KANPUR PLASTIPACK LTD
Providing Solutions for Industrial Bulk Packaging

05th August, 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra – Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip Code: **507779**

Trading Symbol: **KANPRPLA**

Sub:- Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Submission of Transcript of Earning Conference Call on quarter / financial year ended June 30, 2026

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that an Earning Conference call for the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended June 30, 2026 was held on Wednesday, July 29, 2026 at 4:00 PM. The Transcript of the conference call is available on the website of the Company.

Link of the Transcript of conference call held on Wednesday, July 29, 2026 at 4:00 PM.

https://www.kanplas.com/report_pdf/KanpurPlastipack_-_Q1_FY27_Earnings_Call_Transcript_Jul29-2026._1786076326.pdf

Please take this on record and oblige.

Thanking You.

Yours Faithfully,
For **Kanpur Plastipack Limited**

Ankur Srivastava

Digitally signed by Ankur Srivastava
DN: c=IN, o=Personal, postalCode=208014, l=Kanpur Nagar, st=Uttar Pradesh, street=H3, Shree Tirupati Greens Apartements Saket Nagar, Juhi Colony, Uttar Pradesh India 208014 Jagran College, Telephone Exchange Road, title=9927, 2.5.4.20=cc27d3f9436efa6c804fa6e8802e5dacc2f47956a9cbf329592c256d8c8f3a5c, serialNumber=4b23e7cbde87752eb6b8834bca897fb9311ca9bdfa9ec226a725911e719ed408, email=ankursrivastavacs5985@gmail.com, cn=Ankur Srivastava
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(Ankur Srivastava)
Company Secretary

Encl: A/a

“Kanpur Plastipack Limited Q1 FY '27 Earnings Conference Call”

July 29, 2026

MANAGEMENT: Mr. Manoj Agarwal - Chairman Cum Managing Director
Mr. Shashank Agarwal - Deputy Managing Director
Mr. Shobhit Agarwal – Chief Financial Officer
Mr. Ankur Srivastava- Company Secretary

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY '27 Earnings Conference Call of Kanpur Plastipack Limited.

Today we have with us, Mr. Manoj Agarwal, Chairman cum Managing Director and Mr. Shashank Agarwal, Deputy Managing Director. We will begin with opening remarks from the management followed by an interactive Q&A session.

Please note that this discussion may include forward-looking statements which should be viewed in conjunction with the risks and uncertainties that the company faces.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manoj Agarwal – Chairman cum Managing Director for his opening remarks. Thank you and over to you, sir.

Manoj Agarwal: Good evening, everyone and welcome to Kanpur Plastipack Ltd.'s earnings call for the 1st Quarter of the Financial Year 2026-'27.

Thank you all for joining us today and for your continued trust and confidence in the company. On behalf of Kanpur Plastipack Ltd, I extend a warm welcome to all of you, all investors, analysts and stakeholders to our earnings conference call for the quarter ended 30th June 2026.

The 1st Quarter of Financial Year 2027 marks a strong beginning to the financial year for Kanpur Plastipack Ltd. During the quarter, the company achieved two significant milestones. First, by reporting quarterly total income exceeding Rs. 200 crores for the first time. This reflects the resilience of our business models, the confidence of our customers and the disciplined execution of our teams. Second key milestone during the quarter has been the successful operationalization of our joint venture with Essegomma, Italy. Commercial production and sales of premium Taslan yarn have commenced, marking our entry into a new value-added product segment and strengthening our capabilities in technical textile applications. Through this partnership, we are bringing advanced technology and specialized product capabilities into India, particularly in premium polypropylene Taslan yarns and high-performance applications. Beyond expanding our product portfolio, this collaboration strengthens our technological capabilities and positions us to serve evolving customer requirements more effectively.

We have successfully obtained two internationally recognized certifications, Global Recycle Standards called GRS and OEKOTEX, marking a significant milestone in our journey towards sustainable innovation, superior quality and global competitiveness. These certifications are expected to strengthen our position in the market, enhance customer confidence and support value creation in the coming quarters. Based on the encouraging customer response, we are confident of scaling up sales from the Q2 of the current financial year.

The global business environment continues to remain dynamic during the quarter, influenced by geopolitical developments, evolving tariff policies, volatility on raw material prices, elevated ocean freight costs and supply chain disruptions. Despite these external challenges, our diversified export presence, long-standing customer relationships and agile business approach enabled us to deliver another quarter of healthy growth. Our focus during the quarter remained unchanged. We continue to execute our long-term strategy of strengthening the quality of our business, while creating new avenues of growth. Rather than pursuing growth purely through higher volumes, we remain committed to improving our product portfolio, expanding into value-added applications and building capabilities that will support sustainable profitability over the long term.

FIBC continues to remain the cornerstone of our business. Over the years, we have established enduring relationships with customers across international markets, enabling us to maintain a stable business despite changing market conditions. Our diversified customer base across Europe, North America, South America and other international markets continues to provide resilience and balanced growth opportunities. Our continued participation in international trade fairs has strengthened our inquiry pipeline and helped us expand our reach into new markets.

As informed earlier, the capacity expansion of FIBC to further add up to 6,000 metric tons per annum over the next five years is on track. Construction of a new building is progressing wherein ground floor has been completed and production started. First and second floors of the building will be completed by the middle of September. While strengthening our core business, we are equally focused on creating the next phase of growth. Our investment in premium polypropylene yarns, technical textile solutions and specialized applications reflect our vision of transforming Kanpur Plastipack into a diversified industrial packaging and technical textile company. These initiatives are intended to expand our addressable market while improving product differentiation and enhancing value addition.

One of the key strategic initiatives for the company continues to be our entry into the non-woven technical textile segment. We believe this business offers significant long-term opportunities across sectors including automotive, interior, geotextiles, artificial leather, carpets and footwear and other industrial applications. With commercial production expected to commence during the current financial year, this business will gradually emerge as an important contributor to our future growth while complementing our existing packaging portfolio. The Company remains on track to commission the non-woven fabric facility by Q3 of 2026-'27. Our entry into this space also opens up opportunities and select B2C linked applications over time which can further diversify our business model and create new growth drivers. Sustainability also remains central to the way we operate. We continue to strengthen our environmental, social and governance practices through responsible manufacturing, energy efficiency initiatives and continuous improvement in our operational process. Overall, the near-term market conditions must continue to witness periods of volatility. We remain confident in the strength of our business model, our diversified customer relationships and the strategic investments we have made over the past few years.

Our objective remains clear to build a stronger, more diversified and future ready organization capable of delivering sustainable growth and creating long-term value for all our stakeholders.

With that, I would now like to invite our Deputy Managing Director Mr. Shashank Agarwal to take you through the operational and financial performance for the quarter in greater detail.

Shashank Agarwal: Thank you and good evening to everyone joining us today.

As the Chairman highlighted, we have begun FY '27 on a very strong note, achieving several important milestones during the quarter. Before discussing the operational highlights, let me briefly take you through the financial performance of the quarter. For the 1st Quarter FY '27 on a standalone basis, despite the global disturbances and supply chain disruptions, the company reported a total income of Rs. 207.49 crores, reflecting a healthy growth of Rs. 13.86 crores year-on-year. EBITDA for the quarter stood at Rs. 22.19 crores, registering a strong growth of 58.98% year-on-year. EBITDA margin improved to 10.69% from 7.66% from the corresponding quarter of the previous year.

PAT stood at Rs. 12.14 crores, representing an impressive growth of 112% year-on-year, while basic EPS increased to 4.96 compared to 3.01 in Q1 FY '26. Our focus on improving product mix, operation efficiency and discipline execution combined with the strength of our long-standing relationships with our suppliers and distributors enabled us to navigate the crisis effectively. And report a robust year-on-year growth in EBITDA and net profit.

During the quarter, the company witnessed a significant improvement in realizations, with an average selling price increasing by 31% in comparison to the previous quarter. However, the average raw material price increased by only 18% in comparison to the previous quarter. Thus, the increase in realizations significantly outpaced the increase in input costs. This favorable pricing environment coupled with our disciplined procurement strategy and improved product mix contributed to stronger margins during this quarter.

During FY25-'26, the company generated a profit of Rs. 10.38 crores from trading activities, out of which Rs. 7.55 crores was recognized only in Q4, driven by an exceptional market volatility and supply chain disruption. During Q1 FY '27, the company reported a trading profit of Rs. 2.93 crores as compared to Rs. 1.25 crores in the corresponding quarter of the previous year.

Our primary focus continues to remain on our core manufacturing business, however, given our deep understanding of the polymer market and import opportunities, we selectively capitalized opportunities arising from temporary market dislocations and price volatility. We will continue to evaluate such opportunities prudently, while maintaining a disciplined approach to inventory, procurement, and working capital management.

Employee costs during the quarter increased by approximately Rs. 3.5 crores compared to the previous quarter, primarily due to the annual salary revision and the increase in minimum wages in line with the state government's revised wage policy. While this has increased operating costs, the company continues to implement focus initiatives around mitigating risks like cost optimization, operation efficiencies, productivity improvements, automation opportunities, and value-added products. We are confident that over the next 12-18 months, we should be in a position to mitigate this increased cost.

On the debt side, the net debt on 30 June 2026 stood at Rs. 132 crores, a long term of Rs. 34 crores which was about Rs. 112 crores on 31st March 2026. Exports continue to be the backbone of our business and remain a significant contributor to overall revenues. During the quarter, Europe continued to be the largest export market, contributing to about 60% of exports, followed by South America about 20% and North America about 16%. Australia and Asia stood at about 4.5% and Africa at 0.5%. This diversified geographical presence helps us mitigate regional demand fluctuations while ensuring a balanced and more resilient export portfolio. Coupled with long-standing customer relationships built over several decades, it enables us to maintain stable business momentum and deepen our engagement with existing customers across global markets.

Even from a product portfolio perspective, our portfolio remains quite diversified. In Q1 FY '27, we did 52% of FIBC, 20% of Fabric, 12% of Small Bags, 8% of Multifilament Yarns and others contributed about 8%. Even within these product categories, these products are for different applications and different industries which further enhances our diversification attempt.

As the Chairman highlighted, our premium polypropylene Taslan yarn business has made an encouraging start with a successful commercialization in Q1 FY '27. We remain very positive for the sales to start boosting from Q2 FY '27, which is supported by customer responses, internationally recognized certifications that have been obtained, and brand owner approvals that have already been obtained. Through our joint venture with Essegomma, we are introducing advanced manufacturing capabilities, specialized products, and addressing a growing customer requirement for extremely high-performance industrial applications and luxury applications, which is completely recyclable. Non-woven technical textile projects also progress well during the quarter. Construction and installation activities are progressing as planned. We expect revenues to start coming in Q3 FY '26-'27. Once operational, this facility will enable us to address a significantly larger market opportunity across automotive interiors, geotextiles, artificial leathers, carpets, filtration, and several other industrial applications. This business represents an important pillar of our long-term diversification strategy in products and industry applications.

On the manufacturing front, we continue to invest in automation, process optimization, infrastructure enhancement across our facilities. Our capacity expansion initiatives also continue to progress in line with our long-term growth. At Valex Ventures, certain customer supplies were strategically delayed and scheduled after the first fortnight of July to align with the implementation of the Free Trade Agreement with the UK, therefore enhancing our commercial competitiveness. Coupled with structural changes undertaken in Valex, we are optimistic about improved operational and financial performance in FY '27.

On the raw material front, polymer prices which witnessed significant volatility during March to May '26 due to geopolitical developments have largely stabilized, providing improved visibility for procurement planning, however, there needs to be a caution on the logistics environment that is now playing with the ocean freights increasing substantially from $2,000 to $5,000 in the last two months.

We are continuously closely monitoring the foreign exchange movements and other global trade developments. Despite these external challenges, our disciplined procurement strategies, strong supplier relationships, diversified customer base, proactive engagement with customers continue to support operational stability. Demand visibility continues to be about four weeks, reflecting the current procurement pattern of customers where they do not want to procure at extremely high prices. Cautious procurement approach also helps in stabilizing demand in the latter part of the year. Building on the strong momentum established in Q1, we remain optimistic about opportunities ahead. Demand across our core export markets remains stable. Investment in technical textiles, premium value-added products, and manufacturing capabilities are well positioned to capitalize on the emerging opportunities. We will continue to focus on operations excellence, customer-centric approach, innovation in product development, and disciplined financial allocation. Backed by the progressive commercialization of our strategic growth subject to prevailing market conditions, we should deliver a strong performance in FY '26-'27.

With that, we conclude our opening remarks. Thank you once again for joining us today. We should be very happy to take questions now.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is on the line of Shubhi Gupta from Trinetra Asset Managers. Please proceed.

Shubhi Gupta: Sir, I wanted to ask that we were witnessing some raw material volatility because of West Asia conflict. So, I wanted to understand how is that progressing for us?

Shashank Agarwal: So, there are two parts to it. One is the conflict itself that created a disruption because it was unexpected. So, there was a high level of unexpectation in March when this happened. Now even while the crisis continues to be there, the market has understood the crisis and the supply chains and the governments are taking actions that are required to be taken now. So, there is more stability. That kind of extreme volatility is not there. So, it was moving plus minus 25% at that time. Now it is moving plus minus 10%. That is the difference. There was also a significant difference that in March, there was also a government order which prohibited petrochemical companies to make petrochemicals alone and rather they had to prioritize LPG production. That also has been relaxed now.

Shubhi Gupta: So, is that something that we can pass over to our customers?

Shashank Agarwal: So, in our business, mostly whatever the raw material increase and decrease is either ways, we are able to pass it on to the customers. There could be a lag of two weeks or one month or one quarter depending on the market situation, but it always gets passed on.

Shubhi Gupta: Okay, so my second question is this B2C segment, B2C linked premium applications that you are transitioning towards. So, what is the marginal differential for this line of segment? What can we expect?

Shashank Agarwal: So, in B2C there are two parts. One is the ESSEKAN and the other is the non-woven technical textile. So, I will first cover the ESSEKAN part. So, ESSEKAN, we are expecting the revenue of about Rs. 10 crore rupees this year, which should be at an EBITDA level 20%-25%, which is significantly higher than what we are doing. I have been repeatedly saying that it is very hard to do the first 10 and then it is going to get easier to do the next 90 and then from there the sky is the limit. But we are looking at 20%-25% kind of EBITDA. On the non-woven technical textiles, we are looking at a mid-level double-digit kind of EBITDA on B2C in non-woven.

Shubhi Gupta: So, what is the total EBITDA margin that we are looking for, for this quarter?

Shashank Agarwal: For the entire company?

Shubhi Gupta: Yes.

Shashank Agarwal: I would not be able to give a very exact guidance on it at the moment, but we should be able to continue the level that we are at.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Co. Please proceed.

Saket Kapoor: Yes. Namaskar, Shashankji. Namaskar, Bade Babu. Thank you for this opportunity. Just in continuation to the earlier participants, if you could just explain to us, sir, for the ESSEKAN part of the story, what would be the peak revenue on the current installed capacity or the JV which we have done? And when will we be anticipating? How much will be Rs. 10 crores in terms of capacity utilized?

Shashank Agarwal: Rs. 10 crores is about, so we can reach the maximum volume of about Rs. 30 crores with the current capacity.

Saket Kapoor: Okay. And sir, once we reach that optimum number, then only we can look forward for how we are going to…

Shashank Agarwal: The moment we reach 50% to 60% of the capacity, we will be installing more capacity. Because the cost of adding capacity is not very high. It is not a very high CAPEX kind of thing.

Saket Kapoor: Okay, sir. And now coming to the FIBC part of the story, sir, I think in your opening remark, you did mention that our realizations have gone up. So, if you could just give that understanding how have the current realizations been and if our cost structure, the gap between the increment, increase in the revenue and the cost is less, we have got the higher of the two, then why are the margins not expanded for the quarter? If you could just explain what factors did not allow us to enhance the margin?

Shashank Agarwal: So, the EBITDA margin expanded. So, EBITDA from manufacturing was at 12.6%. When we see manufacturing, yes, it has expanded. So, that is number one. Number two, it could have expanded more. But we can see that there is an increased employee cost of about Rs. 3 crore a quarter. Which has led due to the annual salary division and the increase in minimum wages of the state government. There is an additional point. The third point is that there was also a decrease in the total manufactured volume in FIBC due to the supply chain disruption and little labor disruptions also were there. Yes, please.

Saket Kapoor: Okay, so I will come to that part also. But you mentioned in your opening remark that 31% was the value realization have gone up, whereas the cost of RM is 18%. So, is that understanding correct in the remark which you made just now, that there was 12%, there should be on a whole 12% incremental margin. Is that understanding correct or how should we see?

Shashank Agarwal: No, the average selling price increased by 31%. That is correct. And the average raw material price went up by 18%. That's correct.

Saket Kapoor: Okay, so the gap, the entire gap will be that your other costs have increased, they have eaten up your margins. That is what the understanding should be. Otherwise, the margin would have increased?

Shashank Agarwal: Yes, but the margin, the significant part of it is the employee cost, right, which is about 1.5%. Similarly, freight also has marginally gone up during this period. There are certain one-time fixed costs which were also there, which was related to the disruption during this period. We also participated in a couple of international exhibitions during this period. So, everything put together, in terms of variable cost, on an ongoing basis, I am not very concerned apart from the labor costs that have gone up. There is no significant increase in the energy costs. A little bit of packing costs was also increased during this period. Then a little bit of oil, because oil is also a consumable in our item. That was also increased. There were also electricity disruptions during this period. So, a combination of all these things put together.

Saket Kapoor: Okay, so put to rest all these factors, we are now one-third into the second quarter. So, can you explain to us which factors are behind us and which are still continuing to linger on?

Shashank Agarwal: So, I have already spoken about what is behind us in terms of the disruption geopolitical, but we never know what happens again. So, we are not taking a position or any kind of call on how the oil would be, how the geopolitical situation would be. We are trying to derisk our purchases against our sales. We are seeing wherever there is an opportunity. There are two challenges that could come up in the remaining part of the year. One is freight, which I mentioned that $2,000 freight has become $5,000. This could disrupt demand significantly because people might not end up buying so much in case the freight is so high. That is one part of the problem. The second part of the problem is we might have to share a little bit of this cost, which might damage the margin.

Saket Kapoor: Now, if time permits for the FIBC part, then I will join the queue. You have mentioned about our target of capacity addition of 6,000 metric ton in five years. And for Q1, our contribution was 52%. So, as per our business plan, what would be the addition for the current year and how will this ratio behave? And then, sir, in your presentation, which is very well and very exhaustive also, so congratulations for maintaining this. Slide number 17, if you could explain to us that on a quarter – on – quarter basis also and on an year-on-year basis also, our FIBC in the product mix has gone down. So, you did explain to the disruption, but what should now things be looking like if you could just explain these two parts. First is on the increment on the FIBC capacity. What are we expecting this year and what explains this Q-on-Q and year-on-year decline and how should this shape up for the quarter?

Shashank Agarwal: So, I think both the questions are in the same direction that what is going to happen to FIBC, which is the cash cow of the company and the main focus of the company. So, we are committed to reaching 5,000 tons per quarter. That is the target for our next Q1 FY '28. So, directionally, we are in that direction. Now from time to time, there have been procurement challenges in terms of raw material. There have been demand challenges from the market. There have been manpower challenges in terms of the manpower availability. This has caused our pace to be a little slow. But I think most of it is behind us now and we should be tending towards that direction. So, I do not want to give a very product mix percentage because this is all dependent on the selling price, whether freight is included or not included, what is the percentage of freight, what is the percentage of raw material. But directionally, where we want to move is 5,000 tons per quarter by next FY '27-'28.

Saket Kapoor: Right. And can you give the utilization number for this quarter for FIBC?

Shashank Agarwal: So, Q1, we were only at 3,000 tons. Q4, we had done 3,500 tons. Q3, we were at 3,800 tons. So, there is also a seasonality because of the number of working days and number of holidays that are there.

Saket Kapoor: Okay. So, seasonally, how is Q2 and also, sir, since we have a four-week order book visibility, this 3,000 should be the base for the year then? 3,073 numbers which we have posted?

Shashank Agarwal: 3,000 is a very, let us say, damaged number because it is much lower than even last year's number that was 3,500 tons. So, this is mainly due to the disruption in the polymer and the labor disruption that was there. But going forward, yes, it will only build from here.

Moderator: Thank you. The next question is from the line of Chaitrika, an individual investor. Please proceed.

Chaitrika: Hi, good evening, sir, and thank you for the opportunity. Sir, I have a few questions. My first question is, what is the management's long-term revenue aspiration like if we go to see for the next three to five years, what is it and what are the key milestones?

Shashank Agarwal: So, thank you for the question and thank you for a forward-looking question. So, with the current projects in hand and the installed capacity, we can touch Rs. 1,000 crores. So, I would say '27-'28 is when we would target 900-950 and then '27-'28 with 1,000-1,050, 2029. But this is with the installed capacity and the current trading turnover that has been there and the current polymer pricing. Now, if there is a change in the polymer pricing, if there is any change in the trading, it might come up or it might go down. Adding to this, next year, we should also be in a position to better decide on how we should utilize the money that is there in the balance sheet for further capacity expansion and the direction of the capacity expansion.

Chaitrika: Okay. And so, the next question is, are you seeing any changes in customer procurement behavior due to geopolitical tension?

Shashank Agarwal: Yes. So, there are two types of behavior that are very evident. One is that who is trying to build a longer-term inventory where they feel the geopolitical risk might escalate. So, they are trying to build more inventory. But majority of the market sees this as a situation to decrease their inventory because the prices and the freight have gone up. So, there are two distinct behaviors.

Chaitrika: Okay. And sir, my last question is, are there any initiatives to improve our EBITDA margin beyond the current level?

Shashank Agarwal: Yes. I briefly mentioned that cost optimization, productivity efficiency, automation, digitalization, all these are ongoing at the moment. And this has caught speed with the increased labor costs and increased minimum wages.

Moderator: Thank you. The next question is from the line of Yash Parker, an individual investor. Please proceed.

Yash Parker: Sir, what tangible benefits have the UK acquisition and Italian JV delivered so far in terms of customer additions, pricing improvement, or order pipeline? And when should investors start seeing measurable financial results?

Shashank Agarwal: So, as you can, the Italian joint venture, since the beginning, we have been saying that it is a high gestation, low CAPEX, high value-added product because it has product research involved in it. There is approvals from brand owners, there is a certification process that is there. So, all that has happened now. So, now the sampling is happening. So, we would see significant commercialization in Q3 and Q4. And once that is successful, I would be in a better position to give guidance on this by Q4. But directionally, it will move from a journey of Rs. 10 crores to Rs. 25 crores to Rs. 50 crores to Rs. 100 crores. That would be the year-wise target going forward. The speed of it and the success of it would be very clear by Q4. The GRS, Global Recycling System, the GRS, and the OEKOTEX certification that we have received are extremely strong levers among the brand owners. They are as excited as we are to get this done. Regarding Valex, Valex has timid revenues with timid bottom lines. And we are continuously trying to build the operating structure of the company so that it is able to pivot into significant increase in revenue and bottom line. Till now, it has not given any significant tangible benefit. The only tangible benefits that are there are that it is able to create brand awareness within end-users. We have been able to build design solutions within users which will affect the lifetime value of the customer that will go up. Obviously, whatever turnover is coming from Valex, it is a manufacturing-transferred turnover. So, that profit is also already there in the operations of Kanpur Plastipack.

Yash Parker: Okay. The second question is, more than 60% of the energy is now sourced from renewable power. So, can you quantify the annual cost saving that has already been realized? And how much additional savings are expected once we are at full capacity, at nearly full operational things?

Shashank Agarwal: It is already at full operational things. So, we are only doing 60% and we only plan to do 60% at the moment. We are in discussions for battery energy storage systems. But I think that is still a couple of years away. Because the cost of acquiring the system is so high that today it is not making sense. What we are able to save annually is about close to Rs. 3 crores to Rs. 5 crores a year is what we are able to save annually.

Yash Parker: Okay. So, and regarding the FIBC expansion, so the new one, we will add around 6,000 million metric tons over the five years. So, based on the current demand, how quickly do we expect this capacity to reach around 20%-80% utilization?

Shashank Agarwal: So, 6,000 tons is over the next five years, out of which one year has gone. So, we are saying that we will add 1200 tons every year. So, it will take four to five years to achieve that required output. But that is not only because of the demand, but it is also because of the skilled workforce that has to be trained.

Yash Parker: Right. And sir, our revenue grew 14%, whereas EBITDA grew nearly 57 odd percentage. So, does this indicate that we are prioritizing profitable orders over the volume chase?

Shashank Agarwal: We cannot generalize it like that. We have to see it from a macroeconomic point of view also. There has been extreme volatility in raw material. There has been an extreme opportunity in the market. So, obviously, the aim is to maximize profit. There is no fun in doing sales without profit. That is obviously the aim. But has it happened only because of that? I wouldn't say yes.

Yash Parker: Okay. And sir, we are currently doing multiple expansion projects. What is the minimum IRR or ROCE hurdle rate that the management puts before approving these investments?

Shashank Agarwal: So, in non-woven, we were expecting between 15% to 20% IRR and a ROCE of above 20%. The other ESSEKAN is far higher ROCE and IRR because the capital investment is extremely low, but there is far more investment in brand building certifications and efforts.

Yash Parker: Correct. And so, as our business ramps up, should working capital remain at current levels or do you expect inventory and receivability to increase?

Shashank Agarwal: So, for the FIBC business and the Raffia business, it would remain at similar levels. For whatever turnover the non-woven business would add, we would continue to add 30 to 40 days of working capital.

Yash Parker: Okay. Sir, last question from my end. So, the trading revenue has increased meaningfully. Is this a strategic business that the company wants to scale or is it like largely opportunistic?

Shashank Agarwal: Yes, I mean, I covered it last time as well and I covered it in my opening note as well that it is completely opportunity driven. There is absolutely no focus of the company to do it. But if there will be an opportunity, we will be there to take use of that opportunity.

Moderator: Thank you. The next question is from the line of Deeya Jain from Sapphire Capital. Please proceed.

Deeya Jain: So, what is the target revenue mix in like two to three years?

Shashank Agarwal: I already covered that in the second or the third question.

Deeya Jain: Okay. So, can you share the realizations that we have currently and if we are going to sustain them, any idea?

Shashank Agarwal: Realizations are based on the input raw material cost and the freight. So, yes, they should be sustained at the moment because the raw material cost is sustained at the moment. So, I mean, they remain in line with the raw material cost normally.

Deeya Jain: Can you also provide the revenue expectations from the premium PP yarn?

Shashank Agarwal: Should be about Rs. 10 crore this year in Essekan.

Deeya Jain: And for the coming years, any expectations or targets?

Shashank Agarwal: I've already shared that, but we will continue to grow. The ultimate aim is to reach Rs. 100 crores in the next four years in Essekan.

Moderator: Thank you. The next question is from the line of Muskan Patel from JK Investments. Please proceed.

Muskan Patel: I just want to ask since the export price continues to remain diversified, is there any direct impact because of geopolitical tension going on currently?

Shashank Agarwal: Yes, the impact is there on pricing and freight, but we do not have any significant exposure in West Asia or Middle East.

Moderator: Thank you. The next question is from the line of Sakeet Kapoor from Kapoor & Co. Please proceed.

Saket Kapoor: Yes, sir. So, a couple of data points pertaining to the P&L. For this quarter, we have seen an impairment loss of only to the tune of Rs. 25 lakh. So, if…

Shashank Agarwal: I will ask my CFO to answer this.

Shobhit Agarwal: So, there is some coating supply that the company has made to the government of India for FCI. So, basically, to have a prudent policy, we have made a provision of 25 lakhs from that business. Although there is no certainty that this money will not come, but yes, for the prudent basis, we have taken up this decision.

Shashank Agarwal: Because it's a tender government supply. Normally, there are some shortages or quality complaints that come in.

Saket Kapoor: What is the total value of the contract, sir?

Shashank Agarwal: Rs. 15 crores.

Saket Kapoor: And this is the prudent Rs. 25 lakh is what we have…

Shashank Agarwal: Yes, that is historically what we have seen is around that.

Saket Kapoor: And in continuation, CFO sir, please tell us the debt number once again. What is the debt number currently we have and what should be the… how are we going to exit the current year in terms of the long-term debt?

Shobhit Agarwal : At present, we have a Rs. 34 crore of long-term debt at present in our book. And by the yearend, it will be near about Rs. 74 crores because the Rs. 40 crore new term loan we will take from here for the new project that we are making.

Saket Kapoor: And our working capital requirement, what are currently there and what are we…?

Shobhit Agarwal : And let me complete with your previous question. There will be some repayment of near about Rs. 5 crores to Rs. 7 crore rupees in this year. So, the closing number in this year will be near about Rs. 67 crores to Rs. 68 crore. Please ask your second question.

Saket Kapoor: Sir, what is the working capital? What is it now and how is it going to be after this?

Shobhit Agarwal : So, working capital presently, we are taking is near about Rs. 90 crore. And as our sales will grow, so we will add Rs. 5 crores to Rs. 10 crore by the end of this year, I think. Utilization will be like this.

Saket Kapoor: Shashank ji, you mentioned about the certification part of it. So, that is about the recycling part of the story or what kind of differentiation are we currently taking with the…

Shashank Agarwal: GRS is Global Recycling System. So, the certification is for using 100% post-consumer recycled polymer to make this textile high-performance yarn. That is GRS. And OEKOTEX is a textile certification that talks about the toxicity of chemicals and minerals in the product. So, it proves that there is no toxicity in that product.

Saket Kapoor: So, means that these will have, in the space where we operate…

Shashank Agarwal: This is very valuable.

Saket Kapoor: Okay. And it is then tougher for companies to get this kind of. Your competitors are also there having this kind of certification or we are the outlier here?

Shashank Agarwal: We are an outlier.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Ankur Srivastava, Company Secretary for closing comments. Over to you, sir.

Ankur Srivastava: On behalf of Kanpur Plastipack Limited, I thank you all the investors, analysts, and stakeholders for joining and spending your time and joining the conference call for the quarter ended June '26. Thank you so much.

Moderator: Thank you. On behalf of Kanpur Plastipack Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.