

**Date:- November 08, 2024**

**To,**  
**Listing Department**  
**National Stock Exchange of India Limited,**  
Exchange Plaza, Plot No. C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400051

**Symbol:- RPPL**

Dear Sir/Madam,

**Subject: Transcript- Q2 & H1 FY25 Earnings Conference Call**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a transcript of the earnings conference call for the quarter and half year ended September 30, 2024 which was held on Wednesday, November 6, 2024. The same is also available on the website of the Company i.e. [www.rajshreepolypack.com](http://www.rajshreepolypack.com).

The conference call held on Wednesday, November 6, 2024, as per the Transcript enclosed incorporates mainly the highlights of financial results upto September 30, 2024, and other related information which is already in public domain and / or made available / uploaded on the Company's website.

Please take the same on record.

**FOR RAJSHREE POLYPACK LIMITED**

**Mahipal Singh Chouhan**  
**Company Secretary & Compliance Officer**  
**M: A41460**



**Place: Thane**  
**Encl: a/a**



# “Q2 & H1 FY25 Conference Call of Rajshree Polypack Limited”

**November 06, 2024**



**MANAGEMENT: MR. RAMSWAROOP THARD - CHAIRMAN & MANAGING DIRECTOR, RAJSHREE POLYPACK LIMITED  
MR. SUNIL SHARMA – CFO, RAJSHREE POLYPACK LIMITED**

**MODERATOR: MR. NIKHIL SHETTY – NUVAMA WEALTH**



*Rajshree Polypack Limited  
November 06, 2024*

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q2 & H1 FY25 Conference Call to discuss operational and financial performance for Rajshree Polypack Limited hosted by Nuvama Wealth.

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 “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikhil Shetty from Nuvama Wealth. Thank you and over to you, sir.

**Nikhil Shetty:** Thank you. On behalf of Nuvama Wealth, I would like to welcome everyone to the Q2 and H1 FY25 Earning Call of Rajshree Polypack Limited.

Today, we are joined by the Management Team represented by Mr. Ramswaroop Thard – Chairman & Managing Director; Mr. Sunil Sharma – the CFO.

I will now hand over the call to the Management for their “Opening Remarks,” after which we will open the floor for questions. Thank you and over to you, Ramswaroop sir.

**Ramswaroop Thard:** Thank you, Nikhil. Good evening, everyone and welcome to Rajshree Polypack Limited Q2 FY25 Earnings Call.

I am delighted to have all of you join us today. I hope you all have had the chance to review the investor presentation we uploaded yesterday, which provides detailed insights into our performance.

Now let me take you through the “Key Highlights” for Q2 FY25:

- For the quarter, we achieved a turnover of Rs. 88.28 crore, a 30.79% increase compared to Rs. 67.50 crore in Q2 FY24. This growth is primarily driven by a 24.6% rise in volumes showcasing the strong momentum in our business and the significant potential ahead.
- Our EBITDA for Q2 FY25 stood at Rs. 13.34 crores, an impressive growth of 46.43% compared to Rs. 9.11 crore in the same quarter last year. This has translated into EBITDA margins improving from 13.5% to 15.11% year-on-year.
- The profit after tax for Q2 FY25 was Rs. 5.10 crore, making a substantial increase of 120% compared to Rs. 2.31 crore in Q2 FY24. PAT margins have also improved to 5.78% from 3.24%, reflecting our solid performance.

Looking at our “Half Yearly Performance”:



*Rajshree Polypack Limited  
November 06, 2024*

- We recorded sales of Rs. 166.98 crores for H1 FY25, up 19.11% from Rs. 140.19 crore in H1 FY24.
- EBITDA for H1 FY25 stood at Rs. 24.93 crores, a growth of 39.74% over the previous year. The PAT for H1 FY25 was Rs. 9.13 crore reflecting a strong growth of 107%.
- I am pleased to share that we have nearly matched last year's full year PAT in just half of FY25.
- In terms of geographical performance, our export business showed steady growth with Q2 FY25 export sales at Rs. 10.55 crore compared to Rs. 10.02 crore in Q2 FY24.

We are confident this segment will continue to grow with fresh export orders which we have secured.

On the "Product" front:

We saw significant growth in our sheet sales which surged to 90% from Rs. 17.97 crores in Q2 FY24 to Rs. 34.2 crores in Q2 FY25, driven by increased demand in various sheets during the festive season.

Our thermoformed packaging product grew by around 8% from Rs. 41.73 crore to Rs. 44.91 crore, with the festive demand also supporting this growth. Although we saw a temporary dip in demand from key customers, we anticipate a recovery by the end of this quarter.

The injection molding segment continues to perform well, growing by 57% from Rs. 4.29 crore to Rs. 6.73 crore, driven by increased export orders and expanded capacity. Picking up capacity, we have made substantial strides.

We have added a new thermoforming machine, increasing our installed capacity to 10,770 metric ton per annum with another machine in installation process, which will take it to 11,520 metric ton per annum. Additionally, our new extrusion line, which will raise our extrusion capacity from 20,000 metric ton per annum to 24,000 metric ton per annum, with commercial production set to begin in January 25.

In our injection molding segment, we have successfully expanded our capacity to 3,300 metric tons per annum in partnership with our toll manufacturer. Demand in this sector continues to grow at a rapid pace.

We have also made strong progress in product development, including over 20 new products in injection molding category during the quarter, expanding our food packaging portfolio. We have added 16 new customers, both domestic and international, and have participated in 2 major international exhibitions, Anuga Tech in Mumbai, and Fine Foods in Australia. These exhibitions continue to strengthen our brand presence both domestically and internationally.



*Rajshree Polypack Limited  
November 06, 2024*

Olive Ecopack has launched more than 125 SKUs and with production stabilized, our focus is now on generating demand. We are expecting our first export order coming soon and we have already begun approaching large QSR brands with positive early responses.

With that, I conclude my update for now and I'll be happy to take any questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Anand Shenoy from EAS Capital. Please go ahead.

**Anand Shenoy:** Firstly, the overall sheet sales have done very well and in that even barrier packaging is doing very well for us. So can you talk about where the demand is coming from and especially on the barrier packaging, like how do you see the current year doing?

**Ramswaroop Thard:** Yes, like as I mentioned previously also in the call that the segment is growing at a good pace. So the demand is coming from basically the markets for Indian sweet and savory segments. And in the seasonal period of the year, the demand was good for this particular year. And for the full year, we look to close on the barrier packaging sales at around 35 to 37 crores on this particular segment.

**Anand Shenoy:** And in the barrier packaging machine now, are we at the peak capacity or do you think there is more further scope for this in barrier packaging?

**Ramswaroop Thard:** Yes, the overall revenue scope for barrier packaging is around Rs. 60 to Rs. 65 crores from the existing line. So we still have scope to grow further around Rs. 20 to Rs. 25 crores of revenue from the existing line.

**Anand Shenoy:** And overall, we are seeing good orders coming on the export side. So you have mentioned about a confectionary order. And in the last call, you mentioned about one order worth Rs. 20 crores to a distributor. So where are we on that? And like second half and next year, how do you see the exports overall?

**Ramswaroop Thard:** Yes, so that the deliveries for that particular customers have started. Commercial production has begun and we have received the first purchase order for Rs. 3 crores and we are expecting another orders coming in month-on-month at this particular rate.

**Anand Shenoy:** So this customer will be Rs. 3 crore per month, is it something like that?

**Ramswaroop Thard:** Yes, the first order is at Rs. 3 crore per month and we are expecting it to be roughly in that line.

**Anand Shenoy:** Okay, and one more, like you mentioned about some one more customer about confectionery, we have supplied some molds to the customers. So like what is the scope of that and how do you see that customer's shaping up?



*Rajshree Polypack Limited  
November 06, 2024*

- Ramswaroop Thard:** Yes, so we have received an order from that particular customer where they have first the process is to develop the mold for them as per their requirement because these are tailor made products. So this supply should start somewhere in May 25 or so and there we are expecting revenue of around Rs. 5 to Rs. 6 crores per annum from this particular segment.
- Anand Shenoy:** Per annum?
- Ramswaroop Thard:** Yes.
- Anand Shenoy:** And overall for this year how do you see exports doing?
- Ramswaroop Thard:** Exports, for this year we are looking at around, this should be around 15% to 16% of our overall revenue. So we are looking at somewhere around Rs. 45 to Rs. 50 crores of revenue coming from exports.
- Anand Shenoy:** And overall for this year, are we track for a Rs. 310, Rs. 320 crore kind of number?
- Ramswaroop Thard:** Yes, looks intact as on date. We definitely feel we will be achieving those numbers.
- Anand Shenoy:** And on the JV side, you had told about Rs. 55 to Rs. 60 crore this year and breakeven. Is it still on the..?
- Ramswaroop Thard:** Olive, I will say is a little slow in terms of what we were expecting on stabilizing the production and sales. So we are a little delayed by two, I will say one to one and a half quarters. So now production has got stabilized, 125 SKUs has been commercially launched. We have started dispatches and now we are hoping the sales to further pick up from this particular month onwards.
- Anand Shenoy:** So overall for this year, what sales do you expect from Olive?
- Ramswaroop Thard:** We are now looking at Rs. 30 to Rs. 35 crores of sales for this particular year.
- Anand Shenoy:** And next year, how do you see it? We were talking about Rs. 180 crores kind of a number.
- Ramswaroop Thard:** Yes, so next year, definitely we feel we should be able to do that particular number because the capacity is available for the plant to deliver that number. In the next one quarter probably I will be in a better position to comment on that, but it seems doable at the moment, definitely.
- Anand Shenoy:** And last question, we found the new Odisha planet. In the last call you mentioned you had like, thinking about not doing that plant or something like that. Can you...?



*Rajshree Polypack Limited  
November 06, 2024*

- Ramswaroop Thard:** Yes. So what we have done is we have deferred investment in that plant for around 6 to 8 months at the moment. As we have already done significant investment for capacity development for both injection molding and thermoforming at the existing locations. Plus we want to focus more on Olive to scale it up. So we don't want to get distracted for another 2 quarters with any further investment. We want to stabilize all those investments which we have done and then we will look for getting into Odisha project.
- Moderator:** Thank you very much. The next question is from the line of Nikhil Shetty from Nuvama Wealth. Please go ahead.
- Nikhil Shetty:** So my first question is regarding revenue growth only. So based on the Q2 presentation, sheet volume has shown a substantial YoY improvement. That is almost 70% growth. I understand major portion would be from the barrier and when we look at the packaging side, the volume was only 6%. So could you explain the factor behind the shift in this volume mix?
- Ramswaroop Thard:** Yes, barrier packaging sales has given us that particular momentum in this particular quarter. And as mentioned, like this is the time of the year when the demand for this sector goes up. And that's why we see those strong numbers in that particular segment. Generally, also the barrier packaging and the general packaging segment have grown by around 8% in terms of volume. So that is also a growing sector, but Q2 is generally little slower than Q1, generally what we see because April, May, June are the peak months. And as I mentioned in my speech that one or two big customers were a little slow in this particular quarter in demand. So we were expecting around 12% to 15% in packaging sector also, but as one or two big customers went a little slow, so the demand was little less in packaging.
- Nikhil Shetty:** Okay, and sir, when we talk about barrier packaging, what is the revenue we have generated and what is the peak revenue we can generate from this particular machine?
- Ramswaroop Thard:** Yes, in this year we are expecting to generate around Rs. 35 to Rs. 37 crores of revenue from barrier packaging. And peak we can do Rs. 60 to Rs. 65 crores of revenue from the setup which is there as on date.
- Nikhil Shetty:** Okay, and roughly it is 50%-60% utilization in terms of revenue.
- Ramswaroop Thard:** Yes.
- Nikhil Shetty:** So over the last, when we look at the historical numbers, over the last ten quarters, we have seen consistent YoY growth in both revenue and volume terms, which is quite impressive. With the strong client addition and expanding scale, growing export opportunities, can we expect stronger H2 and FY26? And if you can quantify in terms of numbers, I am talking about the 26 number as well because in a bottom-line front, if I look at, in first half, we reported a loss in JV and once it starts scaling up, probably we will see the improvement in the overall numbers of JV as well.



*Rajshree Polypack Limited  
November 06, 2024*

So that will not impact our number in H2. So based on whatever we have achieved on the standalone basis, is it possible to grow at around 40%-50% in terms of profitability compared to last year, this year?

**Ramswaroop Thard:** Yes, like as we have seen in H1, the bottom-line has improved significantly as compared to H1 last year. So we should have at least 40% more profitability as compared to last year for sure.

**Nikhil Shetty:** Great sir. And when we look at the overall working capital cycle, it has improved a bit, but still, I mean, it's higher than 100 days. So any initiative there, as our injection molding is also doing well, and most of the capacities are also operating at a decent level. So is there a possibility that reducing that going forward?

**Ramswaroop Thard:** Yes, as you can see from last year, from 155 days it has come down to 115 days. So we are aiming to bring it below 100 and it's a continuous process which is going on. So we should definitely see improvement in next 2 quarters coming down below 100.

**Nikhil Shetty:** Great, any targeted timeline for this?

**Ramswaroop Thard:** Two quarters.

**Moderator:** Thank you very much. The next question is from the line of Rajesh Jain from Enam Investment. Please go ahead.

**Rajesh Jain:** My first question is regarding the toll manufacturing additional capacity. Now you said that you have already installed additional and now the overall capacity is 3000 metric tons and you have also received some additional export orders. So are you confident of doing around Rs. 30 crores during the current year plus will we turn positive at the PAT level from the toll manufacturing business?

**Ramswaroop Thard:** Yes, you are correct. We are looking to do a revenue of around Rs. 28 to Rs. 30 crores from the injection molding segment for this particular year. And we will definitely turn positive in PAT level at that particular number.

**Rajesh Jain:** Very good to know sir. You have already said that you have added additional capacity both in thermoforming and printing and all that. But at the same time you have deferred the investment in the Odisha plant also. So just wanted to know with the current rate of growth in the revenues, don't you see, is there any situation where we may run short of capacity or something?

**Ramswaroop Thard:** I would say like the idea was to first consolidate in the existing location and to abstract maximum utilization, the same infrastructure to bring down the cost and improve the bottom-line. So we were working in that particular direction and so definitely we may see 1 or 2 quarters of like





*Rajshree Polypack Limited  
November 06, 2024*

shortfall into capacity. Not that we have permanently delayed it, but just for another 1 or 2 quarters, we want things to get little consolidated and then think of further investment.

**Rajesh Jain:** Sir, what I was asking is, is there any provision to increase the capacity of our regular molding or the thermoforming and all that at the existing land?

**Ramswaroop Thard:** Maybe another one more machine we can we can sneak in that's it I will say not beyond that at the moment.

**Rajesh Jain:** And this one machine means how much would be the capacity?

**Ramswaroop Thard:** Around 750 to 800 MT per annum.

**Rajesh Jain:** And this Odisha plant, as and when you take a decision to go ahead. How many months would it require to get it installed and running?

**Ramswaroop Thard:** 14 to 16 months roughly we anticipate.

**Rajesh Jain:** So my next question is regarding the debt position. So there is not much improvement in the debt level. So you had given of course not much reduction in the debt, but by the year end, are we going to see some reduction in the debt?

**Ramswaroop Thard:** Yes, that's where we said we will consolidate the things for next 2 quarters. So that should definitely bring down the debt for us. We don't foresee any investment going much into now in Olive or here also most of the expansion has been completed. So we don't foresee any major investments at least for next 2 quarters.

**Rajesh Jain:** Okay, fair enough. And lastly, sir, you have given a revenue guidance of around Rs. 325 to Rs. 350 for FY25. So how much can we expect in 26 now that all the planned new capacity would have been stabilized and up and running? So how much can we expect in FY26?

**Ramswaroop Thard:** Yes, so for this year we had given guidance of Rs. 315 to Rs. 320 crores and for next year we can look at around 12% to 15% further growth from this particular level.

**Rajesh Jain:** I think we were earlier contemplating around Rs. 475 crores or so. So it looks like it will be lesser than that.

**Ramswaroop Thard:** For the next year?

**Rajesh Jain:** Yes, sir.



*Rajshree Polypack Limited  
November 06, 2024*

- Ramswaroop Thard:** That looks possible with the revenue of Olive. We had given that number with the revenue of Olive. So add that and if we are able to do 170-180 crores over there, so probably will not be too far from what guidance we have given of Rs. 475 crores.
- Rajesh Jain:** Okay, now that you are consolidating and the new capacities are coming in the existing plant, so what EBITDA or the net margin are you targeting for next financial year?
- Ramswaroop Thard:** I will say on the conservative side, we'll keep 14.5% plus minus 0.5% is what EBITDA margin will look to maintain.
- Rajesh Jain:** So 14% is what, because we have been around 12% or so for last 2-3 quarters. So you say next year we could reach around 14% minimum.
- Ramswaroop Thard:** Yes.
- Moderator:** Thank you very much. As there are no further questions, I would now like to hand the conference over to the management for the closing comments. Thank you and over to you, sir.
- Ramswaroop Thard:** Thank you for your valuable questions and taking your time to join us today. I hope I was able to address all your queries. Wishing you all the best, good health, everyone. With this, I'd like to hand over the call to Nuvama to conclude the session. Thank you.
- Moderator:** On behalf of Nuvama Wealth, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.