



MOLD-TEK
Packaging Limited

MTPL/SECT/12/2026-27

Date: May 15, 2026

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 11, 2026.

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the transcript of the Earnings Conference Call for Investors held on May 11, 2026 to discuss the Q4 FY26 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

Encl: As above



“Mold-Tek Packaging Limited
Q4 FY '26 Earnings Conference Call”

May 11, 2026



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

**MODERATOR: MR. RAJESH KUMAR – EMKAY GLOBAL FINANCIAL
SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Mold-Tek Packaging Limited Q4 FY '26 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Rajesh Kumar: Good afternoon, everyone. I would like to welcome Mr. J. Lakshmana Rao, Chairman and Managing Director, and thank him for this opportunity.

I shall now hand over the call to him for the opening remarks. Over to you, sir.

J. Lakshmana Rao: Good afternoon, everybody. Thank you very much for participating in our quarterly and yearly earnings results con call. I'm very happy to announce good results from Mold-Tek Packaging with all the units running with better capacity utilization than in the past.

And especially the consolidation of 5 units in Hyderabad into 2 units, that is Unit 1 and 10, has improved the overall performance and efficiencies and resulted in better EBITDA margins. And going forward -- and again, one more notable thing in this quarter is the Pharma packaging.

It's grown by 37% over the Q4 of last year and overall growth of the full year is more than 200%, giving us the ability to look for higher numbers going forward. We are also expanding our product range in Pharma and have ideas to add some more lines of activity in Pharma, which can take the Mold-Tek into a decent major player in this segment.

So going forward, the paints business, especially in the paint side has marked a double-digit growth this year. That is one of the reasons for closing the year at around 13% sales growth, 13.4%. And though there is a disappointing trend in Lubes segment, it was well offset by more than 15% growth in Food and FMCG and Qpacks 25% and, of course, Pharma 200%, and overall resulting in a healthy 13.4% growth.

I would rather like to share more details across question and answers. Over to the operator to start the question-and-answer session.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Samarth Jain from Kamayakya Wealth Management.

Samarth Jain: I have a question regarding the collaboration with Vibe. So was there any revenue contribution from this contract in Q4?

J. Lakshmana Rao: Yes. I already mentioned during my previous con call that this is a long-term opportunity where we are working with Vibe and development of new set of products, especially closures for high-

end chemicals and lubricants. And now the 2 -- out of 3 products they have given us the designs, 2 products pilot molds are ready. But these molds to become commercial and add revenues, it will certainly take 2 or 3 more quarters.

So the numbers will start adding probably towards the end of this financial year, '26-'27. So Vibe as of now is under developmental stage, but the products which we are coming out are 2 out of 3 are already successful in pilot trials and more and more visibility would only come after a couple of quarters.

Samarth Jain: So you gave us the guidance of INR55 crores to INR60 crores in Pharma for FY '27. So is this including this contract revenue or will it be incremental to this?

J. Lakshmana Rao: No, INR55 crores is our target for the next financial year '26-'27. We hit almost INR34.4 crores for the current financial year. So we have taken a 50% growth to reach somewhere around close to between INR50 crores and INR55 crores for the Pharma. We are online with that, I hope.

Moderator: Next question is from the line of Richa from Equitymaster.

Richa: Sir, could you break down the growth in the Paint segment volumes with Grasim and without Grasim?

J. Lakshmana Rao: Yes. With Grasim and without Grasim, I don't have the figures readily available, but Grasim has contributed handsomely to the growth of Paint because they have been the kind of new players and their numbers are expanding more rapidly. So the volume also has shot up by more than 60% in ABG compared to the last year because this last year base was much smaller. Currently, their numbers are improving month after month or quarter after quarter. So they are contributing handsomely and they are in the top 10 supply -- I mean, customer for us.

Richa: But sir, a few quarters ago, like there was a lot of competition coming in for Asian Paints, and we had some kind of weakness in volumes there. So has that stabilized?

J. Lakshmana Rao: Yes. Rather, we have a very healthy growth in this quarter. We have more than 17% growth coming from Asian Paints in Q4 to Q4. So that's a very healthy recovery for us from Asian Paints.

Richa: And sir, could you also elaborate on why such a sharp decline in the Lubricant segment? I mean I'm not sure how that is vis-a-vis industry, but normally, the industry growth tends to be between minus 2% to plus 2%. This seems to be a sharper decline. So are we losing clients or market share there?

J. Lakshmana Rao: Yes. We lost a client BPCL towards the end of last financial year, who used to -- I mean, which used to contribute about a significant amount of sale. But due to tendering system and public sector, they go only by L1 basis. We couldn't match their pricing and we let it go. So one of the reasons why last 4 quarters, we still have loss in sale.

Last year itself it was more than INR14 crores, INR15 crores turnover has come from BPCL. That has gone off in this full year. To that is one of the reasons for the drop in Lube sales.

Richa: And sir, capacity-wise, how much additional capacity are we targeting for Grasim and in Pharma as well because we have some capacity capex planned in that segment?

J. Lakshmana Rao: Yes. Currently, Pharma is hardly about 1,500 tons, and we have to still make new investments in that segment to take it up to 2,500 tons in this year. And Grasim already, we have capacities created more than 12,000 tons, 5,000 at Panipat, 4,400 at Cheyyar and about 2,500 at Mahad, that is through Satara.

So total 12,000 tons of capacity has been created, which is running around 65% capacity as of now, utilization as of now, which was better than last year, which was in 50s. So this is one of the reasons for better performance is those plants are running now at least around 60%, 65% range of capacity utilization. And as we go forward and as the demand also picks up, the plant capacity utilization will also improve there.

Richa: And sir, 1 month has already passed in first quarter. And do you have any sense of how tin pack space could look like given what is the impact on ice cream sales? Are you witnessing the growth this quarter?

J. Lakshmana Rao: Yes. I can't comment much about this quarter, but April has been pretty strong, and we have seen all around momentum in spite of the West Asia war, which has impacted the general sentiment. But the consumption of such goods like ice creams or curds, they won't get impacted because they are not luxury goods. And even in the case of Paint, we see a strong momentum still continuing even in the month of April.

Moderator: Next question is from the line of Chirag from Keynote Capital.

Chirag: Congratulations, Lakshmana sir, for a great set of numbers. My first question is related to understanding, from when you were talking about the capacity expansion. From 63,000 MTPA currently, what are we looking at for next year because we are already reaching a rate of 70% capacity utilization now?

J. Lakshmana Rao: Yes, capacity is 63,000 tons and utilization is hardly 43,000. So we have a long way to go to make use of this capacity. And some more machines which were ordered last year are on the way, arriving in this year, because there will be always some replacement of old machinery and also expanding marginally especially units like Mysore and Satara where -- Mahad, especially. These are areas of growth. And Pharma will continue to add machinery to meet the increasing demand for our products.

So these 3 areas, but we have a sharp lesser budget of capital investment in this current financial year, which was INR140 crores 2 years ago for 2 consecutive years and [120 years 0:11:33] in this financial year '25-'26. And we hope to control this capex to INR80 crores, INR85 crores in the next year, that is '26-'27 as we will be going only for brownfield expansions now onwards.

Chirag: And that will lead to almost like 70,000 MTPA capacity by the end of FY '27. Is my assumption correct?

J. Lakshmana Rao: Yes, I think we should be close to 68, 67 because capacity-wise in Pharma, the number of tons won't be too many, at maybe 1,000, 1,200 tons. And brownfield expansions are only envisaged at Mysore and Satara. Satara basically, that is Mahad plant supply. So these are the 2 areas.

And the rest of the plants, we see -- and of course, North plant, Panipat, where we are adding thin wall capacities, 4 machines are coming in this July. So by end of this financial year, that is '26-'27, probably we will be somewhere around 67,000, 68,000, maybe close to 70,000 tons.

Chirag: Sir, my second question is, generally, whenever there is significant raw material prices fluctuation taking place, the players who work on low-margin packaging industry, there is a lot of headwinds. And at that time, clients tends to shift to different players in the industry. So I just wanted to understand this current situation, which is going on due to war. Has this led to some older clients who went away from us or some new clients adding to our portfolio?

J. Lakshmana Rao: On the contrary to your expectation, in fact, we are finding our clients coming back in herds because they are worried about the connectivity, material procurement abilities, and ability to quickly react to the international scenario.

So we noticed the jump in call-ups from even old clients like Berger and Nerolac who used to give us only a few grades have now increased their call-ups in the fear, I would say, rather not fear of supply chain disruptions in smaller companies.

So they are coming back to us in terms of increasing numbers. So -- and also we need to notice the bond between us and the clients has become stronger due to the external environment being fragile.

So we are, in fact, finding some of them coming back to us and dependence on companies like Mold-Tek is going to go up because, of course, I don't take it as an advantage, but scenario is such that materials sometime in March, especially, has become very difficult to procure. But due to our long-term relation with Reliance and our other suppliers Indian Oil and HML, we could able to get the necessary material in time.

Chirag: And sir, will it be fair to assume, though you have mentioned in your press release that all the cost increase we are able to pass on. I just wanted to know the current scenario, like will it be fair to assume that we would be able to maintain the 46%, 47% gross margin levels in the coming quarters too?

J. Lakshmana Rao: Certainly, we have passed on the entire price rise to the clients across the segments. And they also appreciated that the reality -- ground realities and even some of them have reduced the period of raw material fluctuation. That means earlier, they used to be quarterly. Now they have come down to a monthly or even sometimes 15, fortnightly correction.

So that way, even when the prices come down, we too will have to pass on the reduction to them. It's a fair game. But I'm very thankful to all our clients. Majority of them have accepted the price rise rapidly because the price movement in March was so rapid.

From INR105 in the beginning, it went up to INR160, and now currently hovering around INR145, INR150. So we are, in this kind of a scenario, found our clients very much with us, and I think we can still continue to maintain our profit margins.

Chirag: Sir, from the perspective of capital allocation, as you said that this year we would be focusing less on spending or increasing our capacity. Will it be fair to assume that the additional INR40 crores, INR50 crores that we are earning is going to be used for repayment of debt?

J. Lakshmana Rao: Implement of?

Chirag: Repayment of debt. We have -- because of the capacity expansion, we have taken certain debt on books?

J. Lakshmana Rao: Yes. Debt payment will happen from the cash accruals. But next year -- you're talking about next year capital asset allocation budget?

Chirag: Yes, yes. For FY '27. Yes, sir.

J. Lakshmana Rao: Yes. We are planning it will be in the region of around INR80 crores to INR85 crores overall. It could be from -- mostly from internal accruals, a little bit here and there that if required.

Chirag: That will be required...

J. Lakshmana Rao: No, no. Cash generation will be much more than INR80 crores. This year, if you look at the cash generation, it's around INR72 crores plus INR59 crores -- INR123 crores. I mean, we might have given a dividend of around INR20 crores. So still INR100 crores is our net cash accruals. So we'll be able to catch up with that within our requirement for next year. The cash flow is...

Chirag: So we won't require any additional debt for the capacity? I'm just understanding that...

J. Lakshmana Rao: Yes. It could be temporary in nature, but it will -- overall, I don't expect debt to increase.

Chirag: So just one last question, and I'll join back the queue. There is one accounting understanding I want to take. This particular quarter, we have significant jump in other expenses. Could you just highlight what is the reason behind that?

J. Lakshmana Rao: Other expenses?

Chirag: Yes, sir.

J. Lakshmana Rao: Yes. Some of the reasons could be we have taken up a severe preventive maintenance and change of screws and some other parts in the machines to suit to the RCP addition because now recycled

plastic has become a mandatory. 30% is mandatory now, and it's going to be 40% from next April.

So the machines which are equipped with ordinary screws are not able to process such mix, and we have gone for better technically stronger screw material and screw systems. That corrections we have done in this quarter to a reasonable extent. So there's a onetime expansion in the maintenance cost that is preventive in nature, but it's been taken in the P&L.

Chirag: And this mandatory requirement of RCP is just related to the Paint and Lube segment, right?

J. Lakshmana Rao: Currently, yes. Pharma and Food are exempted from this. But Paint, Lube constitute majority of our sales in terms of volume. That's why we need to be ready with recommendations that are suitably altered.

Moderator: Next question is from the line of Sandeep Modi, an Individual Investor.

Sandeep Modi: First of all, congratulations to the management for increasing the stake from 33.07 to 33.19. And sir, one more thing. How many pharma companies have visited our premises? Any good news about pharma business, status of new products, etc.?

J. Lakshmana Rao: Sandeep you should be very happy to note that in the year 1 itself, or I would say, year 1 of full operations, we've grown by 210% compared to the last year, from INR11 crores, INR11.5 crores to almost INR34 crores, INR10.7 crores to INR34.3 crores. So that is a 219% increase in Pharma sales. Of course, it's a small base.

So I would still take it as a good jump given the competitive environment in Pharma packaging. Because of our good product range and ability to develop new packs faster, we are able to entrench into this field and quickly become a name in the industry.

So we have now again taken a 50% increase as our target for this current year, so to reach somewhere around INR50 crores to INR55 crores for the next financial year. Several clients are visiting nowadays. I would -- I don't -- I lost count. And several of them are at different stages. Some of them are buying commercially.

Some of them are in line trials. Some of them are in establishing the, I don't know, our packs, like that. And some 2, 3 new products, different cap systems are being introduced. As I said, we are also looking at ophthalmic and nasal sprays and also a couple of other products, which I can't dive in today because it's in the nascent stage of discussion. But be assured, we'll be widening our product range year after year and getting more and more deep into the Pharma sector in the coming years.

Sandeep Modi: Anyway, sir, how many new products are in process now, molds are in process in Pharma?

J. Lakshmana Rao: Now, molds means I can't just give you a count. It could be 5 or 10 molds at any given time. It may be new bottles, new sizes, same sizes with different weights. So like that, different cores

and different cavities may be changed or a new -- entirely new set of products are being developed. So at any given time, you can say there will be 5 to 10 products every quarter.

Sandeep Modi: Sir, one more thing. No margin available in exchange for Mold-Tek Packaging shares. Can you give some details about this?

J. Lakshmana Rao: I don't know much about the stock exchange and the rules. One new...

Sandeep Modi: Sir, if we were pledging shares -- we were pledging the shares and we were getting margin on it and now the exchange has suddenly stopped. So sir, please look into the matter and just go through. And sir, what is the status of land which we have bought? Any expansion going on there?

J. Lakshmana Rao: Yes, yes. The land has been just acquired, but they need to hand over the land. Because of various bureaucratic things the land is earmarked now. The road in front of the land is being laid now because it's in front of our unit in Sultanpur. So we generally notice it every day.

Probably in this month, we should be able to get the possession or agreement, and then we'll be able to start commercial construction. That's one of the reasons why the construction activity also could not be started.

Sandeep Modi: Yes. Sir, there was a Pharma packaging we are trying to start some new this thing?

J. Lakshmana Rao: Yes, the new plant is -- new land is mainly meant for Pharma alone.

Sandeep Modi: And what will be the...

J. Lakshmana Rao: So once the land is handed over, the construction activity will start immediately.

Sandeep Modi: So when will that complete this new factory start over?

J. Lakshmana Rao: I think it will go into commercial production only by beginning of next financial year, I mean, next calendar year. It may take at least 8-9 months to complete the construction once the land is handed over. For various reasons, there is a delay from the industrial estate to hand over the land. We have paid for it more than 7-8 months ago.

Sandeep Modi: So around Jan 2028, it will be operational fully?

J. Lakshmana Rao: Yes, '27. '27, before end of the financial year, I think we may start the new plant because of the delay in land allotment. Otherwise, it would have gone by third quarter of this year.

Moderator: Next question is from the line of Dipak Saha from Ashika Institutional Equities.

Dipak Saha: Congratulations on good set of numbers. Just one bookkeeping question, if you can share the IML and non-IML mix for 4Q and FY '26?

J. Lakshmana Rao: Yes, it was for the 4Q, it was around 75.5%. And overall year, it is 75.13%. So in value terms, it is 76.8%. So almost 77%, you can say percent is in IML.

Dipak Saha: And I joined a little bit late, just pardon me if I missed it. On the Paint volume side, we have a very meaningful growth for the quarter. Is there any one-off because I think for 4Q, this kind of a Paint growth that we have seen in terms of volume, 26% kind of Y-o-Y growth after a long time. So if you can just share some color whether it is sustainable going ahead and what led to this kind of a growth?

J. Lakshmana Rao: 26% volume growth, I didn't say, it is 14.4% in value terms and 13.5% is the growth in Paint segment. That 60%, what I said is ABG numbers for the quarter, this particular quarter, ABG compared to the previous year Q4, the ABG numbers have shot up by 60%.

Dipak Saha: And there's no one-off in...

J. Lakshmana Rao: Your voice is not clear.

Dipak Saha: And sir, there is no one-off in the volume growth that we are seeing. There is no one-off as such, right?

J. Lakshmana Rao: No. You mean it is one of the times only. It's not going to recur, you mean?

Dipak Saha: Yes, yes, yes. Right, right.

J. Lakshmana Rao: No, no. It's been consistently growing around 40% to 60%. Now it is overall yearly growth -- quarter growth was 60-plus percentage. And overall yearly also it is close to 60%. So every quarter-on-quarter a consistent growth because they are also maybe acquiring new market share in the Paint segment.

I think it will continue to grow at this level, but the way they are aggressively marketing and aggressively ramping up their production capacities, I think we will certainly be in a strong double digits for next couple of years.

Dipak Saha: And sir, FY '27 full year point of view, how should we understand the growth numbers? And if you can broadly give a breakup because Lubricant has been degrowing, Paint has started growing. You said both Asian Paints and other players are growing decently. So if you just can give some color on a full year basis, FY '27, what kind of a volume growth we should look for and the breakdown of that?

J. Lakshmana Rao: See, I can see 2 ways of looking at in future because volume growth comes from mere kgs, then Pharma, even if it grows by 50%, the number of kgs it will add will be less. But the number of rupees or value-wise, it will be much higher because our average realization in Pharma is almost double that of other segments.

So in terms of just volume, it might look like 10% to 15%, anywhere between 10% to 15% of growth is possible. But in terms of value, I'm sure we'll be clocking between 13% to 15% value

growth, like what we did this year, 13.3%. We hope that we will be somewhere between 13% to 15% in the value growth in the next financial year.

That is why I said in the year '26-'27, we may cross the INR1,000 crores mark sales.

Moderator: Next question is from the line of Darshita from DSP Asset Managers.

Darshita: My first question is regarding Paints growth. So I think the earlier participant mentioned that the Paints volume growth has been 26%. I think this is for the fourth quarter. If you could just give us some understanding as to where has this growth come from? Is it -- I understand you've mentioned that a larger portion of growth has come from ABG. But has Berger and Nerolac also contributed meaningfully to this particular growth because of the raw material unavailability issue?

J. Lakshmana Rao: Berger and Nerolac started only from March. That is the time when the real war erupted and situation become fragile. So Berger and Nerolac growth is hardly for a couple of weeks in March or last 15 days of March. Of course, they were buying from us, but the numbers have improved from March onwards. Asian Paints and ABG were consistently growing.

You know Asian Paints was negative till the third quarter. But in the fourth quarter, it's a good positive rise of 17%, which pulled the overall number into positive for the full year. And ABG was a major contributor towards this 14% growth in Paint segment by handsomely adding almost 10% of the growth has come from Asian Paint -- I mean, ABG alone. The remaining 4% from Asian Paints and others.

Darshita: Secondly, so we've mentioned that a larger portion of the raw material price increase has been passed on to the customer. Our volume growth for the quarter -- for fourth quarter is 17% and so is our top line growth. Ideally, had there been some realization growth as well, which I'm assuming would have happened in the month of March.

We ideally should have seen a higher value growth because volume and there could be some realization growth as well. So is it safe to assume that a larger portion of the value growth will be seen in the first quarter numbers? I mean the realization pass-on related growth will be seen in the first quarter?

J. Lakshmana Rao: Yes. Your guess is correct because in the last 2 weeks of March, only we got the price hike because the war erupted in 1st of March. So we have to obviously keep the pricing stable till middle of March, some kind of cases 25th of March. So hardly a week, the price is reflective of high price. But you will notice that in Q1 more significantly.

Darshita: And because of us taking price hikes, I'm assuming that our raw material polypropylene would have gone up by at least 25%, 30%-odd. Have we lost any customers given that we may be revising the price more often than just what we usually do, I'm guessing 15 days or 1 month or so? Have we lost any customers because of that?

J. Lakshmana Rao: See, you know all our clients are blue-chip clients in their respective segments, be it ice creams or curds or paints or lubes or food, oil. So they cannot afford to reduce their presence in the market. They keep producing their products at the same pace as of today. I don't know how bad it can become worse, it can become. But as of now, we don't see any demand downturn in any of our top clients.

So that's a very reassuring fact, which we are also observing. And we very rarely, out of our 100%, hardly 4% to 5% or max 6%, 7% of our sales would go to, I mean, non-blue chip clients. So our impact, if any, would happen in those 5%, 6% to the tune of 1%, 2%.

But while our -- we lose 1%, 2% of such business, our major clients, Asian Paints and ABG or even HUL, they're all going in full runs with their demand increase because it's mainly meant for local consumption. And in Pharma, obviously the replacement demand.

We are replacing others due to our better quality and consistency. That is how we are penetrating in the Indian pharma industry, which is meant for exports. But the penetration is mainly into the replacement demand.

And the growing demand for pharma also, you must be noticing that all the sanctions against Pharma exports have been completely removed at least as of now. So all the pharma companies are full -- in a full way, they're going forward with their expansion plans.

So we don't see any impact immediately unless some new sanctions are put on pharma exports. So given this scenario, most of the cases, 99% of -- 98% to 99% of our clients are safe and they are growing with the domestic growth in demand, which is somewhere around 6% to 8%, you know that.

So that way, we are safe. And because of the replacement demand in Pharma and other areas and more and more AML absorption coming from Asian Paints, we are confident that we'll be able to sustain the growth.

Darshita: Thirdly, on the FMCG or the F&F segment growth, how should we think about it, specifically just the F&F growth from FY '27 -- for the year FY '27? And more so from the Panipat facility, we had onboarded a few customers. I think we have added a few more customers in 4Q. If you could just throw some light on what the capacity utilization for the Panipat plant for FMCG was in third quarter? And what was it in fourth quarter? And how do you think about this in FY '27?

J. Lakshmana Rao: I didn't have perfect numbers, but I can get the feel of that. Q3 was hardly anything because that is the time when we started the Panipat thin wall production. But Q4 started in decent numbers, somewhere around a couple of crores of turnover has come in the month of March alone from Qpack and thin wall together.

And the numbers are increasing and the client number is swelling actually. We have signed recently a couple of big clients who are buying from our other competitors in that area. And North is going to significantly add to the numbers in the next financial year for sure. So Food and FMCG from -- if you see only thin wall, it is 15.4%.

If you combine the thick wall also, food is around 18%. But this 15.4%, I'm sure it will be looking at least 20% growth in the food and FMCG, including the North numbers for the next financial year.

Darshita: And if you can just share some light on what is the peak revenue potential from the Panipat facilities that we should think about? And how long will it take for us to reach the peak capacity utilization there?

J. Lakshmana Rao: See, in ABG plant, that is mainly meant for Paints and Qpack, we are hardly reaching around 60% capacity utilization in Panipat. And in thin wall, which is hardly 4-5 months old, we may be around 20%, 25% capacity utilization. So there's a long way to go. And we are, in fact, adding 4 more machines in July for thin wall, so which will expand the capacity there by another 100%.

And capacity utilization next year, even if we reach 50%, that will add handsomely to the numbers. So Panipat has a long way to go. And the new building is completely ready now, the second building for the Food and FMCG. And it has 4 machines. There will be 8 from July.

So we are getting ready for the festive season that starts sometime in July. So I think next year, there will be a good jump. I don't think it will go to 80% capacity utilization, but at least from current 20%, it may go up to 40%, 50% on a bigger capacity.

Darshita: And just lastly on the...

Moderator: Ma'am, sorry to interrupt. If I may request you to please come back.

Darshita: Sure. No problem.

Moderator: The next question is from the line of Akhil Parekh from 360 ONE Capital.

Akhil Parekh: Many congratulations, sir, on a very good set of numbers. My first question on the EBITDA per kg, right? We have shown good improvement. What should that number look like, say, in FY '27 and '28?

J. Lakshmana Rao: FY '27, as I expected, we are aiming at, at least 42 to 43, 42.5 could be a good estimate for the full year. And then how it frames in Pharma in '28, probably we can aim at around 43 to 44 range. So definitely, we are -- the trend will continue now because 2 things. It's not just the growth in the different segments, but the consolidation of our operations in Hyderabad, where we reduced 5 plants to 2 plants.

Now only Annaram and Sultanpur is 2 units, which are producing all the products which were earlier made in 5 plants. So thereby getting the better efficiencies, overhead reduction, and movement of goods has come down. All this is yielding to better productivity. All this consolidation happened only till January this year. That means until Jan, Feb.

So the full benefit of this consolidation and improved efficiencies would be reflective in the next financial year. That itself should add a rupee or so to the already 40.7 what we have achieved this year compared to 37.6 in the previous year. So there's a jump of 8% -- 8.4% increase in the

EBITDA margin, which is a substantial jump, which we lost during the last couple of years, we recovered.

And going forward, with these efficiencies kicking in and more and more HCL labels also being made in-house and the new ways of automation, which we have taken up in various areas to reduce the manpower dependency is going to improve the efficiencies going forward. And ABG plants, even today are hardly around 60% capacity utilization. And I hope next year, they will be reaching 70% plus, which will be a very good accretive to the bottom line.

So going forward with the only brownfield expansions, which will marginally may require capital, but increase in the capacity utilization will kick in. So I look at very positively for '26-'27 and to aim at least 42.5 to 43 range for '26-'27. '27-'28 may be a little difficult to predict now. Maybe we may touch even 45 given a good in Pharma. If it happens, we may aim at 44, 45 also for next '27-'28. But I can give a better picture going forward in the next couple of quarters.

Akhil Parekh: Sir, and just reconfirm your growth guidance for '27, you suggested 10% to 15% volume growth and 13% to 15% value growth. Did I hear correctly?

J. Lakshmana Rao: Yes. The volume growth is 10% to 13% because Pharma won't add volumes. It will hardly be in few tons. So even the rupee has become up by 50%. Volume-wise last year, it was hardly, how much, 853 tons.

So last year, it was 853 tons. And so the next year, '26-'27, it will hardly touch 1,200 to 1,300 kgs. So -- sorry, tons, 1,200 tons to 1,300 tons, even if you achieve a 50% increment. So volume-wise increment might look 10% to 13%, but value-wise increment, we are aiming at 13% to 15%.

Akhil Parekh: So that implies we should easily cross INR1,200 crores of revenue by FY '28, which was the past guidance I believe?

J. Lakshmana Rao: I hope so. But I'm sure this year, we will be aiming at INR1,000 plus for sure.

Moderator: Akhil, I'll request you to come back for a follow-up, please. Next question is from the line of Deepak from Sundaram Mutual Fund.

Deepak: Sir, my first question was on Paint. So if I do a small back calculation, even your non-ABG paint volumes for Q4 would have grown at roughly between 13% to 15%, which was kind of in a declining trend or let's say, a flattish trend for the first 9 months. So just wanted to understand what has changed this quarter because you did highlight that one change has happened is IML adoption by Asian Paints.

So just wanted to understand how sustainable is this double-digit volume growth non-ABG, which you have seen in Q4? And what is the growth outlook on the volume front for non-ABG clients in FY '27?

- J. Lakshmana Rao:** Yes. You said the reason, the IML adoption by Asian Paints in more and more brands is one of the reasons of us getting back their higher volume of business. And that will, I hope, will continue because their artworks are very critical. If you notice their paints in the market, they have metallic IML, which is a top-class IML to handle both technically and visually. So visually it gives an excellent outlook.
- And technically, it is very complex to handle. So I don't think we lose that edge in the next couple of years, and we may continue to gain traction with Asian Paints given their commitment because we are -- on their commitment, we invested on several new initiatives in the printing and even in the robotics. So -- and they generally very much respect their commitment. So I still look at double-digit growth from Asian Paints in the coming years.
- Deepak:** And sir, as you earlier also highlighted that in terms of price hike because of the steep inflation in polymer prices that we are able to initiate some price hike. Would it be possible to call out how much price hikes have been taken versus the steep increase in raw material prices?
- J. Lakshmana Rao:** Completely offsetting the price increase in raw material. It's not any percentage. Whatever is the price hike, they have passed on in their pricing and they increase the prices accordingly.
- Moderator:** Deepak, I'll request to come back for a follow-up question. Next question is from the line of Shirish Pardeshi from Motilal Oswal.
- Shirish Pardeshi:** Congratulations. My question is specifically on the Paints. If we have reported a 42.1% EBITDA per kg, how the paint EBITDA has moved over Y-o-Y?
- J. Lakshmana Rao:** See, I always tell you Paints EBITDA, Paints and Square Packs EBITDA is in the region of 30 to 35 per kg. And what we set up is Food and FMCG and Pharma overall average. So I have no detailed discussion. I mean, EBITDA kg of each segment, but it will lie in the region of 30 to 33 -- 35.
- Shirish Pardeshi:** The reason why I'm asking, we have -- as you said that we have passed on the price increases. So will this EBITDA per kg despite ABG is growing upward of 60%, will show the upward trajectory in FY '27 or will remain in the same range?
- J. Lakshmana Rao:** See, it will definitely remain positively for all the clients, especially ABG in particular because ABG, we are now establishing Mahad during the current year and that numbers will keep improving handsomely. So next year also we look forward to a strong growth in the Paint segment.
- Shirish Pardeshi:** And on the -- last question on the Food and FMCG, I think the mix as the new clients are coming and given the existing client is also expanding their business. So how we should look at the food FMCG and in terms of the number of clients which we have added? Is this number is going to exceed FY '26 or will remain similar level on -- I mean in terms of growth and in terms of margin, if you can give some qualitative comments?

J. Lakshmana Rao: Definitely, I'm very confident that more and more number of clients will be added in '26-27 than last year, basically, because our North plant has started operations from October, November. And slowly, there is a traction that is being created. As I said, in the month of March, we have made some sales worth around INR3 crores, INR3.5 crores for the -- both the Qpack and Food together, which was zero last year.

So going forward, that itself is indication that INR35 crores to INR40 crores of new addition in business can come from North in Qpack and Food together. So that is still less than 50% capacity utilization, but it will be a handsome number new addition. So in my opinion, '26-'27 we will have many more client additions in Food and FMCG from the North compared to overall year '25-'26.

Moderator: Shirish, I'll request you to come back for a follow-up question. Next question is from the line of Raj from Fident Asset Management.

Raj: My question again is on the volume growth that you have highlighted for '26-'27 of around 13% to 15%. So I mean, if we are saying that ABG should grow at around double digits plus -- sorry, Asian Paint should grow at double digits and ABG is growing much faster for us, plus Food and FMCG, I think our volumes are growing at 20% to 25% and so I just wanted to understand where is the disconnect? I mean, if that kind of growth we are able to see, then FY '27 ideally should be much better for us in terms of volumes. So just wanted to understand...

J. Lakshmana Rao: No, I said the volumes are not 10% to 15%. I said 10% to 13% volume increase because the Pharma numbers will be less in tons. And I said 13% to 15% for the value, in terms of value. Having said that, Lubes is one area where we don't see any major increase in the even next couple of years because it's a stagnating market. The industry itself is not growing, it's growing only in single digits, sometimes not even there.

So there we have substantial 17%, 18% of our turnover comes from that segment. So that segment, I'm not anticipating any major growth. A couple of points of growth may come in Castrol. But I don't foresee Lube will be pulling us up. So what pulls us up is Asian Paints and ABG, as you correctly said, because the Asian Paints growth even in this full year, if you take, though it is 17% in the Q4, the full year, it is hardly around 3%, 3.5%.

So that 3.5% becoming 10% will be a good value add for us in the year '26-27, we foresee for that. And Lube being a laggard, that's why we are aiming between 10% to 13% volume growth.

Raj: And sir, steady state, I mean, ex of the increase in raw material prices, the realizations for us in Paints has been flattish. But now with Asian Paints also increasing their IML consumption, plus we are now at a decent scale for ABG as well. So do we see realizations improving or our pricing power improving because of IML in Paints ex of the price increase that we take because of raw material inflation?

J. Lakshmana Rao: Yes. That's why I'm positive about the EBITDA growth from 40.7, which we achieved this year to 42.5 level. It could be a little better. Let's see how the war and the other economic things play around.

Moderator: Raj, I'll request to come back for a follow-up question. Next question is from the line of Parth Gohil from Omkara.

Parth Gohil: Congratulations to the team and the entire management for the performance. Sir, my question is pertaining to the Lubricant segment. Do we further foresee or anticipate any loss of volume in coming quarters or we can say that it has normalized at this level?

J. Lakshmana Rao: Yes. I think you have a very smart question. In fact, I'm also thinking it will stay there because we have no more public sector units to lose. And all the private sector companies value our relation and our quality and the consistency, which is very important. I'm not saying it's not for public sector, but public sector has more valuation for pricing than anything else, and it's their policy. And having lost all the PSU business now, we may sustain at the current levels in Lubes.

Moderator: Next follow-up question is from the line of Chirag from Keynote Capitals.

Chirag: Sir, just wanted to understand your view related to the ROCE for the company. We used to be a company where we were generating 20% ROCE. Is our target seeing that? And secondly, I wanted to understand our working capital days are getting stretched. So what is the outlook on that?

J. Lakshmana Rao: See, working capital stretch is basically you are looking at a higher valuation also because the last 3 weeks, we have been purchasing material at high price, and that has indirectly might have impacted the value to look higher. And inventory days also become a little longer because in Pharma, one has to keep 3 months material ready because sudden requirements generally come up in batch quantities for Pharma.

And their pickup times are a little late and the payment terms are also longer. Pharma industry has been following the 90 day to 110 days payment cycle. So that's why you might notice that debtor days and inventory days are stretched a bit.

Coming back to ROCE, yes, the ROCE has leaped by about 14% from 10.2% to 12.4% and probably it may hit around 13.5% to 14% in the next financial year. And it was 17%, 18% 2-3 years ago, I agree. That was when all these greenfield projects have been started, investments have shot up in the last 3 years.

And these investments start yielding now. This year, I would say they crossed 50% to 60% capacity utilization. But next year onwards, I'm confident it will be 70% plus, and they will be yielding to the bottom line. So probably the ROCE will start looking at around 15% by '27-'28.

Moderator: Next follow-up question is from the line of Darshita from DSP Asset Managers.

Darshita: Sir, could you just tell us what is the total -- what will the total capacity be for FMCG once the 4 more units come in at the Panipat facility?

- J. Lakshmana Rao:** Currently, I think it is about 1,200 tons or 900 to -- sorry, 1,000 tons. It will become 2,000 tons Food and FMCG there. And Qpack also we're adding a little bit. So about 2,000 -- it will become 2,000 to 2,500 tons per annum, including Qpack.
- Darshita:** And secondly, just on the raw material availability perspective, are we facing any issues currently for polypropylene supplies? And for how long are we covered at this point?
- J. Lakshmana Rao:** No, we are well covered for almost 2 months. That is what is shown in inventory list. So we have that coverage of 2 months, which is there in physical form also. So material availability has improved because Reliance has started its production on a regular basis from middle of March, and they are indicating and assuring us that there won't be any shortfall. One or 2 grades, especially in Pharma, are a little short supply, that is where we are concentrating.
- Moderator:** Darshita, kindly come back for a follow-up. Next question is from the line of Shanskar from Eraya Capital.
- Shanskar:** Sir, most of my questions have been answered. Just wanted to understand on the growth perspective, while you have answered on volume and value terms, I just wanted to get that you have guided going forward on maintaining around 20% growth rate in terms of profitability at EBITDA and PAT level. So are you maintaining that or is there any upside or downward revision?
- J. Lakshmana Rao:** I think we'll certainly be there. We are aiming at, at least INR210 crores EBITDA for next financial year, up from INR173, that's 20% price. I think we are definitely going to achieve that in view of not only the increasing business, but our internal improvisations and efficiency creation, what we are bringing through the consolidation of units. It might -- I mean, if things go well, I mean, nothing further damage happens through this war, we should be looking better than that expected EBITDA.
- Moderator:** Next question is from the line of Deepak from Sundaram Mutual Fund.
- Deepak:** Sir, I just had one question on thin wall. So if I look at our growth rates, Q-o-Q we have done 44% plus and even Y-o-Y, it's in very good number at 30%, which was around 13% to 15% in the first 9 months. So just wanted to understand, let's say, if I have to break down this growth between, let's say, your other plants and Panipat and how much of this growth is driven by, let's say, new SKU addition or new client addition. Just wanted to have some flavor on the growth breakup of what is leading to such a high growth number and how much of that is sustainable going forward?
- J. Lakshmana Rao:** In Qpack?
- Deepak:** In thin walls.
- J. Lakshmana Rao:** In thin walls. See, the number is not 30%. It is 15.4% in value terms, 18% if you include the bulk food packs. So 18% is the number what we achieved in the year '26-27. And why my

confidence stays it can be better is because of our Panipat additional capacities are getting created.

And several new client inquiries have been received in that area, Northern region. And we have started adding clients who have started buying from March onwards, decent numbers. And going forward, definitely, they'll appreciate the quality and supply service abilities of Mold-Tek, which they have not seen because of our distance in the last few years. So now with our presence in Panipat, I'm sure we'll be able to add a lot many clients in that region, which will contribute to the increased growth in Food and FMCG.

Deepak: And sir, but what about the existing clients wins? Are we seeing any growth there? Or is that majority of the growth is coming only from this Panipat side?

J. Lakshmana Rao: No, no, no. We are -- all our clients are growing. You take Milky Mist, you take Hudson, you look at Walko or Kwaliti Wall's, their numbers are all going up on the ice cream or yogurts, whatever products they sell, the numbers are all going up. Only Cadbury M2K is stagnant. But for the top brands, all top brands are growing in double digits. So that growth will definitely accrue to us. Apart from that, how we can go beyond that is what I'm explaining is through Panipat.

Moderator: As there are no further questions, I'll now hand the conference over to the management for closing comments.

J. Lakshmana Rao: Thank you all for showing your interest and spending time to attend the conference call today. I especially thank Rajesh Kumar of Emkay for arranging this call and operator who has patiently conducted the call in a cohesive manner. I also appreciate people's interest in our company and be assured that we are on a good track.

And more and more product range also we are looking at, which may not -- are not very clearly on the drawing board now. So -- but it will happen during the next 3-4 quarters in Pharma, especially.

And we are also looking at efficiencies to improve cost controls. And now we have created teams of finance and HR admin at all the units who will be directly monitoring and controlling the cost elements closely. With this new kind of managerial outlook and consolidation of units, I think we are on a strong wicket to perform better in the coming quarters.

And I also hope peace will prevail soon and all the economies and especially our Indian economy will catch up with the speed which it is about to catch -- about to reach. So thank you all once again, and bye-bye. Good evening.

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