



MOLD-TEK
Packaging Limited

MTPL/SECT/19/2025-26

Date: May 23, 2025

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

Sub: Transcript of Conference Call for Investors held on May 19, 2025.

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the transcript of the Conference Call for Investors held on May 19, 2025 to discuss the Q4 and FY25 results of the Company.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Mold-Tek Packaging Limited

Harshita Suresh Chandnani
Company Secretary and Compliance Officer



“Mold-Tek Packaging Limited Q4 FY‘25 Earnings Conference Call”

May 19, 2025



**MANAGEMENT: MR. J. LAKSHMANA RAO – CHAIRMAN AND
MANAGING DIRECTOR – MOLD-TEK PACKAGING
LIMITED**

**MODERATOR: MR. BHAVIK SHANKLESHA – EMKAY GLOBAL
FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Mold-Tek Packaging Limited Q4 FY '25 Earnings Conference Call hosted by Emkay Global Financial Services Limited.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

Bhavik Shanklesha: Good morning, everyone. I would like to welcome Mr. Lakshmana Rao – Chairman and Managing Director, and thank him for his opportunity. I shall now hand over the call to him for opening remarks. Over to you, sir.

J. Lakshmana Rao: Good afternoon, everybody. Thank you very much, Bhavik, for coordinating this call today. Thanks all participants for participating in Q4 and Annual Results of Mold-Tek Packaging.

I am glad to inform you that the Company has closed reasonably well for the full year, with a growth of around 11.8% in sales. In terms of volume, it is 7.3%. And the EBITDA has gone up by 7%. And due to high provision of depreciation and financial cost, the PAT has come down marginally by about 9%, I think. Yes, net profit was down by 9%.

However, the future looks very bright because one of the greatest news for the quarter is our Pharma division, which has started just a year ago, barely a year ago, has crossed break-even in Q4, with a shot up of turnover from meager Rs. 2.5 crores in Q3 to Rs. 6.7 crores in Q4, resulting in Company making profits for the first time in the Pharma Division too.

So this will augur well for the coming years as the traction that is created in Q4 will continue to spread in the full financial year of current year and apart from additional new products that are being added in the Pharma sector.

Another positive development is a de-growth of paint industry, which was a 6.7% drop last year, has become 6.8% growth in this current financial year, auguring well for the Company's future growth.

So, this is all the headlines. We can have more information exchanged through question and answers. Can I now give back this line to operator to organize the question and answers?

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jaiveer Shekhawat from Ambit Capital. Please proceed.

Jaiveer Shekhawat: Sure, thanks for taking my question. And Mr. Rao, congratulations on a good quarter. Sir, my first question is on your Pharma division. We have seen a good pickup during the 4th Quarter.

So one, if you could explain in terms of the approvals that you have received, where are we in that cycle, and also in terms of your revised revenue targets for possibly the next year and the year beyond that for the Pharma division? That will be my first question.

J. Lakshmana Rao:

Yes, regarding the Pharma, yes, what all we discussed a couple of quarters ago that several companies have visited and passed our Company audits with flying colors, and some of them, I would say, have started picking up volumes in this quarter, that is Q4, resulting in a sudden spurt in numbers to about Rs. 2.5 crores to Rs. 2.3 crores per month, which enabled us to reach a number of Rs. 6.7 crores in Q4 compared to Rs. 2.5 crores or Rs. 2.6 crores last quarter, and that will continue to improve, if not at the same pace. Definitely this will become the base now, and going forward, we are looking at a number beyond Rs. 30 crores for the full year. It can be better based upon some of the new products which we are launching for the Pharma industry in India.

In fact, there is again a minor expansion taken up in the facilities. Apart from six, seven machines we started the business with, we are adding five more machines in injection molding category. A couple of them have already arrived and three more machines are coming in June. And the corresponding molds for the same are getting ready. Hopefully by end of May or middle of June, they will also be here for production.

So, by end of June, we will be having some more new products that will be bringing in revenues. And we are confident that the Pharma division from Rs. 11 crores in the current financial year should be seeing 2.3x to 3x growth in the next financial year in terms of top line. That is a current update. And we see much more growth coming up in a couple of years down the line because this is only the beginning. And out of more than 18, 20, I don't know, I lost count, 20 companies which have given us the audit clearance, hardly 4 or 5 of them started commercial buying. So, we expect some more players to start buying commercially in the coming quarters, which may add up numbers more rapidly.

So, as we meet over the quarter-on-quarter, definitely I will be able to update and revise the projections, but for now we will be certainly crossing Rs. 30 plus crores turnover in the current financial year from Pharma and probably Rs. 50 plus crores in the '26-'27 year. That we can review as we go forward.

Jaiveer Shekhawat:

Sir, that's very helpful. I just wanted to touch on the capacity utilization. You mentioned in your slides that you have already achieved over 50% capacity utilization. So, given that you are now seeing some traction, I mean, are you aggressively investing in expanding these capacities? Or are you still in that wait-and-watch mode before you expand very aggressively on the pharma front?

J. Lakshmana Rao:

I would say now the gears have changed a little bit. We are no more very cautious about the investment. We are now more confident, and the results are very encouraging. The way our ability to develop new molds and new products, how it has been attracted in the Pharma industry is very heartening.

I see a very big gap, especially in new product development in this country for packaging and Pharma packaging. And Mold-Tek with its tool room and product development abilities can definitely play a major role in that. So, currently the expansion is adding few more machines in the existing land and building, but to be cautious, we have applied for further land just next to the existing land in Sultanpur and preliminary approval has been received from Telangana government for about 2.5 acres of land, which is very adjacent to the current facility in Sultanur Hyderabad. So, this will be in future used for pharma expansion. So, we are now aggressively adding that land also for future expansion that is required in the Pharma segment.

Jaiveer Shekhawat:

And sir, what kind of capacity increase are you doing there? And what would be in terms of tonnage capacity?

J. Lakshmana Rao:

See, currently we are close to, yes, around 1,500 tons per annum, current capacity. That will be at least 3,000 tons during the next few months. Probably by the end of December, we will have molds and machines that can produce up to 250 tons per month. So, during this year from 1,500 probably we will go to 3,000 tons capacity in terms of manufacturing capacity by end of March '26.

The land and building which is now currently available at Sultanpur will be more than enough to cater to this requirement, but further enhancement beyond 3,000 tons if that will be certainly required in the next Financial Year '26-'27 would take up construction in that new plant, new land we acquired. So, this current plant which we currently have on hand and what we can add in Sultanpur and can cater to up to 3,000 tons per annum or you can say closely Rs. 100 crores turnover.

Jaiveer Shekhawat:

Sir, very well understood. On the paint side, I mean, the quarter growth looks very tepid. It's only around 2%. So, if you could explain what has been happening with both Grasim and Asian Paints and other clients? And you have also been talking about IML adoption increasing plus recycle polymer also increasing. So, what kind of growth expectation do you have from the Paint segment in the next year?

J. Lakshmana Rao:

Yes, I agree this quarter the Paint segment growth is hardly 2%. But if you notice last year it was negative. So, that way it is a little better in terms of comparatively, there is a growth of around 13% over the 12 months period for the overall paint industry in this current year, compared to minus 5%. This is Q3, I think. Sorry, I am talking wrongly. Minus, year-to-year, there is a growth of 13%. And in value terms, it is 13%. In terms of quantity, it is 6.8%. But for the quarter in question, it is only 2.07%. So, we are seeing this to change, and it will get better.

Our trend in April or even May is on the positive side. The growth will slowly come towards double digit is our hope. From 6.79%, hopefully we will touch about 10% growth in the next financial year given the traction, two reasons. One is Aditya Birla Group has asked us to enhance our capacities, which we did by January, and those capacities have started functioning from March-April onwards, and their numbers are improving now. This is a Brownfield expansion.

So, the delta for investment is marginal. But the numbers can start growing a little more rapidly. So, that is one positive thing for ABG.

And coming on Asian Paints side, they are shifting more and more brands into IML. And today we have set up all, earlier it used to be only Hyderabad and Satara has the capabilities of giving IML products. Now we have Vizag and Mysore also. Robots have been installed. So, now all four plants started manufacturing IML products for Asian Paints, which was not the case a year ago. So, we hope that will stabilize or rather improve a bit in our share from Asian Paints. So, with these two positive developments, we are hoping to see a double-digit growth in Paint segment in the coming financial year.

Jaiveer Shekhawat:

Sir, on your CAPEX side, earlier you had guided that you will do Rs. 70 crores, Rs. 80 crores. But when I see the number for FY '25, that has reached to almost Rs. 140 odd crores, which is the trend that you have done over the last two years as well. So, I mean, which segments have you ended up investing a lot more? Is it largely coming from the paint side or are you investing across other businesses and buying?

J. Lakshmana Rao:

No, it's equal. Actually, in pharma and printing, especially in printing, we invested more than Rs. 25 crores in the current financial year, previous financial year, wherein we have added two flexo machines, one offset machine, several die-cutting machines and one Rotogravure machine that has more than increased the printing capacity by more than 70%. That's one of the reasons why we clocked a very healthy 25% increase in the food and FMCG sales in the Q4, because our ability to manufacture IML has enhanced from February, and that is further enhanced in May.

So, this was the reason last year, as I told in my previous quarterly interaction, that rejection of a printing machine and further delay in printing machine acquisition has caused drop in food and FMCG because we couldn't make IML labels in time. So, whereas in this year, we are well equipped for that and the proof of the pudding is growth of 25% in food and FMCG in Q4. That is a good positive turnaround because going in Q1, which is ice cream and dairy product season, we are more than ready to capture the increasing demand, which we let go last year.

Jaiveer Shekhawat:

Sir, my last question is on your realization, given that crude oil prices have also corrected sharply, I mean, are you already seeing adverse impact of that on your revenues possibly in the starting quarter on first quarter given we have already seen April?

J. Lakshmana Rao:

In fact, on the contrary, we are more positive about improving the EBITDA per kg, which we have crossed Rs. 40 after long several quarters. Last 7-8 quarters, we were below Rs. 40 EBITDA per kg. And in Q4, thanks to the increase in food and FMCG sales and pharma sales, the number has shot up to Rs. 40.15, which indicates that a better margin scenario is going to emerge in Q1, because in Q1 we will be having much better capacity utilization and higher sales of food and FMCG, which will be always there in the Q1 due to summer, consumption of ice creams and dairy will reach peak. And this time we are ready with our capacities, and we saw very good improvement in April and same trend continues. We might have positive Q1 growth.

- Moderator:** The next question is from the line of Shirish Pardeshi from Motilal Oswal. Please proceed.
- Shirish Pardeshi:** Good afternoon, Mr. Rao. Thanks for the opportunity. I have a few questions. I think first is hearty congratulations for Food and FMCG. Just wanted to understand the growth what you have delivered in FY '25. What are the top two, three things you have done right and can similar growth come in FY '26?
- J. Lakshmana Rao:** Yes, one major thing we did is our pharma has got into breakeven right in the 4th Quarter which was not really expected. I was confident, but I was a little skeptical till we did it. And in the Q4, our team did a fantastic job achieving 6.6 gross turnover in the quarter as against 2.5 in the Q3, or 2.4 in Q3, something like that. So, almost 3x turnover has been achieved in Q4, and that will be sitting as a base for the coming quarters. So, we are now looking at anywhere between Rs. 30 crores, Rs. 35 crores kind of top line for pharma in the next financial year with a very healthy EBITDA margin, which will take up the overall comprehensive EBITDA margin.
- And second heartening thing is capacity utilization started improving from March onwards, especially in the new expansions we created at ABG for Cheyyar and Panipat which started at least from March onwards. I wouldn't say in entire Q4, but from March onwards we see good traction in ABG's numbers, which will continue during the current next financial year.
- So, we are more optimistic about '25-'26 because of these two factors, pharma, and ABG growth. And as I said, with the enhanced printing abilities and the printing volumes, we are in a position to capture thin wall growth into double digits again, which slipped the last year below 10%. I think it's somewhere around 5%-6% last year. It has now reached 11.76% overall, thanks to a big jump of 26% in the Q4. So, going forward, Food and FMCG also will be growing.
- Another reason of my optimism is our Panipat Food and FMCG production is starting in June in a small way, but that will start adding up by the end of next financial year into a reasonable number. And our square packs also we have already started manufacturing at Panipat. Last three months we have a couple of clients nearby, but now the client number has gone up to 8 to 10 clients.
- So, square packs, a full set of product range is being created at Panipat starting from June. Already a couple of packs are being made there. The other two packs, that is 17 and 10 liters, also will be starting from June onwards. So, square packs, thin wall, ABG, pharma, these all four are on a good run. So, we are more confident about the next financial year as we see today.
- Shirish Pardeshi:** So, one follow-up. In Food & FMCG, how many new customers we have added over the last two, three quarters? And what is their contribution?
- J. Lakshmana Rao:** Several clients we add every year in the Food & FMCG. Notable is Marico recently and Mankind for their protein nutritional powder, which is a sizable number. These two are major, but there are several other small and medium clients. In fact, as I said last year, we let go a lot of clients because we couldn't service them due to lack of printing facilities and in time supplies, which

now we are overcome with the expanded printing capacity and able to retain more and more clients than what we let go last year.

Shirish Pardeshi: In terms of paints, Asian Paints was giving us a good strong view, saying that they are now looking at regional pack with IML printing in the region language. So, I am sure you would have been part of that journey. What kind of opportunity you see over the next two, three years?

J. Lakshmana Rao: I certainly am positive about our growth with Asian Paints because last two years we degrown in Asian Paints overall numbers. But now with the trend of major brands being shifted into IML and they given us a clear advice to have IML facility at all four plants. In fact, including Hyderabad, there are five plants. With that initiative, I am confident our numbers can become positive. Rather than dropping, it can even grow in the next financial year is our hope. If that happens, that's why I am confident of a 10% growth in Paint segment in the next financial year.

Shirish Pardeshi: One follow-up on FY '26. Overall paint, what would be Asian Paints and ABG volume contribution?

J. Lakshmana Rao: I can't share such details of individual clients because of...

Shirish Pardeshi: But total you can say the top two clients?

J. Lakshmana Rao: Top two clients are definitely Asian Paints will continue to be our number one client. Number two client is HUL. In terms of tonnage, Grasim comes number two. Gulf Castrol are close number three. Hindustan Levers is number four. So, that way they continue to be in that same order, I guess.

Shirish Pardeshi: Just last question. On Slide 14, you have given various segmental numbers in terms of volume. Can you just break down each segment, what is the EBITDA we have achieved for full-year FY '25?

J. Lakshmana Rao: For segment wise EBITDA, you are asking?

Shirish Pardeshi: Yes.

J. Lakshmana Rao: No, I don't think we have that data. We can't share as of now.

Shirish Pardeshi: Okay, I will take it from Adi separately.

J. Lakshmana Rao: Yes, probably, you can take it.

Shirish Pardeshi: Yes.

J. Lakshmana Rao: It will be, as I said, in the paints, it will be close to Rs. 30, Rs. 32. In thin wall, it will be close to Rs. 70. In pharma, it will be close to Rs. 90 to Rs. 100. But exactly pinpointed segment analysis probably you can get later.

- Shirish Pardeshi:** No, I was more interested, sir, this quarter you have delivered more than 40 and which was our target. So, I just was more curious which segment has driven this.
- J. Lakshmana Rao:** Definitely Food and FMCG and Pharma because if you notice, Food and FMCG has clocked a 25% growth, which is one of our high contributors. Pharma, which was zero last year, has contributed at least 2% of the sale. I would say it is more than 2%. In revenue terms, it is 3.3%, whereas weight basis is only 1.8 times. That means you can understand the realization is much better in pharma. Though it is a small number, Rs. 600 crores, its contribution to the bottom line or EBITDA would be reasonably good. But going forward that will become the norm.
- Moderator:** The next question is from the line of Richa from Equitymaster. Please proceed.
- Richa:** Sir, thank you for the opportunity and congratulations for stellar performance in pharma and FMCG. Sir, my question is related to EBITDA margin per kg and the kind of trajectory that they could take given the volume growth guidance that you have given for different segments. So, I believe, I mean, what is your degree of confidence that we will be able to reach 42 per kg kind of margins, I think, that you were close to a few years ago by FY '27? Do you think that would be possible with the mix that we are moving towards?
- J. Lakshmana Rao:** Yes, we are aiming towards 42, if not immediately, definitely in the next one or two years. It can easily cross 42, in my opinion because pharma brings in at a much higher EBITDA margin close to Rs. 100 or more. Food continues to move towards at least 70 to 80, but of course the paint and pails or square packs, they continue to be in the region of 30, 35. So, overall, as the numbers in pharma and in Food and FM improves, this number can move towards 42, 43 in the next coming quarters. So, that is internally our target too, and I don't see it very far away.
- Richa:** And sir, if just talking about thin pack and FMCG, I think you suffered some kind of muted growth because of the capacity constraints. And we witnessed 25% growth, but I am assuming that could also be on the lower base. So, going forward, what would be the normalized growth rate in Food and FMCG considering increased competition, plus the kind of capacity optimization that you have done?
- J. Lakshmana Rao:** Yes, in terms of printing has been gone up considerably. We see a growth in the region of 15% to 20% in the next financial year too, because earlier we lost several clients or didn't entertain smaller clients mainly because of our lack of printing capacity. April saw 20% growth, but how May and June will or the next part of the year goes is still not clear, but we are anticipating or targeting a growth of 15% to 20% in the food and FMCG segment as well.
- Richa:** And sir, my last question is about capacity. Could you, maybe I missed the CAPEX number that you are aspiring for in FY '26, and I believe most of it will be for Pharma capacity, right?
- J. Lakshmana Rao:** It will be partly for Pharma for sure because that is where we are investing again on some land and probably completing the buildings at the Sultanpur area in the existing land. There will be certainly Rs. 20 crores, Rs. 25 crores investment will happen in pharma in the current financial

year. And already we have committed 20 crores of investment in molds and other machinery which are yet to arrive.

So, I see a reason to control this year CAPEX in the region of Rs. 70 crores to Rs. 80 crores because Mahad plant is yet to go on stream. It is being serviced from Satara plant, but that plant construction, it is not a big plant, but it would require at least around Rs. 14 crores, Rs. 15 crores of investment there, and pharma requiring around Rs. 25 crores. We are further adding a little bit more in printing, not a very big investment, to the tune of around Rs. 7 crores to Rs. 8 crores.

So, all put together, our budget for the next financial year CAPEX is 75 to 80. But for any sudden pharma requirements, we have already factored an Rs. 10 crore worth of land, which we are acquiring next to our Sultanpur unit in Hyderabad purely for future pharma growth.

So, having said that, the buildings are not yet planned in that location because there is enough space and land available in the existing Sultanpur villages. So, that will get filled in this year for sure. Probably the new land what we acquired now, or about to acquire now, would be future, let's say from '26, '27 onwards, we will be investing in that facility. So, overall, CAPEX we wish to keep between Rs. 70 crores to Rs. 80 crores for the next FY.

Richa: And sir, you mentioned around 3,000 ton per annum by the end of FY '26 for pharma. May I know the revenue potential? I think you have guided for 50 crore kind of revenue, but what is the potential of 3,000 ton per annum kind of capacity from pharma?

J. Lakshmana Rao: See, today pharma selling price can be somewhere around Rs. 300 to Rs. 350 per kg. So, given that even you take conservatively Rs. 300, we are aiming at, let's say, Rs. 90 crores to Rs. 100 crores, overall best capacity, ideal capacity by end of this FY. That will be ready for filling up probably in '26-'27.

Richa: All right. Thank you so much and all the best.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please proceed.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand regarding our pharma business. Sir, so, are customers currently unhappy with the current suppliers or is it because of the demand we can see such a sharp jump over the next two to three years?

J. Lakshmana Rao: No, I can't say that whether the clients are unhappy with our competitors. I don't think so that would be a major reason because they have been in business for quite some time. Companies like Gerresheimer and Shree Jee are in this space for more than 10 years now.

What I am saying is our ability to quickly develop new products, new features. For example, I will just give you one example. Somebody wants to develop a two-bottle holder for an application. While Shree Jee or Gerresheimer take four to five months to develop such a new

product, including a new concept which is not breaking the patent rules, would take them four, five months to come up and whereas Mold-Tek could do it in 1.5 to 2 months so that such kind of opportunity I am seeing are plentifully coming up in pharma space also.

I was under the impression all the time that Food and FMCG is the only area where dynamic packaging needs will arise. But I also to my present surprise, found pharma also requiring such agility in developing faster molds and samples.

For example, I will give one more example. There are several companies which have some standards. Let's say, 200 ml bottle means it should be, let's say, 15-gram weight or 18-gram weight. But some particular need of a client would come due to whatever the effervescence of the tablet or more stringent rules of longevity of the product. They may ask for a 22-gram bottle. Instead of 18 gram, they want a 22-gram bottle.

Most of our competitors might take external help to develop such a small change and might take a couple of months to submit such samples, whereas with our tool room, in-house tool room, we do that kind of changes within a couple of weeks. And the client wants it for stability test and to get his commercials done based on the stability test approval. So, for him saving a couple of months is a big deal. So, such agility is what our tool room can bring to pharma. And that I feel is a big gap we are going to fill in.

Madhur Rathi:

And sir, how about the demand supply dynamics in the pharma, in the three products that you are catering to currently?

J. Lakshmana Rao:

Yes, demand supply, there is adequate capacities everywhere and the growth is also positive. But for this disruption of American tariff confusion, there is some disruption here and there. But things are all fine and we are looking at capturing a market of existing market, not looking at the growth because our numbers are hardly anything.

Like say, if you talk about Rs. 30-35 crores, it is hardly not even 1% of the entire pharma packaging requirement in the country. So, whether that Rs. 3,000-4,000 crore market grows up by 2% or 10% doesn't matter much because we are looking at replacing the existing competitors or gaining market share through our innovations and faster development. So, I am not much concerned as of today about the overall pharma packaging growth because we are looking at capturing current market opportunity.

Madhur Rathi:

And sir, if I look at our paint segment, sir, there was a conference where the Berger's CEO said that the paints volume have grown from by 13% or 14% over the last five years. That is from 2018 or '19 to 2023-2024. But sir, if I look at our paint volumes, they have grown by 9% to 10% towards FY '19 to FY '24. So, that means that we have lost either customer market share or competitors are gaining our market. Incremental volume that we should get competitors are getting. So, any thoughts on that?

J. Lakshmana Rao: Yes, as I told a couple of quarters ago, we are consciously letting go some of the low value-add opportunities in the Pail segment. We are not running after low value-add Pail companies and letting go people who don't see value in IML or in terms of our quality. There are several clients who are settled with screen printing who are settled more than enough with, what do you call, heat transfer labels. So, such companies with low value-add, we are letting go.

That is one of the reasons why there is a stunted growth in Pail segment, whereas in the lube segment, you know, lube, as it is, is not a rapidly growing segment. In terms of volumes, they are more or less stagnated. But in spite of that, for the current year, it is a (-2%). It so happens it will vary between plus or minus 5% every year. So, lube is not a great contributor anyway.

Coming to paints, yes, now with Asian Paints moving into IML, at least for their top brands, and we created facilities at all locations, we are now all ready to capture better numbers from Asian Paints is our hope. And ABG certainly has given us an opportunity and whatever growth they clock in, it will reflect in our numbers. So, overall, this year I can say, pails will grow at least by double digit.

Madhur Rathi: Sir, is it fair to assume that in IML segment that we cater to Asian Paints, we would be the largest vendor or supplier?

J. Lakshmana Rao: Yes, as of today, I guess so. I don't have clear information about our competitors' abilities and infrastructure, but today the indications are the majority of those volumes we are catering.

Madhur Rathi: So, just a final question from my end. Sir, our capacities are fungible. So, suppose the lube segment is not growing a lot. So, can we repurpose our capacity so that they can cater to pharma or any other segments? So, basically pharma where compliance would be an issue. So, can we repurpose our facilities in the segment that are not growing that much?

J. Lakshmana Rao: I will answer you properly. The pails machinery are fungible for square packs and lube packs. So, between pails, lube packs and Q Packs, that is square packs, we have complete fungibility. They are as good as, you know, meant for that particular application.

Coming to pharma, the Food and FMCG machines are fungible with pharma. The smaller, medium-range machines with robotics are more suitable to pharma rather than a 500-ton machine meant for a 20-liter Pail for a paint container. So, of course it can be but with a inefficiency.

So, the fungibility factor between pails, let it be lube or paint or square pack is complete, 100%. Similarly, the fungibility between Food and FMCC machinery and pharma is 100% fungibility. But using a pharma, small mould and a big machine of Pail doesn't suit properly. It is not economical.

- Madhur Rathi:** Sir, just a final question. Sir, what would be the volume growth that you can expect for FY '26 and what would be the EBITDA per kg estimate? Can we expect it to move by towards Rs. 42 in FY '26?
- J. Lakshmana Rao:** See, I don't want to make a guess now. Definitely, I will answer this question next quarter when we meet after the Q1 result. Our internal target is that. We already said it. We wish to see at least a 15% volume growth this time, with EBITDA also coming between Rs. 41 and Rs. 42. But I would like to save my comments till at least June-July. Once we see the Q1 numbers, I will be able to make a better prediction.
- Moderator:** The next question is from the line of Mehul Panjuani from 40Cents. Please proceed.
- Mehul Panjuani:** Thank you so much for the opportunity, sir. Sir, who are our competitors for the pharma segment?
- J. Lakshmana Rao:** Shree Jee, Gerresheimer, Leela, Gopaldas are three and Bericap only in the cap segment, but in mainly bottle segment and other product segment, these are the major. Parekhplast in tube segment. These CG, Pravesha and Gerresheimer are the major players.
- Mehul Panjuani:** So, sir, since these guys, our competition is already established in pharma and we are a new entrant, what would be our unique selling point?
- J. Lakshmana Rao:** I just explained to you the speed at which we develop new products, make minor variations in the existing products due to our in-house tool room is one major positive. Second is our product mix. We have canisters. We have EV tubes. We have bottles and caps, child-resistant caps. And we are coming out with a new variety of special-purpose caps.
- That makes us a one-place supplier for a wider range of products, like I don't think this kind of range is there with everybody. A couple of our major competitors may be having. Even Shree Jee doesn't have effervescent tubes in their portfolio or canisters. So, like that, they have broken their product to limited range, whereas we are going ahead with a full set of applications. That is one positive.
- Second, as I said, the tool room and our ability to develop new products is what gives us an opportunity. For example, if somebody wants to launch a product in U.S., they have to first develop prototypes, they have to develop trial batch of 100,000 or 50,000 pieces and then market it and wait for six months for stability and approvals across the supply chain. And after six months, they come back to you and ask for commercial production of say, 5 or 10 lakh pieces a month.
- So, in this kind of a cycle, Mold-Tek can be their best bet because in-house tool room will be able to develop molds, modify molds and quickly give them the first lot of 50,000, 30,000 pieces from the temporary molds, if needed. And then once they have six months, seven months lead

time to get the stability done and see the commercialization, then we quickly make the commercial molds and give them no loss of time.

So, that kind of advantage is what we bring to the table, and that's been well appreciated by at least three, four clients within this one year of our existence in pharma. So, I see that is going to be a major positive going forward also for Mold-Tek.

Mehul Panjuani: One follow-up question on this. So, sir, what is the entry barrier for our competition to have this tool room available in their setup?

J. Lakshmana Rao: See, last 39 years or maybe close to 39 years correctly, exactly, we have been in the injection molding field with tool room as our backbone and having invested in very high-end machinery like 5-axis CNC machines, spark erosion machines, wire cut machines, and you name anything.

So, whereas it is not an easy task for anybody to develop a tool room, even a Company, in my opinion, like CG, doesn't have an in-house tool room which is capable of developing complex molds. They may be having some maintenance or some kind of a tool room, I guess. It's not easy.

One is machinery is not a great deal. Anybody with money can buy that. But the skill set, designing abilities are very difficult to find in our country. Very rarely you will find people with strong capabilities in that line. That is one of the entry barriers.

Mehul Panjuani: Sir, this is a great thing what you have elaborated. So, I am just wondering why we were held back on not being in the pharma segment if we have this edge over the competition and the market is also there, we have the ability and the capability. Still we were not able to...

J. Lakshmana Rao: That's what we are doing now. We can't make the announcements in the newspaper. People don't believe it. Our team has to go make presentations and prove this point by developing some products which we are doing now, and then gain their confidence and orders. That's what is happening. That's why within four quarters we could cross the break even, which generally any pharma packaging Company would take two to three years.

Mehul Panjuani: Right. So, sir, can we say that after three years, maybe pharma will be the dominant segment for us?

J. Lakshmana Rao: I wouldn't say it will be a dominant or number one segment, but it will certainly be one of the leading segments in Mold-Tek's growth history. I think it can, as you said, can happen to be the dominant contributor in terms of profitability.

Mehul Panjuani: At least in comparison to paints maybe.

J. Lakshmana Rao: Yes, it can in next three years because there is ophthalmic range, there is a nasal spray range. There are other devices which can be added once we start gaining the confidence of the industry.

- Mehul Panjuani:** Yes, because sir, when we are talking about paint industry...
- J. Lakshmana Rao:** So, that way there is a large scope including injectables, vials, plastic vials, diabetic pens. We have plenty of things to do. We are just at the beginning. So, that way, as you said, maybe 3 years, if not 3 years, 4-5 years down the line, pharma could be the largest contributor of EBITDA for Mold-Tek, if not revenue line also could be, but I can say in the EBITDA side, it could be one of the major segments.
- Mehul Panjuani:** Because sir, I don't know, you can correct me if I am wrong, but the size, the potential size of the pharma segment will be far, far significantly higher than the paint size, right?
- J. Lakshmana Rao:** Quite just in numbers, Paint segment will be still bigger in terms of what paint industry can buy. Maybe higher than in terms of plastic tonnage, it will be higher because of the huge size of containers they buy. But in terms of value addition, in terms of EBITDA and the variety of products, pharma will be much, much bigger. And the ability to, if you can export, that is another area we have now started touching upon. Within one year of our existence in pharma, we have made one supply to United States, and we have at least three or four companies showing interest in our products for export to U.S.
- So, that is another great opportunity we want to parallelly explore. That to become a reality it might take few more quarters. But our direction is already set. We have taken one export manager who is only dedicated herself in trying for U.S. export opportunities. And even our office of Mold-Tek Technologies in Atlanta also helping us wherever it is necessary to touch base with some of the pharma companies in U.S. I have not got anything from exports as of now. I am just keeping that for future.
- Mehul Panjuani:** So, sir, once we taste some success in U.S., would we also look at European market?
- J. Lakshmana Rao:** Europe also, we have already in touch with a German Company. Already our products are under stability test for last few months. And if there is some positive developments there, we may get one or two opportunities there also. Even Bangladesh has a large requirement of EV tubes. That is effervescent tubes they buy from India. So, there also we have started knocking at the doors of some clients. So, simultaneously we are looking at export opportunities. But to become sizable, probably it may take a year or two.
- Mehul Panjuani:** It's always wonderful to have a conversation with you.
- Moderator:** The next question is from the line of Yash Bajaj from Lucky Investment Managers. Please proceed.
- Yash Bajaj:** Thanks for the opportunity sir. Sir, I had a question regarding the Paint segment this quarter which grew 2% in volumes. Now taking into consideration that the Satara plant has also kind of the utilization has gone upwards of 50% and the ABG volume has also picked up, then what is the reason for a 2% kind of volume growth this quarter?

- J. Lakshmana Rao:** As I said, capacity of ABG, utilization of the enhanced capacity started only from middle of March, and it is looking strong now in April and May. Whatever the indicated volumes, they are now able to lift from April onwards. So, in the quarter of Q4, there was not much momentum. So, it was only just 2%. But as I explained for the last few minutes, the numbers of paint industry growth will come into double digits starting from this quarter, that is Q1.
- Yash Bajaj:** And there was an issue that I think, I believe our Satara plant which was catering to the Asian Paints plant which was going through under-utilization because of some maintenance issue. So, has that been...
- J. Lakshmana Rao:** Over. All that story has been completed in the last 3rd Quarter itself. And from 4th Quarter onwards, as you said, the capacity utilization is 57% in the overall year, which was almost like, what is the capacity utilization in Q4 in Satara? I will get you that answer. So, this year, currently in April, it's almost running at 75%-80% capacity now, as we are talking now.
- Moderator:** The next question is from the line of Jaydeep Taparia from IDBI Capital. Please proceed.
- Jaydeep Taparia:** Sir, I had one question. I wanted to ask the contribution of IML in value and volume terms for this quarter.
- J. Lakshmana Rao:** Yes, IML capacity has shot up to 75% in Q4. IML and HTL together is 75.5% as against 64.4% last year. That's up by almost 25% in terms of tonnage. So, that's a sizeable jump again. Thanks to Asian Paints slowly coming into IML in these last few months. One by one they are adding their grades. So, the sizeable numbers have moved in.
- And even in HTL, Asian Paints has moved even in their low value Paint segment like ABG, they also moved into HTL from screen printing. So, we see a drop of screen printing by 26%. And the entire growth has moved into labels, 25.7%. So, now today, out of 100%, 76% is almost labeled containers, IML and HTL.
- Moderator:** The next question is from the line of Manish Mahawar from Antique Stock Broking. Please proceed.
- Manish Mahawar:** Sir, just first thing. In terms of paint as a volume or a value wise, what is the contribution RCPB at the moment?
- J. Lakshmana Rao:** Now the current statutory obligation of RCPB for paint industry is somewhere around 20%. But I think very soon, like June or July, statutory obligation is going to go up to 30%. So, in the paint industry, already, major players have started using 20%, even in the lube industry. And going forward, it may even become 30% in the next couple of quarters.
- Manish Mahawar:** But what was the contribution for our volume in a RCPB contribution or volume overall on the paint volume?

- J. Lakshmana Rao:** Overall contribution of paint in the volume is around 44.7% of our total volume. So, for example, in the year of '25, we have made 18,000 tons of paint pails and lubricant 9,200. So, about out of 38,000, 27,000 continue to come from Pail business. That is 71% of our overall sale.
- Manish Mahawar:** But how much of that is RCPB sir?
- J. Lakshmana Rao:** RCPB consumption this year is around 6,000 tons. Close to 6,000 tons. So, out of 27,000, 6,000 means what? 20% you can say.
- Manish Mahawar:** 20%.
- J. Lakshmana Rao:** 20%-23%, yes.
- Manish Mahawar:** And what I understand is that your realization of RCPB is lower than your normal RCPB right, sir?
- J. Lakshmana Rao:** RCPB is now currently available in a wide range of price range depending upon the quality. Right from Rs. 83 which is of very low quality, raw material price is Rs. 105, let's say. There are RCP available at Rs. 110 per kg. Companies like Manjushree, Sri Chakra, they make very high-end RCP, and they charge more than virgin prices.
- So, now today our average price is somewhere around Rs. 95 for RCP. Some of them are bought at Rs. 83, some of them bought at Rs. 95, some of them are bought at Rs. 105. Depending upon the, sometimes client decides which one to buy. Sometimes we take whatever is available or whatever is suitable. So, based on that RCP consumption is now reached 20% and it is expected to go up in the next couple of years.
- Manish Mahawar:** And in terms of just can you share one data point with the IML and non-IML, you shared a volume contribution for 4Q. Can it be possible to share in a value term, sir?
- J. Lakshmana Rao:** In terms of value, yes. 77.4% is now labels compared to 68.5% last year.
- Manish Mahawar:** And what was for the year, sir, this year as a whole?
- J. Lakshmana Rao:** For the full year, it is 74.4% in value terms compared to 68% last year.
- Manish Mahawar:** It is the same as at 4Q and FY '25 is the remain same number, right, sir?
- J. Lakshmana Rao:** No, Q4 is 77.4%. 12 months is 74.4.
- Moderator:** Thank you. Ladies and gentlemen, I take the last question for the day and would now hand the conference over to the management for closing comments.
- J. Lakshmana Rao:** So, I think the questions completed. So, I take this opportunity to thank each and everybody who participated in this conference. And as I said in my opening remarks, the investments that have

been made in the last three years have started bearing fruit. And we look forward to a much better future in the coming quarters, not only in pharma, but also in ABG and thin wall segments. And I hope we will be in a position to present better performance in the coming quarters. I thank you once again for your interest in our Company's details and keep in touch. Bye Thank you, Emkay, for organizing this conference call.

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.