TCPL packaging limited

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June 5, 2025

The Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Security Code:-523301

The National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex,
Bandra East, Mumbai 400 051
Trading Symbol:- TCPLPACK

Dear Sir(s),

**Re:- Transcript of the Q4 & FY25 Results Conference Call**

With reference to the aforesaid subject, attached is transcripts of the conference call held on June 2, 2025, with the Investors and Analysts.

The aforesaid information is also available on the website of the Company at www.tcpl.in.

Kindly take the same on record.

Thanking You

For **TCPL Packaging Limited**

Harish Venkappa Anchan

Digitally signed by Harish Venkappa Anchan
Date: 2025.06.05 11:46:24 +05'30'

Compliance Officer

# TCPL Packaging Limited

## Q4 & FY25 Earnings Conference Call Transcript
## June 02, 2025

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**Moderator:** Ladies and gentlemen, good day, and welcome to TCPL Packaging Limited's Earnings Conference Call.

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. Please note that this call is being recorded.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you, and over to you, sir.

**Anoop Poojari:** Thank you. Good afternoon everyone and thank you for joining us on TCPL Packaging's Q4 and FY25 Earnings Conference Call.

We have with us today, Mr. Saket Kanoria – Managing Director; Mr. Akshay and Vidur Kanoria – Executive Directors; and Mr. Vivek Dave – GM (Finance) of the Company.

We would like to begin the call with brief opening remarks from the Management, following which we will have the forum open for an interactive question-and-answer session.

Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the results presentation shared with you earlier.

I would now like to invite Mr. Akshay Kanoria to make his opening remarks.

**Akshay Kanoria:** Good afternoon everyone, and thank you all for joining us on our Earnings Call.

I will begin the call by taking you through the business highlights for the period under review, after which we will open the forum to have a Q&A session.

From a full-year perspective, FY25 was a strong year for TCPL delivered against the backdrop of subdued domestic demand environment. Both our Paperboard and Flexible Packaging segments outperformed industry growth, and the international business also contributed meaningfully to overall performance. While Q4 was relatively softer, the year as a whole reflects the strength of our diversified portfolio and consistent delivery across segments.

On a consolidated basis, revenue stood at Rs. 1,770 crore, up 15% year-on-year. EBITDA increased 17% year-on-year to Rs. 293 crore, with margins improving to 16.6%. PAT rose 44% to Rs. 143 crore, while cash profit grew 21% to Rs. 249 crore. In Q4, revenue stood at Rs. 422 crore, a 5% year-on-year increase. EBITDA came in at Rs. 72 crore with healthy margins of 17% and PAT grew 33% year-on-year to Rs. 38 crore.

Moving to key developments, we have announced plans to establish an in-house gravure cylinder manufacturing facility through our wholly owned subsidiary, Accura Technik Private Limited. This state-of-the-art plant in Silvassa with a projected annual capacity of approximately 12,000 cylinders is expected to be commissioned by Q3 FY26. Equipped with advanced electromechanical and laser engraving technologies, the facility will play a critical role in strengthening our backward integration by significantly improving quality control, enhancing print precision, and accelerating turnaround time. Over time, it is expected to evolve into a standalone profit center with the ability to also cater to external demand.

In parallel, we achieved a key operating milestone with the inauguration of our Greenfield facility near Chennai, focused on high-quality paperboard cartons. This addition strengthens our manufacturing footprint in Southern India and extends our ability to serve both regional and pan-India customers more efficiently. Given that it is a Greenfield setup, we expect a phased ramp-up over the next 6 to 12 months.

The paperboard industry is globally recognized for its green credentials – being inherently Renewable, Recyclable and Responsible. As one of the leading players in this space, we believe it is imperative to complement the natural advantages of our core segment with climate action. In line with this vision, we have announced the target to achieve carbon neutrality for operational i.e. Scope 1 and 2 emissions by 2040 using FY23-24 as the base here. This commitment is a key step in our broader sustainability roadmap and will further strengthen our ability to meet the evolving expectations of our global customer base, many of whom are actively aligning with net-zero and low-carbon supply chain goals. The target is backed by a comprehensive internal assessment, peer benchmarking and stakeholder engagement. We have also appointed EY as our ESG consultant to guide this transition and support the development of a robust implementation framework. In parallel, work is underway on TCPL's first integrated report, which will offer a holistic view of our sustainability strategy and long-term value creation model.

In line with our consistent track record of value creation, the Board has recommended a dividend of Rs. 30 per share, marking 25 consecutive years of uninterrupted dividend payouts. This reflects our financial strength and sustained commitment to delivering value to our shareholders.

We were also honoured at the SIES SOP Star Awards 2025, which recognized our innovation and excellence in packaging. Winning entries included folding carton designs for KitKat Dark Chocolate, Dove Hair Serum and ITC Dark Fantasy Desserts, as well as flexible packaging for Brook Bond 3 Roses, each reflecting the creativity, technical precision and high standards that define our brand.

Looking ahead, our strong balance sheet and disciplined investments position us well to capitalize on emerging opportunities in the evolving packaging landscape. With a consistent 30-year revenue CAGR of about 17.6%, we remain focused on identifying avenues for sustainable, higher growth and long-term value creation. As the industry continues to consolidate around larger, organized players, our continued emphasis on innovation, operational excellence, and geographic expansion ensures that TCPL remains strongly positioned to deepen its presence and drive the next phase of growth.

On that note, I would now request the moderator to open the forum for any questions or suggestions that you may have. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Rohan Kalle from InCred.

**Rohan Kalle:** Just wanted to check on the export side, for us both FY24 and FY25 were good years. Do you expect that we can sustain a similar year-on-year growth momentum here in FY26 as well?

**Akshay Kanoria:** Yes, thank you. So, yes, we have had a very strong run in our export business and it's been growing at a very strong rate every year for last several years. So, yes, the base has grown. So, now to sustain the same percentage of growth is, of course, more difficult than it was last year and then the year before that, but still we see a good possibility in export. And there is quite a lot of enquiries as well as a lot of developments in the pipeline. So, overall, we are quite positive on our exports. You know, timing is something which we can never control. So, we don't know whether the development will play out this quarter or next quarter. But in general, the long-term trajectory is quite positive, and we are quite bullish.

**Rohan Kalle:** On the domestic business also, this year on a low base, we have been able to deliver decent growth. For FY26, how would you be looking at our domestic piece?

**Akshay Kanoria:** Yes, so again, here, quarter-on-quarter things we can't really tell because there is too much fluctuation nowadays with so many different channels of sales for our customers. There is a lot of fluctuation and there is a lot of seasonal variation also, and supply chain has become quite unpredictable. But if you look at it overall, over a period of a year, yes, the domestic, we do see this year will be an improvement. Well, number one, we have our new plant, so we are catering to a new geography in the South. So, that itself is going to drive some growth. But also, in our rest of our plants, we have capacity and we have a lot of customers where we have been under development and that are kicking in now. So, overall, we have a good, reasonably good forecast, I think, for this year. And we are quite positive that this year should be better. If you look at the macro commentary also, like this latest Q4 GDP print, the rural sector seems to be recovering. The monsoon has come early this year, and the forecast is also quite positive. And there is this Government income tax cut. We don't know how much these things are going to play out. But overall, it seems that private consumption should be better placed this year than it was last year.

**Rohan Kalle:** Just to follow up on your Chennai facility, right now, what would be your current utilizations level there? And in terms of this year, how many more lines do you expect to be added there in that facility specifically?

**Akshay Kanoria:** So, I am not going to give you the exact percentage, but it's been only like two months since the plant started. So, it takes a few months because usually our customers require us to go through a series of audits where you only get that audit done after some months of performance. And then after that you get onboarded and start business. So, we have always guided that it will take the first 6 to 12 months for the unit to really come to a decent level of utilization. Only after we get to a very good level of utilization will we look at further capacity expansion. So, we don't see anything in this financial year.

**Rohan Kalle:** I guess one last one from my end and then I will get back in queue. On Creative Offset Printers Limited, what is the outlook for the year? I mean, News Flow has been positive in terms of large consumer electronic companies now looking to India as an alternative to China. So, has this sort of upped our outlook for this segment?

**Akshay Kanoria:** So with Creative Offset, we have been growing at a good double-digit rate even last year. And this year we are expecting to even grow faster than what we did last year. And hopefully then the unit can start positively contributing to the Company bottom line. However, yes, the industry overall, I mean, there should be decent growth this year. We are also penetrating into various consumer product segments beyond just electronics and looking at higher value-add products. So, overall, we are quite positive on Creative. This year should be a turn around here for us, we hope.

**Moderator:** Our next question comes from the line of Resham Jain from DSP Asset Managers.

**Resham Jain:** I have three questions. First one is, if you can just help with the revenue breakup. Earlier that breakup was available in the presentation between folding cartons and flexible packaging. So, if you can help with that?

**Akshay Kanoria:** You want to give all your three questions, or you want to go one by one?

**Resham Jain:** Yes, I can do that. So, that is the first one. Second is also, if you can, FY25 end, if you can help with the overall capacity and the utilization of both the divisions, including an update on Innofilms, whether that plant got stabilized and what kind of utilization that is having.

And lastly, you did mention about Creative that it is growing at double digit. Because I don't have FY25 financials, but it seems that consol minus standalone is Creative, which means that it is having an EBITDA loss of close to Rs. 5 crore versus Rs. 64 crore revenue. I am just assuming that consol minus standalone is just Creative. If that is correct, what will change this loss which is there at the EBITDA level? Those are the three questions.

**Akshay Kanoria:** So, folding carton is approx. 80% and the rest is flexible packaging.

**Vidur Kanoria:** It's mentioned in our presentation.

**Akshay Kanoria:** Yes, it's there in one slide. Anyway, but it's about 80% to 20%. And then the overall utilization is about 75% as a Company.

**Vidur Kanoria:** Yes, so Innofilms is basically merged into TCPL now. Last year we completed that process. And now we had some issues with our machinery which we had disclosed before, which have been more or less sorted out and machinery is performing quite well. So, market is growing for those films as well. And we also do cater a lot to our internal requirement of polyethylene films. So, that's going decently well and progressing. We are doing a mix of domestic and as well as export. So, it's adding a good dynamic to our flexible packaging business overall.

**Saket Kanoria:** On the consol versus standalone numbers, I don't know where you are picking it up, but we have two subsidiaries. Creative is one and TCPL Middle East is the other. So, it's not all attributed to Creative. But anyway, in Creative, we are still not making breakeven at the profit before tax level. And we hope that very soon we should be doing that.

**Resham Jain:** So, just on Innofilms, this plant was set up to manufacture the specialty films. So, you mentioned that you do lot of internal requirements, but are you manufacturing the specialty films or the normal films only from the existing plant?

**Vidur Kanoria:** Yes, we do both things. So, it's a mix of the regular polyethylene film which is used in flexible packaging as well as the specialized film which was meant to replace polyester and polypropylene. So, it's a mixture of both. Unfortunately, in India, the growth of that, the requirement of that film with major brand owners is still growing. It's not yet fully across different channels. So, for example, we have in the past year launched this product with Unilever and Nestle. And those are in the market right now. But it's being slowly adopted across the major brand owners. So, I would not say that it is where we thought it would be in terms of the market. But it is growing and we see that it will have its place in the next few years. And it will grow for sure.

**Akshay Kanoria:** But basically, these brand owners are all keen to develop. But the regulation has to force them to move to sustainable packaging because it entails a slightly higher cost. So, until the regulation pressure, when the moment the regulation comes, then everyone will switch over in a rush and that will be a very big year for us, but until then we have to develop and then there is export potential which we are tapping in the meantime.

**Moderator:** Our next question comes from the line of Pawan Kumar from RatnaTraya Capital.

**Pavan Kumar:** Can you please give us an understanding of the capex of around Rs. 200 crore that you have undertaken this year? Also, what is the expected capex for FY26, and what kinds of projects are we doing for that particular capex? Secondly, on Innofilms, what is the capacity utilization? What would be our current capacity utilization? Yes, those would be my questions.

**Saket Kanoria:** So, the capex was largely spent on our new plant in Chennai, which is shown under capital work in progress. We also have the cylinder plant, which is currently under construction. Additionally, we added one line in Goa, which was commissioned last year around October-November. Apart from that, we also added some equipment in our flexible plant and in our Silvassa offset plant. The total capex for the year was about Rs. 150 crore, out of which around Rs. 50 crore is under work in progress. This portion hasn't been commissioned yet and will be commissioned in the current year.

**Akshay Kanoria:** And for the coming year, we expect the capex to be lower. The exact amount is still being worked out, as some of our plans may not fructify. There are no major or large-scale projects planned this year—nothing like a greenfield investment. So overall, we anticipate a moderate capex load for the coming year.

As for Innofilms, we just addressed that. The capacity utilization is around 60%–70%. In any case, that is already reflected in the consolidated numbers.

**Pavan Kumar:** One thing I wanted to check with you is regarding Creative—what might the utilization look like? We acquired this business around 2–3 years ago, but the market demand hasn't really picked up yet. So, how much time do we think it will take to reach decent utilization levels there? Also, regarding the Chennai plant, do we expect to gain market share from competitors, or how exactly are we planning to ramp up that facility?

**Akshay Kanoria:** So, on the Creative, I literally just answered that with Resham's question. On the Chennai, yes, I mean, of course, somebody is supplying to those people today, whoever is there in the South. It's not that they don't have cartons. And there is also a lot of new investment coming up in that region, as I am sure you must be seeing all the time in the newspapers, it's a very dynamic part of the country and a lot of the new FDI and new export opportunity is coming to South India. So, that is also a big target in the market. And as we had said earlier, when we were setting up the plant, that we were looking at further increasing our exports from this plant, being that it's well situated for certain markets. So, yes, that's what we are looking at.



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**Pavan Kumar:** How many years do you think, Akshay, would it take us to get this particular plant to complete utilization? And how many lines are there currently?

**Akshay Kanoria:** Again, I had answered that question just 10 minutes back, but 6 to 12 months.

**Moderator:** Our next question comes from the line of Nishant Bagrecha from InCred Capital.

**Nishant Bagrecha:** My first question is on cartons. So, again, I believe an earlier participant also raised this question. So, with the recent commissioning of a new line in Chennai and our progress in closing the gap with Parksons, who is one of your largest competitors, so, again, is our strategic objective to reclaim and establish the leadership position as the largest carton player in India?

**Akshay Kanoria:** See, we don't want to discuss competition on the earnings call. So, I won't comment on competition. But whether we are number one or number two, I mean, okay, it's always nice to be number one and we would love to always be number one, but other people's actions is not something which one can control. And we are a long-term player. We are here and we'll be on this call with you for many years to come. So, we have to think that way, and we have to act that way. So, our decision making is more long term. We see what the market requires and what it can sustain and then accordingly we invest and we grow. And if someone happens to be bigger in one year, two years, or even three years in between, it will all normalize over time. So, that's our approach.

**Nishant Bagrecha:** Sir, my second question is on export. So, having performed strongly in export over the last two, three years, so again, which market do we anticipate will drive incremental growth moving forward? And additionally, how do you foresee the overall export contribution evolving over the next few years?

**Akshay Kanoria:** So, all our existing markets are also growing for sure. And also, I have mentioned in the past, in a previous call I think about our ambition to grow in the U.S. and North America more generally. We are seeing good traction there, and although it keeps changing by the minute, the tariff uncertainty remains. As a result, customers are looking to shift their purchasing to India, which is a positive development. Additionally, India is now signing FTAs with various countries. Duty rates are coming down. So, for manufacturing companies based in India, it's quite a positive. So, these things are all adding on to our optimism. And we are seeing also other sort of manufacturing moving to India. So, those products are being exported. So, the packaging for that is domestic, but it's kind of like an export. So, we are looking at that also as positive for our business. Overall, yes, there are a couple of new markets, and even in existing markets, there's still good room to grow. I mean, quarter-on-quarter variations will be there—we can't really comment on that. But if you look at the long term, the overall direction is positive.

**Nishant Bagrecha:** Sir, lastly on cost, so, again, as you said that on the backward integration announced for cylinders. So, how much cost savings can we expect from this? And again, out of the total capacity announced, how much would be required for internal consumption?

**Akshay Kanoria:** So, basically, this internal consumption will fulfill enough of the capacity required for the plant to justify its day-to-day operations. The reason we are putting this up is not to save cost or it's not about the financial return from this particular investment, but it's overall to strengthen our offering to our end customer. Because we are facing a lot of issues when it comes to supply, sometimes when it comes to quality, and then lastly when it comes to confidentiality over our designs and our customers and our data. So, all of this is much, much more peace of mind if we have our own unit in-house and nearby to our existing plant. So, this was our logic. And the financial point is that it will be able to justify the working of the plant. But for the return on the investment and all to come in, that will take a little longer time where we will have to develop business in the market, which we have already started to do. And we are quite positive because overall in this segment, it's mostly a bit of an unorganized sector and the quality and all is not where we would expect it to be. So, I think we can add some value in this segment. But the immediate focus is to sort of strengthen our front line, which is the printing business.

**Moderator:** Our next question comes from the line of Abhisar Jain from Monarch AIF.

**Abhisar Jain:** Just wanted to know that from the demand perspective in FY25, which sector or sub-segment did you see the strongest demand scenario in? Or, which sector do you feel most confident in terms of demand as we move into FY26?

**Akshay Kanoria:** So generally speaking, this premiumization trend continues and we are seeing any premium end segment is continuing to get a good growth. Also, we are getting more shares. So, it's a bit of a misleading for me because of our print quality and overall value proposition to customers. But generally speaking, this premium segments are where we see the best growth in the last couple of years, which is a good thing because it increases the bottom line and there, we have a proposition like to win. Then there is like this electrical industry, agri-industry, these are all growing faster, much faster than GDP. So, here also there is good demand growth. But hopefully this year, with one more year of good monsoon and some Government tax benefits, we hope if there is a middle class and lower-class revival in demand, then the mass segment also should hopefully pick up this year.

**Abhisar Jain:** Sir, so this FMEG and electrical segment which, if I am not wrong, was around 10% of our revenues, but still growing very fast. Has that percentage now starting to increase meaningfully in terms of the revenue share?

**Akshay Kanoria:** No, I don't know where you got that number from. We have never given such information. We don't give segment-wise information, but it's a small segment still. But there is a lot of growth potential.

**Abhisar Jain:** And sir, the exports for the last two years, they have been growing very fast. I am saying from FY22 to FY24. It's almost near from Rs. 250 crore to Rs. 270 crore in FY24. So, in FY25, have we kind of maintained those kind of 20% plus rates? And where are this being driven from? You've obviously mentioned a few markets you're targeting or entering, but I just wanted to know—have we opened up any new sectors or segments, or won any large clients that have driven this growth? Also, could you comment on FY25—was the growth higher than 20%?

**Akshay Kanoria:** Yes, so our export business has had a very strong year once again, and we are hopeful that it will continue. Yes, I think I answered a little bit about where we see growth in export already. But overall, it's okay if we see it continue.

**Abhisar Jain:** Since the last three years, the strong growth was driven by new clients, new geographies or selling same client's new products. What has driven this exactly?

**Akshay Kanoria:** I don't want to comment.

**Abhisar Jain:** In exports.

**Akshay Kanoria:** Rather not comment on that.

**Abhisar Jain:** Okay, sir, no worries. And sir, last bit on the capital allocation decisions going ahead. With the kind of top line we have and some bit of organic expansion done, whatever incremental cash flow that we generate from here, can you give a sense of how you would want to allocate it and if you are looking for any new initiatives or new segments to enter?

**Akshay Kanoria:** Yes, so we are looking all the time at new segments to enter, some inorganic growth opportunities and some new areas of industry which we can focus on, where this is a constant sort of thing that we are doing, we are evaluating. But we are quite conservative with the forecast. So, we try to look at where we can really get the most bang for our buck. So, we will be updating you all from time to time on anything new. So, we are working on a couple of things. But yes, definitely, you know, we have been growing at a certain rate last 10, 15, 20, even 35 years. If you look at it, we are growing at almost 20%. So, our ambition is to continue or surpass that only. And therefore we are always looking for new segments and new areas to grow. But it has to be really worth doing. So, we really take a lot of time in the evaluation. And then if we are looking at five opportunities, maybe four don't go through at any time.

**Moderator:** Our next question comes from the line of Vipul Shah from RippleWave Equity.

**Vipul Shah:** First of all, congratulations to Mr. Kanoria for being featured in the PrintWeek Power 100. That's a phenomenal achievement, sir, considering the Company performance and the Company trajectory which you have guided and the return ratios which are so best in class. You know, as long-term patient investors, we really thank you and the management for that.

One question, Akshay, I had is that every year, at the end of the year, we always used to give a slide on domestic and export revenue breakup. I recollect that we share this information only once a year because in any case, when the annual report comes, that number is going to be public. So, can you help me with the export total revenue for FY25, please?

**Akshay Kanoria:** Thank you, firstly, very much for your kind words. It's very nice of you. And thanks a lot. On the export breakup, yes, I think that was a miss this year. We probably, I mean, we didn't really think about it, so it got missed. Percentage wise, it would be, I think little bit higher than last year.

**Vipul Shah:** I think last year, there was a slide which said export revenue was around Rs. 460 crore, which was a 68:32 sort of breakup.

**Akshay Kanoria:** It's about similar percent, a little bit higher marginally.

**Vipul Shah:** I really don't have anything further to ask because on tariffs also, I think you made a comment that it looks much positive from our Company perspective than from most other industries. So, really thank you guys and you are doing a great job.

**Moderator:** Our next question comes from the line of Heta Vora from Monarch AIF.

**Heta Vora:** Most of my questions are answered. I just had a couple of basic questions. Could you guide us on the gross margin and EBITDA margins from here on? Can we expect around 17%? I believe this quarter saw a good 5% gross margin expansion. Do we see the margins sustaining at 17% from here on?

**Akshay Kanoria:** Yes, so we don't give guidance on that. But broadly, if you look at the last few years, the average has been around 15–17%, depending on the quarter. So, more or less, I'd say no dramatic change is expected.

**Heta Vora:** Okay. And on the working capital side, do we believe our working capital days will be around 95 to 100 days? Or do we expect it to go further down?

**Akshay Kanoria:** Yes, so our working capital days is something we are not very happy about and we are making all endeavor to improve that. But we are seeing some improvement. I think compared to last year there was an improvement of a few days, and we hope that this year there will be further improvement.

**Heta Vora:** Could you provide some guidance—do you think it could reach around 85 to 90 days? Do you have any internal targets per se?

**Akshay Kanoria:** You know, it's very tough because it depends on customer to customer. So, we don't have any guidance per se. I guess take the last couple of years' average. We would like to do better than that though, but I wouldn't guide for it.

**Moderator:** Our next question comes from the line of Pulkit Singhal from Dalmus Capital Management.

**Pulkit Singhal:** Congrats on a good set of annual numbers. I think this is the third consecutive year for us to have return ratios and about 16% margins as well. So, congrats to the team on that.

My first question is on the revenue growth rate itself. I mean, last two years has been on an average 10% odd. And this is largely driven by exports and flexibles. And domestically we had various issues of decartonization and then RM prices were going down. Is it fair to say that this year we will probably see all the engines kind of firing in terms of domestic, exports and flexibles? Is it a fair assertion?

**Akshay Kanoria:** Thank you very much, Pulkit, for your nice comment. And as far as the triple engine sort of thing which we hear a lot, I think, nowadays, yes, I mean, sure, we hope so. We always, we have our own internal forecast of where things can be, if everything goes well. But always, there is some headwind of the other which comes these days. There is so much uncertainty, one doesn't know what's going to happen next week. But if domestic demand picks up, then certainly this sort of fiddling growth that we had in the last few years can certainly be better. Historically, we have been growing double-digit on a mostly domestic base business. So, there is no reason why we can't. And yes, I mean, if everything is okay then we will grow.

**Pulkit Singhal:** So, if growth is expected to be better, you have always added some plant or the other during the year. Is it that this year we are looking at other avenues and therefore, we are kind of being a bit moderate on the organic capex?

**Akshay Kanoria:** I mean, we just added Chennai — it's hardly been two months. In Goa, we completed an expansion and added substantial space to the plant. In Silvassa (flexible), we've also added a significant amount of space to allow for future capacity additions. Across our other plants as well, we have some additional space and capacity that we can tap into. So, for now, there's no need to add any greenfield projects or anything like that. Yes, we are exploring new opportunities in new lines of business, but those need to reach a certain level before we can discuss them further.

**Pulkit Singhal:** In terms of the quarterly volatility in revenue that we have seen, I mean, I am just thinking over the last few years, probably this is one year where the level of revenue volatility, Q-on-Q basis and even marginal volatility has been lot higher. Is this a new normal for business or what is driving this particularly this year?

**Akshay Kanoria:** I mean like quarter-on-quarter volatility, is that what you are asking?

**Pulkit Singhal:** Yes, like once in last quarter was Rs. 480 crore of top-line and now it's Rs. 420 crore, right? I am just wondering, you know, we have not seen this before. Q4 was always better than Q3. I am just wondering how to think about the business because we have multiple lines now. So, is there something?

**Akshay Kanoria:** I think this domestic industry has become very volatile, and there is a lot of swing, and the inventory piles up at our customers' end and then they suddenly stop offtake and then they wait for it to get exhausted and then suddenly the offtake really ramps up. And it's really strange. And even customers are a little bit perplexed because I think their end consumer demand source itself has evolved. Like earlier, it was a very traditional distribution-led model, and now there is quick commerce and e-commerce and modern trade and general trade. So, there is like so much fluctuation that planning of demand is very dynamic nowadays. So, this is a new trend. And then exports can fluctuate. So, if the two things come together in a certain quarter, then that one quarter will be a little bit poor. But then it normalizes. So, I mean, this quarter-on-quarter thing is something we don't really have to concern ourselves with it too much, I think.

**Pulkit Singhal:** Just the last question on exports. Last three, four months have been volatile in global markets in terms of tariffs and supply chain. You mentioned India benefiting from this. Now, aside from FTAs, are you seeing any noticeable shift from other countries toward us that might work in our favor?

**Akshay Kanoria:** Yes, I mean, we are seeing Indian manufacturing growing in certain segments, like labor intensive manufacturing. Then we are seeing more interest from our customers to export their finished products to their counterparts abroad which adds to the demand. Then we are seeing new customers approaching from other geographies. But these all have their own lead times and cycles. So, things can take some time also. Things can happen faster. So, there is a lot of interest at least in India, for sure. And India also, we have been quite stable, I think, as a country in this last couple of years. So, people are understanding and recognizing that, I think.

**Moderator:** Ladies and gentlemen, we will take one last follow-up question from the line of Resham Jain from DSP Asset Managers.

**Resham Jain:** So, I have just one follow-up question on capacity utilization. So, if I look at the past commentary, we were always like 65% odd if I look at the average. You mentioned 75%. So, I just wanted to know whether, like, is it because of the weighted average of flexible and carton? And which is higher? Because in the past we always used to have 65% odd level of utilization of our plant because of peak numbers which we could achieve.

**Akshay Kanoria:** Yes, so this utilization thing is always a little challenging question for us to answer because the definition of the capacity is a bit tricky, you know. But I mean like around 70% odd is fine to consider.

**Resham Jain:** Okay, let me ask it differently. What is the peak level of sales you can do from the projects which are going on, once it will get commissioned? Ballpark, how much more headroom you have to grow from current levels? Like you have close to Rs. 1,700 odd crore revenue. Once your existing capex will get over, what is that you can achieve? Ballpark broadly?

**Akshay Kanoria:** 2,000 plus, I think.

**Resham Jain:** Which means that from next year or maybe next 18 months or so, you have to plan something beyond what you have already announced. Is that a right understanding?

**Akshay Kanoria:** I mean, we are always adding something or the other, somewhere or the other. Like, we are adding capacity or we are adding space so that we can add capacity. So, it's going on. Ongoing thing, but no dramatic capex change from last year.

**Moderator:** Thank you. Ladies and gentlemen, I would now like to hand the conference over to the management for closing comments.

**Akshay Kanoria:** Thank you, I hope we have been able to answer all your questions. Should you need any further clarifications or like to know more about the Company, please feel free to contact us or CDR India. Thank you again for taking the time to join us on this call. We look forward to interacting with you next quarter. Thank you.

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