated woven polypropylene bags named as PLWPP and PLWPP Pinch-Bottom Bags that are customized, high-strength packaging solutions for a wide range of sectors, including food products and pet food.

As an early mover in the industry, we have built over 30 years of experience and today stands as one of the industry's leading player across the globe. Our solutions enhance brand visibility on packaging, reduce the risk of counterfeiting, and improve the operational performance. We offer a comprehensive portfolio of bulk packaging solutions developed over more than three decades through continuous technological innovation and deep industry expertise.

Our value proposition extends beyond core packaging product to include a wide range of customized add-on solutions such as circular and back seam construction, half, full and registered window, zig-zag cut, heat cuts, and blade cuts. This breadth of offering enables us deliver tailored packaging solutions, positioning us as one-stop partner for our customers.

Our differentiation was not built overnight. Since in 2004, we identified a gap in the market. While brands invested heavily in the look and feel for small retail packs, there was a very limited scope to present a brand identity on bulk industrial packaging from 5 kg to 50 kg packaging. We spent close to two years on R&D and become first company in India to introduce typical printed bags that carry the same branding up to 50 kg bulk packs as on smaller consumer packs. This head start has translated into a genuine first mover advantage.

Due to our expertise, today we serve leading companies from industries such as rice, dal, lentils, flour and spices, sugar, salt, fruit and nuts, animal and pet food, agriculture, seeds, charcoal, detergent powder and granules, fertilizer, chemical, etc. in both international and domestic markets.

One of the core strength of our business is our integrated manufacturing model. Our capabilities span the complete value chain from tape extrusion to weaving, to gravure printing, to lamination, and final bag conversion. This integration gives us a greater control over quality, turnaround time, manufacturing efficiency, while allowing us to offer customized solutions to our customers.

We are currently operating at more than 48,000 metric ton per annum capacity with our including rented facilities and translating into an approximately 91% capacity utilization. This reflects healthy utilization level for our operations and demonstrate efficient use of our manufacturing capacity while providing a strong foundation to support future growth.

Innovation is one of our strengths. We cater to the companies who willing to invest in brand in packaging as a strategic differentiator. We continue to invest in new product development and leverage our first mover advantage across multiple product categories.

Strong and deep customer relationship is reflected in our customer retention ratio which is as high as 90%. This is not accidental . It is built over a four key pillars that define our approach to customer service, quality, commitment, responsiveness, and transparency.

We are committed to deliver high quality products, ensuring on-time deliveries, and responding promptly to customers' requirement and queries. Through our digital portal named Knack Galaxy, customers have easy access to product information, order-related updates, and other relevant details enabling greater transparency, seamless communication.

Together, these pillars have helped us build long-term customer relationship, consistently earn their trust. Because our packaging incorporate proprietary color formulations and SOP that we do not disclose, any deviation in quality when a brand change packaging vendor can be immediately visible to the end consumer and may adversely affect brand perfection and reputation.

Importantly, packaging typically represents less than 1% to 2% of our customer's end product price, making it relatively small investment compared with the significant role it plays in product presentation, shelf appeal, and consumer perception. Packaging is often first physical touchpoint between brand and the consumer and can materially influence purchase decision, particularly in high competitive categories.

Consequently, customers have a strong incentive to maintain consistent packaging quality once a packaging supplier has demonstrated reliability, consistency, and understanding of the brand's requirement.

We are present in both domestic and international market, with our international footprint continuing to export steadily. As of quarter 1 fiscal year 2027, Knack Packaging has established a presence across 74 countries spanning six continents, representing an expansion of our global reach from 71 countries in fiscal year 2026.

We support this global footprint through our on-ground sales and marketing presence, enabling us to build relationship with customers across geographies and address their evolving packaging requirement. Our expanding international presence has enabled us to add new countries and globally renowned brands to our customer portfolio, further strengthening our position in international market.

In a volatile macroeconomic environment, a resilient supply chain is a key competitive advantage. We have a strong in-house logistics capability that has been built over the years, and it gives our customers the confidence that we remain a dependable partner.

Turning to our growth plans, the primary objective of our IPO was fund in setting up a new manufacturing facility. At the time of listing, our installed capacity stood at approximately 43,300 metric ton per annum. Once new plant funded by IPO proceeds is commissioned, which remains on track for October 2027, our total installed capacity will reach approximately 70,000 metric ton per annum.

The upcoming manufacturing facility will future strengthen our long-term capacity, but it will not slow down our growth in the interim. Until the new plant become operational, we will leverage rented facility for semi-finished goods production while the value-added processing will remain at our existing manufacturing facility. This asset-light approach allow us to continue scaling the business without compromising on product quality or customer service.

The recently leased facilities provides us the necessary infrastructure while the operations are being by own and operations being managed by our own trained workforce. This team will eventually transition into new plant once it is commissioned, ensuring seamless ramp-up of operations with an experienced workforce already in place. With these steps, we remain committed to expanding our portfolio, strengthening our market position, and sustaining our growth momentum.

Before I conclude, I would like to thank all our customers, suppliers, bankers, business partners, employees, and most importantly our shareholders for their continued trust and support since our listing. We remain focused on building a business that delivers sustainable, innovation-led growth while creating long-term value for our stakeholders.

And we look forward to a long and transparent relationship with investment community. At last, I would like to assure everyone that Knack Packaging will continue the growth and innovation, both for their customers and for our industry.

With that, I would now like to invite our Chief Financial Officer, Dr. Ajay Kumar Dubey, to walk you through the detailed financial performance for the first quarter of fiscal 2027. Thank you.

Ajay Dubey: Thank you, Alpesh bhai. Good afternoon, everyone. I will take you through the financial performance of quarter one financial year '27 and highlighted the key operational and financial drivers. Our consolidated revenue for quarter one financial year '27 stood at INR2,647.71 million compared to INR1,871.71 million in quarter one financial year '26, registering an year-on-year growth of 40.50%.

The strong growth during the quarter was driven by higher sales volume, improving capacity utilization, and continuous ramp-up of recently commissioned capacities. We witnessed broad-based demand across -- in the market including foods, grains, pulses, pet food, fertilizers, agrochemicals, and consumer end market supporting volume growth across our product portfolio. Our total sales volume for quarter 1 financial year '27 stood at 10,940 metric tons compared to 9,047 metric tons in quarter 1 financial year '26, representing a year-on-year growth of approximately 20.90%.

Moving to EBITDA, our consolidated EBITDA for quarter 1 financial year '27 stood INR591.73 million compared to INR386.41 million in quarter 1 financial year '26, representing a year-on-year growth of 53.14%. Our EBITDA margin improved to 22.35% versus 20.65% in quarter 1 financial year '26. The improvement in the EBITDA and margin was primarily due to operating leverage and a strong cost management discipline.

Coming to the bottom line, our consolidated profit after tax for the quarter 1 financial year '27 stood INR305.28 million compared to INR206.33 million in quarter 1 financial year '26, registering a year-on-year growth of approximately 47.96%. Our PAT margin improved to 11.53% compared to 11.03% in quarter 1 financial year '26.

The improvement in profitability is also reflected through our return ratio. Some of key financial ratios for financial year '27 versus quarter 1 financial year '26 were as follow. Quarter 1 financial year '27 ROCE, return on capital employed, improved from 46.05% to 57.73%. (Note: This is said erroneously. The correct number is 54.73%) Return on equity improved from 37.04% to 37.45%.

Overall, quarter 1 financial year '27 was a strong quarter for the company with healthy revenue and volume growth, improved EBITDA margin, and stronger profitability. We remain focused on ramping up our commissioned capacity, improving utilization, maintaining cost discipline, and strengthening customer relationship, while continue to efficiently manage raw material price volatility.

With this, I would like to open the floor for question-and-answer session.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Raman KV with Sequent Investments. Please go ahead.

Raman KV: Hello, sir. Thank you for allowing me to ask the question, and congratulations on good set of numbers. I just have two questions. One is with respect to ROCE. I just want to understand why is our company's ROCE so high? And also on the asset turn model, asset turn side, the company's asset turn is, when we compare it to peers, is very high. So can you explain that metrics?

Ajay Dubey: Basically, sir, we are incurring continuous profit-based margin, and today due to this capital market whatever we have proceeds received, some INR320 crores, which will be incurred in our coming products, coming this plant. So, basis on that, margin is good and our net worth is good. So, basis on continuous improving the return on capital employed and similarly improving our return on equity as well.

Alpesh Patel: Sir, myself, Alpesh Patel. I would add slightly on this question. Sir, we are like a textile-cum-packaging company. So, we have always two types of machinery setup. Machinery one is like a textile kind of things. First, we produce the tape and then weaving. So, it is a purely plastic technical textile specialized fabric. So, for that, we have to invest a lot of money on that area.

And then after making the Pinch Bottom Bags, like a specialized bag, so on that area, we also have a very huge European machinery. So, for that, we have invested a lot of things. And investing into the bottom line, like the finishing line, and then we can get a good margin over there. So, that's how we have two types of investment, specialized both the side. So, that's why our asset turnover rate is little bit over.

Raman KV: So, but when I'm comparing with the industry peer, on an average asset turn is 1.5 and if it's a good quarter, it's around 2. Ours is around 4x to 5x. I just want to understand why is the, there is a superior asset quality? And we are able to still -- despite doing that, we are able to maintain 20% margin, which is like industry-leading margins. So, is this because we have a rented facility or something else going on?

Ajay Dubey: Sir, basically in asset turn if you are calculating, that is basically two way. One, if you are calculating based on the gross block, that is almost 1.98 in previous and 2.53% as current 30th June 2026. If you are comparing from the net block, that would be around 4.12 asset turn. So, asset turn if you are comparing gross block, that is 2.53 and net block, so 4.12. That is the asset turn.

Raman KV: Yes, yes. That's what I'm telling. The industry average is around 1.5x to 2x. Ours is on a net block is around 4x to 5x. I just want to understand what are we doing so different from the industry that our asset turn is so high?

Ajay Dubey: Sir, asset turn basically we are -- just Alpesh bhai has confirmed that there is two type of machinery. One we are incurring for the manufacturing of our fabric, another for the finishing parts. So, finishing part material machine would have more profitability, that would generated from more profit compared to other. So, we are -- Pinch Bottom, basically our premium product and Pinch Bottom machine we have already installed. So, that's why our asset turn is improving day by day.

Alpesh Patel: And one more thing, most important, sir, to be very honest, there is no genuine peer compared to Knack. Like, they are into the packaging. Packaging have a wide range of the packaging material, but we are specialized packaging material. So, this is the kind of printed, laminated poly woven bag.

So, it is required different types of machinery and different kind of product and everything. So, like this is the -- peer like a 2.3, 2.1 and other company 1.5, something. And our company gross block is a 2.53, that is a -- 4.52 is from the net block. So, if we compare with the gross block to gross block, so it is 2.50 kind of things.

Raman KV: Understood. Thank you for that. My second question is on the raw material side. The prices of our raw material, which is basically polypropylene, has been has risen significantly since the war. So, how is our impact, how are we dealing with that, and like what's the usual timeline to pass the raw material prices to the customer and like end users? So, can you explain on that aspect as well?

Alpesh Patel: Yes, sir. First I would request for the previous question. Sir, which peer you are comparing to this asset turnover? So, please just give me if you have any details, then we give you more detail on this point. And secondly, about the pricing, polymer and crude price, yes, it is a 100% volatile right now. There is a lot of things are going on. But we have a very good, first of all, we have 30 years experience.

First of all, we have a working on SAP S/4HANA. Company's very much transparent and very long vision company. So, we have a very good forecasting system. So we have always we get the very good forecast internally. Secondly, India have a very good refineries. India have a lot of refineries, many refineries, and we have a 30 years experience with them. So, we never felt any time this kind of problem.

And due to that, our figure you can see our PAT margin like a 47% increment of this year. Same to same EBITDA like 53% increment, revenue we increase 41% compared to last year previous year quarter one financial to this year financial quarter one. We have very good purchase team, planning, team members, local support, local refinery and 30 years experience. All together, we will get a good relationship on this, and we can get the advantages of it.

Even we can get the more discount as well with the our supplier as well. So, for that, we are managing this raw material all the year. And we always buy in cash, so we also get the good discount on it. Bulk buying also we are preferring, so on that area we will get. And the same day, we transfer the price to customer because this is a public disclosure price nowadays.

So, every our customer know very well the crude price goes up, so polymer price goes up and your bag cost goes up. So, they are very easily to convince to increase the price. So, this is the system is already set, so not much more difficult to get the big good price from the customer. They know very well, easily increase the price, price increase. Decrease the price, same day we decrease the price.

Moderator: Thank you. Mr. Raman, please rejoin the queue for more questions. Next question comes from the line of Dhananjai Bagrodia with Alchemy. Please go ahead.

Dhananjai Bagrodia: Yes, sir. First, congratulations on a fantastic set of results and congratulations on the IPO, too. Sir, just wanted to ask you a few questions. Basically, where crude is going up and a lot of input costs are going up and tariff is going up, how are we able to keep our margins steady? Are we passing on to customers, or efficiency, just to understand?

Alpesh Patel: Sir, I would like to give you answer on this. We have a very long-term contractual customer. Like Cargill is a one of them. We are working with Cargill into the like eight countries, and our total sales revenue comes from like 16% to 17% comes from the Cargill. So, we have a conversion, like a basic price plus conversion. So, basic price is the raw material price plus conversion cost system.

So, almost complete 45% to 50% customer are on the conversion basis customers, like Cargill , Dawat Kohinoor, the big brand, they all are our customer and they have a fix up with the conversion cost. So, price go up, price will go up. But we remain our margin or our conversion cost remain same. And another thing, other 45% to 50% customer, is a like a very small players, like Tamil Nadu, Karaikudi, there is a small rice mill or fertilizer company.

The entire packaging cost below 1% costing of the packaging cost of our product. So, they are not much more bother about that cost. And that, honestly, we are also very transparent with that kind of customer. But there is a very low quantity like 25,000, 50,000 bags a month. So, the order time, raw material price, conversion fix price, and we make the bag and transfer same price to them.

So, both the way, we will get the good conversion and remain same conversion, we will manage it. And now we adding our new product like a pinch-bottom product. So, it is a high value-added product, and very few suppliers, and that product they want to use for the packaging of rice, wheat, fertilizer, anything. And they will get the good branding out of it.

Like stitched bag, there is only four-side branding, but the pinch-bottom, they will get the six-side branding. So always they prefer pinch-bottom bag, that is the very good margin product for the company. So, that's why it's also increasing in the company. Last quarter, we installed two machines, so we get the good revenue from that area as well.

Dhananjai Bagrodia: Okay. So, sir, let's assume, let's say six months or a year hence, if commodity prices were to, input prices were to reduce, would that, would we pass on that benefit again to customers or would we keep that margin with us?

Alpesh Patel: In both the way, we are working on it. Sometimes, depends on the situation and sometimes like we have a 50% pass-on and 60% we will get it as it is, sir.

Dhananjai Bagrodia: Okay, fine. So, thank you so much. Superb results. Thank you.

Alpesh Patel: Thank you, sir. Thank you, Dhananjai. Thank you very much.

Moderator: Thank you. Next question comes from the line of Nirav Jimudia with Anvil Wealth. Please go ahead.

Nirav Jimudia: Yes. Sir, good afternoon. So, a few questions to ask. Sir, when I see our volumes in FY24, I think they were close to around 30,000 tons and FY26 was around 38,000 tons. So, when I compare the realization, it was almost same, but our EBITDA per kg jumped from INR33 to INR45, and I think in Q1, we are already at INR54 a kg. So, if you can just give broad-based break-up in terms of our PLWPP bags and pinch bags, what were they in terms of volumes in FY24 and FY26? That would be helpful, sir.

Alpesh Patel: Yes, Nirav bhai. I think so you are already aware, we have a good range of the product like pinch-bottom, PLWPP and PLWPP plus pinch-bottom bag. So, just in the last quarter, we introduced two machines for the PLWPP plus pinch-bottom bag. So, that is a good margin on PLWPP plus pinch-bottom bag.

We already installed rooftop solar, windmill, and last to last quarter, we started the solar farm, 11 megawatt solar farm at the Khedbrahma. So, in the previous data, you can check there is a no solar benefit, much more benefit like 11 megawatt. So, there is additional solar plant already started. So, for that, we get the good margin and good ratio over there from solar and pinch-bottom. That is a major two things.

Ajay Dubey: So in electricity, almost we are saving if we compare from quarter one '26 to quarter one '27, almost 1.1% we are saving in the electricity due to the solar power. So, various other things, lot of we are working on the cost reduction and cost optimization, so therefore our EBITDA per kg is improving day by day.

Nirav Jimudia: Correct. Sir, my question was more specific to pinch bags. So, let's say with the newer capacity getting commissioned from October 2027, so in FY26, out of our total volumes of 38,000 tons, how much was the pinch bag volumes, and how do you see those pinch bag volumes moving over next 3 years, if you can share your thoughts here?

Alpesh Patel: Sir, right now on the last quarter and previous year, previous year quarters like we are on 19% to 20% our pinch-bottom bag selling percentage. And currently, we are working on 22.5% to 23%. So, that area also we are increasing.

Ajay Dubey: And this is increasing just because we have added the two pinch-bottom bag in last quarter of financial year '25, '26. So, that's why just the ramp-up that we are assuming this financial year '27 was the first quarter where we have gained the benefit of the another machine which was installed in last quarter.

Alpesh Patel: And the same, we ramp up our sales on pinch-bottom and try to get the more and more use of pinch-bottom bags.

Nirav Jimudia: Just to add last question from my side. So, you mentioned about the pinch-bottom bags and the newer capacities. So, like, what's our strategy in terms of placing those pinch-bottom bags to a higher volumes with the customer? Why the customers would switch from the PLWPP films to pinch-bottom bags? And third, once our capacity is commissioned, when do you feel that our total capacity of 70,000 tons would be fully utilized? Thank you so much.

Alpesh Patel: Sir, first of all, I would like to answer the first PLW to PLWPP plus pinch-bottom bag. So, sir, this is a normal practice, people are first they were using the jute bag to PP bag, PP bag to PLWPP bag. And now, we almost have our 70% sales into the PLWPP bag. So, they customer we have a very good connection with them, they also understand the branding and everything, so they are moving from PLW to PLWPP plus pinch-bottom bag with the installation of the Mark Enterprise machine.

So, always they have a very -- two types of things, they have to invest for the machines and as well as they will get the good advantages of the pinch-bottom bags branding. So, for that, they are moving to the PLW to PLWPP plus pinch-bottom bag. So, that is the first thing. And we have that conversion ratio we have very good expertise and we are master in that's why we are increasing our pinch-bottom bag capacity year-on-year and also the same way we are planning for that. So, that is the one thing.

And second thing, capacity utilization, sir, always you aware of the things, Knack Packaging have a very good order on both, like today as well INR130 crores order in our hand. So, always capacity -- today, we are almost using 90% to 91%, 92% capacity. Even one more thing, just we added one more -- 1 month back, we added one more plant, rented plant up to the 1 years or 2 years up to our new production started. Like it is a almost 5,040 metric ton year capacity we already rented that plant, the trial and everything is going on.

So, that capacity we are also -- right now, currently we are utilizing 91%. So, we don't have that place to increase ourselves. So, that's why we are increase one more plant in just before 15 days to 20 days back. And future also, always we have always good plan for the utilization of our installed capacity. So, definitely, we try our level best to get the good installed capacity as early as possible.

Moderator: Thank you. Mr. Jimudia, please rejoin the queue for more questions. Next question comes from the line of Lakshminarayanan with Tunga Investments. Please go ahead.

Lakshminarayanan: My question is that, see, I think our largest customer is based in the U.S., right? Am I right?

Alpesh Patel: Yes, sir.

Lakshminarayanan: And what kind of contract we have? Is it, you know -- and how long has been the relationship, and how do we supply? Do we supply in films, or we supply -- and then we supply it as, you know, finished bags to that customer? And, you know, whether we have and how the pricing happens? And is there any foreign exchange gains we have got in the current quarter?

Alpesh Patel: Yes, sir. I'll give you one-by-one your answer. Sir, first of all, our 12% is a Cargill customer in USA sales. It is a good customer. We are like started that communication from 2017, and after 2 years hard work, we on-boarded in 2020. At that time, we started like one country, INR40 crores business in 2020. And right now, we are working and active like a 40 SKU. So, INR6 crores business.

INR6 crores business, 40 SKU in 2020. Right now, we are working INR140 crores business and almost more than 600 SKU. So, we have a very good relationship between the Cargill and not even limited to the USA, we have a very good global supplier of the Cargill. So, more than like eight countries we are working with them and we are working with them.

The pricing, initially we start with the USA order basis, but from last 3 years, we are into the contract system. There is a one contract, it is a carry 2 years, one additional year, like the raw material pricing, polymer pricing plus conversion cost. So, altogether, they will buy from us and they buy only finished product, not semi-finished product, they buy from us from the bag. So, they use for the animal feed, dog food, pet food industries, that pack the that product into our bag. So, we manufacture bags over here with all the branding and everything, and we send we send to them.

The best part, just for the information, at the time of 50% tariff, 8-month tariff, they continued our business. Even we give their options, at that time we decided we make the new facility Oman facility, but they denied, they told us we buy from only Knack Packaging India plant only. Then we realized why they continue with us, because they pack any product into that bag, it is almost cost of USD20, USD40, USD50 material into the USD0.25.

So, it is a less than 1% cost of the entire product. So, for 0.5%, 0.75%, 1% cost, they not change the supplier. So, at that time, we understand this scenario and for that, we are continue this business with the Cargill. So, from that entire costing, it is a less than 1% cost of the packaging material. And compared to local, local I think so 2%, 2.5%, 3% costing of the local buying. Instead of that, they will get the good price from India and good price from the Knack Packaging.

So, that's why they are continue this business from very long and we have a very good long-term contract here. And foreign exchange, yes. So, for this for the USA business, currently last year, we crossed INR140 plus for our business with them.

Ajay Dubey: In continuation of this your answer, sir, INR1.6 crores foreign currency gain during the first quarter of financial year '27.

Alpesh Patel: Is that with current -- how much?

Lakshminarayanan: Got it. And, you know, we are on this product, which, you know, our dominant product, right? In the dominant product, what kind of competition, what kind of market share we actually have in India? You know, for example, we are almost 43,000 tons in terms of capacity. How large is the next competitor in this space in terms of size?

Alpesh Patel: Yes. Organized, just to be very honest, the pinch-bottom bag and PLWPP bag, see, PP bag and jute bag and the bulk packaging, India have a lot of companies. But the product which is the different. See, packaging company for the packing of the grain and pulses, fertilizer, animals seeds, cattle feed, there is a lot of option available, jute bag available, then PP bags, flexographic printed bag.

So, we are the company is innovated this gravure printed laminated bag. Like, I will give you one example, like you are using the rice, 1 kg, 2 kg, 5 kg, there is a branding printed bag. But before 2004, they used to pack 25 kg same rice, then there is a no branding availability in the market. So, our company's initiated this branding into the 25 kg bag on the same to same like a 1 kg pouch branding.

So, for that, our company journey is started. And then after continue, we decided we -- our customer is 100% those who are believe into the brand. So, right now, company -- our like more than 2,000 customer and 12,000 SKU -- 13,000 SKU, more than 13,000 SKU. So, for that, we are making the bag for their brand only. So, our each and every customer have their own brand, we print on it, and then we that supply to them. So, for that, we have no problem for the this kind of issue.

Ajay Dubey: And sir, for market share basically, as confirmed by Alpesh bhai, there is no competitive peers on listed with us, and that's why we cannot compare apple-to-apple with them. Basically, in pinch-bottom, we are the leader in the market -- in Indian market. And other PLWPP is also very good. So, we are continue growing and our customer demand is increasing day-by-day.

Alpesh Patel: Sir, I am adding on it, like 10% market share as per the Technopack last year one report, we have the industry's report. So, we have the 10% market share of the entire packaging this kind of bag. And our majority, our 56%, 55% export, and only 45% is the domestic sales. So, actually compared to peers, so there is a two -- three company, one is a Thailand, one is a Cambodia, and China -- many. But China have anti-dumping, so they are not directly competitor to us.

So, Thailand and Cambodia is a direct competitor to us to not even make direct to India as well. But their labor cost and electricity cost is much more higher than the India. So, you can check online everywhere you can see the our production cost compared to Thailand and Vietnam, India is a lower production cost. The most important, not even the Knack Packaging, entire industries, this kind of product, textile product, this kind of packaging, textile technical textile, specialized packaging, India cost is today is the lowest cost of the all over the globe.

Secondly, yes, we have a competitor in USA, like Polytex is our peer, exactly peer, they are into the USA, the manufacturing bags into the USA, and they are 100%, we can say the competitor and peer. But their cost and our cost is a very huge difference. I can give you one example, they are selling dog food bags, one bag almost like a USD0.70, USD0.75, and the same bag, we can sell USD0.35 or USD0.40 max-to-max. So, that kind of difference we, so they are peer, but pricing, we are very good in India.

Moderator: Thank you. Mr. Lakshminarayanan, please rejoin the queue for more questions. Next question comes from the line of Nihal Shah with Prudent Corporate Advisory. Please go ahead.

Nihal Shah: Thank you for the opportunity and congratulations. So, this EBITDA per kg of INR54…

Moderator: Mr. Shah, sorry for interrupting, we cannot hear you. Can you come -- can you speak a little louder?

Nihal Shah: Am I audible?

Moderator: Yes. Please go ahead.

Nihal Shah: Hello. Yes. So, this INR54 per -- EBITDA per kg, what is the future guidance for this number? I guess this is a pretty strong number as it is, so do we see any further scope of improvement here, and what is our volume growth guidance for FY27?

Alpesh Patel: Sir, thank you for asking question. Definitely, sir, we try our level best to work hard, and our specialty to the making bag, and profit will come automatically. So, always our focus in good value-added products and always export -- more focus export. Last quarter, we have 71 countries, currently we are reaching into 74 countries. So, always we adding the new countries, new product, new customers.

And like right now, we have a 55% our export, and like our majority is the pinch-bottom bag. And yes, last quarter, we installed two machines in the finishing area, and it is a very expensive machine like INR20 crores one machine cost. And our focus is to sell pinch-bottom bags into the market. So, definitely, as the past experience and past financial figure, the same way we are growing into the future as well.

Nihal Shah: Okay. And what is the margin difference for our export order and the sales that are made domestically?

Alpesh Patel: Sir, mostly 5% to 6% always -- as per the previous data, always 5% to 6% always difference between the domestic is little low margin and export, we can get the good margin up to 5% to 6% GP.

Nihal Shah: GP, okay. Thank you. Thank you very much.

Alpesh Patel: Thank you, sir. Thank you. Next question.

Moderator: Thank you.

Alpesh Patel: Yes.

Moderator: Next question comes from the line of Ashish Soni with Family Office. Please go ahead. And also, a reminder to all the participants, please restrict yourself to one question. Thank you.

Ashish Soni: Sir, next 2 year-3-year growth will come from what sort of product category as well as from geography? So, if you can give the breakup, that will help.

Alpesh Patel: Ashish ji, definitely, I'm more focus See, right now, we are working on 74 countries. So, see, we always adding the new country. And geographically, we are already present like in Europe, many countries, like African countries, Gulf countries, USA, North America, South America, all the places we are already presence over there. But yes, geographically, always those country have a cost of the labor -- normal labor USD500 and above, they are my customer country, because this product is a very huge labor, like today, we have almost on board and contractual labor more than 2,000 labor.

So, definitely, this is the laborious product in packaging. You never heard like this kind of numbers on paper, but this is 100% laborious product with the high-end technology. So, that's what we get the good advantages, and those country have a $500 cost of the productions, more than that, they are the my customer countries. So, we are geographically, we are adding.

Sir, about the product, yes, just we recently innovated 2017-2018 pinch-bottom bag, and we started our baby step on 2021. So, this is the pinch-bottom bag is a still new product innovation in this kind of things. In '23, we have -- get it 10%, and '24, we get 16%, 2025, we get the near about 20%, and currently, we get the 23%, near about 22% to 23%. So, always our focus that is a value-added product, and always our focus to increase our pinch-bottom bag. And we have started this IPO journey with the pinch-bottom bag expansion and all the things.

So, definitely, our focus on more in that area. And more than that, always company is innovated. Always I can say, we try new innovation, new innovation, and new innovation. So, always we try to get the new innovations, and also, we are on that development area, we never stop on packaging. So, the same way as past, always come up with the new product and new customer and new area, so same way we grow furtherly, Ashish-ji.

Moderator: Thank you. Mr. Soni, please rejoin the queue for more questions. Next question comes from the line of Nitin Babulal Gandhi with Inoquest Advisors Private Limited. Please go ahead.

Nitin Gandhi: Thank you, Alpesh bhai. Wish you congratulations on successful listing. Just to share some thoughts on what is the gross block addition in this quarter, and INR380 crores expansion which before that will you be adding anything in a gross block? And whether the INR380 crores gross block addition in '27 will also maintain the asset turn of 2.5 plus? Thank you.

Alpesh Patel: Nitin ji, first of all, thank you, thanks for your wishes, and try our level best to go more faster as possible. So, sir, first of all, our CFO sir will give you guide about this gross block. Just a one minute.

Ajay Dubey: So, I'll explain you, sir. Today, as of now, 30th June 2026, our total gross block is INR416 crores compared to this previous financial year quarter one financial year '26, that was the INR273 crores. So, that almost we have added INR141 crores within the one year of this span of time. And for quarter one, only the quarter one financial year '27, we had added INR30.75 crores in our gross block.

Moderator: Thank you. Mr. Gandhi, please rejoin the queue for more questions.

Nitin Gandhi: Hello. Ashish ji is there? Hello Nitin ji, Nitin is there?

Moderator: Please go ahead.

Alpesh Patel: Okay, okay, okay, because they have a one more question. So I would, I would like to answer that gross block continuity of same or not. So, sir, we try our level best to as much as possible turnover we can get from the business and value-added product. So, our try best try to maintain and better on that situation. Thank you. Thank you, Nitin.

Moderator: Thank you. Next question comes from the line of Ram Singh, an individual investor. Please go ahead.

Ram Singh: Hello, am I audible, sir?

Alpesh Patel: Yes, Ram Singh.

Ram Singh: Sir, congratulations on a good set of numbers, and many congratulations on the listing as well. The growth we have shown this quarter, sir, around 40% revenue, and we have also improved EBITDA margins. Will we be able to maintain this growth in the coming quarters, sir?

Alpesh Patel: Very honestly, we have achieved this in this quarter compared to the previous quarter. After that, we added two rented plants, one recently and one in between. So, these plants are already running and will continue to run for the entire year until our new production starts. Production is planned to start in next October 2027. So, until then, we have already taken these plants on rent. I need to utilize these plants, as production has already started and we have begun selling from them.

So, we expect that the sales we got in this quarter will be maintained. We expect that in the future as well, with the same production and utilizing the same facility, we will fulfill those orders. So, we are trying our best to achieve maximum utilization on it. Infrastructure is already built and sales have already started this quarter, so we will try to maintain it going forward, same to same.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to Mr. Alpesh Tulsibhai Patel for closing comments.

Alpesh Patel: Thank you. First of all, I would like to thank all the investors and everyone who trusted Knack Packaging, showed trust, applied first during the listing, stayed with us, and those investors who are still walking along with us. Definitely, Knack Packaging is a long-term company with a good vision and a strong product line. Moving forward, we aim to reach higher levels.

Our first target is to start our new plant as soon as possible using the expansion funds. The machinery and all finalizations are under process. Construction development has started, though main construction will pick up after the rains. After that, we will try to enter production as quickly as possible. Everything is on track and running perfectly.

The on-boarding process for this product is long, so keeping that in mind, we are increasing marketing through rented plants. This is reflected in our growth, as we have added good customers and have a strong pipeline for the future. We expect to maintain these good results going forward and start our new plant quickly. Thank you. Thank you everyone for your support, and we will continue to grow the company together.

Ajay Dubey: Thank you sir.

Moderator: Thank you. On behalf of Knack Packaging Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.