MTPL/SECT/27/2026-27 **Date: July 30, 2026**

| To | To |
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| The Secretary, | The Manager, |
| Listing Department, | Listing Department, |
| **BSE Limited,** | **National Stock Exchange of India Limited,** |
| Phiroze Jeejeebhoy Towers, | Exchange Plaza, 5th Floor, Plot No. C/1, |
| Dalal Street, | G Block, Bandra Kurla Complex, |
| Fort, Mumbai-400001. | Bandra (E), Mumbai-400051. |
| **Scrip Code: 533080** | **Symbol: MOLDTKPAC** |

Dear Sir/Madam,

**Sub: Transcript of Earnings Conference Call for Investors held on July 27, 2026.**

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the transcript of the Earnings Conference Call for Investors held on July 27, 2026 to discuss the Q1 FY27 results of the Company.

This is for your kind information and records.

Thanking you,

Yours faithfully,
**For Mold-Tek Packaging Limited**

Harshita Suresh Chandnani
Digitally signed by Harshita Suresh Chandnani
Date: 2026.07.30 14:07:21 +05'30'

**Harshita Suresh Chandnani**
**Company Secretary and Compliance Officer**

**Encl: As above**

# "Mold-Tek Packaging Limited
# Q1 FY27 Earnings Conference Call"
# July 27, 2026

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| **MANAGEMENT:** | **MR. J. LAKSHMANA RAO – CHAIRMAN AND MANAGING DIRECTOR – MOLD-TEK PACKAGING LIMITED** |
| **MODERATOR:** | **MR. RAJESH KUMAR – EMKAY GLOBAL FINANCIAL SERVICES** |

**Moderator:** Ladies and gentlemen, good day, and welcome to the Mold-Tek Packaging Limited Q1 FY27 Earnings Conference Call hosted by Emkay Global Financial Services Limited. 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 touch-tone phone. Please note this conference is being recorded.

I now hand the conference over to Mr. Rajesh Kumar from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

**Rajesh Kumar:** Good evening, everyone. I would like to welcome Mr. J. Lakshmana Rao, Chairman and Managing Director, and also thank him for this opportunity. I shall now hand over the call to him for the opening remarks. Over to you, sir.

**J. Lakshman Rao:** Good afternoon, gentlemen. Thank you very much for your interest in our company's quarterly results conference call. I'm glad to inform you that we have made a historical quarter. The turnover crossed INR300 crores, partially helped by increased raw material costs. However, one of the most important points here is the per kg EBITDA has shot up to INR46.7 per kg, which is historically around INR40, INR42 was the best in the last several years.

So this is a good turnaround because of the increase in sales in pharma and food and FMCG, which are high value-add products and also mainly driven by the consolidation efforts we have taken up in bringing down the number of units in Hyderabad to only 2 units from 5 units earlier. So this consolidation and improved sales of high-margin products has enhanced our EBITDA margins considerably in spite of the economic disturbance all around the globe due to the war situation.

So that's fairly a good quarter where in spite of the price hike, we could successfully pass on the raw material price hike to all the clients. And with internal efficiencies and consolidation, we could improve our profit margins considerably. This is briefly the introduction, and I hope we can discuss more on question and answers. Over to operator.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Divyansh from Trinetra Asset Managers.

**Divyansh:** So my first question is, over the last few years, the company has diversified beyond like decorative paints. And looking ahead, what would be the ideal revenue mix across like what portion will be except our decorative paints over the next few years?

**J. Lakshman Rao:** It is currently value-wise 46%, but volume-wise, it is around 50%, paint alone. And probably it will start stabilizing around there or it might come down to 40% over the next 2, 3 years because of the increase in Food & FMCG and Qpack is much sharper than -- and pharma are much sharper than growth in paints. So I hope in 3, 4 years, paints as a segment might contribute around 40% from current 50%.

**Divyansh:** Okay. And any other segment in which we are looking to enter?

**J. Lakshman Rao:** Yes. We are already growing in food now. Food is now contributing to almost 24%. And if you consider Qpack also, it is around 28%, 29% of the products are sold in food. Pharma is only 2% in terms of weight, that is volume, but about 3.5% in the overall sales. So these numbers will shoot up rapidly, like, say, 40%, 50% CAGR for next 3, 4 years.

And Food & FMCG might grow at least around 18% to 20% CAGR. So whereas the paint might grow around 8% to 10%. Currently, it is 10%. So at that rate, paint will slowly lose the share from 51% currently to probably 40% in next 3, 4 years.

**Divyansh:** And could you help us understand like what percent of incremental revenue this quarter comes from new customer or any addition?

**J. Lakshman Rao:** New customers, several customers have been added in food and pharma, not 1 or 2. In paint, of course, it's a more mature market where we have the top brands with us for last several decades, I can say. So in the paint and lubes, there's not much of new additions. But in the Food & FMCG and pharma, there are several clients. I can't list. There will be more than 10, 20 clients added in this quarter.

**Divyansh:** Okay. And in percentage terms, can you give like in food and pharma, how much came from new customers?

**J. Lakshman Rao:** Percentage terms, probably if you can send a mail, we'll reply to you. There may be 3% to 5%. But overall, food and thin-wall growth is 24.2%, which is considerably much better than what it was in the last 2, 3 years.

**Moderator:** We take the next question from the line of Dipak Saha from Ashika Institutional Equities.

**Dipak Saha:** Sir, just a couple of questions. First, on the volume side, if you can help us understand the 6% growth. Is it because did we apply new selective approach as far as the current market conditions are concerned? Is this the reason that the volume growth was relatively low?

And second, on the EBITDA per kg side, how sustainable this number is? Because one part is, obviously, lube has come down and mix has changed. But if you can share some color and attribute the reasons behind this EBITDA per kg improvement. These are the first 2 questions.

**J. Lakshman Rao:** Yes. Volume growth is tempered a bit because of drop in lube segment. Lube segment has dropped by 17%. It's mainly because of base oil unavailability with a couple of private companies who could not -- due to the war in Iran, their base oil procurements have been affected, which impacted their sales and volumes and which in turn affected our sales in lube segment.

So lube being almost 17% to 20% of our sales, a 17% drop has impacted almost directly 3% to the volume growth. So the 6% volume growth, what we achieved would have been 9% had even lube remained at the same level. So lube is a disappointing performance this quarter, which is beyond our hands because of the input problems of oil -- base oil to the -- some of the private players.

So they could not get the oils in time. And in turn, we lost the volumes. So that is about the volume growth. But I also told you in the last quarter, as pharma growth is 38%, but it won't reflect too much on the volume because they are lightweight containers, lightweight components.

So on the volume side, it will now -- anything around 10% is a great volume growth given the war scenario. But what I'm very glad about is the EBITDA growth that has been achieved through consolidation of our units and improved efficiencies and a little bit better capacity utilization compared to the last financial year.

So all these 3 are long-term in nature. And as you asked, we are bullish that we may able to cross our projected INR42, INR43 EBITDA for the year marginally. Maybe we are now aiming at INR44, INR45 for the full year.

**Dipak Saha:** Got it, sir. So the way to look at it is that incremental Y-o-Y EBITDA per kg growth would more normalize from INR46 that we are seeing in the current quarter in Q2, Q3, Q4, we'll have a little bit of a normalized growth on the EBITDA per kg side compared to last year. Is that the right way to look?

**J. Lakshman Rao:** It will be better than last year, certainly because Q2 and Q3 of last year, it was below INR40, but we are aiming still at around INR45 because the cost advantages and the consolidation benefits will continue to accrue. And we have other areas of automation, which we have started recently, which will also start contributing in a couple of quarters.

So things are looking brighter because corrections what have been done are long-term in nature. Consolidation of units is a onetime thing, but its benefits will last forever. That's why we are confident -- increase in Food and FMCG and pharma, we are confident to sustain momentum in the EBITDA.

**Dipak Saha:** Got it. Sir, one last question on the paint side, 11% volume growth, 30% revenue growth. This 20% value growth that we have secured, if you can just share some color? Is it more one-off or this is looking sustainable? How should we look at volume and value growth going ahead on the paint side?

**J. Lakshman Rao:** No, no, no. This 31% growth rate in paint and 10% in volume is basically eaten away by the raw material price rise. So the sustainability of this will depend again on the raw material movement. If the raw material stabilizes or comes down, this gap will slowly come down.

So whatever -- what you should appreciate is company could immediately get the price rise due to the war. The raw material shot up from INR110, INR105 range to almost INR155. So the company could get that money with quick time frames from the clients and able to sustain or enhance our EBITDA.

Otherwise, we would have seen EBITDA affected. So this shows the relation what we have with our top clients in the paint or lube or even food industry and also the confidence they have on Mold-Tek. So we are able to pass on the price rise as and when the price rise happened and able to sustain our margins, rather improved our margins.

**Moderator:** We take the next question from the line of Raj Shah from Fident AMC.

**Raj Shah:** My first question is on our Qpack volumes. So they have come down sharply, growing at close to 20% last quarter to 2%. So what was the reason for the same? And secondly, in terms of -- and secondly, on pharma also, I mean, on a quarter-on-quarter basis, our volumes are up like 2%, 3%. So how do you see this ramping up?

And in terms of our target of close to INR55 crores of revenue from pharma. So I mean, what kind of growth do you see in the next couple of quarters?

**J. Lakshman Rao:** Yes. In fact, the price -- the rise in -- sorry, the growth is only 2%, mainly because Qpack is a little price-sensitive segment. It is mainly used for edible oil and cashew and edible oil industry has been under stress because of the increased freight costs and oil prices on one side.

And with such a shot up of raw material price from INR100 level to INR150, they were a little hesitant to increase their sales and volumes. So that is one of the major reasons. Even companies which have moved into our Square Packs have gone back to tin or other forms of packaging tentatively.

And that is one of the reasons why Qpack is a little growth is disappointing. But now we set up our Qpack facility at North, which has started adding numbers and also in South in Cheyyar. So we hope that coming quarters, we'll see double-digit growth in Qpack again. That is your first question.

Coming to the second question, Pharma, we reached 41% growth, which is a sizable growth compared to last year Q1. Even in the volume terms, it is a 38% growth, which I'm sure you will appreciate is a big jump given the scenario. And at this stage, we already have about a quarterly projection of INR11 crores to INR12 crores, which can go up to INR14 crores, INR15 crores towards the end of the year.

So we are still looking at a INR50 crores, INR55 crores target for our pharma, so which will be like almost a 50% growth over the last year number, INR34 crores, what we achieved. So in pharma, we are definitely on a strong wicket. And we also have plans to get into Ophthalmic range of products for which trial molds are completed and commercial molds may take another 5 to 6 months to arrive.

So hopefully, from beginning of next calendar year, we'll be entering into that. And we also are looking at other medical devices like dosing pens for which we are looking at ways to shorten the development period. But no firm plans as of today. But certainly, that is another product we'll be landing in, in the next financial year.

**Raj Shah:** Understood. Secondly, on your finance cost, we have seen a sharp increase on a quarter-on-quarter basis, close to 20%. So what is the reason? I mean, last quarter, I think we have said that we'll not be increasing debt from here on. So what was the reason for the increase in finance cost?

**J. Lakshman Rao:** See increased finance cost is 2 reasons. One is the raw material cost goes up, our working capital needs go up. So on that -- on a higher volume of material cost, we will be paying the interest to the bankers. So overall working capital -- the raw material cost has shot up, if you compare it to last year, fourth quarter is INR97 average price is INR130. So almost 35%, there is a jump in the raw material cost.

So our raw material inventory costs and carrying costs also will go up accordingly. So that is one of the major reasons why the interest has gone up. It's not because of term loans. Term loans also, of course, are there, but not to the extent of this much difference. This 20% rise, what you see there compared to the Q4, 20% rise is mainly due to the cost of raw materials and goods, which shot up in the war period. So that has to be -- that is the reason for increase in finance cost.

**Raj Shah:** Understood. Sir, lastly, just on Vibe, is there any update in terms of JV? I mean when do we see volumes contribution?

**J. Lakshman Rao:** Vibe, we have developed the 3 products now, which they have got applied for patent. And another 6 products -- 3 products which constitute 6 components are also getting on to the pilot stage, probably in the next 2 months, they will also be ready. And together, they want to go for -- they already applied for IP for these 3 products. And another 2 products also they want to go for IP.

And they're already taking the call on IP expenditure and marketing efforts. And even they have agreed to participate in the new mold cost to the tune of $50,000. So all this augurs well. But as I said, it is a long call. Probably towards the third quarter, we'll be starting some commercial products for Vibe.

**Raj Shah:** Understood. Sir, any target for this year? Any, again..

**J. Lakshman Rao:** This year, probably a couple of crores we may do in the last quarter because these products are very high value add. They are even better than or at least equal to pharma products in terms of EBITDA. So once they are launched, the volumes also can shoot up. And probably next financial year, we'll certainly see decent numbers coming from Vibe.

**Moderator:** We take the next question from the line of CA Kaushal Sharma from Equinox Capital Venture Private Limited.

**Kaushal Sharma:** I just want to understand that you suggested that you have passed on the prices. But if I see your quarter-on-quarter market, your revenue growth, your revenue growth is around 46.3%, but your gross profit is around 12% and EBITDA is around 16%. So there is some cost absorption. So there is a drop in gross margin from 46.60% to 41.31%. So what is the reason of this?

**J. Lakshman Rao:** No, if you notice, our EBITDA shot up by 12%, which is a very big jump from INR40.7 per kg to INR46.7 compared to the last full year. So that is a very considerable achievement. The price -- the revenue rise looks high because of the inflationary trend in the raw material, which we could successfully collect.

Otherwise, it would have impacted our EBITDA per kg. So EBITDA per kg has gone up because of the efficiencies and consolidation what we had taken up in the last financial year. So these are the reasons, and we could effectively pass on the price rise of raw material from -- if you notice the raw material cost, it was INR97 in the Q4 -- for the full year, INR107 in Q4, become INR130 now.

So the revenue growth is partly due to the inflationary raw material price. But the proof of the pudding is EBITDA growth. So EBITDA growing by almost INR6 over the last year number is a big relief or proof that our efficiencies and consolidation are adding to the bottom line.

**Kaushal Sharma:** And could you please explain what kind of value-added products in pharma that we are going to launch or planning to launch [inaudible 0:19:49]?

**J. Lakshman Rao:** Yes. Currently, we have 3 set of products. You know that bottles and caps, variety of caps. We have EV tubes, effervescent tubes and canisters. And now currently, we are working on some other products, including dosing pens wherein IP requirement is there.

So we are trying to work out with a suitable IP holder who will be able to give us the IP rights and able to bring the product here in India. So that will cut our development time from 3 years to 1 year and enable us to get into this business within a year's time. Even some imports can be done during this period to do the market seeding.

So that way, we are going -- so that is one product wherein we are putting efforts. We are also looking at semiconductor trays. That will be a little longer shot because by the time semiconductors and chips are made in India, they will be needing a lot of packaging support.

And this packaging is very high end -- I mean, accuracy and high-end raw material requirement, understanding of the technology is very much needed. So that is one very high-end value-add product we want to look into in the coming years.

**Kaushal Sharma:** What kind of EBITDA margin?

**J. Lakshman Rao:** EBITDA margin, it could be very high, something like INR150, INR200, I guess, we are still having basic data. And that again depends upon the capacity utilization, but it will be at least double that of pharma is my guess because the material used, the dimensional accuracy required and temperature characters, all that are very demanding. It is a step ahead of pharma.

So there are very few players in the entire world who are doing this. But Taiwan and Korea are the main countries. Of course, China also, there are suppliers with a good technology. We are trying to find some good technology partner to enter into this. That is a little longer shot. But pens is one area where we are focusing now and hope to get into that business in a year's time.

**Kaushal Sharma:** And so what kind of capacity are we putting for these pens? And what is.

**J. Lakshman Rao:** Currently, the capacity requirements are shooting up in India, not only for diabetes, but also for semaglutide and other products that are expected to move into disposable pens. So once that volumes come up, the volumes in this country or even exports to the African and other countries can be of sizable numbers. So we are still at the drawing table stage now, depending upon the plans, it could be 1 million pens per month will be the minimum capacity we'll be starting with.

**Kaushal Sharma:** And this revenue will come from the next financial year, right, as you said?

**J. Lakshman Rao:** Yes. It will take at least 1 year to get the validations and clearances from clients. If any tie-up happens with a couple of foreign suppliers we are working with. In that case, probably some imports can be done in this year itself. Otherwise, it will take at least a year to get into that business.

**Moderator:** We take the next question from the line of Shirish Pardeshi from Motilal Oswal.

**Shirish Pardeshi:** As usual, you surprised us. I just wanted to check a few things. This quarter, our lubes volumes were lower. And because of that, our EBITDA has shot up to INR46.5. What I'm trying to understand, if you can give me a number, what is the lube quarter 1 EBITDA per kg? And in future, once lubes order comes back, will this EBITDA looks like towards INR45 or will be lower than that?

**J. Lakshman Rao:** Lube as it is not a bad contributor. It is average somewhere around INR35 to INR40 level. Yes, lube coming down is not the reason for improving the EBITDA. Improving the EBITDA is mainly due to consolidation of our units, which has reduced overheads, wastage, interunit transfers and rejections, which were happening in printing, especially because our printing units were spread in 3 locations. Now we brought them under one roof in Sultanpur.

And also a couple of units closures reduced our overheads considerably right from power cost to the supervisory and managerial staff. They could be used elsewhere or we let go some of the people. So the overheads have come down considerably. Interunit transfers have come down and wastage and rejection rates have come down. So these are long-term in nature. So that is why we are confident about a consistent EBITDA growth in the current year in spite of moderate volume growth.

And you must appreciate that in spite of the war situation all around, Other than lubes, all our other segments have done well, especially pharma and Food & FMCG grown by 38% and 24%, respectively, and paint by 10.8%, which is a fairly good number. So only lubes are down due to the base oil disruption in a couple of our clients' locations. They could not get the base oil because of their dependency on Middle East.

And of course, Qpack, as I explained, is a price-sensitive market. Edible oil and cashew are main users. And so they were a little hesitant when the raw material shot up by INR50 per kg. But they are coming back now. We are seeing the trend is returning for at least a modest 10% growth in Q2.

**Shirish Pardeshi:** Okay. My second question, our core business, paint has grown about 11% and Food & FMCG has grown 26%. However, there could be an aberration because quarter 1 overall volume growth was about 6%. Now in this setup, how we should think about the full year volume growth because I think the core business will continue to grow at that speed. So I just want to understand, is this price is now settled and the growth looks better in second half for volume?

**J. Lakshman Rao:** Yes. For volume growth, as I said last time, we are aiming at 10% to 12%. Even today, I still feel 10% is possible because in spite of the war, we are very -- the clients are sticky with us and rather some more clients who left us are coming back because they know Mold-Tek can afford to maintain the material, produce at good efficiency and ensure supplies in time.

So when any disturbance is there in the markets or general atmosphere around, they will fall back more on Mold-Tek. And the trend of IML adoption in paint industry is growing because the leader has started using more and more IML brands. And Aditya Birla also using major more than 25%, 30% of their pails in IML. The trend is spreading into the lower players also. And they are coming back to us.

And hopefully, paint and paints, especially, we will see a double-digit growth for the full year. If paint remains at that level, if lubes even come back to a 0 level of growth, food and pharma will pull up the numbers to make sure we are at 10% volume growth at least for the year.

What you should appreciate is pharma numbers are in weight-wise, they are very less compared to pails. So even if growth is 10%, it's equivalent to a growth of 15% volume if pharma is growing at 40%, which I think the trend is already in line with that. So now more than volume, I would look at -- one is definitely volume up to even 9%, 10% volume growth is equivalent to 14%, 15% of the past volume growth.

And EBITDA growth of INR5 we achieved INR6, in fact, for the -- compared to the last year, full year at INR40.7, we did INR46.7 is mainly due to the consolidation and efficiencies and better capacity utilization, which will be long-term in nature. So that's why I'm confident this year, we'll be crossing our target of INR42, INR43 we set for the full year.

**Shirish Pardeshi:** Okay. That's really helpful. My last question, have we taken any further price increases or passed on any raw material increases in the month of July?

**J. Lakshman Rao:** See, whatever happens in the month, we pass it on in the next month. So if July, the prices have come down in the beginning. And again, last 2 weeks, they have gone up. And now today, they're back to INR145, INR146 compared to the peak of INR155 they reached in end of March. So again, the price is rising, but we don't know if the war comes to an end, I'm sure it will come down to INR120, INR125 at least.

**Shirish Pardeshi:** Yes, I understand. The reason why I'm asking because you also eliminated the in-house printing labels. So there is a cost lever also sitting there and there is a margin lever also sitting there. So I was just saying that 46%, you're saying 43%, 44%, but I would expect the margin to remain stable at the same level at 18.5%, 19%.

**J. Lakshman Rao:** I hope so.

**Moderator:** We take the next question from the line of Chirag from Keynote Capitals.

**Chirag:** Sir, my first question is related to the price pass-on that we are talking about. Tomorrow, if the price reduces, will it be fair to assume that our gross profit per kg would still remain in the range of INR100?

**J. Lakshman Rao:** Gross profit per kg at INR100, where are you seeing that?

**Chirag:** Calculating -- dividing gross profit by the volume. Because this is the entire pass on cost, right? If we are passing -- if there is price increase in raw material is about INR30 from INR100 to INR130, and we are selling at INR150. So it increases by INR30. It's INR180 to -- increase from INR150 to INR180 due to which by eyes, we look that the margins are down. However, on unit economic basis, the realization is still better.

**J. Lakshman Rao:** Yes, yes. That's why I always encourage people to look at the EBITDA per kg, which is a correct sign of profitability in our line of business because raw material is a variable which is not in our control. And the price goes up or down, we pass it on to the client in the following month. So that is still happening.

So tomorrow, if the prices come down, it will come down and the percentage looks higher. But if you look at the absolute figure, EBITDA per kg, that is what matters. And that's where we have -- I'm very happy that we got almost 12% jump compared to the last year's number in spite of the war situation and in spite of the lubes being impacted due to war. So this is through consolidation and efficiencies, which are long-term and permanent in nature.

**Chirag:** Right. Got it. Sir, second question that we are talking about the lubes as a segment. If I'm not wrong, in Q2, we lost a big client in last year Q2, which led to a normalized rate of 1,800 to 2,000 metric ton volume on a quarterly basis. So one thing is that it is still a normalized level.

Second, I wanted to know was if the Qpack segment's volume normalizes, which wasn't any growth because of the competitive intensity it has, that is the reason why you are talking that the EBITDA per kg, which is around INR46 will come down to about INR44, INR45 as a range.

**J. Lakshman Rao:** Yes. Because not only that, when the capacity utilization remains at the same level or maybe a little less, your automatically EBITDA per case will come down. So I'm sure that lubes will compensate this quarter. They're not -- if not fully back, they're improved a lot. Maybe they made some alternative arrangements of the base oil. So a couple of clients who are impacted during the war are now back into market in terms of quantities.

And we hope lubes will get back into shape in this quarter. So that will overall reduce the -- I mean, improve the capacity utilization at the 75% level. If that happens, again, we may reflect on similar set of EBITDA per kg. Otherwise, probably marginal reduction here and there. But overall yearly projection of INR42, which I gave last -- at the end of last year, will certainly be surpassed in this year.

**Chirag:** Right, right. So next question is related to the new lines that we are getting into, the ophthalmic and looking to get into the dosage pens too. I wanted to understand what kind of size this industry has. And like even when we started to get into pharma, the quality requirement that the plastic products should not mix with the ingredient, maybe the capsule or something else, we face that issue to bring up to that quality.

Similarly, I guess that this is similar for the dosage pens too because there is an API, liquid API included in that, right? So just wanted to understand the learning that would be required. And as you're saying that once the IP -- we will get the IP done, the time frame can reduce from 3 years to 1 year. Just wanted to have a ballpark view of how you are looking at this?

**J. Lakshman Rao:** No, what I'm saying is in case we find a partner who is willing to share his IP and the validation data, which is like a tech support or a tech understanding, then the time lines can come down from 3 years to 1 year itself because then the testing already some of the suppliers abroad, we are in touch with. They already are in Indian market at the various levels of testing.

So if we tie up with them, things can go faster, like a few months or max 1 year. But if that fails and we have to come out with our own design and IP, it will certainly take 2 to 3 years. So at this stage, it's too early to comment, but we are on a track to see both options.

**Chirag:** And the assets are fungible in nature? Would we be requiring a new plant and machinery for this?

**J. Lakshman Rao:** No, that you know we already have the land. So we'll be needing at least 50,000, 60,000 square feet of area to start with, and that will be around INR10 crores investment. And the machinery to start with would be also in the region of around INR10 crores to INR15 crores.

So minimum INR25 crores to INR30 crores minimum plant size is required in the beginning and which need to be ramped up depending upon the growth in the business. But the pricing and EBITDA margins are double -- more than double that of regular pharma products.

**Chirag:** Right. And for this ophthalmic product that we are talking about, for that, we can make it on the same assets that we have today with ourselves?

**J. Lakshman Rao:** Yes. Ophthalmic, we don't need any special level of safety or ambience. Our current facility where we are now already taken up construction of 25,000 square feet area, which will be completed in 6 months' time. So that is where we'll be setting up the ophthalmic range.

The new land, which we acquired a year ago will be kept for devices. That is mainly pens and some other -- there are some more devices under consideration, but it will be too early to comment. We are working on feasibility and market demand.

But let me assure you, Mold-Tek is now focused on pharma and diagnostics in a big way and devices in a big way. And coming forward in the years or quarters, if not quarters, years, there will be certainly more focus and growth in those -- in that segment. It's a huge potential area, and we just touched the tip of it. So we have a long way to go.

**Chirag:** Right. Just last question from my side, sir. Generally, after reaching a 75% capacity utilization, we generally look for a new capacity addition. We are currently at about 77,000 MTPA. If you could just highlight what kind of...

**J. Lakshman Rao:** 67,000, I guess. Our total capacity is 67,000.

**Chirag:** Correct. 67,000. Right. So what are we looking at for the -- by the end of the year, what are we looking at as capacity? And down the line about 2 years down the line or 3 years down the line, how you are looking at it?

**J. Lakshman Rao:** Yes, there will be certainly at least 10% to 12% capacity addition every year. That is to capture the growth and better utilization at 3 units, which are Cheyyar, Panipat and Mahad. This is where we are now trying to focus by enhancing the product range there.

For example, in Panipat, we already started test marketing our thin-wall products with 4 machines last year, and the response is pretty good. Already goods worth of around INR70 lakhs to INR1 crores are being sold every month.

And now we are doubling that from this month, August onwards to catch up for the festive season. So hopefully, North Panipat unit will be utilized better in Food & FMCG, Qpacks, already Qpacks, we are selling more than INR1 crore, INR1.5 crores worth of Qpacks from Panipat in the last 6 months.

So whenever there is ups and downs in the paint demand, there will be fungibility with the Qpack. So same thing we are doing at Cheyyar. Now a set of molds are going to Cheyyar for Qpacks and also paint industry molds, which will enable us to use the capacities in those -- in that unit also better.

So our focus now is utilizing this capacity from 75% to probably 78% or even 80% in the coming years. And apart from that, create another 8% to 10% of capacity to catch up with the growth.

**Moderator:** We take the next question from the line of Bhargav Buddhadev from Ambit Asset Management.

**Bhargav Buddhadev:** Congratulations on a good set of numbers. Sir, my first question is that is it fair to say that we would have seen some volume decline. Obviously, because of elevated RM prices, there might be de-stocking. But now with crude coming off, is it fair to say that we can, in the ensuing quarters, see volume growth coming back in paints?

**J. Lakshman Rao:** Paint, actually, we have 10.8% in spite of the severe conditions what we are experiencing. The main culprit is lubes. That is where I explained 17% dip compared to the Q1 last year. So...

**Bhargav Buddhadev:** I'm talking volume growth, volume growth.

**J. Lakshman Rao:** Yes. Even volume growth in paint is 10.8%. The lubes was minus 17%. So that is where the stunt our volume growth has been stunted to some extent. Otherwise, it would have been close to 9%, 9.5%. So the 17% dip in lube is the culprit for our volumes being moderately less compared to what it used to be.

And once the war situation becomes normal, even now, I think lubes, they have formed some alternative arrangements of base oil so that their sales will come back to normal. And hopefully, in the coming quarters also, we'll be able to achieve double-digit growth, given our growth patterns in food and Qpack and Panipat and Cheyyar capacities being improving -- utilization being improving, we are aiming double-digit growth in the coming quarters.

**Bhargav Buddhadev:** Secondly, sir, with Asian Paints also increasing the IML share and within that, Mold-Tek is also now seeing incremental business given that our capabilities are far superior. Is it fair to assume that within Asian Paints, our gross profit per kg as well as EBITDA per kg should sort of increase from here on?

**J. Lakshman Rao:** Yes. It is increasing because the volumes are increased, capacity utilization is improving. The molds and machines are being kept for better use. I can't [inaudible 0:41:53] -- I mean, I can't tell you the exact number, but we have a very good growth in Asian Paints in this quarter.

**Bhargav Buddhadev:** And their IML share is rising. Is that fair understanding?

**J. Lakshman Rao:** Yes. IML share is also rising, and their volume growth is very considerably high, which used to be down in the previous couple of years, started positive from last quarter, that is Q4. And this quarter is one of the best growth numbers.

**Bhargav Buddhadev:** And this 10% volume growth in paints, which we have seen in the first quarter, maybe in the next 9 months, it should only accelerate. Is that a good understanding?

**J. Lakshman Rao:** It should at least remain at 10% to 15% range. We are confident this time paint will grow in double-digit and the signs so far are good. But for at least the war stops in a couple of months' time, hopefully, we'll be seeing even 15% growth is possible because of very handsome growth in Asian paint sale for us.

**Bhargav Buddhadev:** 15% for the full year, you are saying?

**J. Lakshman Rao:** Sorry?

**Bhargav Buddhadev:** You're saying 15% in paints for the full year can be a possibility, volume growth?

**J. Lakshman Rao:** 10% to 15%...

**Moderator:** We take the next question from the line of Shaurya Yadav from GrowthSphere Ventures.

**Shaurya Yadav:** Am I audible?

**J. Lakshman Rao:** Yes.

**Shaurya Yadav:** Sir, I have just one question. Earlier, our team was planning certain visits in China for tech tie-up related to semaglutide pen. Any update on that?

**J. Lakshman Rao:** Yes, we are in talks with a couple of them, actually, not even one. And there could be some visits in the coming months and talks will start in September. If things work out with at least one of them, there could be some initiative in that direction.

**Moderator:** We take the next question from the line of Arnav Sakhuja from Ambit Capital.

**Arnav Sakhuja:** So my first question is that we had a strong growth of 11% in volumes for the paints sector. So if you could tell us how much of this growth would be due to our current clients and how much could be due to some new clients that we might have onboarded in quarter 1?

**J. Lakshman Rao:** We don't onboard any new client in paint. This growth is all through our existing clients only.

**Arnav Sakhuja:** Paint. And what is the total capex that we can expect in FY27?

**J. Lakshman Rao:** Yes. This year, we hope to bring it down from INR130 crores, INR135 crores to around INR90 crores.

**Arnav Sakhuja:** Right. And one of the points that you mentioned in your opening statement was that the consolidation of the Hyderabad facility was a major factor in improving the EBITDA per kg. So is there scope for any other consolidation of some of our facilities? Or was it just this facility in which we were able to do this consolidation?

**J. Lakshman Rao:** Yes. I think as far as the consolidation of units is concerned, Hyderabad is the only location where we had several units earlier, which we brought it down to 2. The same thing is not possible elsewhere because everywhere we have only one unit. But there are a couple of other areas where we can still see improving the margins and efficiencies.

One is automation wherein we can reduce the manpower and improve the accuracy and rejection rates, reduce the rejection rates. We are working on that. The team is currently planning to visit our partner or a good friend in China, who have similar manufacturing facilities running with very lean manufacturing methods. So that study will enable us to implement the same here back in the next couple of quarters. And that also should improve our overall efficiencies.

**Moderator:** We take the next question from the line of Akhil Parekh from 360 ONE Capital.

**Akhil Parekh:** Congratulations on a good set of numbers. Sir, my first question is we are seeing 19% of our overall value growth, right, 6% volume growth while almost 19% growth in sales per kg. Would it be possible for you to bifurcate how much of that growth is because of the price inflation and how much is because of the product mix change?

**J. Lakshman Rao:** See, if you can see directly that the sale in tons is only 6%, 6.25% increase. So the rest of the all 18% is mainly due to raw material price increase. Inflationary price increase.

**Akhil Parekh:** Okay. But won't there be any change because of the product mix as well, given that Food & FMCG.

**J. Lakshman Rao:** You are correct. There will be definitely a change in the product mix, which will improve the net revenue per kg due to pharma increase by 40%, there per kg rates are much higher. So yes, you are correct to the extent that if the raw material would have been the same level, the difference of 25% would have been somewhere around 12%, 13% because from 6% volume growth, the value add in revenue would have been 10% to 12% at least because of the product mix of Food & FMCG and pharma increasing compared to previous quarter.

**Akhil Parekh:** Sorry, just to confirm, is it 12%, 13% growth will be because of the mix shift.

**J. Lakshman Rao:** Volume growth have resulted in at least 10% growth in the revenue because of value-added products being sold more. But change what you're seeing 6% to 25% is mainly because of the inflation. At least 15% is inflation in the raw material price.

**Akhil Parekh:** Okay. Second, sir, listening to your commentary, right, how our nature of business is changing. We are focusing more on pharma and medical devices and Food & FMCG is also growing at a faster rate. Would it be fair to assume going forward, overall profitability growth or EBITDA per kg improvement should be the right metric rather than the volume growth numbers?

**J. Lakshman Rao:** Yes, I would always encourage people to look at the EBITDA per kg and of course, volume growth also as secondary because going forward, volume growth might be close to 10%, but EBITDA can grow around 18% to 20% also given our product mix changes and efficiencies that we are bringing in, in the operations.

**Akhil Parekh:** Sure. And would it be fair to assume we should maintain this 19%, 20% of EBITDA growth for rest of the year as such?

**J. Lakshman Rao:** Yes.

**Akhil Parekh:** Great, sir. And lastly, if you can please share the IML versus non-IML absolute volume and absolute sales number for this quarter?

**J. Lakshman Rao:** It's around 75.8% in tons and 77.8% in terms of value for this quarter.

**Moderator:** We take the next question from the line of Devang Mayur Bhatt from Spark PWM. It seems like Devang's line has been disconnected Till then we'll proceed with the next question. We take the next question from the line of Chirag from Keynote Capital.

**Chirag:** Yes, my questions are answered.

**Moderator:** We take the next question from the line of Sandeep Modi, an Individual Investor.

**Sandeep Modi:** Sir, I wanted to ask a few questions. Total, how many pharma companies have visited and how many are actively giving orders?

**J. Lakshman Rao:** How many means? The number of pharma companies are listed are more than 50. The current orders may be coming from around 20, 25 companies. Another 10 companies are also slated to visit us in the next couple of weeks or months.

**Sandeep Modi:** Okay, okay, okay. Yes, sir, one more question. 2.5 acres land, which we have got and when will the building construction start and when it will be operational?

**J. Lakshman Rao:** As I said, the current growth will be contained within the current premises of our Sultanpur land, old land and future growth will be for devices. So probably will be -- once we have a plan, as I said, we have 2 ways of going into devices. One is tying up with the existing patent owner, which will reduce our time frame.

In that case, we have to start immediately and complete the buildings within a year's time or 8, 9 months' time. In case we are going for our own internal IP and development, which has a long time period, it could start later.

**Sandeep Modi:** Sir, those are medical devices?

**J. Lakshman Rao:** Yes, medical devices like dosing pens and other items, similar nature.

**Sandeep Modi:** Okay. Very good. Yes. One more thing. How many new molds are being made for pharma and Vibe?

**J. Lakshman Rao:** See pharma number of molds are increasing every quarter. Like say, I don't have a count now because a number of products have crossed 100 now. Maybe every quarter, we are adding at least 5 to 8 new sizes, bottles or caps every quarter. So I think yearly, we'll be adding at least 15 to 20 products of different sizes are within the same size, different weights and neck sizes.

**Sandeep Modi:** Okay. Sir, any good news about pharma and semiconductor packaging?

**J. Lakshman Rao:** Yes, there are a lot of things happening in the background and probably in a few months' time, we'll be in a position to talk about it.

**Sandeep Modi:** Okay. And sir, any capex for 2027?

**J. Lakshman Rao:** Yes, there will be a capex of about INR90 crores for this current year, assuming INR25 crores to INR30 crores for pharma and the remaining for balancing and replacement.

**Sandeep Modi:** Okay. And only the medical device is the new business we are entering or any other business also we are planning?

**J. Lakshman Rao:** We are open to consider white goods. We are even looking at electronics and semiconductor packing. These are all long shots. They are at the drawing board stage now. And based on how we tie up or how we get the partners in this field, the time frames can be decided.

**Sandeep Modi:** Okay. And sir, the 5 to 2 units which we have consolidated, other 3 units, what business is going on there right now?

**J. Lakshman Rao:** Currently, the lands are available for us. Probably in a year or 2, when a good price comes, we may sell off at least a couple of them and use the funds.

**Moderator:** We take the next question from the line of Devang Mayur Bhatt from Spark PWM.

**Devang Mayur Bhatt::** So my question was what was the benefit to EBITDA per kg from higher realization?

**J. Lakshman Rao:** For a higher realization of FMCG and pharma together, it should be at least INR3 to -- INR3 per kg would have come from those 2 lines and another INR3 from the consolidation and efficiencies, improved efficiencies.

**Devang Mayur Bhatt:** Okay. And since our RM cost -- RM will be higher in the near-term, so what is your outlook for working capital?

**J. Lakshman Rao:** Yes, that's was one of the questions. That was the reason the interest has gone up considerably with increased raw material costs, inventory costs, we end up paying more working capital -- use more working capital and hence pay more interest on it. So current working capital is INR125 crores, which was around INR110 crores, INR112 crores end of March, I think. So it's gone up by around INR16 crores, INR18 crores.

**Devang Mayur Bhatt:** So you see this continuing for FY27?

**J. Lakshman Rao:** It may stabilize there because raw material is now not as much as it was in end of March. It is now currently trading around 10% less than what it was in the peak months. So hopefully, it will stay there. It may not decrease much, but it won't increase.

It may decrease to the level of 5%, 10%, but it may not increase given the raw material price. If the war worsens and further crude prices shoot up, then maybe a different point. But given this current scenario, it looks like it will come down a bit.

**Devang Mayur Bhatt:** Okay. And what was the capex in Q1 FY27?

**J. Lakshman Rao:** Q1 already INR20 crores we invested, I guess. INR20 crores, INR22 crores.

**Moderator:** The next question is from the line of Dhruvin Doshi from NV Alpha.

**Dhruvin Dhoshi:** Sir, since you mentioned that raw material cost spiked from INR107 per kg blended in 4Q of '26 to around INR130-ish in first quarter of '27, if I heard it right. So sir, I just wanted to understand if there's any inventory gains that we got in the gross margin of, say, INR103 per kg from INR97 last quarter?

**J. Lakshman Rao:** Inventory gains will be there to some extent, but not huge.

**Dhruvin Dhoshi:** Would you be able to quantify, say, INR2, INR1 per kg?

**J. Lakshman Rao:** Probably yes, INR1 to INR1.50, you can say.

**Dhruvin Dhoshi:** Understood, sir. Got it. Sir, and currently, what is the raw material cost you said?

**J. Lakshman Rao:** Current raw material is INR145. The peak was INR160, I think, in end of March or early April.

**Moderator:** We take the next question from the line of Amit Kumar with Determinant Investments.

**Amit Kumar:** Can you hear me?

**J. Lakshman Rao:** Yes, yes.

**Amit Kumar:** So just one question, what your suppliers are saying in terms of availability of raw material because, again, throughout this month, which is July, so just about 15, 20 days, the Strait of Hormuz was open. And now we understand that U.S. Congress, Senate, they have also sort of passed the bill, which will restrict imports of Russian crude oil also into the global market. So have you had any sort of -- or have your suppliers have had any sort of conversations with you in terms of supply availability?

**J. Lakshman Rao:** Supply availability, they are not worried about, but the price, we are not able to confirm. That volatility will still continue. But as of now, PP copolymer, which is our main raw material, availability is still -- I won't say it's plenty, but it is available as of today. And even the worst days of March and April, the material was available and there was some shortage and there was some rush to get it from Reliance or other manufacturers.

But as such, I think the situation now is better than what it was in March, April in terms of availability. In terms of pricing, yes, it depends on crude at what price they get the crude and they will change it up or down. So that volatility is still there. But availability-wise, we are much better off now than what it was 3 months ago.

**Amit Kumar:** And in terms of inventory, your own inventory holding as well as your customers, there is -- I mean, it's sort of lower than normal, higher than normal. How -- where do we sort of stand there roughly, if you have any?

**J. Lakshman Rao:** We don't have the details of our customers or competitors, but our standards are around 1 month inventory, 3 weeks to 1 month.

**Amit Kumar:** If you're talking about raw material or finished goods or total?

**J. Lakshman Rao:** I'm talking about raw material, including finished goods and SFG, probably

**Amit Kumar:** Okay, okay. understood.

**J. Lakshman Rao:** 1 month, few days.

**Moderator:** Thank you. Ladies and gentlemen, we take that as the last question for the day. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

**J. Lakshman Rao:** I take this opportunity to thank Emkay team for arranging this meeting with all the investors who have shown a lot of interest in our company and its operations. I thank you, everybody, one and all, and I wish you a great evening. Bye. Thank you, Rajesh.

**Moderator:** Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.