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National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
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Trading Symbol: PAKKA

BSE Limited
Department of Corporate Service
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25th Floor, Dalal Street
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Scrip Code: 516030

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Investors' Conference Call for the quarter and nine months ended 31st December, 2025.

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Part A of Schedule III thereof, we hereby submit the transcript of the Investors' Conference Call held on Monday, 2nd February, 2026 at 09:30 a.m. (IST), wherein the management discussed the financial performance of the Company for the third quarter and nine months ended 31st December, 2025.

In compliance with the aforesaid Regulations, the transcript of the said conference call has also been made available on the website of the Company at <https://pakka.com/>.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Legal Head

Encl: Transcript of Investors' Conference Call



“Pakka Limited
Q3 & Nine Months FY '26 Earnings Conference Call”
February 02, 2026

“**E&OE** - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on February 02, 2026, will prevail.”

MANAGEMENT:

1. MR. VED KRISHNA – MANAGING DIRECTOR
2. MR. GAUTAM GHOSH - EXECUTIVE DIRECTOR
3. MR. SHUBHAM ASHOK TIBREWAL – BUSINESS HEAD – FOOD SERVICE SEGMENT
4. MRS. NEETIKA SURYAWANSHI – CHIEF FINANCIAL OFFICER
5. MR. SACHIN KUMAR SRIVASTAVA – COMPANY SECRETARY & LEGAL HEAD

Transcript

February 2, 2026, 09:30 AM

□ **Sachin Srivastava** started transcription

SS **Sachin Srivastava** 0:41

So, it's 0930 AM. We welcome all of you to the third investor call meeting of this financial year 2025-26. I, Sachin Kumar Srivastava, your Company Secretary on behalf of the Company and management, welcome all of you to the third investor call meeting. I request Mr. Pranay to start the proceedings of this meeting.

 **Pranay Pasricha** 1:02

Thank you, Sachin. Good morning, everyone. My name is Pranay and I lead the brand & marketing at Pakka Limited. On behalf of the entire team, I'd like to extend a very warm welcome to all of you to our third quarter investor call. Thank you for joining us today.

Before we begin the presentation, please allow me to introduce the leadership team. Mr. Ved Krishna, Business Head, Ms. Neetika Suryawanshi, Finance Head, Mr. Shubham Tibrewal, Food Services Business Head. Mr. Sachin Srivastava, Secretarial Head and Gautam Ghosh, who is leading liaising. So once again, welcome to all of you. I'll just start sharing the presentation and hand it over to Ved. Hopefully my screen is visible.

VK **Ved Krishna** 2:31

Namaskar, all investors. I'm starting, Pranay. Namaskar to all the investors. Thank you so much for joining us on this Monday morning. We are excited to share the progress that we've made in the last quarter with you. There are some very interesting developments that have happened.

 **Pranay Pasricha** 2:35

Yeah, yeah, over to you.

VK **Ved Krishna** 2:51

And I'll take you through the highlights and then hand it over to the team to get into more details. Of course, the first and the foremost, we know that the first two quarters of this year have been a little bit of a challenge, mainly because of the extension at the shutdown period when we were trying to expand the capacity of PM3 and bring part of the Jagriti project online.

But as you may notice that the profitability is turning around. We are expecting even better performance as we go forward. But yes, we are back in action and definitely looking forward to the next few quarters.

The big one that has happened in the last quarter is the stabilization of PM3. We are still expecting the productivity to rise significantly in the coming quarter and subsequently after that as the new expansion and the technology changes that we have done stabilize further and are able to provide the outputs that we're looking for, both in terms of quantity as well as in terms of quality.

There is a lot of solidity that is coming to the project that we have undertaken and in line with the Jagriti project, a lot of the sections are going to start producing in this quarter, especially the new power plant, the recovery, it should be around end of March, early April.

And then of course, the new paper machine has also made significant progress, and we are definitely expecting in the first quarter of next year that there will be significant movement in that and if not commissioning, then at least very close to commissioning is where we will be. We will share photographs of Project Jagriti after my presentation.

There has been a significant effort in strengthening of leadership. As you guys noticed in the last quarter when we met, there were a few changes that we had made to the leadership we are building from within and of course I am personally.

Working with the team to make sure that we become more and more solid, there is a lot of new energy that has come in with a lot of developments and mostly people who have been with us for a long time are being developed to take over the reins in the next.

Year or so.

There is a significant momentum. I know there was some challenges that were kind of expressed last time in terms of the remaining warrants slash equity funds not coming in. We have explored numerous fund related conversations.

In terms of how we can bridge that funding, but more than anything else, we find that we are strengthening internally and a lot of the project will be able to be funded

even internally as we go along because of course the banks release the money pro rata and we are in good shape at least for the next couple of months and then after that to be.

We are expecting the profitability to be enough to pull the project through, but that's it. We keep looking for possibilities in terms of some more kind of bridge funding in order to have more liquidity.

Again, you know, we felt that we were kind of too thinly spread in numerous directions. So, we have taken a strategic decision to slow down the activities both in US and Guatemala.

So, we do have pending orders and you'll see some revenue also coming in from US in the past quarter and there are some pending orders which we will fulfil. But there is a little kind of a step back before we stabilize the India side 1st and then we will look into both the directions that we were doing. So, all the basic groundwork is in place, but the actual actions we might delay for the next six months or so.

And of course, the big one that we are after is the optimization of our flexible grades. There have been significant developments in terms of tie-ups within the country, in terms of pushing and creating paper substrates within the country, looking for different operations in order to be able to.

Get the conversions done within the country and being trials done and there is a team that is fully in place and is working towards numerous ideas as we go along and you'll start seeing changes here as well. I'll hand it over to Neetika.



Pranay Pasricha 7:40

Just before that, I think some of you have raised your hands. Just to clarify, we'll take all the questions at the end of the presentation, and we'll give ample amount of time for each of your questions. Just before I hand it over to Neetika, here is a short glimpse of project.

Jagriti as Ved also mentioned with some photographs.



CA RANGA RAO K 8:06

OK.



Pranay Pasricha 8:36

With that, I hand over to Neetika to take us through the India business performance.

NS Neetika Suryawanshi 8:42

Thank you, Pranay. Greetings everyone. I would just request you to move to the next slide. Thank you. So, these are our performance numbers for the entire business as a whole. I think I would rather lay stress on the rap and carry side and let Shubham take over for the food services side if we could.

Could just move to the next slide please.

As we just mentioned, I think we have been lucky to rebound and as you can see then that the performance has improved considerably from the last quarter. Year on year, if I were to compare, yes, we are still a little bit down from year on year performance.

But I would like to specifically present here that in terms of the revenue we have, if I look at the absolute number, there's a gap of about 12 crores of which mainly the difference or an absolute number is about two crores drop in the other income that we had and that.

It was primarily the interest income that we were getting from the fixed deposits that we had from the money in the equity. If we look at the PBT number, this gap reduces even year on year basis. What I'm trying to highlight here is that despite a 4% drop in the prices.

We have been able to contribute a lot and cover up a lot in our operational efficiency, and This is why the gap in the PBT actually drops. That's all that I wanted to say. I think we have been efficient enough to cover up.

Part of the gaps and we look forward to a better quarter. We move to the next. I'll hand it over to Shubham from here. Thank you.

ST Shubham Tibrewal 10:34

Thank you, Neetika. Good morning, everyone. So, this is the performance for Q3 for the food services business. As you can see that we have improved the business compared to the previous quarter in terms of revenue.

The year-on-year growth is slightly slower. I think the key message here or that we would like to share on the revenue is that we have put into place a lot of initiatives, a lot of strategies and we've made a lot of changes to our offering of what was being proposed by the brand.

And these initiatives are slowly starting to take form. So, we are not yet seeing the full-blown impact of it, but we are definitely moving in the right direction, and all the indicators are also showing that these efforts are starting to yield results.

NS **Neetika Suryawanshi** 11:15
Yeah.

ST **Shubham Tibrewal** 11:25
On the other side, our losses have slightly widened as compared to the previous quarter and this is primarily due to two factors, the first being we had some inventory built up from some past months for some products which were not moving as fast. So we ran some liquidation schemes which has widened our losses a bit and also at the plant a significant number of upgrades were made to the equipment to improve the efficiency. So that is contributing a bit to the losses we are seeing here.

NS **Neelu Singh** 11:46
Understood.

ST **Shubham Tibrewal** 12:04
Can I help you move to the next slide please?

NS **Neelu Singh** 12:05
What's it?

S **ss** 12:08
Hello.

ST **Shubham Tibrewal** 12:12
It's like I think someone's not muted, can we mute everyone?

 **Pranay Pasricha** 12:19
Sachin, can you just check on that?
I think it's OK now.

ST **Shubham Tibrewal** 12:25

Thank you. Yeah, looks good. Thank you so much. So, as I was saying, the revenue growth initiatives that we have rolled out, they are starting to show results, and we are quite confident of the coming quarters which will be a lot stronger, and we start to see much better results going.

Forward.

Oh, one very, very positive indicator is our growth on B2C side. The revenue has increased 80% year over year. If you look at the first nine months of the financial year versus the last and an important aspect of the B2C segment that we work with much better gross margins here.

So, as our share of this business improves, the overall profitability will also improve. This growth is primarily driven by our effort to increase the number of B2C channels and marketplaces and touchpoints that we had.

So we added five of them in Q3 and we will be adding another five in Q4. On our delivery range, we are ready to launch this product in the market in this quarter and we will be launching it with some very exciting key strategic partnerships which are under discussion and regarding which I hope to be able to share some very, very good news in the coming weeks slash months or you may just see it somewhere else, but we are very, very excited about this product range which will be coming out.

On the new product front, we have also launched quite a big range of products in the last three months which we've added to the brand. Some of the some of those are clamshells, meal trays with lids. What this is doing is this is basically adding to the revenue and profitability of course, but it is.

Also unlocking certain customer segments for which we did not have an offering until now, so it's allowing us to widen our reach.

I'd just like to make a small focus on the product front here. The new products we're launching are of course contributing significantly to the sales and the gross margin that we have. We have planned a very strong product pipeline. One of the strategies which we are executing to to kind of grow the business further is to be able to offer our customers a full product range. So we want to give them a one stop shop solution. All their compostable disposable packaging needs are available with us.

And in that, for that purpose, we are launching three more categories of products. So we will have the leak proof delivery range, which I just spoke about earlier, flipper and dip cups and in ancillaries, straws and cutlery.

Thank you.



Pranay Pasricha 15:29

Thank you, Shubham. Ved, over to you for the quarterly commitments and plan.



Ved Krishna 15:30

OK.



Ved Krishna 15:36

So, I'm just going to update you on the commitments that we had made last time and the new ones for this quarter.

So, delivery range, we as Shubham just said, we are like almost there in the sense that it is almost baked and ready and as we speak, the samples are being distributed and as Shubham said, there are some exciting announcements that are going to come in the next few weeks.

Again, we are continuously optimizing the range for app and carry to be able to again improve the machine efficiencies and the focus on certain applications.



Pranay Pasricha 16:18

U



Ved Krishna 16:19

This was again something that we were searching, but like I said before that we are internally strengthening the team and building more business leads from within the company.

Flexi structures, again, numerous trials have already taken place. There is a lot of building up of applications and we are looking to again try and especially optimize the products that we are going to build on PM4.

Again, this is something that has been refocused. We had thought of doing a smaller project in Guatemala, but we felt that it is time that we first zero in our efforts into India and stabilize Jagriti as well as the current operations and then look at

Guatemala. So, it has been refocused and put on a little bit of a pause. These are our commitments to you in the coming quarter.

Again, delivery range, this is something we are super excited about. It has been on the in the works for about maybe at least two years now and this is something that is hopefully going to create a significant impact in this quarter. See again, like I said, PM3 has stabilized, but we want to again build the efficiency to be much stronger and the work continues with our German partner that has supplied the new equipment.

Again, innovations. We have to keep investing in innovations. There are a couple of strong prospects that we are looking at and we will continue to progress in that direction.

There is two kinds of non flexi structures that we've created, and we realize that the market is very, very resistant to cost increase. So, we are optimizing the cost of the metallized structure and also building towards the right non metallized structure. So again, Project Jagrati has been the focus for us and there is significant movement as you saw by the pictures as well. And we are, we continue to work towards that and ensure that we deliver a very strong project in the next few months. That's it from us. So, Pranay, over to you.



Pranay Pasricha 18:41

Thank you.

Thank you, Wade. Before we move on to the Q&A session, I'll just request Sachin to announce the annual investor meeting plan. Over to you, Sachin.



Sachin Srivastava 18:55

Thank you, Pranay. Before we move towards the Q&A session, I would like to take a moment to update you on an important engagement, engagement initiative of the company in line with our commitment to transparent communication, structured investor engagement and consistent disclosure practices.



CA RANGA RAO K 18:57

OK.



Sachin Srivastava 19:14

The company has released its annual calendar for investor meets. The calendar outlines the proposed schedule of the investor interaction for the forthcoming financial year and has been duly updated on the company website and shared with the Stock Exchange shortly. Allow me briefly walk you through the key milestones. The Q4 Investor Meet is to be scheduled virtually on 2nd May 2026, enabling wide participants from our investor and analysts' community. The Q1 Investor Meet is planned on 25th July 2026, which will be conducted along with. A planned visit at Ayodhya offering participants an opportunity to gain first hand insight into our operation as well as our Jagriti project. The Q3 investor meet is scheduled to take virtually on 30. The Q2 investor meet will be held on 31st October 2026 in Mumbai facilitating.

SS Sachin Srivastava 20:11

And the finally the Q4 investor meet for the following cycle is proposed on 24th April 2026, 2027. These engagements are designed to provide the investor our periodic business, strategic perspectives and operational highlight which will ensure equal.

AN Aditya Nahar 20:12

Yeah, I got it. Yeah, one, two, Matthew and.

SS Sachin Srivastava 20:29

And timely disclosure of information to the stakeholder. Thank you. Over to you, Pranay.

 **Pranay Pasricha** 20:34

Thank you. Thank you, Sachin. We'll move on to the question-and-answer round and I would. So, there are some ground rules. So, to ensure that everyone gets a chance, I would request each of you to please limit your questions to two per participant. Um, please use the hand raise button. Some of you have already raised your hands. I'll go sequentially. When your name is announced, kindly unmute, ask your question and please mute and address. Uh the addressee will respond to your question. Um, you can also share your questions on chat. We will be responding there actively. Um, so uh, first question is from uh the Miss Kenil Jasani. Uh, over to you Kenil.

KJ Kenil Jasani 21:25

Yeah, hi. Am I audible?



Pranay Pasricha 21:28

Yeah, you are audible. Please go ahead.



Kenil Jasani 21:29

Yeah, yeah. So first question is to Mr. Ved Krishna, Sir. Last time he spoke about buying shares himself. So would like to know more about the same because nothing of that was spoken in this. And second question is as I heard that you trying to keep a meet in Mumbai as well, a physical meet.

So we need to do more marketing on it. We need more people coming in, more big HNI's investors coming in, which will actually help us as a company to be known in the investor circle. Yeah, that's it.



Ved Krishna 22:01

Thanks. Thanks, Kenil. Yeah, that work is continuing. Of course, the idea is to be able to invest in some shares myself in order to be able to give more confidence. So we are generating funds for that. And once we have those funds ready, we will look towards investing. But yeah, the work is on. Yes, I agree with you on the. Mumbai meet Sachin, maybe you can make a note of that and let's ensure that the attendance in that meet in October is significant to be able to create more like just more awareness around Baka and by then I guess we'd be more stable in the project and everything else as well.

Thanks, Ken.



Pranay Pasricha 22:42

Thank you, Mr. Kaustav. You can go ahead and ask your question.



Kaustav 22:50

Yeah. Hi. Thanks for taking my question. So again, just I want to step back a bit to understand. So there were two projects, right? Project Jagriti and Project KOC, right?



CA RANGA RAO K 22:58

Yeah.



Pranay Pasricha 23:08

Date.



VK Ved Krishna 23:09

So quick.



K kaustav 23:09

The project work was related to your Guatemala plant, right?



Pranay Pasricha 23:17

Yes.



VK Ved Krishna 23:18

Let's keep going, please.



K Kaustav 23:18

And Project Jagriti India is your India expansion, is that correct?



VK Ved Krishna 23:22

Yes.



Pranay Pasricha 23:25

Yes, please.



VK Ved Krishna 23:26

That's right. Can you ask your question? We'll answer all that together. If you keep halting, it'll take a long time.



K Kaustav 23:28

Yeah, yeah. So, yeah, OK. So, so now when you speak about, you know, the disclosure that you gave out in this latest financial results that you're pausing on Project Jagriti, just wanted to understand.

Did you just could you explain this properly, what's exactly happening? So what I really want to understand is what after the pause, could you just give as of today the

exact expansion that is happening without taking into consideration the pause?
Oh, oh, and not, yeah.

SP **Saurabh Punglia** 24:00

I see, it actually sure. It's really difficult.

K **kaustav** 24:08

Sorry.

 **Pranay Pasricha** 24:12

No, please go ahead. I think there was someone who was unmuted.

K **Kaustav** 24:12

Hello.

Yeah, yeah, yeah. So, so could you please tell me the exact Capex that's happening now on the project COAG side, what has already happened and on the project Jagriti side, if you could split it, right, what is what Capex has already happened in both these projects?

And what is not what is being paused? How much capex is being paused in both these projects? Because you do not want to be too aggressive. And also, if you could speak about the products that are coming out of both these projects. Oh.

From the Capex that's already happening right now, and which is not being paused and the revenue potential of it.

VK **Ved Krishna** 24:58

Thanks, Kaustav. So, the project that is being paused is not Jagriti. It is the Ka Wok project or the Guatemala project, basically because we felt that stabilizing Jagriti is important and we need to devote all our energy and resources there. Both the projects are focused primarily on flexible packaging, which is fundamentally barrier coating.

Functionalized paper used for different products that are multi layered, long shelf-life kind of products. The already the amount of Capex we've spent in Kawok that includes our US expansion is about.

And Neetika, what would the exact figure be that has been capitalized for the CVP?

NS **Neetika Suryawanshi** 25:45

All that I'll give you the exact number in a minute, but it's about 3040 crores.

VK **Ved Krishna** 25:50

Yeah. So about five, four to 5 million USD is what has been spent. Our board had anyways restricted us to go beyond 10 million there. So that's the amount that has been spent and all we are doing is to hold that project steady. There is a lot of work that has happened and a lot of effort that has gone in. So, all that work.

NS **Neetika Suryawanshi** 25:53

Yes.

VK **Ved Krishna** 26:10

And remains with us, but we'll just hold it till Project Jagriti is stabilized and then work towards moving back into Guatemala there.

K **Kaustav** 26:19

So, you have 287 crores of CWIP I can see as of September 2025 in your balance sheet. So how much of that CWIP is paused?

VK **Ved Krishna** 26:35

Neetika, you want to take it up?

NS **Neetika Suryawanshi** 26:39

Sure. What I'll give you a number or a background of how much we spend on Jagriti and maybe then you can understand this better. So, the Jagriti Capex at present is about 500 crores and of which majority is actually in the CWIP and we just have about 16 crores which is the creditors outstanding.

K **Kaustav** 26:46

Oh.

NS **Neetika Suryawanshi** 26:58

Rest of it is basically Kavok. So, Jagriti is where the major spend is.

K **kaustav** 27:04

No. So how much has been spent? How much is being spent in Jagriti? So, all the 500 crores is being you're saying 500 crores capex is on project Jagriti. Is that what you're saying? And out of that nothing is being paused?
I think.

NS **Neetika Suryawanshi** 27:14

Exactly, yes.

No, that's the one where we are focusing, right. That's the reason.

K **kaustav** 27:19

And how much? And how much has been spent? How much has out of the 500 crores? How much has been spent?

C **CA RANGA RAO K** 27:24

OK.

NS **Neetika Suryawanshi** 27:26

But that's the spend.

That is the spend. This is why it is in CWIP, right?

K **kaustav** 27:29

Sorry.

No, but correct, correct. But how much of when will that come on?

NS **Neetika Suryawanshi** 27:39

That's what. So that'll be July 26. That's what we declared in the last the board meeting as well.

K **kaustav** 27:46

OK. And for Project Ka Valk where you were going to raise is that for project the money you were going to raise from investors and from debt and it was in your presentation that was for Project Ka Valk. So, are we not?

Going ahead with the Are we pausing on Project Kawak because we're not able to raise money from outside?

NS **Neetika Suryawanshi** 28:13

Uh, may I hand me? Yeah, I.

VK **Ved Krishna** 28:13

No, that's not the case. No, that's not the case. The IT is a factor of focus and energy. I don't think we would have definitely gone ahead and raised. We had almost we had contracted with Rothschild and they were very, very clear about raising the money. But we felt that our bandwidth is limited right now. So, we have in fact informed Rothschild that we need to hold on complete project Jagriti in India and then come back to US Guatemala. So, it's not a question of whether we are being able to raise or not. It is a question of our bandwidth and focus.

K **Kaustav** 28:50

OK. And just last question, you were talking about hiring a professional CEO, was that correct last quarter or something on that regard? So, could you update on that?

VK **Ved Krishna** 29:01

Yeah, so we have interviewed a lot of people. We felt then internally that it's better right now to function as a team that is already in place. So, I have situated myself from Ayodhya, Neetika, me and the team here have been working together. To stabilize the operations and we are developing people from within the organization.

K **Kaustav** 29:23

So, there's no one gonna be hired. Now you're not looking anymore for external professional field.

VK **Ved Krishna** 29:27

We remain, we remain open if somebody turns up, but amongst the people we've hired, we haven't found anyone, so we felt that it is better to develop from within.

K **Kaustav** 29:37

OK. OK. Thanks.



Pranay Pasricha 29:39

Thank you. Thank you, Kostal. Mr. Ravi, you can go ahead and ask your question.



Ravishankar Shanbhag 29:45

Yeah, good morning. Thank you for the opportunity. So, my first question is on, I basically have two questions. So, first is on NM. I think in the last phone call, you know Ved had mentioned about some trials in England and. you know so my so wanted to know where we are on that basically you know when PM4 comes you know this July or June or whatever it is so are we going with NM as a quarter non-metallized or are we looking at the barrier quoted paper so just if you can Get some more details that will be helpful.



Ved Krishna 30:25

Absolutely. So, NM, so I'll just again brief you on the difference. There are two kinds of coated or barrier coated papers that we are doing, metallized and non-metallized. The metallized substrates we have been selling in smaller amounts and non-metallized is what we've been working at.

There was a certain structure like you remember well that we had done a lot of trials in England, we had created a certain structure, floated it in the market, etc. We have spent a lot of time in the market and there is a significant shift that we find in terms of.

The sustainability commitments that people had taken. So, with the lack of pressure from outside and that includes customers and government, we find that there is a step back from the from the companies and hence what we are working on is to provide the right structure at the right value.

So that we can compare it apple to apple with the current polyethylene, not BOPP structures. So that's the work that is ongoing right now. As far as the project Jagriti goes, we are actually going to start with the base paper, which is basically what we call a grease proof or a release paper, which is like the butter paper that goes on top of butter.

Or the kind of sticker behind the sticker, the release paper that goes on, which has umpteen applications. So, we're going to stabilize the machine initially for the first 2-

3 months and then add on the barrier coated substrates in the next within the next year.

RS Ravishankar Shanbhag 31:58

OK. Thank you. So, it looks like we have taken a step back there as well. So anyway, so my second question against to Mr. Ved on this upcoming calendar year, you know 2026. So, although you know you said we are on track, I feel you know we are actually way off track.

From our past commitments. So, there's been a lot of optimism since last three years. On many occasions, I think you know, management spoke about innovations on flexi packaging, you know, trials with top FMCG players.

We also spoke about outsourcing, but when you look at reality, you know, you look at the numbers, I think we are still, you know, where we were probably 15 quarters back. So, stock prices nosedive.

And we are probably at 2021 levels. So, can you please give a realistic view for 2026? You know, can we achieve an output of say 10,000 tons per month by last quarter of this 2026 with the?

AJ Adam Johnson 32:50

Bhopal Akhtar Mishra gets so happy in India, produces in a poll.

RS Ravishankar Shanbhag 33:07

Say with Jagriti and outsourcing. So, this I believe will give us at least, you know, 300 crores in 1/4. So, if you can give some realistic view on, you know, not neither pessimistic nor optimistic.

You know about 2026.

VK Ved Krishna 33:26

You're definitely right on our optimism. We do find that we have made commitments and not lived up to them and we are very aware of them. So, we are going to make lesser commitments you're on and hopefully give you better results than what we promised. So that's something that as a huddle we have kind of decided to tone the tone down our optimism.

I definitely don't believe in realism even till now because otherwise, you know, it's difficult to make the changes that we're looking to make in this world overall. So we

continue to work in that direction. In terms of 10,000 tons, I don't think it is going to be 10,000 tons and the project Jagriti stabilizes.

Going to be about 3 1/2 to 4000 tons from PM4. The current paper machines produce around 4000. We sell a little bit of pulp. So you know we're looking at about 8 to 9000 ton trajectory in the next you know like I would say by the calendar year end.

Ish. That is what I can kind of foresee for now us achieving.

RS **Ravishankar Shanbhag** 34:34

OK. Thank you.

 **Pranay Pasricha** 34:34

Thank you.

Uh, Miss Manali, you can go ahead with your question.

MG **Manali Gala** 34:42

Hello, hi team. So, my questions are broadly around the delivery range. I want to understand the kind of Capex that is going to go in it, the kind of volumes that will come out of it or the pricing that it is going to be added also in terms of the pricing that the.

Cost that we are incurring just to the cost that we are incurring and the premiumization that we are looking at further, what kind of customers is it going to be attracted to?

ST **Shubham Tibrewal** 35:18

Yeah, I'll, I'll take that. Thank you Manali for the question. So, I'll start backward, right. The customers we are going for is essentially everywhere from where you and I are ordering food online today.

For the most part, the food is coming in non-compostable solutions because often in the market there is a gap. We have not been able to provide the market or the restaurants with a solution where you can have a real compostable leak-proof solution and that is where we feel the innovation lies. In the product we've made, so the target audience is the entire delivery market, the food delivery market in India, which as you know is growing at a significant pace or and will only kind of follow that trajectory.

Right. So, there is no segregation, but the specific applications here will be everywhere where leakage was an issue, right. So, all kind of gravy products or will be where we are really offering an innovation as compared to what exists in the market. In terms of the premiumization, yes, the product will be at a premium to what exists in the market. But again, the way we are justifying this cost is that restaurants will also benefit in a lot of ways. So currently the kind of effort that goes into packaging and the taping.

The time it takes to pack that order, the issues that the restaurants may face in terms of leakages, complaints, experience. So, when you take kind of all of those factors in, right, if it was compared apple to apple, sure that is a premium, but if you look at it 360 degrees, the gap is a lot smaller, right?

And also, most of these delivery platforms are Zomato's taking commitments to reduce plastic in its delivery. It is organically promoting brands which are using less plastic packaging. So, there are a lot of intangible benefits as well. So it's not just. You know, Apple for Apple cost comparison that customers will be making or it's at least what we will try to kind of discuss and explain with our potential customers. In terms of scale, we will be starting with approximately 8 machines which will be each producing close to 400 KG a day of product. So that is, it's not just one product, it's a range of products.

That will be kind of the initial output and then as the market grows, we kind of keep adding to that.



Pranay Pasricha 38:06

Thank you. Um Jeet, over to you for your question.



Manali Gala 38:11

Oh yeah, sorry.

Oh, hello.



Pranay Pasricha 38:12

So.



Manali Gala 38:14

Oh, Pranay, just one thing. I mean I was, I think I was on mute. I just want to take forward with Shubham just what he had said. So if you could allow me.

ST **Shubham Tibrewal** 38:26

Yeah, please. And I'm happy.

MG **Manali Gala** 38:27

So Shubham, when I yeah, sorry. So, when I was speaking about you know pricing, I want to understand like see again I understand with what the intent with which the delivery range is coming in. So just want to understand what is the kind of cost impact that also comes with it in terms of.

 **Pranay Pasricha** 38:27

Sure, sure, sure. Quick.

MG **Manali Gala** 38:45

How expensive it is in comparison to other products and the readiness to take this product.

ST **Shubham Tibrewal** 38:53

Right. So again, like I said, if you compare Apple to Apple, we're looking at around 25 to 30% premium. But again, you know you will have noticed recently the delivery segment is primarily Zomato, Swiggy and a few other such marketplaces, right? Most of them have allowed.

Restaurants to charge for extra packaging costs, correct. So now when you are ordering you will see there is this line packing charges that kind of shows up which is at the discretion of the restaurant. So even though there is a pricing gap, you know for the restaurant they have the ability now to pass it on.

MG **Manali Gala** 39:16

OK.

ST **Shubham Tibrewal** 39:32

Right. So even though there is a premium cost, we feel that and again even if we take that out of the picture like I explained to you, when you look at the whole 360 degree cost of packing, right, if you take into account the time that it takes to pack a traditional container by taping it 360 degrees or the time that it took then the.

MG **Manali Gala** 39:33
Right.

ST **Shubham Tibrewal** 39:51
Wrapping experience, like when you receive your order, then you kind of unwrapping it like and the time it took, extra, right. So that there's all those costs when you factor them in and then the potential complaints that you may receive due to leakages, net, net the difference kind of comes down significantly.

MG **Manali Gala** 39:55
Correct.
Thanks a lot. Thank you. Thank you, Pranay.

ST **Shubham Tibrewal** 40:13
Yeah.

 **Pranay Pasricha** 40:14
Thank you. Thank you. Yeah, Jeet, you can go ahead with your question now.

JG **Jeet Gala** 40:18
Yeah. Oh, if I can get some clarity on the Apex that has been incurred till date. So, I think we've spoken about 500 CR right till date. So out of that, how much is funded via banks?

NS **Neetika Suryawanshi** 40:30
I'll give you a breakup, Jeev. Thanks for the question. The total spend is 515, the total equity invested 198, banks and loans 308, creditor, there's two account balance, 8CR. So it's a 515 that has already been committed to Project Jagriti.

JG **Jeet Gala** 40:47
OK. So, the balance 175, five hundred to 675 and so how much is the equity gap now because we've postponed our project right by 3-4 quarters, so we'll have those internal accruals coming in. So initially in the last quarter we had a gap of somewhere around 800, so now.

NS Neetika Suryawanshi 40:59

Sure.

JG Jeet Gala 41:03

That gap has fallen to what number and what is the timeline within which we need to infuse an external equity coming in over and about the approvals. So, do we have any hard stop? Yeah.

NS Neetika Suryawanshi 41:12

Oh, so.

So, the total equity, the equity and internal goals combined today stand at 198 with the escalation that we announced, I think that will have to be about 259. So, we are looking at a gap of about 60 CR in the equity side and. Yes, we will. We plan to fund this through internal approvals and the equity from the promoter side.

Timeline wise, we would be sorry to cut you. Timeline wise, we would be doing it within the month of February and March, March. That's the target because the major spend would be now for us to be able to initiate the project by 1st August.

JG Jeet Gala 41:37

2X.

So, so from the balance 60 equity would be how much? I mean just a rough internal calculation. I mean how much can internal accruals give you from that 60 and how much external is required?

NS Neetika Suryawanshi 42:02

If I look at, even if I keep the performance at say this quarter's level, we would be having about 20 CR of EBITDA available with us. The operational interest and the loan interest would be about 3 or 4 CR and then the balance is available for investment.

JG Jeet Gala 42:22

OK. And my second question is around Guatemala. Since we are pausing, I mean, I just wanted to understand what happens to those Bagas contracts. I mean, do we face any penalty, any financial penalty that comes into picture #2 on the land

ownership, right? We were speaking about 150 acres. So, do we own that piece of land or even that does not come on to our books and 3rd Part is what do we do with Satish, Rolando and the team over there?

VK **Ved Krishna** 42:47

Important question, Steve. Thank you. So, the Bagas contract and the land contract have both been put in appearance. So, we did have a penalty on both sides if we did not start picking up or they did not start giving by 2027. So, we both met mutually. We met all the sugar companies.

We told them about our focus on Jagriti and we kind of did a kind of abeyance of the deal, like, OK, we will write off this contract, and we'll say that we will renegotiate once Packer is ready. So that's been put on hold. The land also we had paid the advance and not the full amount, so only.

4.

\$40,000 had been paid. So there again we have said that, you know, let us come back and we will get into the land transaction again. All team members have now been put on. We basically informed them that 31st January is going to be the last working day. We will not be paying salaries.

Yes, Rolando does remain our legal representative and our person who operates the project in Guatemala and for that we will have some kind of a fee retainer kind of situation, but everybody else will be let go of for now until we restart. In later this year, hopefully.

JG **Jeet Gala** 44:09

OK, I have more questions. I will come back in the.

 **Pranay Pasricha** 44:12

Thank you, Miss Neelu, you can ask your question.

NS **Neelu Singh** 44:23

Yeah, just to continue on what Jeet was asking in the presentation of 11th November last year, you showed that we invested \$8 million in the American project and now just Neetika mentioned it's about 30 to 40 crores. So that's about 5 million Max. So is there a gap or we'll bring back that money from US to India for our Jagriti project?

NS Neetika Suryawanshi 44:45

The difference basically, thank you for your question. The difference basically is that the amount that we have sent there would be sitting as an investment in our books and that's the value that you quoted first. But the question that was asked was how much has been shifted to WCWIP. That's what I answered that that's about 30 crore. So, the difference is based.

Basically, what is not recognized as an expense in their books, but from our side is that it is an investment.

NS Neelu Singh 45:12

So, can that be brought back to India for Jagriti? That's what is the question because if there is a funding gap.

NS Neetika Suryawanshi 45:15

Unfortunately, no. Unfortunately, no. That will not be possible because there have been certain expenditures which have been done which were necessary and not necessarily every expense can be capitalized because it has to be directly related to the project. There are certain IFRS and even US gaps that would govern the definition.

There, so that difference would remain. It will not be possible to get that money back.

NS Neelu Singh 45:40

OK. And you know one more thing, we have a quarterly revenue of about 100 CR now presently, I mean if you take broadly, so once the expansion is done that will increase to 300 crores a quarter.

NS Neetika Suryawanshi 45:46

Yes, yes.

Broadly speaking, 100 tons per day, the price would range from about 110 to about 130. So yes, you could say that.

NS Neelu Singh 46:04

OK. Thank you. I'll get back in the key.



Pranay Pasricha 46:07

Thank you, Nitin. You can ask your question, Nitin.



NITHINR 46:16

We thanks for the opportunity and congratulations for a rather OK set of results for this for this quarter. So my question regarding I mean with Krishna kind of I mean the our chairman kind of told us that you know we are kind of putting an end to our expedition into Guatemala.

So if you could quantify what sort of impact is that is gonna have on our P&L in in the coming quarters because ultimately since a project has been shelved, some of these have to be provisioned. We have to, we have to make some sort of bad provisions as per.



Pranay Pasricha 46:40

Mhm.



NITHINR 46:55

The according standards rights. So basically, what sort of impact do you think the selling of the product is gonna have on our P&L side not just this quarter but in the coming quarters if you could have a quantified number on that on that.



Ved Krishna 47:14

So, it just depends on what happens in the next 6 to 9 months. So, so of course the effort is to not it's a pause, it's not a shelving. So, so that's a very important clarification that all the all the transactions that we have done. In order to kind of give it a pause, I very clearly stated that we are pausing. After Jagriti is stabilized, we will come back and do it and all the relationships remain intact. All the work that has been done remains intact. Yes, we will. Ultimately, we cannot keep paying the teams. Of course we are asking them to find alternates. Et cetera, et cetera. So, but that said, like Rolando was leading that means in one way or the other connected to us and all the work that has been done remains. So, if we don't manage to do it in the next 9 to 12 months, then we will have to take a call of course. But before that we are just, it's just.

Pause Nitika if you have a like further kind of clarification on that.

NS Neetika Suryawanshi 48:15

So, I'll leave it at that for now.

N NITHINR 48:18

So, what, so what sort of exposure are we looking at? I mean I think Nikhila kind of had spoken about a figure of something like \$5 million. So that is like the cap. So that's like the, that's basically the cap. That's basically what has been capitalized, right. So, what about the other expenses? I mean the salaries, all those we are being. Well, where they like flowing through the PM or are they or are they or are they like being capitalized as well?

NS Neetika Suryawanshi 48:45

So, it depends. Just to give you an example. For example, I form a part of a support function. My salary is not directly linked to project geography. So when it is not directly linked, it will not be capitalized. If I was somebody who was working in the project and working towards the project or the time that I spend only on the project, that gets capitalized.

Nice.

N NITHINR 49:06

Basically, the entire exposure would be something like 60 to 74 rupees at Max.

NS Neetika Suryawanshi 49:09

Yes.

N NITHINR 49:11

Got it. And come, so coming to Jagriti, so I think I'd seen this, I mean in the chats you had mentioned that repayment starts from next quarter. So, our entire exposure to the banks for Jagriti would be something like 300 and four rupees, right?

NS Neetika Suryawanshi 49:25

The repayment starts in the quarter after the date of commissioning, not in the next quarter.

N **NITHINR** 49:31

And uh, so in the initial year, what sort of to what's the repayment schedule like? So, in the initial year, I mean what are the, what are the terms of the loan agreement?

NS **Neetika Suryawanshi** 49:42

So, it will be split across 15 to 18 quarters and that's how the repayment is planned and it starts from the quarter after the date of commissioning. So, for example, when we say August, it'll start only from December.

N **NITHINR** 49:54

OK.

NS **Neetika Suryawanshi** 50:01

So, the quarter post, the date of commissioning.

N **NITHINR** 50:04

So just to I mean so just to get things right. So, what sort of repayment are you looking at in the initial years if you could quantify that?

NS **Neetika Suryawanshi** 50:13

I think it will be about 20 CR per quarter but let me just get that number to you. I'll answer that to you in the chat.

N **NITHINR** 50:24

OK, sure. Thanks for that. That's it.

 **Pranay Pasricha** 50:25

Thank you. Jeet, if you had another question.

JG **Jeet Gala** 50:33

Yeah, I just wanted to understand, I mean from ordering a quota, I mean, so do we attach any timelines toward doing that because we'll be starting PM four, right? And if that doesn't happen?

I mean what kind of numbers are we looking for grease proof? I mean what are the pricing right now for a grease proof in the market right now because our project is clearly not going to be very feasible, right, considering only grease proof. So, for quota, I mean have we decided if flexi doesn't happen then any anything on barrier? You know, application that we earlier spoke about. So, I mean what are your thought process around, you know, making this project more feasible?

VK

Ved Krishna 51:16

So yeah, just let me clarify. So, project remains feasible even with base paper. Jeet, we have a decent EBITA value and we will be able to sustain. But yes, that's not what we are in for. We of course want to create barrier coated functionalized papers. I would actually go the other way, and I would say that actually thank goodness we haven't ordered a quota because what I'm finding in the market is there is a significant resistance to any cost increase right now. So I've spent a lot of time in the market space with converters, with brands and what we find is that because of the. Lack of push from the government and the public, people have kind of backpedal not just on compostables but also on such monolayer structures, what they call metalized BOPP or something which people had created. So that actually makes our life much more interesting because now we have to provide.

Better performance as well as the right value. So, both those things become important. So, we are continuing to work on it. We have kind of refocused our energies towards applications like teabags, back in box, etc. Like what you're asking. That you look at rather than it being the primary product for packaging for say even chocolate or a cracker or something where there is the singular packaging. So, we feel that with the protective layer outside that is going to work better. So, what we are trying to do is to find.

Is to get the right formulation in place so that the value and the as well as the performance is both taken care of. So that's what the team is working on right now, but we remain very confident the price range is going to be what Nitika said earlier, 110 to 130 and 40 odd rupees.

If we are to do that segment of dense papers like release base, grease proof, parchment, that's one family of products that is primarily imported into the country right now. Grease proof is now made in the country as well, but a lot of the other products are being imported, so we will remain feasible at that. But we will not remain as joyful as we would like to be on that. So, continue to work

towards it. There is, there are challenges. We will be very upfront about it, but we are also working on overcoming those challenges.

JG **Jeet Gala** 53:45

Oh, OK. And when the last question is, I mean in the last quarter when we spoke about raising funds, you showed an intent of infusing when I think the 90 day average of the stock price was somewhere around 1:50 and you mentioned doing it at even premium to that particular number.

Now given that averages would have come down, I mean and if you were to infuse say in the next couple of months, would that number still come down or looking at the company's dilution angle, I mean would you still stick to that particular number of infusing at probably something more than 150?

VK **Ved Krishna** 54:22

We have very deep belief in the organization, so we would do whatever we feel is the best possible number. We find that the share price is heavily undervalued right now. So, we do think that we do need to infuse more confidence in investors. And we will work towards that, what the exact number is going to be and how much that's something that we are still working out.

JG **Jeet Gala** 54:47

Thank you.

 **Pranay Pasricha** 54:51

Thank you. if there are no more questions, we'll conclude the call. Yeah, over to you with for closing comments.

VK **Ved Krishna** 55:02

Thank you all so much as always for remaining supportive and confident about the company. As a team, we are continuously working to ensure that you know all the promises that have been made are being fulfilled. We are, we remain very optimistic and excited about the coming few quarters.

DG **Deepak G** 55:02

Hi guys, I think just one question.



Ved Krishna 55:20

And we look forward to get a more structured system in place in terms of communication, as Sachin mentioned in the beginning. Thank you all again for your confidence and thank you to the team for exemplary work. Thank you so much.



Pranay Pasricha 55:33

Thank you. Thank you everyone.



Jeet Gala 55:36

Thank you.

● **Sachin Srivastava** stopped transcription