PAKKA
Packaging with a Soul

7/Govt/SE/2026-27/0066
11th November, 2026

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051
Trading Symbol: PAKKA

BSE Limited
Department of Corporate Service
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400 001
Scrip Code: 516030

Subject: Transcript of Investor Conference Call for Q2 and H1 FY 2026–27

Dear Sir/Madam,

Further to our letter no. 7/Govt/SE/2026-27/0064 dated 3rd November, 2026 submitting the link to the audio/video recording, and pursuant to Regulation 30 read with sub-paragraph 15 of Para A of Part A of Schedule III and Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed the transcript of the Investor Conference Call of Pakka Limited ("Company") held through video conferencing on Tuesday, 3 November 2026, to discuss the Company's financial and operational performance for the second quarter and half year ended 30 September 2026.

The call commenced at 4:00 p.m. and concluded at 5:20 p.m. (IST).

The transcript is also being made available on the Company's website at www.pakka.com. No unpublished price sensitive information was shared or discussed during the call.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,
***for* Pakka Limited**
SACHIN KUMAR SRIVASTAVA
Digitally signed by SACHIN KUMAR SRIVASTAVA
Date: 2026.11.11 21:06:31 +05'30'
Sachin Kumar Srivastava
Company Secretary &
Corporate Finance Head

PAKKA LIMITED

(**CIN:** L24231UP1981PLC005294)

Earnings Call on the Unaudited Financial Results for the Quarter and Half Year ended 30 September 2026

Particulars	Details
Date	Tuesday, 3 November 2026
Time	4:00 p.m. to 5:20 p.m. (IST)
Mode	Video conferencing
Duration	Approximately 1 hour 20 minutes
Stock Exchanges	BSE Limited (516030); National Stock Exchange of India Limited (PAKKA)

Management participants

Name	Designation
Mr. Ved Krishna	Managing Director
Mr. Himanshu Kapoor	Non-Executive Non-Independent Director
Mr. Gautam Ghosh	Executive Director
Mr. Mayank Jindal	Chief Operating Officer
Mr. Shubham Tibrewal	Business Head – Food Services (Chuk)
Mr. Manoj Kumar Maurya	Chief Financial Officer
Mr. Sachin Kumar Srivastava	Company Secretary & Corporate Finance Head
Mr. Pranay Pasricha	Head – Brand & Marketing (Moderator)

Investors and analysts who asked questions (in the order in which they spoke): Ms. Manali Gala, Mr. Kaustav Bubna, Mr. Sanyam Jain, Ms. Shreny Tanawade, Mr. Ravi, Mr. Kenil Jasani, Mr. Jeet Gala, Mr. Manan Mundra and Mr. Harshit Chheda.

DISCLAIMER

Nature of this transcript. This transcript has been edited for readability. Filler words, repetitions and cross-talk have been removed, and transcription errors in names, terms and figures have been corrected against the audio recording. The substance of what each speaker said has not been changed. Words in square brackets [ ] were added by the Company to clarify meaning. Where the transcript and the audio/video recording differ, the recording prevails. The recording is available on the Company's website and at https://youtu.be/KzsAs6GJ-7k.

Forward-looking statements. Parts of this call are forward-looking. They include statements on project commissioning and timelines, capacity utilisation, product launches, pricing, margins, financing and refinancing, capital expenditure, depreciation and business plans. These statements reflect management's current expectations and assumptions. They involve known and unknown risks and uncertainties, and actual results may differ materially. Factors include raw material availability and prices, market demand, competition, regulatory changes, technology and commissioning risks, interest rates, and economic and geopolitical conditions. The Company undertakes no obligation to update or revise any forward-looking statement, except as required by law.

No offer and no guidance. This transcript is not an offer, invitation or solicitation to buy or sell any securities of the Company. It does not constitute investment advice. Indicative figures

mentioned on the call are not earnings guidance. Readers should refer to the unaudited financial results (reviewed by the Statutory Auditors), the Investor Presentation and other disclosures filed with the Stock Exchanges.

Unpublished price sensitive information. No unpublished price sensitive information within the meaning of the SEBI (Prohibition of Insider Trading) Regulations, 2015, was shared during the call.

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on October 3rd November, 2026, will prevail.

OPENING REMARKS AND MANAGEMENT PRESENTATION

Pranay Pasricha: Thank you, everyone, for joining us today. Before we move on to the presentation by the leadership, I would like to welcome the leadership on the call and introduce them: Mr. Ved Krishna, Group Lead; Mr. Himanshu Kapoor, Non-Executive Non-Independent Director; Mr. Gautam Ghosh, Executive Director; Mr. Mayank Jindal, Business Head – Wrap & Carry; Mr. Shubham Tibrewal, Business Head – Food Services; Mr. Manoj Maurya, Finance Head; and Mr. Sachin Kumar Srivastava, Company Secretary.

My name is Pranay, and I lead brand and marketing at Pakka. I will be sharing the presentation. I will start with a short video — a brief overview of the last year and the vision for the ongoing year — as a refresher for all the investors joining us today.

[A corporate video was played. Its narration is reproduced below.]

Narration: As you have been on this journey with Pakka, you know that grit is more than moving through difficult times. It is about moving forward and building for the long term. Financial Year 2025-26 tested our grit. Financial performance was impacted by operational and execution challenges.

As you have been on this journey with us, [inaudible]. We understand the context, we know the expectations, and we value the trust that has kept us moving forward together. But look beyond the numbers, and you will see a year spent strengthening the foundations for what lies ahead.

Grit is not measured by the setback. It is measured by what you build through it. That meant strengthening the core. PM3 emerged stronger after its technology upgrade, while Project Jagriti continued to lay the foundation for greater manufacturing capacity.

And while the foundation grew, another part of Pakka accelerated. Chuk reached revenue of ₹ 63.23 crore, with volumes crossing 3,100 tonnes, while expanding its products and reach. The opportunity goes beyond replacing plastic; it begins with rethinking what we use, how we make it, and where it goes when its job is done.

And that thinking showed up beyond the product: 100% renewable raw material utilisation, 82.91% renewable energy, and 57.37% water recycled and reused. Because some commitments remain unchanged even in a challenging year, we continued to show up for our communities, investing ₹ 2.35 crore through Pakka Foundation across education, employment and ecology.

Behind every machine, every innovation and every milestone were over 500 people learning, adapting and owning the journey. That is grit at Pakka: purpose when the path is uncertain, resilience when operations are tested, innovation when the old way is not enough, and an ambition that keeps looking beyond today.

So, what can you look forward to? A stronger, more stable business, new innovations coming to market, Chuk reaching more customers, and the next phase of Project Jagriti taking shape. Thank you for staying the course with us. We know your trust comes with expectations, and now it is about turning that trust into action — building stronger, moving forward, and creating lasting value with grit.

Pranay Pasricha: I know some of you already have your hands up. We will take questions after the presentation. Over to you, Ved, for the second quarter highlights.

Ved Krishna: Namaskar, all of you. We are very excited to see you this time. There is a lot of movement and action happening at our end, and we are excited to share it and, as always, get more thoughts and guidance from you.

As you have seen, the financial performance is stronger and back on track. The margins are rising, as is the revenue. We are on track with the commitments we made earlier in the year.

The Wrap & Carry division has made significant innovations. The idea is to build better and better products, which has led to almost 30% of our sales coming from specialised grades, such as interleaving grades, and exports.

Food Services is performing strongly. It is almost at its profitability level now and is going to grow significantly. We remain very positive about the division and excited about the future.

FlexC Base remains under development. We are now able to talk a lot more about Project Jagriti and the product that will emerge from it. We have just had trials in Europe, and we have also started selling over 500 tonnes of the base paper produced through outsourcing, that will eventually be produced on PM4. We will talk more about this as we move through the presentation.

The idea behind building a stronger Pakka is, first, strengthening the core — the project and operational efficiency. These are already showing their impact on our financial performance and on project progress. We are continuing to commercialise higher-value products. We have had a strong pre-launch with certain distributors in the country, and FlexC Base is being established as we speak.

Chuk is expanding. There is a much wider partnership base, and the market reach has become deeper and will grow further in the coming months. Shubham will talk more about it. And as you are seeing, the financial results are back to a very strong performance. Cash generation is back, and the return on capital is becoming stronger.

Let us go to business performance. I will quickly cover the quarter and the half year for the consolidated business, and then we will go into the Wrap & Carry and Food Services businesses. Revenue is up significantly over the same quarter last year. So is the EBITDA margin, at 14.2% overall; as you will see, Wrap & Carry is even higher. The same holds for profit margins, both before and after adjustment.

We made an adjustment for the sale of certain older machinery, which came in as an exceptional item. I am sure you have noticed it, and we are happy to take questions on it at the end.

For the half year as well, we are on track to cross a significant milestone this year. Revenue has already grown to ₹ 241 crore. The EBITDA margin is at 13.7% and the profit margin is about 7.3%. At one point we had clocked a margin of almost 25%, and our aim is to keep moving from the 17.5% margin towards that goal and beyond. I will hand over to Mayank.

Mayank Jindal: Good afternoon, everyone. In Wrap & Carry, revenue has improved to ₹ 205 crore from the previous 60 Cr, and the PBT margin has risen to 9.6% from 2.4% earlier.

Volumes increased to 10,700 tonnes against 7,600 tonnes in the same period last year.

As we mentioned, interleaving is a new segment that we are entering, and it is growing very fast. We recently secured business with Reliance, which has the largest solar glass facility, and we are supplying good volumes to them. In the interleaving segment for glass, Pakka products have a share of almost 50% of the market.

In exports, in spite of many challenges and geopolitical disturbances, we continue to maintain a 30% share. On realisation, price corrections have been made, and there is a good increase in NSR in Q2 compared with Q2 of last year. So the market is favourable.

We are also selling pulp. Earlier, we sold only wet pulp. We have now been able to produce dry pulp, which increases our NSR and benefits customers through lower logistics costs. Thank you. Over to you, Shubham.

Shubham Tibrewal: Good afternoon, everybody. I am Shubham Tibrewal and I lead Food Services. I will present the H1 and Q2 performance of the business.

Our revenue has increased by 19% quarter on quarter. The PBT has dipped slightly compared with the previous year, but there are exceptional items in both last year's and this quarter's PBT that affect the comparison. On a like-for-like basis, our losses have more than halved, and we are EBITDA positive for the first time.

The important message I would like to convey is that Food Services has had the strongest H1 in the history of the business. Our H1 revenues increased by 38%, and we posted our highest-ever monthly sales in August. We exceeded our record sales in every sales channel — B2B, B2C and export — while reducing our losses.

The segment has finally turned EBITDA positive, and we are growing asset-light. We have added, and are in the process of adding, 350 tonnes of additional monthly capacity through outsourcing partners, on a completely asset-light, capex-free model.

Some key changes that are driving this growth: we are expanding our distribution into e-commerce and big-box retail. We are focusing on key accounts and have added a significant number of accounts, either completely new customers or win-backs, such as TFS and LBF. We continue to invest significantly in marketing to build the brand and our presence, which is driving the success we are seeing in the B2C channel. We have also added 10 new products to our portfolio, which allows us to serve customers as a one-stop shop. Some other metrics are shown on the slide. I will pass the presentation to Mayank for Project Jagriti.

Mayank Jindal: Thank you, Shubham. Good afternoon once again. Everybody will be excited to hear about Project Jagriti. This short video shows the current status of the expansion. The expansion mainly includes the installation of PM4, a recovery boiler and a 15 MW power plant, along with an upgrade of the pulp mill.

The pulp mill upgrade has been completed. The recovery boiler and the 15 MW turbine have started and are under stabilisation. PM4 is now ready. We are conducting trials and expect start-up in December, next month.

On PM4 products, we are mainly focusing on developing flexC Base. We have completed the pilot trial in Europe. Our senior colleague, Mr. Sudhir Mishra, was there for more than a month and completed the lab and pilot trials, which were very successful and gave us very good insights and learnings.

Immediately after that — yesterday, in fact — we had a soft launch with our partners at site. They visited the site and saw the new facility we are developing. The visit was very exciting, and the partners were very happy, satisfied and confident after seeing the facilities and the

machine we have developed.

As Ved also said, we are already selling more than 500 tonnes of this product in the market, so the market for FlexC Base is already being established. That will really help us. In the background you can see a photograph of the paper machine. Roughly one-sixth of the paper that will be produced on PM4 is already in the market.

Ved Krishna: Now it is time to review the commitments we made in Q2. We made five commitments to our investors, and as you can see, there is significant progress on Project Jagriti. The FlexC Base trials have been completed. The delivery-container plant is being set up. Profitability is up, and innovation is being strengthened as we speak.

What are the further commitments? We will commission Paper Machine 4 and start establishing FlexC Base; the bigger launch will happen in January, although, as Mayank said, the soft launch has already happened. We will reach profitability in Food Services, and it will grow in both top line and bottom line. There will be significant advances on the FlexC structure, which we are now very close to being able to commercialise strongly. And we will continue to strengthen innovation through material sciences, and we are building a much stronger team.

QUESTION AND ANSWER SESSION

Pranay Pasricha: Thank you, everyone. We will now move on to questions and answers. You can raise your hand using the raise-hand button on Teams, or post questions in the chat. We will go in order. Please restrict yourself to a maximum of two questions; you can rejoin the queue, and we will circle back so that every investor gets a chance. The first question is from Ms. Manali Gala.

Manali Gala: Hi. Congratulations on a good set of numbers. My first question: what are the consequences if there are delays in commissioning the project, or if we find it difficult to sell the capacity from a demand perspective, or if NSRs are lower? I am trying to understand the worst case for us. Our earlier plan was to get the first paper reel around Diwali and proper commissioning in January. Now I see a delay, with the first reel in December. Could you tell us the date of commencement of operations, and when the first principal repayment falls due, assuming the four-month moratorium mentioned earlier?

Mayank Jindal: Thank you, Manali. It is a very valid question. On the delay in commissioning: we had expected start-up and testing to begin in October, before Diwali, and it has now moved to December. This is because we are making sure that each and every component is properly tested so that we make no mistakes at start-up.

That confidence comes from our other projects — the recovery boiler, the power plant and the turbine. Their commissioning was very smooth; we could run both the boiler and the turbine in a single go because of very thorough testing and checking. We are making the same effort on the machine so that we do not lose time later.

On not having enough orders in hand: that is why we held the soft launch, and our partners have given us a lot of confidence. As I said, we are already selling more than 500 tonnes in the market, so the market is there. Our partners were confident there is no issue: we produce, and they can sell it. So I am not too worried about orders.

When the machine starts, it follows a start-up curve. It will not reach 100% capacity from the beginning; it will ramp up gradually through 30–40% and 50–60%. On the delay, there will be some impact, but in such large projects a delay of a month or two is not very significant. What matters most is a vertical start-up, and that is what we are aiming for.

Manali Gala: Could you give a rough idea of the date of commencement of operations, and

when the first principal repayment falls due?

Mayank Jindal: We are aiming for commercial production from January.

Manali Gala: Okay. And when does the first principal repayment fall due?

Himanshu Kapoor: Manali, there is no principal repayment for 24 months under the special situations loan we took from Neo. We took the loan in June 2026, so there is no repayment until May 2028. However, there is a differential: instead of roughly 16.9% to 17%, we are paying only 12% interest. The differential of about 4.9% on the total borrowing, which will be close to ₹ 25 crore, will be paid in eight instalments starting from the 17th month. That means that, from October 2027, we will pay about ₹ 3 crore a quarter. Principal repayment of the term loan starts only after June 2028.

Manali Gala: Also, Himanshu, could you explain how the refinancing will take place? What EBITDA run-rate do we need to get the refinancing done, and in which quarter do we plan to go for it?

Himanshu Kapoor: It is quite simple. The existing plant needs to run at an EBITDA run-rate of nearly ₹ 100 to 110 crore. At that run-rate, the special situations fund is also comfortably serviced, because there is no repayment obligation at this stage. Internally, we are targeting refinancing within 18 months, which is around December next year — that is, December 2027.

Manali Gala: Perfect. Thanks, Himanshu.

Pranay Pasricha: Thank you. Mr. Kaustav, you can go ahead with your question.

Kaustav Bubna: Hi, thanks. Mr. Krishna, the shares are pledged to Neo, right? I wanted to understand at what price the shares are pledged and what cover Neo has. At what stock price level would it become a concern, leading them to sell?

Ved Krishna: Himanshu, would you like to take this more technically? I can add.

Himanshu Kapoor: I will take it. Kaustav, that is a great question, but there is no question of Neo selling the shares as long as the performance parameters are met. The security they have — the Ayodhya plant excluding the PM4 expansion — has been valued by an independent valuer at ₹ 710 crore. They are lending us about ₹ 500 crore at peak. To date, about ₹ 400 to 420 crore has been borrowed; Manoj can confirm. So they have sufficient cover.

Only an event of default, such as cash flows not being met, would be a trigger. For the two quarters so far, our EBITDA is in fact higher than what was shared with Neo as part of the [projections]. And if we return to the EBITDA run-rate of ₹ 100 to 110 crore shown in the presentation, even Neo has no concern, because there is hardly any repayment for the next 28 months. So I do not think Neo selling the stake is an issue, unless PM4 simply does not deliver results for 9 to 12 months, which is a very remote possibility.

Even then, it depends only on operational performance and whether the existing plant covers it, which is actually happening. As we said last quarter, if the top line is about ₹ 500 crore and we get back to an EBITDA margin of 19% to 20%, we are already on track for that ₹ 100 crore number.

Kaustav Bubna: Okay. But usually with pledges, there is panic selling if the cover goes out of range. Hypothetically, if the stock comes to the ₹ 35 to 45 level, would additional cover be required for Neo?

Himanshu Kapoor: Not required. As I said, they already have ₹ 710 crore of assets, excluding PM4. If you add PM4, which is another capitalisation of about ₹ 750 crore in new machinery, the minimum valuation of the plant charged to them would be close to ₹ 1,100 to 1,200 crore

at any point in time. So why would anyone want to sell a ₹ 1,200 crore asset at a discount?

Kaustav Bubna: Okay, great. That was my only question. Thank you.

Pranay Pasricha: Thank you. Mr. Sanyam, you can go ahead.

Sanyam Jain: First of all, congratulations on a good set of numbers. My question is on the new deal you mentioned. What is the size of the overall opportunity in the Reliance solar glass interleaving paper business? Are we the only supplier, or are there multiple suppliers? What is the realisation per kg? Have we started supplying, or are we still in the trial phase? I want to understand the scale we can achieve over the coming quarters.

Mayank Jindal: With Reliance, we recently received an order of around 200 tonnes. This is likely to grow, because they are building a very large facility, and it could go up to 500 or even 800 tonnes. The realisation is very attractive compared with all the other products we make on this machine.

Sanyam Jain: Could you be more specific about the premium we are able to charge?

Mayank Jindal: In the interleaving market, there are various players and different quality requirements. Quite a few products were being imported, and there are some domestic players, but Pakka's product has an edge over all of them. I have personally met interleaving users, and they were very confident about the quality. They are ready to pay a premium for our interleaving paper over other domestic manufacturers in India — they said they do not mind paying even ₹ 5 to 10 extra [per kg].

Sanyam Jain: What is this 200-tonne order worth in revenue terms?

Mayank Jindal: Roughly ₹ 80 [per kg], so about ₹ 1.6 crore.

Sanyam Jain: Okay. Thank you.

Pranay Pasricha: Thank you, Sanyam. Next question, please go ahead.

Shreny Tanawade: Congratulations on this set of numbers. My first question: what is the pending write-off on Chuk and other machinery?

Ved Krishna: Himanshu, is there a specific number we can provide? It depends on what we do with the machines.

Himanshu Kapoor: As of now, I cannot say what the scrap value of the other machines will be when they go. So far, two machines have been discarded, and this number reflects what has happened so far. Prices of aluminium and steel are changing, and volatility is high, so I cannot give a precise number. But you can roughly assume about ₹ 2 crore per machine at the minimum.

Shreny Tanawade: Secondly, why have we not written off Guatemala yet? Will the write-off be taken in the coming quarters, once we have good profits to absorb it? Can we not finish it once and for all and move on? What are our global plans today that make you say Guatemala is still on hold and not a write-off?

Himanshu Kapoor: On the Guatemala plant, the project has been structured such that about USD 3 to 3.5 million has gone towards the engineering design of a plant. That is an intangible asset that can be used at any of our plants in future. So technically it is not a write-off; it is still work in progress. We have only paused the project for the time being.

Second, market development has taken place in the North American market, and [exports] of moulded products have already started from the Indian entity. At the appropriate time, reports from merchant bankers were [obtained], and at this point they do not consider any impairment

warranted. Whenever an impairment is warranted under the accounting standards, it will be taken.

Shreny Tanawade: That is all from my side. Thank you.

Pranay Pasricha: Thank you. Mr. Ravi, you can go ahead.

Ravi: Thank you. My first question is on Pakka's international operations, slightly different from the earlier question. I read some news items on senior leadership visiting South American countries, other than Guatemala. Are there any updates on Pakka starting international operations, whether on an asset-light model or otherwise? And specifically for Guatemala and the US, when do you think this will really take off?

Ved Krishna: Thanks so much, Ravi. We have built deep relationships in that region, so we keep getting opportunities. Gautam can elaborate after me. We were invited to consider a large opportunity in Peru. We have also built very deep relationships in Colombia and Mexico, which we had explored earlier, and of course in Guatemala. Gautam made a preliminary visit to explore opportunities.

There are a lot of possibilities, but we are not going to take up anything until we stabilise Project Jagriti. Our intention is to scale what we know. We have commitments to you for 2030-31, and the way we want to reach them is by continuing to expand capacity. So we will keep looking for cane-rich locations while we expand our portfolio of products beyond cane-based products. Gautam, perhaps you can give a short two-minute gist. Of course, we are not going to take up anything for at least the next six months.

Gautam Ghosh: Thank you, sir. I am sure you have seen the LinkedIn posts, and I appreciate that you follow the good work we do across the globe. Yes, we have very deep relationships in Latin America, and we keep getting invitations from there. In our endeavour to produce 500,000 metric tonnes of materials by 2030, it was important for us to prepare ourselves — not for now, but for the future — so that once we are ready, we can go full throttle.

So it was an exploratory and preparatory visit, in which we visited three countries: Mexico, Peru and Colombia. These are cane-rich locations, with raw material available across the year. To be able to produce such materials, it was necessary to explore these regions and develop relationships, so that once we are ready we can expand the organisation in line with our vision to 2030.

Ravi: Thank you for the details, and good luck. With international operations, I think you can scale even bigger. My second question is from a retail investor's perspective. As per the [exchange disclosure], SBI has offloaded quite a bit of its stake. They bought at around ₹ 272 a couple of years back and have sold at around ₹ 70 to 75, taking a huge loss. Have you had any conversations with large investors such as SBI or Carnelian?

My worry as a retail investor is that 18 months to two years back, we were at a valuation of around ₹ 2,000 crore, and at today's market price it is around ₹ 350 crore. I do not know whether that is a fair valuation, but perhaps the market is not seeing results from the promises made over the last three years. As they say, the market is always right. I know Project Jagriti will now ramp up. When do you think we will start recovering from a stock price or market cap point of view? Whether the market is up 500 points or down 200 points, Pakka seems to go in one direction. What is your honest assessment of Pakka's market cap?

Himanshu Kapoor: Can I answer? On SBI Mutual Fund: yes, they were in active talks with us until about March this year, but over the last six months we have not heard much from them. It may be their internal decision. As for Carnelian, they had taken the shares in their PMS

account. As per our confirmation, Carnelian has not sold any shares, but we will still check and revert.

On the numbers, market dynamics are very different. We raised money at ₹ 272, but at that time the pre-money valuation was roughly ₹ 1,100 crore, not ₹ 2,000 crore. The post-money valuation was about ₹ 1,400 crore, with zero debt in the system. So the enterprise value was ₹ 1,100 crore pre-money and ₹ 1,400 crore post-money.

Now there is debt of ₹ 500 to 600 crore coming into the system, plus the working capital increase from a ₹ 90 crore limit to perhaps ₹ 170 to 175 crore. So, in total, there is a substantial increase in debt. Even on simple arithmetic, the valuation would have adjusted to about ₹ 500 crore. And yes, at the EBITDA level, performance has been very dismal over the last six quarters, except this quarter, where there are some signs of improvement. That also feeds into the market price.

We hope the team can deliver results as fast as possible. I think we will be back in good shape if PM4 starts firing on all cylinders. As we said on the last investor call when this question came up, we are looking at [an EBITDA] of nearly ₹ 150 crore at about 60% to 70% capacity. You can calculate the valuation from that level. Nobody can time the market, and we do not claim to understand those aspects. The Company is focused on its performance and on giving its best efforts for investors, and that is what it is committed to at every point in time.

Pranay Pasricha: Thank you. Mr. Kenil, you can go ahead.

Kenil Jasani: Am I audible?

Pranay Pasricha: Yes, you are audible.

Kenil Jasani: I have two questions. First, on the preferential warrants: as I understand it, a considerable amount has already been paid to the Company. Can Mr. Ved Krishna expedite the conversion as soon as possible, so that it builds confidence in the investor community? Second, can we hold an investor meet like the one in Mumbai a few years ago? It would help bring in more fund managers, HNI clients and investors. We have had good results, but that is not reflected in the stock price.

Himanshu Kapoor: Could you repeat the first part? I missed it.

Kenil Jasani: The convertible preferential warrants.

Himanshu Kapoor: Yes. Sachin, can you update? I think some preferential warrants were converted in October.

Sachin Srivastava: Sir, on 17 October, we converted about 30 lakh warrants into equity shares. We have intimated BSE Limited and the National Stock Exchange of India Limited, and the details are available there. We are in the process of obtaining listing approval for these shares.

Kenil Jasani: My question is whether we can do all of it within the next quarter or so, to build confidence.

Sachin Srivastava: That is not possible. Under SEBI regulations, there is a threshold limit of 5% in a financial year [on the increase in promoter shareholding without triggering an open offer — Regulation 3(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011]. Because of that, the conversion is being done up to 5% in this financial year, and the balance will be done in the next financial year.

Himanshu Kapoor: Kenil, what he is saying is that the total promoter holding was to increase by about 8.5%, so it will be split across both years. Some of it has already happened, as he

said, and the next tranche may happen around April–May. We remain committed to that. It is not a challenge.

Kenil Jasani: And the second question, on the investor meet?

Ved Krishna: This has been on our mind. Ideally, we want to host investors in Ayodhya in January, and it is a good idea to explore Mumbai as well. Right now our heads are down and focused on starting up the project, so please give us until about January for the investor meet. Sachin, I know you had thought about something. Could you update on the plan, including Mumbai?

Sachin Srivastava: Yes, we have planned it. The results for the next quarter will probably be declared by the end of January, and in February we are planning an investor meet at the plant site in Ayodhya. For the following quarter, we will hold the investor meet through video conference, and for the quarter after that, around June, we plan to hold it in Mumbai.

Kenil Jasani: Okay, good to hear that.

Pranay Pasricha: Thank you. Mr. Jeet, please go ahead with your question.

Jeet Gala: Thanks for the opportunity. We have completed the trials for the new grade of paper we are going to launch. Could you give some colour on what the application looks like and what NSRs we can expect? You said we are already selling some 500 tonnes a month of a similar grade, so you know how the market is pricing it. A rough overview of the NSR we can expect from PM4 output would help. Further, what are the internal utilisation assumptions for the three quarters after January — Q4, Q1 and Q2?

Ved Krishna: Mayank, shall I take the trials, and you cover the current status? Jeet, the basic idea was to find a very similar pilot machine before running the product on our machine, because running products on a larger machine involves far more complications. For a little over a month, the team worked with a research institute in Slovenia. The structure, the ratios and the chemistry have all been finalised.

We produced some paper on that machine, and the indicative results are, as Mayank said, extremely positive. The team is planning another pilot even before we start the machine next month, to produce the final structure and achieve the look and feel of the product.

Our aim is to produce a base for coating. Eventually, our singular focus is to transform the flexible packaging domain, so that will be the product, although it can be used as a substrate for any coating. Right now we are producing a structure that sells for about ₹ 110 [per kg], and we will work towards a higher realisation once we have the more sophisticated PM4. Mayank can add some colour.

Mayank Jindal: Yes. That is the base price. On this machine, given the product we are already delivering to the market, we are confident that this is the bare minimum quality we can produce. It is a much more sophisticated machine, so the product will be far superior.

To start with, we will still sell at about this rate, which would be considered a discounted price, and then we will develop the product further. Our pilot trial gave us confidence in the right recipe, so we are very close. When we run on the live machine, the FlexCBase quality will be much better. The market is quite open, so we are very confident there will be no issue on the market side, in India or in exports, and we will lead the market on price as well.

Jeet Gala: As a follow-up, how do we transition towards ₹ 130 to 150 per kg? What will that journey look like, and how long will it take? I am talking only about base paper, not coated products.

Mayank Jindal: High-end uncoated papers are available in the market even at ₹ 170, 180 and 200 [per kg]. So these are not sold only at ₹ 100 or 110. It all depends on the quality and the customer confidence we provide. So aiming for ₹ 140 to 150 [per kg] is well within that range.

Our raw material has an edge over that of any other producer globally. Technically, the bagasse pulp we use has very high transparency and the porosity characteristics required for this kind of paper, which others do not have. That gives us an advantage, which is why we are confident. As for the price, it needs to be established, and the market has to accept it when the real quality comes. It may take three, four or six months; we will know only once the real product reaches the market. But it is not a blind shot.

Jeet Gala: My second question, for Himanshu, follows up on an earlier question. You said refinancing could take 16 months from now. What EBITDA run-rate do we need to qualify first for a credit rating upgrade and then for bank refinancing? You mentioned ₹ 100 to 110 crore on the existing set-up, but including PM4, what quarterly run-rate do we need — ₹ 50 to 60 crore, or would ₹ 40 crore a quarter do? Also, on the pending write-off, you mentioned ₹ 2 crore per machine, but how many machines are left? I want a total number.

Himanshu Kapoor: I said two machines have been written off. There were seven old machines, so five are left. The minimum would be ₹ 2 crore [per machine]. On refinancing, I said December 2027, not 16 months. The 16 months was the period in which we make no principal repayment. The interest differential between the agreed rate and what we pay, about ₹ 2 to 3 crore [per quarter], is paid over the following eight [instalments]. Until May 2028, there is practically no repayment on the term loan.

In terms of arithmetic, the debt on the books should be about ₹ 500 crore. For ₹ 500 crore of debt, even an EBITDA run-rate of about ₹ 130 crore would be a good number to go in for [refinancing], because the sanction will provide principal repayment over at least six to seven years. At an interest rate of 10% on ₹ 500 crore, interest is about ₹ 50 crore a year, reducing as instalments are paid. So the total principal and interest outflow at any point will not exceed about ₹ 110 crore.

So ₹ 130 to 150 crore should be a good EBITDA. The quarterly EBITDA run-rate where banks would be comfortable is between ₹ 35 crore. But even at ₹ 30 crore a quarter, we can start taking that plunge, because ₹ 110 crore will be the peak, and the interest component will keep reducing as instalments are repaid.

Jeet Gala: Understood. One question remained unanswered: the utilisation assumptions for PM4 for Q4, Q1 and Q2, the three quarters after January.

Himanshu Kapoor: Mayank?

Mayank Jindal: On PM4, since it will start in January, for Q4 we are aiming for an average of around 45% to 50%, and then it will rise gradually. For 2027-28, we are aiming for around 75%.

Jeet Gala: Okay, thank you so much. All the best.

Pranay Pasricha: Thank you. Mr. Manan, you can go ahead with your question.

Manan Mundra: Thanks for the opportunity. What will be the maintenance capex on Project Jagriti, as a share of the gross block?

Ved Krishna: In the paper industry globally, we take 2% of the asset value as maintenance cost. Mayank may have a different number, but broadly it is 2% of the asset block.

Mayank Jindal: That is right. In the first year there is not much capex, because the entire machine is new and no replacements are required, except commissioning spares, which are

normally consumed. Later it comes to around 2%. That is the right number.

Manan Mundra: Second, the 500-tonne FlexC pilot run we are doing — is it non-metallised paper or the metallised variety?

Ved Krishna: FlexC is different from FlexCBase. What we are selling in the market now is FlexC Base, currently focused on a certain grease-resistant grade that we are outsourcing; that is the 500 tonnes. Development of FlexC itself continues, and the structure continues to evolve.

We are now in the final stages of the coating system, after which we will start the launch process. We are keeping it slightly on the back burner while we establish FlexC Base first, so all market trials of FlexC will now take place on our own FlexC Base. We continue to evolve the chemistry, but we want to hold it until the machine starts producing, because you do not want to suddenly change the look, feel and performance of the grade once your product is in the market. The real development and launch of FlexC will start after January, once the machine is stabilised.

Manan Mundra: So we are going to coat the paper in-house once we stabilise PM4. Is that correct?

Ved Krishna: Not right now. We have not yet ordered the coater. We will first stabilise the chemistry. At present, we use small continuous lab machines; most of our coating trials are done in England, where we do all our testing. Then we move to a pilot machine, usually also in Europe. Only once we are confident on the pilot machine do we place the order for our own coater. Meanwhile, as we do now for metallised structures, we will continue to use outsourced facilities, for which we also have tie-ups within the country.

Manan Mundra: Lastly, how is the cane crop shaping up? There have been rain deficits in certain parts of the country. How do we manage supply chains in the coming year?

Ved Krishna: In this area it is the opposite — very heavy rain. That is the other danger, because excessive and unseasonal rain creates its own challenges. Thankfully, we have a five-year tie-up with Balrampur, which we have had for the last 15 to 20 years, and we will continue to roll it over. If they cannot provide bagasse from one mill, they provide it from another. Almost 80% of our supply comes from this single organisation. We have five-year rolling tie-ups for raw material, with fixed prices and fixed quantities, and the same process will be followed this year as well.

Manan Mundra: Some 2G plants are coming up that claim they can process bagasse into ethanol. Have we seen any impact on the ground, or do we anticipate any negative impact?

Ved Krishna: When we look at technologies, we look at them from first principles. Ethanol or lactic acid is produced from sugars — carbohydrate chains. Breaking down bagasse is far more difficult than breaking down a starch, and you need simpler sugars to create the product. As far as my understanding goes, there is no way to reach commercial viability with husk, bagasse or any other material that has much lower sugar levels [than starch-based feedstocks].

Manan Mundra: Okay, thanks for the clarification. That is it from my side.

Pranay Pasricha: Thank you. Mr. Harshit, you can go ahead with your question.

Harshit Chheda: Thank you for the opportunity. Can we expect any share of PM4 volumes to be converted into coated products? Have we finalised anything on FlexC coated products that we plan to roll out?

Ved Krishna: As I said in reply to Manan, we are evolving the chemistries as we speak, but

we have put coating slightly on the back burner, because we do not want to introduce a different structure while FlexC Base is being built. Let us first produce our own paper, which is fundamentally designed for coating. The whole structure is designed so that, as Mayank said, the paper is non-porous and translucent in look and feel, among many other properties. This has been in the making for over three to four years.

So let us wait for PM4 to produce. The ultimate aim is for all of it to go into coating. The singular idea for Pakka is to leave the Earth cleaner, and the way to do that is to transform this base paper into the final FlexC structure. The effort over the next few months will be for the entire output to be coated.

Harshit Chheda: Understood. Also, in R&D, whether in FlexC coated products or delivery containers, has there been any positive development you can share? Where have we reached on the non-metallised structure, and is there any application-based product rollout in the near future?

Ved Krishna: Absolutely. On delivery containers, we have cracked the structure itself. We are finalising the plant and setting it up for commercial production, and we have started supplying very small quantities of the new product to certain customers. Scale will come in the next two to three months, once the machinery is in place. So it has moved from R&D to the production stage; Shubham can say more.

On FlexC, there is a lot of engagement with customers, but as I said, we will wait for our own base paper to build the new structure, because the paper strongly influences the final properties. Until we have the paper, we do not want to finalise a new structure with the customer. So on the R&D side there are many improvements and we are zeroing in on certain chemistries, but we are keeping them at the pilot stage rather than the commercial stage. Shubham or Mayank, would you like to add anything?

Shubham Tibrewal: I can add something on delivery containers. We are finalising the technology and negotiating commercial terms with the vendor. We are exploring two very innovative technologies, so it is an important discussion. But the product is final, we have seeded it in the market, and we have received a strong response. Now we need to ensure efficient production, for which we are negotiating with suppliers.

Harshit Chheda: My last question: we keep seeing lead scientist roles on LinkedIn for Bengaluru, which is confusing because we planned to move out of Bengaluru to Ayodhya altogether. How should we look at the Company's R&D strength?

Ved Krishna: I am glad you asked. I saw a similar question from Manali in the chat, and I knew I would have to answer it. Yes, I apologise for the confusion; we ourselves have gone back and forth. In the end, we have decided to stay in Bengaluru. That is why you are seeing posts for lead scientists and an innovation head for barrier coating.

What brought us back to the idea was talent, because innovation is all about talent. We are separating innovation from product development, which were combined in our organisation. That is why Shubham answered your question on delivery containers: the businesses now own product development to a greater extent, while innovation will work on breakthroughs. Breakthroughs need a lot of talent acquisition, so you will continue to see team building in Bengaluru.

We have also taken a bigger space in Bengaluru and will move our lab there in the next two to three months, within the same campus but to a much bigger facility. It will cover other domains we are looking at, such as biology and fermentation, where we want to collaborate, seed collaborations with startups we have been working with, and incubate some. The challenge

was the team: we lost a couple of scientists when we started moving to Ayodhya, which made us rethink. We went back to the team, talked to them, and ultimately we all felt it would be better to keep innovation away from production, also because it would become too cellulose-focused if it were very near the plant. So we will continue to build it.

Harshit Chheda: Okay, thank you so much.

Pranay Pasricha: Thank you. Sanyam, I think you have an additional question.

Sanyam Jain: Yes. In the presentation, we saw that delivery-container machines will be brought in. What are the proposed capex and capacity, and do we have the funds or arrangements for it? Second, for Himanshu, a balance sheet question: as per the September balance sheet, capital work-in-progress is about ₹ 734 crore. When the plant is commissioned in December, will all of this be capitalised? If so, what will be the monthly depreciation charged to the profit and loss statement from January onwards?

Shubham Tibrewal: I will take the first part, on delivery-container capex. We are looking at approximately ₹ 1 crore, because two technologies need to be procured: a coating machine and a gluing machine for the leak-proof part of the container. One set enables us to produce 10 to 12 tonnes per month. Since these are novel technologies, we will start with one set, and once it is commissioned and successful, we will expand capacity.

Himanshu Kapoor: On the second question, the CWIP has two parts. It includes some product development — delivery containers and flexible packaging R&D — but that amount is small, about ₹ 10 to 15 crore. Apart from that, yes, capitalisation will happen, but under Ind AS, capitalisation depends on when the machine starts producing the desired results [i.e., when the asset is capable of operating in the manner intended by management].

For example, the total project cost is about ₹ 750 crore. We also have a UP Government capital subsidy of 22% on eligible plant and machinery. Net of that, and since the assets will be depreciated over 15 years, depreciation should be roughly ₹ 3 crore a month. For January to March, the charge will be lower, but for the next financial year the additional depreciation should be about ₹ 30 to 32 crore.

Sanyam Jain: Okay. Thank you.

Pranay Pasricha: Thank you. Manali, do you have additional questions?

Manali Gala: Yes, mainly for Shubham. Now that we have turned positive, what is your vision for Chuk? We have in-house capacity and are also outsourcing. What build-up do you see, what volumes do you want to reach, and through which products? For instance, you are now coming up with delivery containers. Will we do this in both pilot mode and manufacturing mode? You also mentioned an innovative technology, even though the product itself is built. How does the technology come in? Mainly, where is Chuk going?

Shubham Tibrewal: It is going up, up and up. I do not think I am allowed to give specific numerical guidance, but for the better part of this year we have sold more than we made. We have reversed the situation from about 12 months ago, when we were holding significant inventory, to selling out every month. We are building capacity to 550 tonnes [per month] by the end of the calendar year, and we are quite confident that it will sell.

In addition, we are in discussions to add more capacity through outsourcing partners on an asset-light model. In general, we are getting a very positive market response to our products, based on the initiatives we have rolled out and the changes we have made to the business.

On product assortment, we work backwards from the application — what the customer requires and where the gap is. One big gap we see is delivery solutions. There are no feasible

compostable delivery solutions in the market, so we are developing one with bagasse. The product has been created, but the innovation is in how it will be manufactured. The pilot testing is done. We are now ordering one set of commercial-scale machines to start with, and after running them we will order the next lot.

Manali Gala: On the first part, regarding outsourcing: what mix will you keep between in-house manufacturing and outsourcing?

Shubham Tibrewal: By the end of the year we will be at a 30:70 ratio — 30% in-house and 70% outsourced.

Manali Gala: Okay. And what margin would this generate?

Shubham Tibrewal: In-house or outsourced?

Manali Gala: Just give me a blended number, if you can.

Shubham Tibrewal: At the gross margin level, on a like-for-like basis and without building in any special Pakka benefit — that is, on an arm's length or market basis — we are looking at approximately 25%. Bear in mind that for the Company the margin is better. As Mayank mentioned, we sell dry pulp in the market, and a significant part of it, around 300 tonnes a month, goes to Chuk's outsourcing partners. We make a profit on that as well. So the 25% is only at the product level; there is also an advantage at the pulp-sale level that we capture.

Manali Gala: So all your outsourcing partners take pulp only from you?

Shubham Tibrewal: Yes, absolutely. It is one of our requirements: they buy pulp from us, and we buy back the finished products.

Manali Gala: Great. Thanks.

CLOSING REMARKS

Pranay Pasricha: I think we will end here. Thank you so much for your questions. May I now request Ved to give the closing remarks.

Ved Krishna: Thank you all so much. I realise the challenges you face when you look at the retail market, but I assure you that our heads are down and we are working very hard as a team to honour the promises we have made, in Food Services and in flexible packaging, while growing the Wrap & Carry business. Our effort will be to keep showing you better results over the next few quarters, to regain your confidence, and to build towards the global regenerative solutions we are working on. Thank you for your confidence, and thank you for always turning up, guiding us, questioning us and keeping us true to what we are trying to do. Thank you so much.

Pranay Pasricha: Thank you.

Himanshu Kapoor: Thank you.

Shubham Tibrewal: Thank you.

----------End of transcript----------