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November 20, 2025

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Dalal Street,
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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 Q2 & H1 FY26 Earning Conference Call

With reference to the aforesaid subject, attached is transcript of the conference call of the Company held with Investors & Analysts on Monday, November 17, 2025.

Kindly take the same on record.

Thanking You

For **TCPL Packaging Limited**

Compliance Officer



TCPL Packaging Limited

Q2 & H1 FY26 Earnings Conference Call

November 17, 2025

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 conference is being recorded.

I now hand the conference over to Ms. Jenny Rose from CDR India. Thank you, and over to you, ma'am.

Jenny Rose: Good evening, everyone, and thank you for joining us on TCPL Packaging's Q2 and H1 FY26 Earnings Conference Call. We have with us today Mr. Akshay and Vidur Kanoria, Executive Director; 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 to make his opening remarks. Over to you, Akshay.

Akshay Kanoria: Good evening everyone and thank you all for joining us on our earnings call. I will initiate the call by taking you through our business highlights for the period under review, after which we will open the forum to a Q&A.

The operating environment during the period remained challenging with softer domestic demand and ongoing volatility impacting export markets. Against this backdrop, our performance remains stable, supported by our diversified business model and consistent operational focus.

For Q2 FY26, consolidated revenue stood at INR 461 crore, while H1 revenue was INR 885 crore. EBITDA for the quarter was INR 69 crore and INR 142 crore for the half year, translating to margins of about 15% and 16%, respectively. PAT came in at INR 29 crore for Q2 and INR 51 crore for H1, while cash profit stood at INR 59 crore and INR 107 crore, respectively.

The revision in GST slabs during the quarter resulted in short-term recalibration across parts of the trade channel, which contributed to softer demand in September. This transition has largely normalized, and we expect the rationalized structure to support improvement in underlying demand in the coming period.

Our Chennai Greenfield plant continues to ramp up well, supported by encouraging traction from regional customers. Overall, customer engagement has been strong and approvals from several large accounts are currently progressing, which will further aid the scale up as they come through. The facility significantly enhances our presence in Southern India, strengthens our capabilities in sustainable paperboard packaging and we expect it to reach good utilization levels over the next few quarters.

As we look ahead, we remain focused on strengthening the levers that will drive the Company's next phase of growth. We are optimistic about the prospects for demand improving as the GST cuts take hold and are encouraged by recent news of positive progress in the freight talks with the USA and the EU, besides many other countries that can provide a positive fillip to the exports business and will also add to the momentum in the Indian economy in general. Besides, we are also continuously evaluating a set of strategic initiatives to reinforce our long-term growth aspirations. Backed by our strong balance sheet and deep customer relationships, these efforts will enable us to build scale, address emerging opportunities and position the Company for sustained healthy growth over the medium to long-term.

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

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohan Kalle from InCred Research.



Rohan Kalle: As per our estimates for the quarter, we would have done a high single-digit growth in the domestic business. How is it like panned out let us say, from October onwards, considering September would have been weak? Are you seeing, let us say higher orders from existing customers due to the GST-induced pack size changes?

Akshay Kanoria: So still in October, there was a lot of disruption because there was still a lot of inventory correction going on, but it is normalized now. And like post the Diwali season getting over, things are improved. But the loss of the Diwali season is like a permanent sort of loss because there is a lot of Diwali sales, gifting and those kind of things which go on, which if you lose that season then you lost it permanently. No one is buying that on a regular basis. So that is unfortunate. But generally speaking, the demand is stabilized and now we are able to understand some trends. But the last couple of months, it was very much dependent on individual customers and the product line which they had, whether they were affected by GST or not and how quickly the customers adapted also with the new pack sizes or the new prices. So a lot of people took time to make up their mind, whether they want to cut the grammage, increase the price, etc. So that was like a two-month kind of disruption, which we have faced.

Rohan Kalle: Right. And on the export side, the first half has broadly been subdued for us. Are you expecting it to recover in the second half and from your read of the situation, is it temporary? And sort of are we confident of crossing the FY25 levels for the full year this year?

Akshay Kanoria: Yes. So I think we do not really have a handle on what is going to happen in coming quarters or months. So overall, in terms of our share of business or general customer relationships and all there is no major change. It is just like a little bit of disruption this year with those markets and we have had a couple of very strong years of export performance. So this was a bit of a correction sort of thing. So hopefully, next quarter or 2, we can bounce back. And slowly, slowly, the drop is sort of lessening. We had a good traction building up in the U.S., but then obviously with the tariff situation there, that got knocked. But hopefully now things can get cleared up in the next one or two months. The news that we are hearing is quite encouraging. So we are just looking forward to that.

Rohan Kalle: Sure. And the last one in terms of let us say, our medium-term growth outlook, what would that be and which segments do you think would drive it? Would it come more from cartons? Would it come more from flexible packaging and your outlooks on margins as well?



Akshay Kanoria: Yes. So of course, we do not give a number but our aspiration is mid-double-digit sort of growth rate in top-line with better improvement in bottom-line and our carton and flexible should both grow at a similar kind of rate, although flexibles have been growing faster last few years from a lower base and that continues to be the case. But we see, hopefully, now with the domestic demand environment improving, the carton business should be able to contribute better. That is the hope and the margin, of course will follow.

Rohan Kalle: Right. Just the last one from my end, are we expected maybe to get into any other segments in the near term, any adjacencies?

Akshay Kanoria: So nothing I can point to right now, but we have a lot and are working on it at any point of time, but then it has to really make good sense for us. So we are always looking at and working on various opportunities, but it has to pan out properly.

Moderator: The next question is from the line of Bhavya Nahar from Tamohara Investments Managers.

Bhavya Nahar: You mentioned that the revision in GST slabs led to some short-term recalibration. Could you quantify the impact of this transition in terms of volumes or value if possible?

Akshay Kanoria: Very difficult because it is like an opportunity loss, so how to quantify. And it is dependent on the customer, different customers had different reactions to the GST cut in their supply chain. So like we have one or two customers who still today have not figured out what they are going to do, whether they are going to cut the grammage or reduce the price or what combination of the two. So it is really hard to give you an answer. And then, like if you lose the Diwali season, how do you quantify that? So, it is not possible for me to answer that question.

Moderator: The next question is from the line of Pavan Kumar from RatnaTraya Capital.

Pavan Kumar: Can you outline the capacity utilization within the cartons and also the packaging films separately? I also wanted to understand the reason behind the higher financial expenses. Did something different occur this quarter? What would be a sustainable interest rate for financial expenses going forward? This quarter, the interest rate seemed very high.

Akshay Kanoria: Generally, our bank borrowing rate is between 8% and 9%. So that continues. And obviously, if the top line growth does not translate then the interest portion as a



percent will be a little higher side. But that is okay. I mean it is manageable. And overall debt and all is also not growing in terms of the ratio. So that is under control. It is just a matter of a little bit top line growth should feed in and then that will get sorted. And as far as the utilization is concerned, in the carton business, we are more at like – I had say, overall, we are at about 70%-odd utilization. So, there is a good room for further expansion in the top line without much capex. But of course, it is not always everywhere that you are at the uniform level of utilization. So, some units, we are more utilized, some we are less. So obviously, it depends.

Pavan Kumar: Okay. And can you just outline what is the kind of utilization on the flexible line as well?

Akshay Kanoria: Yes. That data we do not give. But in the flexibles, we have a good capacity free yet. So, we do not have any capex planned in the immediate future, except for some balancing equipment and some specialized equipment and all that is required, and we are a little bit expanding the building to make room for future growth. So overall, there also, we have some capacity free.

Pavan Kumar: Okay. And one last thing on the export side, I wanted to understand is there any specific reason like the rate has slowed? And what is the kind of growth rates that can be expected on this particular side going forward on medium to longer term? What are the kind of growth rates we are looking at internally?

Akshay Kanoria: So, with the export, we do not have any guidance as such that we give for growth because it is not in our control sort of thing. With the domestic market, you are much more sure because the factors are more clear to you. Whereas export, there is various other factors which are totally out of control.

Pavan Kumar: Is there anything which has made us lesser competitive than the peers in the export market? Or is it just like a cyclical downturn?

Akshay Kanoria: I think it is more like a cyclical downturn. Nothing specific to say in terms of competition. Yes, of course, China dumping is going on all over the world. But in our kind of industry, it is not such a big concern. But apart from that, there is nothing new. I mean, obviously, all the mess up going on globally because of the tariffs and the volatility and there is so much war and disruption everywhere. So overall global markets are a bit gloomy, but yes, it is mostly cyclical downturn, I would say.

Moderator: The next question is from the line of Bhavesh Jain from DV Investment Advisors.



- Bhavesh Jain:** Couple of our peers in the domestic market have been expanding their capacities. So, do we see this as a threat to our margins going ahead in the next couple of years? Any supply pressure you are seeing?
- Akshay Kanoria:** So, in our business, there is always going to be competition. But I think like it sort of bottomed out the kind of aggression in the competition. I feel that there is a bit of a correction in the attitude because people are understanding that one has to retain the fundamentals. So, I think it is okay. I mean it is manageable right now.
- Bhavesh Jain:** Okay. And secondly, On the export market, I think in the previous call we mentioned that the U.S. was not a major chunk of our export revenue. So, can you throw some light on how exports were this quarter, and how has the other geographies performed where we are supplying to?
- Akshay Kanoria:** So, we do not give breakup for obvious reasons. But the US, we are not doing much today, but there was a lot of scope for growth. So, there was a lot of development in pipeline. That has all stopped. So that is a problem.
- Moderator:** The next question is from the line of Rangan, an Individual Investor.
- Rangan:** Good set of numbers. For the first time, I think I am seeing the turnover decline. And no doubt, I appreciate that the cost of raw materials has come down to about 57%–58%. But whatever benefit that brings seems to be offset by the increase in employee expenses and finance costs. I would also like to know whether you have received any good orders from the iPhone side or anything related, since Sriperumbudur is near Chennai. Have you made any applications for that, and are any big-ticket clients coming in? Then I would like to repeat the suggestion I have been giving you all along: you should consider a market placement of about 10 lakh shares. At around INR 3,000, you could raise roughly INR 300 crore, which can be used to reduce interest costs. You can think this over. This is my suggestion because the promoter's holding percentage will not reduce drastically. You should consider this, as you are paying very high interest these days; I have noticed that. Otherwise, for the current year, will you at least be able to maintain the INR 1,742 crore that you achieved last year? I would like to know that.
- Akshay Kanoria:** Thank you very much for your suggestion on the raising capital, we will take that into advisement. And on the customer specific, we do not comment on this conference call. So, I would not comment on that. And yes, obviously, if the top line is not growing to the expectation, then the other costs are growing. So, they will squeeze down the



bottom line. That is natural. But the top line should grow. So that will get sorted out in due course.

Moderator: The next question is a follow-up from the line of Pavan Kumar from RatnaTraya Capital.

Pavan Kumar: Firstly, can you throw some light on how the subsidiary is performing? I am talking about the Innofilms, which has been integrated into TCPL now. And also the Creative Offset, if you could give us some number on what was the utilization of revenues from that in this particular quarter? And how do you expect to see this going forward, maybe 6 months or 1 year down the line?

Akshay Kanoria: On the Innofilms, we are quite encouraged by the developments that our team is doing in the R&D, and there is some good traction on some specialized products, which we are developing with that capacity. So that is playing a role in our flexible packaging growth. So that we are quite encouraged and machinery and all have stabilized. So there is no major concern there and it is picking up steadily. On the Creative side, also there is a growth in the revenue and therefore, a drop in the loss and improvement in the cash flow and all that. But still, it is way below our expectation, to be frank. So we are working on various new customers and various new product lines, and trying to improve share in several existing customers. So we are hopeful that this improvement will continue, and it will start giving profit in coming time. But yes, definitely, it is not up to the expectation.

Pavan Kumar: Okay. Just to be more specific on Innofilms, — previously, we were utilizing it to produce normal packaging film. Have we now moved to producing recyclable film, and what portion of the plant's capacity is currently dedicated to recyclable film at Innofilms?

Akshay Kanoria: So the ratio I cannot share, and it is now no longer a separate Company. It is part of the flexible packaging business altogether. But the line is certainly now being utilized on various innovative films. And we have a lot of product under development in pipeline. So we are seeing some traction. And hopefully, in the coming months, there should be a good volume that we get.

Pavan Kumar: Could you indicate whether we have at least crossed the 50% mark in recyclable films? For example, if Innofilms is producing 100 units, how much of that is recyclable film?



Vidur Kanoria: So thanks for your question. So basically, the push of the use of recyclable packaging in India has sort of taken a bit of a backseat because the government has not really mandated the use of recyclable packaging. It is more surrounding the use of recycled content. And certain brand owners such as Nestle, Unilever, etc., they have global pledges to use recyclable packaging. So they are doing it in a small way. But it is not gone full-fledged because the government does not mandate it. So there is no real reason for them to shift to recyclable, but some people are doing it because they do understand the benefit. So that is the reason why it is not taken off in the way in which it maybe should have. But having said that, we are just a small part of the overall market. So our progress is quite decent, I would say, in this regard. But obviously, it is not like a major product for us right now. But we are qualified and the quality and everything is very good. So when the time comes, we will be well placed to capture the demand.

Akshay Kanoria: And also a lot of export customers want this recyclable packaging. So that is also encouraging.

Vidur Kanoria: Yes. But overall, it helps our entire flexible packaging business because it increases our offering a lot for domestic as well as export. And it is quite a high-value, high-tech product. So it is not easy for everyone to do.

Pavan Kumar: Okay. Great. And one last thing on the creative side, do we have any kind of indicative timelines by which we can hit, say, potentially INR 100 crore of revenues on the creative side because it has taken quite a while, but I understand you might be getting some inquiries from new customers. So can we see a number of INR 100 crore annually on creative side soon?

Akshay Kanoria: I cannot give any guideline because last time I gave and it did not happen, so that I do not want to give unnecessarily this time.

Pavan Kumar: Okay. And one last thing is, any capex indication for this year and next year?

Akshay Kanoria: Yes. So we have about INR 100-plus crore of capex budgeted this year. And a lot of it is going into land, building for enabling future capex. And we also have the new cylinder factory, which will be commissioned in this quarter. So that is almost fully done, and the other ones are in various stages of progress. And then we have some balancing equipment and some specialty equipment, which we are putting in various units.

Pavan Kumar: And how much of this INR 100 crore might have been already been done?



Akshay Kanoria: A little more than half.

Pavan Kumar: Okay. And even the next year, you expect similar kind of run rate or we do not have any idea?

Akshay Kanoria: Next year, right now, too soon to tell. We will see. Let us see how the next 6 months goes. We will tell you in the Q1 call.

Moderator: The next question is from the line of Abhisar Jain from Monarch AIF.

Abhisar Jain: First question is on the gross margin side. I think in this quarter, it seems that there was some pressure on the gross margin, which impacted the EBITDA margin also by around 200 bps sequentially. So was that also to do with the disruption that you saw because of the GST or there were some other things on the raw material side, which has impacted this?

Akshay Kanoria: There is no major reason that we can point to. It is more like just inventory up down. And also, there is a slight increase in raw material prices, but that is not a major contributing factor. It is just quarterly up down. No significant change.

Abhisar Jain: Understood. And Akshay, in that context, for the full year, do we expect the margins to be any different versus your yearly trends?

Akshay Kanoria: There is no significant change in the operating conditions or environment in the Company. So overall, any plus or minus is normalized in coming quarters.

Abhisar Jain: Okay. But I believe there is a little higher margin in the exports, right? And exports were a little under pressure in H1. Was that something of an impact also, which may have swept into the margin?

Akshay Kanoria: A little bit, but then the rupee has also fallen. So that should have also helped us. So it is a bit difficult to give you a proper answer.

Abhisar Jain: Understood. And the other one is on the finance cost. So in Q1, you guys had called out that there was INR 10.6 crore MTM provision on the euro currency loan. So I believe the euro has appreciated further against the rupee — the rupee has depreciated. Could you point out the MTM number for H1 now, or for Q2 separately, whichever is available?

Akshay Kanoria: Yes, it has compounded a little bit, but not to the extent of Q1.



Abhisar Jain: Yes. But any number there for Q2, Akshay, is it like INR 4 crore odd?

Akshay Kanoria: Yes, something like that. Yes.

Abhisar Jain: Okay. Understood. And just last one, I understand that you are not able to provide any great outlook on the export side. But whatever headway we had made in the last 3, 4 years, having grown our exports meaningfully, I understand that must have been by penetrating new markets and, of course, adding newer clients. So does that continue to remain on track? Barring whatever disruption we are seeing this year because of global issues, tariffs, and so much noise around them, over the medium term the long-term initiatives of penetrating exports should pay off well for us. I wanted that direction from you.

Akshay Kanoria: Yes, that is very much continuing, and we are keeping a positive outlook.

Abhisar Jain: And Akshay, just on Chennai facility, any update you can provide on how the ramp-up is happening?

Akshay Kanoria: Chennai is going quite well. The overall working, quality and everything in the plant is very stable. We are slowly entering into more and more customers and some of the large accounts where there is audit and approval and trials and everything which is required, which takes some time. Those are also progressing quite well. And as we ramp up, we should come to full utilization in the coming quarters. So overall, in Chennai, we are not displeased with the progress.

Abhisar Jain: What utilization we are at right now in H1 or Q2 in Chennai?

Akshay Kanoria: Factory-wise, we do not really share, but it is about 40%, 50% or so.

Moderator: The next question is from the line of Ripplewave Equity Pvt. Ltd. (RW Equity).

Vipul Shah: Thanks for the opportunity. I must say, it must have been very difficult for you, Akshay, your father, and the entire family to see for the first time that TCPL is trailing in TTM growth. I have been a huge fan of the Company and still remain. So one thing I just wanted to check, you mentioned about the fact that there was a lot of hard work, which had gone to develop the U.S. client. I also noted that there was a participation from the Company in one of the largest U.S. trade fair as well. So right now, the tariff situation being what it is, as we are hearing if there is a sort of a trade deal or a consensus, which is reached between both the governments, what would



be sort of the lead time for the Company to generate some meaningful exposure to the U.S. or will you have to start the process all over again?

Vidur Kanoria:

So basically, we already have existing business in the U.S. and our clients, although the tariff was introduced, they have not really stopped business. They have obviously taken cognizance of the fact that the tariff is there and they have limited the new developments. But the existing business continues and they also do understand that it is a deeper macro issue and it will eventually get sorted out. India, U.S. relations would have that understanding developed. So it is not like we will have to restart all over again and we have kept touch with our clients because like you mentioned, we have taken part in trade fairs and put in significant effort into development of this market over the last few years. So we did keep in touch with customers and we did continue supplying as well to a few of them. So although it is small now, if the trade deal is announced and the tariff, even if it drops to half of what it is now, it could be even lower. But even if it is half, it could bring about significant scope for business. So it should not take a very long time and say, if it is announced in November sometime, we should be up and running with increased business by the end of the financial year.

Akshay Kanoria:

Yes, basically a couple of months, I think.

Vipul Shah:

Got it. That is quite heartening to hear. One more question I had sorry, I actually joined the call a bit late, so I missed the opening remarks. At least could you give us a sense of what has hurt the Company more this quarter in terms of revenue being flattish? Has it been the export business revenues that have hurt us more, or the domestic side?

Akshay Kanoria:

More the export. On the domestic side, we were expecting better, but it did not pan out as well, thanks to the GST ups and downs that happened. So that threw things off a little bit.

Moderator:

Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Akshay Kanoria:

Thank you. I hope we have been able to answer all your questions. Should you need any further clarifications or if you would 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 in the next quarter.



Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.