

Date:- November 12, 2023

To,
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Symbol:- RPPL

Dear Sir/Madam,

Subject: Transcript- Q2 & H1 FY24 Earnings Conference Call

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a transcript of the earnings conference call for the quarter and half year ended September 30, 2023 which was held on Tuesday, November 7, 2023. The same is also available on the website of the Company i.e. www.rajshreepolypack.com.

The conference call held on Tuesday, November 7, 2023, as per the Transcript enclosed incorporates mainly the highlights of financial results upto September 30, 2023, and other related information which is already in public domain and / or made available / uploaded on the Company's website.

Please take the same on record.

FOR RAJSHREE POLYPACK LIMITED



Mitali Rajendra Shah
(Company Secretary & Compliance Officer)
Place: Thane
Encl: a/a



Rajshree Polypack Limited
Q2&H1FY24 Earnings Conference Call
November 7, 2023



MANAGEMENT:- Mr. Ramswaroop Thard:-Chairman & Managing Director
Mr. Sunil Sharma:-Chief Financial Officer.

Rajshree Polypack Limited Q2&H1 FY24 Earnings Conference Call November 7, 2023

Mr. Dorwin Dias - Moderator:

- Ladies & gentlemen! Good day and welcome to Rajshree Polypack Limited, Q2 FY24 Earnings Conference Call hosted by Prabhudas Lilladher Private Limited. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal the operator by pressing * and then zero on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Stuti Beria from Prabhudas Lilladher. Thank you and over to you mam.

Ms. Stuti Beria - Prabhudas Lilladher Private Limited:

- Thank you Dorwin. On behalf of Prabhudas Lilladher, I welcome you all to the Q2 FY24 Earnings Call of Rajshree Polypack Limited. We have with us the management represented by Ramswaroop Thard, Chairman & Managing Director along with Mr. Sunil Sharma, who is the CFO. I now like to hand over the call to the management for their opening remarks after which we can open the floor for the Q&A. Thank you and over to you Sir.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Thank you, Stuti. Good afternoon everyone. I welcome you all to the Earning Call of Rajshree Polypack Limited for Q2 FY24. Joining me on the call is Mr. Sunil Sharma, the CFO. We have already uploaded the investor presentation and I hope that everyone has got an opportunity to go through the same. For Q2 FY24, the company has achieved a turnover of Rs.67.5 crores at against a turnover of Rs.65.17 crores for the corresponding quarter of previous year thereby achieving growth of 3.58 %. The EBITDA of the company stood at Rs.9.11 crore for the quarter 2 FY24 at against Rs.8.33 crores for the corresponding quarter earlier year, registering a growth of 9.36 %. The EBITDA margins of the company grew from 12.79 % in Q2 FY23 to 13.5% in Q2 FY24. At the same time, the company earned profit after tax amounting to Rs.2.31 crores for Q2 FY24 as against Rs. 2.47 crores for Q2 FY23, thereby registering a decline of 6.53%. PAT margins for the period stood at 3.42% of sales as against 3.79% of sales for the corresponding period earlier year. Speaking of H1 FY 24, the Company has achieved a turnover of Rs.140.19 crores as against turnover of Rs. 133.46 crores for the corresponding period of the previous year thereby achieving a growth of 5.04 %. The EBITDA of the Company stood at Rs.17.8 crores for H1 FY24 as against Rs. 19.15 crores for the corresponding period in the earlier year registering a decline of 6.82%. At the same time, the Company earned profit after tax amounting to Rs.4.41crores for H1 FY24 as against Rs. 7.23crores for H1 FY23 thereby reporting a decline of 38% over the previous year. PAT margins for the company stood at 3.15% of sale as against 5.41% of sales for the corresponding period earlier year.
- In terms of product wise sales, sale of packaging products went up by 3.83% from Rs.44.32crores to Rs. 46.02crores, whereas we saw a drop of 12.47% in sales from Rs. 20.53 crores to Rs. 17.97crores. Geographically the export revenues of the Company went up by 188% and stood at Rs. 7.62crores as compared to Rs.2.65crores in the corresponding quarter of the previous year. Further it is important to highlight that we have now been able to stabilize export revenue for more than Rs. 7.5crores per quarter and working to improvise the same. The sales volume for the quarter went up by 17% as compared to Q2 FY23 from 2672 metric tonnes to 3126 metric tonnes. However the same was majorly offset by lower realization on account of reduction in raw material prices.

- On product development, I would like to share that the Company developed and introduced 6 new products during the quarter with aggregated product base now at more than 200 products across food packaging. We served more than 400 international and domestic customers during Q2 FY24 alone while adding 15 new customers in this quarter.
- At Rajshree, we believe in delivering best to our customers and that will help us in the long run. The same is evident from the fact that 97% of our sales come from our repeat customers. As we move ahead on the path of growth, branding and marketing play catalyst to achieve our goals in the near and long term. In order to strengthen our marketing and sales, we have onboarded Mr. Palash Chakravorty as our Chief Marketing Officer. Mr. Palash brings in more than 20 years of experience in the industry. His core focus will be on sale of high value and high margin products not only in India but also in overseas markets. During the quarter, we participated in Packers Mumbai and received strong demand for our product range. We have also started working on building digital presence with initiatives like creating online catalogues of our entire product range and hiring digital marketing agency to build our profile on social media platforms.
- In case of Olive Ecopack, the machineries have surpassed the factory acceptance test and are ready to be dispatched with focus on quick installation, we expect our commercial production to start in next quarter. We have invested a cumulative of Rs. 19.25 crores till date of which 4cr. were invested in Q2 FY24 alone.
- With this, I would like to invite your questions.

Mr. Dorwin Dias - Moderator:

- Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on their touch tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies & gentlemen, we will wait for a moment as the question queue assembles. The 1st question is from the line of Astha Sundarka from Niveshaay. Please go ahead.

Ms. Astha Sundarka – Niveshaay:

- Hello, am I audible?

Mr. Dorwin Dias - Moderator:

- Yes mam.

Ms. Astha Sundarka – Niveshaay:

- Good afternoon Sir and thank you. In this quarter as well as in the previous quarter, you said that the margins were reduced because of the fall in the raw material prices. So my question here is that, fall in raw material prices should actually increase the margins rather than fall Am I missing something out over here?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- No, we are not saying that the margins have reduced. We said that the topline has reduced due to the fall in the raw material prices. The volumes have gone up 17 % but the topline remains

constant as the raw material prices have fallen. It has been offset by the fall in the raw material prices, the topline.

Ms. Astha Sundarka – Niveshaay:

- Ok, so margins are affected because of raw material prices or something else?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Margins, we are roughly in the range of 13.5% EBITDA for this particular quarter, which has improved by 1.5% as respect to previous quarter. So overall there is an improvement in the margin by 1.5% EBITDA in this quarter as compared to the previous quarter. If you see Q2 FY23, it was 12.8% and it is at 13.5%. Q1 was bad for us. If you see the overall H1, it looks lower. The reason for Q1 being bad was, we had to take a hit on the inventory loss due to the reduction in raw material prices and the demand was 10-20% lower than our expectation due to unseasonal rains which I had mentioned in my previous call also.

Ms. Astha Sundarka – Niveshaay:

- Ok, got it Sir. My 2nd question is Seasonality in the business, this Q1 and Q2 being the best quarters. So is there any particular reason for that? Why we have higher demand in these 2 quarters?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- This sector which we are in of food packaging with the dairy industry and beverage sector, it's natural that the demand for such products in summer are higher and that's why we also see the same affect in our business.

Ms. Astha Sundarka – Niveshaay:

- Ok. Next 2 questions are – can you provide the margin break-up for rigid plastic sheets and thermoform products? That is one. And 2nd is that, we have 20% market share in thermoforming, if I am not wrong. So who all captures the remaining market share? That's it Sir.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- There are many other small players which are there, which are in North of India and South of India also. But they are not in the listed space. They are mostly private limited or partnership firms with a turnover ranging from Rs. 40crores to 80crores So there are 5-7-8 different companies who are operating across the country who are having those particular share and with respect to margin into packaging products and thermoform products, we will say that more or less, both are in the same line. There is not much of a difference in terms of margin in both these sets of product categories.

Ms. Astha Sundarka – Niveshaay:

- Ok, thank you so much.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, if you wish to ask a question, you may please press * and 1. The next question is from the line of Nikhil Shetty from Nuvama Wealth Research. Please go ahead.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Ya. Thanks for the opportunity Sir. Though the volume growth during the quarter was impressive but specifically in packaging, the realization witnesses a contraction in this quarter. So is it purely because of prices of raw material decline or due to seasonality, we might have sold higher proportion of lower realization products?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- It is purely due to the raw material factor. If I can give you the perspective of raw material prices from.....I will say that there is a drop of almost Rs.22 kilo in the prices of polypropelene from H1 22-23 to H1 23-24. So that's the major impact and the other category majorly what we use is polystyrene which has dropped from 146rs. to 114rs. There has been a significant drop in the prices of raw material.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- The entire fall, we have already passed on during Q2 or is it still pending in Q3?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Now, it is passed on. For Q1, we took a hit but for Q2, I will say that everything has been passed on and for the last 3-4 months, it has stabilized in this range.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Ok. How much of our revenue is concentrated towards dairy products? What was the revenue share during FY22 and now because....since we have added more diversified customer base in the last 15-18 months, can we expect that the seasonality particularly in dairy products will mitigate going forward?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- We have to see it in totality for dairy and beverages. If I put dairy and beverages together, it's roughly around 55-60% of the business is coming from dairy and beverages.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- We are talking about this in FY23 or before that? We have added almost 200 odd customers in the last 15-18 months so I thought that probably a diversified customer base would have a lesser impact of seasonality in the coming quarters.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Ya, this is based on 23-24 number. I can still say that we are at 55-60% with dairy and beverages customer base.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Ok. And in injection molding, we are talking about capacity expansion. So can you share how much capacity you are planning to increase?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- It is in discussion phase as such. As and when it materializes, I will let you know the exact numbers.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- So existing facility is already utilized fully or is it....

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- In the existing facility also, we have the scope to increase the sales further. We have done sales of Rs. 7.5crores in this half year. So we expect that if we continue in this run rate, maybe 15-16 crores, we will be doing the same. In the existing facility, we can go up to 18-20cr. in terms of topline.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- How realizations differ from our existing business?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- In the first 6-8 months, we are not doing much of realization. Mainly as I told you, due to the fact that we were carrying a lot of inventory which was inventory hit loss because we had just started with the production. And for promotion purpose, we are slightly on the lower prices on the injection molding but gradually we are now shifting to the new geographies, to the other markets and there the margins will improve over a period of time.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Great Sir. Lastly, on our barrier packaging, if you can help us to understand how much revenue it has generated in Q2 and Q1?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- See, in H1 last year, we had generated a revenue of around 12cr. and this year till H1, we have generated a revenue of 10cr. So I would say that last year, Diwali was one month earlier. So major revenue for this also comes from Diwali. So if you see a 9 month perspective, you will see a 12-15% growth with respect to last year.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Ok, great Sir. Just last one – so this is about current Q3. How is Q3 shaping Sir? we are in the festive season. Are we witnessing any sharp demand?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- I would say that if I divide Q3 into 2 halves, definitely in the first 45 days, the demand will be good but in the next 45 days, we will witness a low demand again due to winter which generally affects the sale. So it will be a mixed quarter – with a better sale in the first 45 days and next 45 days with a little neutral sale.

Mr. Nikhil Shetty – Nuvama Wealth Research:

- Ok. Thank you sir.

Mr. Dorwin Dias - Moderator:

- Thank you. Participants, you may please press * and 1, if you wish to ask a question. The next question is from the line of Astha Sundarka from Niveshaay. Please go ahead.

Ms. Astha Sundarka – Niveshaay:

- Thanks for the opportunity again. My 1st question is, in the investor presentation with respect to patents, I can see that we hold 4 designs and one process patent. So what is this with respect to...is it with respect to the joint venture or something else?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- No, this is not with the joint venture. This is for Rajshree Polypack. So one is a process patent which we have done for making the tube laminates, that's a process patent which we are holding. The other is product packaging design patent which we are holding.

Ms. Astha Sundarka – Niveshaay:

- Ok. the next question is that in 2016-17, we used to have margins of 20-21% and over the years, it has fallen to about 12-14%. So is there any specific reason for that?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- We have compared our EBITDA margin from our original core products that is sheet exclusion and thermoforming products for the last 3.5 years. I can assure you that our margin for our core products have been consistent in the range of 15.5-16%. However the proportion of the same in the overall reported revenue has gone down from 95% in 20-21 to 75% in 22-23 and the remaining has been coming from injection molding sales freight and due to the price inflation where we are having no margins. So that's the difference if we compare, we can see that....so that's the reason we see our number which is actually if we break it away, we are still in the range of 15.5 to 16%. and the margins are further going to improvise as we further scale up the sales from our core products and improvise our margins from injection molding products.

Ms. Astha Sundarka – Niveshaay:

- Ok. One follow-up question from the previous question I asked. You said that your process patent is for the tube laminates. Right?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yes.

Ms. Astha Sundarka – Niveshaay:

- So tube laminates, are we....like in the previous con call or before that, I think we had a halt in this process.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Ya, at the moment, it is on halt.

Ms. Astha Sundarka – Niveshaay:

- Ok. So are we continuing or when are we going to see further into laminates?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- We are constantly evaluating this particular market so as and when we feel that the situation is correct to have a dedicated line for this particular segment, we will take a call for investing for a dedicated line for the tube lamination.

Ms. Astha Sundarka – Niveshaay:

- Ok, got it sir. Thank you so much.

Mr. Dorwin Dias - Moderator:

- Ok, thank you. Next question is from the line of Anant Shenoy from A.S Capital. Please go ahead.

Mr. Anant Shenoy – A.S Capital:

- Good afternoon Sir. Am I audible?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Ya, ya, good afternoon.

Mr. Anant Shenoy – A.S Capital:

- Sir, my first question is on Barrier Packaging. You were telling about 12%-15% growth, is it as per your expectation, Sir? Like earlier you were guiding for higher numbers, are you seeing any new competition? Any color on that?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- No, there is no competition in India as such. Imports, which previously also were there and it's the same rate entity. So, we have guided 15% growth on Barrier Packaging and we are growing at that particular number. As I mentioned that this market was nonexistent five years ago in this particular format of packaging and it's a very small market and we are like the only player in India who are doing the complete integrated manufacturing under one roof, right from extrusion to forming for this segment of product.

Mr. Anant Shenoy – A.S Capital:

- Okay. And in terms of margin you had guided like higher margin, so the margins are maintained in this Barrier Packaging like you had mentioned about some ₹45,000 per...

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah-yeah, Rs. 45- Rs. 48 EBITDA per kilo. We command that margin in this particular sector.

Mr. Anant Shenoy – A.S Capital:

- And still we are continuing that kind of margin currently?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah-yeah.

Mr. Anant Shenoy – A.S Capital:

- That's good to know. And, second, we are seeing good traction in export, so can you throw some color on what is leading to this one?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Basically, I would say we were less focused on export market previously but now we are participating into various shows and we are in constantly in touch with lot of customers in

export market and with the addition of more range like Injection Molded products and, I think, few other categories in some of our products we are able to get a better share of export market.

Mr. Anant Shenoy – A.S Capital:

- And over a 2-3 year period where do you see this export coming to? Some 7.5 crores per quarter, do you see it is becoming much bigger in overall proportion?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Over the period of 2-3 years we expect it to at least go to 12 crores to 15 crores per quarter or at least Rs. 50crores- Rs. 60crores coming from export.

Mr. Anant Shenoy – A.S Capital:

- Okay. Can you throw some light on the rationale behind fundraise? Do you have any CapEx plans? In the investor speech also you mentioned about In-Mold labeling also, so can you throw some rationale behind that?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- In-Mold Label, we have commercially established the product and we have started manufacturing. We have received the initial trial orders from the customers and we will ramp up the production of IML products in coming quarters. So, that is the six products of what we have added in which that one of the product is Injection Molded product, Label products.
- And fundraising, basically, is been done to meet the requirement of long term Working Capital and with some addition of capital investment. So, that's the main reason for doing the fundraise.

Mr. Anant Shenoy – A.S Capital:

- Okay. And this year what is the expected sales? Can we do around 300 crores this year?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- We have given guidelines of around 280-290 crores. So, we can see the number around that range.

Mr. Anant Shenoy – A.S Capital:

- Okay. And coming to Olive Ecopack, effective what sales are expected in this year because earlier you mentioned about Q4 the plant will be ready?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, it depends. Machines, as I mentioned, the factory acceptance test have been completed at the vendor's end and the machines are in process of dispatch and as the installation process gets done, so if we see the production to start by Jan end or mid of February we can see some token sale in this particular year. But I will say, realistically, the major sales will be seen from next year itself.

Mr. Anant Shenoy – A.S Capital:

- Okay-okay. And next year like we had earlier, I think, guided for 120 crores or so.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah, around Rs. 100 crores- Rs. 110 crores revenue we can definitely look for next year.

Mr. Anant Shenoy – A.S Capital:

- Okay. And in that will we be breaking even at PAT level, EBITA level this 120 crores sales?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah, that number will be a break even number, I would say. Yeah.

Mr. Anant Shenoy – A.S Capital:

- 100crores-120 crores sales, we will break even at that level FPI?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yes.

Mr. Anant Shenoy – A.S Capital:

- Okay. Okay, Sir, thanks a lot for answering the questions.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, to ask a question you may please press * and 1. The next question is from the line of Ankit Agarwal from Yellowstone Equity. Please go ahead.

Mr. Ankit Agarwal - Yellowstone Equity:

- Yeah, hello. Hello, Ramswaroop.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah, good afternoon to you.

Mr. Ankit Agarwal - Yellowstone Equity:

- Good afternoon. My first question is on Barrier Packaging. How does our price compare relative to imports?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Pardon?

Mr. Ankit Agarwal - Yellowstone Equity:

- So, for Barrier Packaging products you mentioned that there are also imports being done. What is the price differential between imports and our product?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- See, imports are almost 8%-10% expensive and apart from that there are times and also what happens like if any particular customer needs some small quantity it becomes difficult to serve that requirement from import and these are expensive products. So, to keep that much of inventory for customers is also difficult. So, apart from pricing there are advantages of having a supply chain which is from the local market.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay, understood. And within Barrier Packaging, is it fair to say that there's also a good amount of export being done?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- In Barrier Packaging, I would say, out of the total sales around 15%-20% is export and balance is domestic.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay. And within exports you mentioned 4 overseas customers have been added, are these customers mainly looking for thermoforming sheets like we used to do like Middle East clients or this is more on the value added side?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, this are more on Injection Molded products and thermoform products.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay. And when you say thermoform products, do you mean sheets or something else?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- No, packaging products.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay, so this is not sheets. Okay. And for the In-Mold Labeling, are these rigid packaging products or flexible packaging?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- No, In-Mold Labeling, Injection Molding comes under rigid category. So, it is a rigid. So, we are not into flexible packaging, we are all in rigid.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay. So, this is all rigid. Great. And, lastly, on the Olive Ecopack, is there some delay? I mean, earlier we were planning to do commercialization by November. So, was there any delay or what is it going as per plan?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, there is, I would say, 2-2.5 months delay. That is mostly attributing to construction as the major reason. Otherwise, on the other fronts we are okay like that.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay-okay, understood. Okay, that's all I had. Thank you so much.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, you may press * and 1 to ask a question. The next question is from the line of Muthu Kumar from Fidelity Venture. Please go ahead.

Mr. Muthu Kumar - Fidelity Venture:

- Good noon, Sir. Thanks for the opportunity. Sir, could you please quantify the CapEx amount which you have been spent for FY23? And also work in progress for FY24 for both plant and machinery?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah. For '24, we have done a CapEx of around Rs. 5 crores till date into plant and machinery, molds and other things. So, it is around 5 crores we have done for FY24. In FY23, I'll just check and let you know.

Mr. Muthu Kumar - Fidelity Venture:

- Okay, sir. That's all, Sir. Thank you.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- In FY23, there was a total CapEx of 26.82 crores.

Mr. Muthu Kumar - Fidelity Venture:

- Okay, Sir. Okay. Okay, Sir, thank you.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, if you wish to ask a question you may please you may press * and 1. The next question is from the line of Ankit Agarwal from Yellowstone Equity. Please go ahead.

Mr. Ankit Agarwal - Yellowstone Equity:

- Yeah. Hello, I had a follow up question on export. So, on exports, earlier we were exporting mainly to Middle East, has that diversified like have we spread into other markets mainly like Western markets?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, yeah, I would say we have added U.K. and U.S. as the new geographies.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay-okay. And can you give a sense of the products we are exporting there?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Mostly, I would say, Injection Molding and thermoform packaging.

Mr. Ankit Agarwal - Yellowstone Equity:

- Okay, perfect. Thank you.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, please press * and 1 to ask a question. Participants who wish to ask questions, may please press * and 1 at this time. The next question is from the line of Anant Shenoy from A.S Capital. Please go ahead.

Mr. Anant Shenoy - A.S Capital:

- Sir, thanks for the opportunity again. Sir, first question is about now the crude prices and all are going up, so now are you seeing any raw material price increases also like this polystyrene and the other one you have mentioned?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- It's very difficult to predict on the prices for the commodities but we could say probably that for next 1-2 months we don't see any major upswing in the prices.

Mr. Anant Shenoy - A.S Capital:

- Okay-okay. And normally the fund raise in the second half like what kind of Finance Cost we will see?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Say by the time we get the money into our accounts, probably it will be the end of this quarter. So, for next quarter, definitely, we'll see the reduction in the Finance Cost.

Mr. Anant Shenoy - A.S Capital:

- Okay. And in the Balance Sheet we are seeing still, I think, there is some customer advance. Other Current Liabilities have gone up, so what is this cost and is this for CapEx?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Yeah, it's for CapEx, actually. The customer has given the machine to increase the production capacity, so that is actually long term advance it should go into. So, at the moment showing into 'Other Current Liabilities'.

Mr. Anant Shenoy - A.S Capital:

- Okay. Is this for any particular sector or any particular...So, can you throw some more color or like details on the customers or why are they are giving the advance? Usually we have not seen in the past, I mean, customers giving advances for CapEx, right? What is so different in this particular arrangement?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- It will be difficult to reveal the name of the customer but, yes, as I mentioned that few of the customers where we have almost monopolistic supply and as the customer is expanding their business they wanted us also to increase the capacities and it helped us in increasing the capacities as we were doing a lot of investment and we needed that support and they accepted our request. That's the only thing, I would say.

Mr. Anant Shenoy - A.S Capital:

- Okay. Okay, thanks a lot, Sir.

Mr. Dorwin Dias - Moderator:

- Thank you. The next question is from the line of Astha Sundarka from Niveshaay. Please go ahead.

Ms. Astha Sundarka - Niveshaay:

- Thank you once again. Sir, can you throw some light on Injection Molding part? Like what is Toll Manufacturing? How does this work? And how are the products from Injection Molding different from thermoform products? That is my last question.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, Toll Manufacturing is basically an asset like model which we have approached where we have tied up with the vendor who will be making 100% production for Rajshree Polypack. So, that's the arrangement which is there.
- And any further expansion, which happens, they will invest into the plant and machinery and they will invest into the molds as per our requirement of products.
- And with respect to process, it's a different process. Injection Molding is a single stage process. Thermoforming is a two stage process. So, process wise both are different. In terms of application, the application can remain the same and Injection Moldings are generally a little heavier in weight as compared to Thermoform products. So, the parts are a little expensive, the product cost is a little higher in Injection Molding as compared to Thermoform.

Ms. Astha Sundarka - Niveshaay:

- Okay. Got it, Sir. Thank you so much and all the very best.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Thank you.

Mr. Dorwin Dias - Moderator:

- Thank you. Participants, you may press * and 1 to ask a question. We have the next question from the line of Suryansh from Bizx Enterprise LLP. Please go ahead.

Mr. Suryansh - Bizx Enterprise LLP:

- Hello, Sir. I was asking that like we are currently mostly catering to Food and Beverages segment, so in future also we will be focusing on this segment or will be segment agnostic and as we grow we will shift to other verticals or not?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- I would say that at least for next 2-3 years we will be focused more on Food and Beverage sector only because that's our core. So, at least for the next 2-3 years we don't have any plans to add any further sector as such.

Mr. Suryansh - Bizx Enterprise LLP:

- Okay, Sir. And one more question, Sir, what you feel like in the next five years down the line like can you give the big picture what shift is happening in packaging segment like we are seeing sustainable packaging? And what's your view like you are seeing overall broad picture? And where our company fits in? That's the last question.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, I would say, there are two sectors. One is Food Packaging, what Rajshree Polypack does, and another is QSR which is Food Service, which we are planning to cater through Olive Ecopack Limited. So, these are two segments in which we categorize into and where we will be operating into. So, Food Packaging has to grow as more and more processed food has to be packed to avoid the wastage of the food. We recently had a big exhibition in Delhi where we have seen there is more than 50,000 crores of PLI which has gone into Food Processing as a sector. So, as India grows lot of demand for packaged food will grow along with that. As the

GDP grows, more and more people will be spending money on food. So, definitely, we will be seeing a good demand in this particular sector from food packaging perspective.

- And second is Food Service where lot of QSR, coffee chains or where the food has to be consumed within another half an hour to two hours. So, demand for such kind of products will also increase rapidly and there the sustainable packaging will come more into picture.
- In food packaging, since sustainable packaging still are not able to meet the functional requirement we don't see much entry of sustainable products entering into Food Packaging but there the more focus will be on to recyclability and using recycled materials. And in Food Service, the focus will be more on using sustainable products. And we would say, as a company we are well placed in both the sectors and so that will help us to achieve the growth in the next five years.

Mr. Suryansh - Bizx Enterprise LLP:

- Okay. Thank you, Sir.

Mr. Dorwin Dias - Moderator:

- Thank you. Ladies and gentlemen, you may please press * and 1 if you wish to ask a question. The next question is from the line of Mayuresh Gujar, an individual investor. Please go ahead.

Mr. Mayuresh Gujar - Individual investor:

- Sir, actually, good afternoon. I have a question related to the installed capacity that we have. Can you please explain what is the capacity utilization with all the capacity that we have like Extrusion, Thermoforming, Printing, Sleeving and Injection Molding?

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- So, I would say, on Extrusion, Thermoforming and Printing we are almost in the range of 95%-98% and we are working on increasing the capacities on the existing machines by doing some modifications and we have got very good results and probably in the next one month or so we should be able to announce that the increment in the installed capacity on these processes around 10%-15%.
- With respect to Injection Molding, capacity wise we are utilizing at the moment around 70% and we can further increase the capacity as and when the demand increases.

Mr. Mayuresh Gujar - Individual investor:

- Okay, thank you.

Mr. Dorwin Dias - Moderator:

- Thank you. Participants, if you wish to ask a question you may press * and 1. Ladies and gentlemen, you may press * and 1 if you wish to ask a question.
- As we have no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, Sir.

Mr. Ramswaroop Thard - Chairman & Managing Director, Rajshree Polypack Limited:

- Thank you, ladies and gentlemen, for joining us on the call. I wish you all and your family are very Happy Diwali in advance. Over to you, PL Team, to take the call and conclude.



Rajshree Polypack Limited

November 7, 2023

Mr. Dorwin Dias - Moderator:

- Thank you. On behalf of Prabhudas Lilladher Pvt. Ltd., that concludes this conference. Thank you for joining us. You may now disconnect your lines.
