

**Date:- June 11, 2024**

**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- Q4 & 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 year ended March 31, 2024 which was held on, Wednesday June 5, 2024. The same is also available on the website of the Company i.e. [www.rajshreepolypack.com](http://www.rajshreepolypack.com).

The conference call held on Wednesday June 5, 2024, as per the Transcript enclosed incorporates mainly the highlights of financial results upto March 31, 2024, 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**



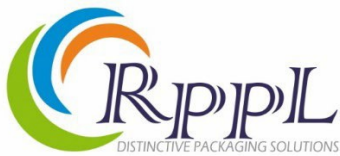
Mitali Rajendra Shah  
**(Company Secretary & Compliance Officer)**  
Encl: a/a



**Rajshree Polypack Limited**

**Q4 & FY24 Earnings Conference Call**

**June 5, 2024**



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

**Rajshree Polypack Limited Q4 & FY24 Earnings Conference Call June 5, 2024**

**Moderator:**

- Ladies and gentlemen, good day and welcome to Q4 and FY24 Earnings Conference Call of Rajshree Polypack Limited, hosted by Prabhudas Lilladher Private Limited. As a reminder, all participant lines will be in the 'Listen-only' mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Stuti Beria from Prabhudas Lilladher. Thank you and over to you.

**Ms. Stuti Beria - Equity Research Associate, Prabhudas Lilladher Private Limited:**

- Thank you. On behalf of Prabhudas Lilladher, I welcome you all to the Q4 and FY24 Earnings Call of Rajshree Polypack Limited. We have with us the management represented by Mr. Ramswaroop Thard – Chairman & Managing Director, along with Mr. Sunil Sharma - CFO.
- I would 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 evening, everyone. Welcome to the Earnings Call for Q4 FY24 at Rajshree Polypack Limited. Great to have you all on the call. From Rajshree Polypack we have Mr. Sunil Sharma, our CFO on the call as well. I hope everyone had a chance to check out the investor presentation, which we have uploaded yesterday.
- Speaking about business, FY23-24 was very eventful for us at Rajshree. Right from setting up a new plant of Olive Ecopack to building demand of Injection-Molding products category to increasing capacity in traditional sheet extrusion and thermoforming through technology upgradation to increasing production and sales to building exports to working on next growth plan, it was all a training journey. And while we delivered on so many counts, what we could not deliver in last year is growth in profitability. In fact, our profits for the year dropped by about 13% while our turnover improved by 9% in value terms. And for the coming financial year, we have set our eyes on correcting this while achieving new milestones in our growth journey.
- Looking at numbers –
  - We achieved a turnover of ₹274.39 crores for the FY23-24; a growth of 8.8% over previous year turnover of ₹252.19 crores. This was essentially contributed by volume growth of 17.56%, while the overall realization per ton dropped by 10.5% on account of lower raw material prices.
  - Our EBITDA for the FY23-24 stood at ₹36.77 crores; up 3.5% over previous year. However, the EBITDA margins marginally dropped to 13.4% as against 14% for the previous year. The major reason for the drop in full year margin was driven by sudden and significant drop in raw material prices during H1 of FY24 taking away almost ₹3 crores of our profits. While we recovered and managed to get material cost in control in later half of the year, an unexpected additional onetime cost of ₹70 lakhs towards power

- and fuel added another dent in our profits. However, things are very much stabilized now and we look forward to a much better time ahead.
- Speaking of Profit After Tax, we achieved PAT of ₹9.5 crores for the year as against ₹10.88 crores for the previous year. The PAT margin of the company stood at 3.46% as against 4.31% for previous year.
- Let's have a quick look at our performance for Q4 as well.
- In Q4 FY24 our company achieved a turnover of ₹69.37 crores, showing a growth of 7% as compared to the same quarter last year where turnover was ₹64.83 crores last year.
  - The EBITDA for Q4 FY24 ₹9.36 crores, almost similar to ₹9.32 crores in the corresponding quarter of the previous year.
  - Profit After Tax for Q4 FY24 amounted to ₹2.38 crores as against ₹2.58 crores for Q4 FY23.
  - On sales front aided with visibility in various exhibition and also the Injection-Molding product category, our export sales have grown up by three times to ₹42 crores as against ₹13.5 crores for previous year with major contribution from Middle East, U.K. and U.S. and Southeast Asia.
  - At the same time, we expanded our customer base to 13 countries as against 9 countries earlier year. Most of our buyers have been large global distributors and we are constantly working with them to expand our business base globally.
  - In domestic market, while the volume sale grew, the growth in the value remains muted due to material price reduction. At the same time, we have kept adding more distributors to our network, thereby diversifying our customer base and today we are supplying material to almost every State and UT. In near future while our institutional business will grow steadily, we intend to strengthen our general market product division as well as by adding more products to the basket.
- I'm glad to announce that our decision to enter the Injection-Molding segment has paid out well and the company achieved a revenue of ₹20.86 crores by selling Injection-Molding products during the year as compared to ₹4 crores in the previous year. We see this division shaping up well and we have already announced increase in our Injection-Molding capacity up by 3X from 1000 metric tons per annum to 3000 metric tons per annum. This increase in capacity comes with minimum investment towards mold bank as the primary investment shall be done by the Toll manufacturer.
- At the same time, we have renegotiated our job work charges downwards by factoring in the benefits of scale which will help us improvise our profitability from the iron products. At the same time, we have added IML capabilities to the Injection-Molding machine which will help us getting better price realization and higher profitability. I'm happy to share that we have already onboarded first largest institution customer in the IM segment and the business has started.
- At the same time, we are seeing constant growth in the demand of thermoform packaging product as well as we are looking to add another 4000 metric tons per annum of extrusion

capacity and 1000 metric tons per annum of thermoforming capacity at our Gujarat unit. This will take our installed capacities to 24,000 metric ton per annum in case of extrusion and 10,717 metric ton in case of thermoforming.

- As you all maybe aware that we have secured land allotment at Odisha for our next growth journey and have applied for requested approvals. We are working on further plan at this location and shall come back with details at appropriate time.
- Talking about Olive Ecopack, we achieved major milestone by successfully commencing commercial production in March'24. We are already in market seeding stage with submission of product samples with scores of customers for approval and look forward to start building sales in next quarter. We shall keep sharing more updates as business progresses on this front.
- I would like to conclude with a quote of Mr. Narayana Murthy who said 'Growth is painful, change is painful but nothing is as painful as staying back where you do not belong'. And let me assure you that we are here to grow and scale newer heights.
- Now, I look forward to hear your questions.

**Moderator:**

- Thank you very much. We will now begin the Question & Answer session. Anyone who wishes to ask a question may press \* and 1 on their touchtone 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 and gentlemen, we will wait for a moment while the question queue assembles.
- We have our first question from the line of Nikhil Shetty from Nuvama Wealth. Please go ahead.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Yeah, thanks for the opportunity and congrats, Sir, for a decent set of numbers. So, Sir, when we look at our overall sale for FY24, so our growth was mainly driven by the volume. It was around 18%. But when we breakup that from domestic and export, our export grew almost ₹29 crores on FY23 base but the domestic business witnessed a decline. So, I believe largely whatever the volume growth we have witnessed during FY24 was mainly driven by the export. So, despite adding, I think, 150-200 odd clients every year, what is the reason why we are not able to grow in the domestic market?

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

- There was a growth in terms of volume in domestic market also but we are not reflecting that into value, as we mentioned, due to the decrease in the prices of the raw material. There is around 8% growth in the volume terms in the domestic sales also. And what we could also see is, we have almost reached our capacities with respect to thermoforming and extrusion. And with the addition of further this capacity, we will be able to further increase the sales in the domestic market as well.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Great. Sir, we are adding roughly 40-45 products every year and I think we have also increased our reach in export market. What kind of a growth you foresee in this existing plastic packaging business?

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

- We expect roughly 15% growth for the coming year from the plastic volume.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Volume growth?

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

- Yes, 15% on the top line, I would say. Volume, if the raw material prices remain stagnant then on the top line we could see 15% growth.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay. But if we look at the last year's base, now prices are almost stabilized or how the prices are? For example, when we compare the Q1 prices versus last year Q1 prices, so is there any big difference?

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

- Yeah, I will say the prices have stabilized now. I would say last two quarters they are stable now.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay, fine. And the next question is on the Injection-Molding part. So, we are increasing our capacity almost 3X and I believe this is mainly for the U.S. based customer where I think supply has already started. So, what kind of a revenue you foresee from this particular business this year?

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

- Injection-Molding; the new capacity will be ready in the next two months' time. So, for this year we are looking roughly at increasing by around 70%-80% into the revenue from the current level.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- 70-80? Can you quantify in numbers?

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

- See, I would say around 30-35 crores is what we are looking at from Injection-Molding.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- 30-35? And what was the figure last year?

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

- 20 crores.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay, incremental 15 crores on this business. And can you help me with the Barrier packaging number for FY24?

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

- Barrier packaging; we were roughly at 21.5 crores for FY23-24 and we look at around 28-30 crores for this year.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- 28-30 crores? I mean, any reason why we are expecting this kind of a growth?

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

- Yes, basically as I said, like this particular segment will grow at the rate of 25%-30% year-on-year. So, based on that numbers and we have onboarded one or two new customers which we are in discussion with. So, looking at that, we should be reaching at this number of 28-30 crores for this year.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay. And, Sir, as per expansion geography, expansion and reaching the maximum part of the country you now intend to add a capacity in Odisha as well. So, what is the status there? And how big the capacity will be and the CapEx plan if you have done anything on that? And what kind of an opportunity size you look after establishing Odisha plant?

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

- So, the detail working with respect to CapEx and the capacities, we are still working on. So, we'll come back to you on that at the appropriate time. But at the moment I would only say the land has been allocated and the process is on for getting all the initial approvals and permissions to start the first stage of construction activity.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay, Sir. And lastly, on Olive Ecopack part, like I think it's already commercial item and the production is already commenced. And previously you talked about 100 crore kind of a number at the GVA level and our share 50 crores. So, if we go by that number, then probably this year our PAT will be around negative ₹2 crores.

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

- Yeah.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- 1-2 crores, right?

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

- Yes, you are right.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- And next year probably will be making around 8-10 odd crores. Is that a right understanding?

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

- Yes, next year we will be looking at 170-180 crores of revenue from Olive.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- So, this number will come...so this year you are going with a JV structure and probably next year you'll add that to the subsidiary because of saving your margin side?

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

- Yeah. So, we'll take advice of the legal team and see what is the best suited and we'll take a call accordingly on that.

**Mr. Nikhil Shetty - Nuvama Wealth:**

- Okay, Sir. Thank you and all the best.

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

- Thank you.

**Moderator:**

- Thank you. Ladies and gentlemen, to ask a question, please press \* and 1 on your phones now. Next question is from the line of Rohit Shah from Ladderup Wealth Management. Please, go ahead.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- Hello? Am I audible?

**Moderator:**

- Yes.

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

- Yes, Rohit, you are audible.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- Yeah, thank you. Sir, one question was that in this Q4 we've seen quite fall in the margins at an overall level. That is despite...

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

- Your voice is little echoing.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- Hello?

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

- Rohit, your voice is little echoing.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- One second, Sir. Hello? Is it better?



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

- Yeah.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- So, what I was asking is, Sir, in Q4 we've seen a sharp dip in our margins at over all level despite the gross margins being pretty stable. So, as you said, you know, what is the cause of this margin decrease in Q4?

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

- As I mentioned in my speech, in Q4 we had an unexpected expense of ₹70 lakhs towards diesel because there was some technical breach in power supply from the main grid line and we had to keep the plant running on DG set. So, that was an additional cost of 70 lakh on that account.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- And, Sir, going forward what range can we look our margins to be at?

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

- We will look at 14%, plus or minus 0.5%, EBITDA level.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- Okay. Secondly, Sir, was there any revenue from Olive Ecopack during the year since we have already commercialized in March?

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

- Yeah-yeah. We have some revenue of around ₹20-₹30 lakhs already. The orders are coming from the customers. And as I mentioned...

**Mr. Rohit Shah - Ladderup Wealth Management:**

- And, Sir, because in the presentation the numbers that you've given for plastic packaging and sheet, if you add them up and if you view them from the total revenue there's a difference of around 11 crores.

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

- No, that is for the previous year, right. No, production has started on 30<sup>th</sup> only, so the revenue is for this year. Last year there was hardly any revenue of ₹1-₹2 lakhs.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- But anything on why there is a 11 crores difference between the two segment revenues? And if you add them up and the total revenues, the total revenues are higher than the segment revenue added up.

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

- That is other income on the account of development charges and other things. Yeah.

**Mr. Rohit Shah - Ladderup Wealth Management:**

- Okay. Probably, Sir, what I want to ask is, there has been some fall in our payable days this year from around 30 days to 20 days if calculated on sale. Any reason for that, Sir?

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

- I would say that we are trying to take packing material and other things on earlier payment terms and trying to reduce with the suppliers on the cost of the material.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- But sir going forward, when can we kind of see this directory coming down because your working capital cycle is at an all-time high now. Because you also have inventory from Olive EcoPack which is there in your books for the new plant that has been commissioned.

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

- So, we see working capital cycle coming down in next two quarters by around 10-12%. And further it will take another two quarters to bring it to 100 day cycle, I would say.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- At least we should see some improvement in next first half results, that we see in September results this year.

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

- Yeah.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Yeah. Another one sir is that, I just want to understand your export revenue has grown very sharply this year. Any big orders that you got from the export sizes cause this and you know, going forward, how should we look at it? Will those orders continue or will it come down to a normalized level?

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

- Definitely it will go further because as we are also focusing on having a significant revenue from the export segment. So for this year, we are looking at around 60 crores of revenue coming from export as a segment.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Okay. Thank you, sir.

**Moderator:**

- Thank you. Ladies and gentlemen to ask a question, please press ‘\*’ and ‘1’ on your phone.
- Next question is from the line of Suresh Jain from NB investments. Please go ahead.

**Mr. Suresh Jain – NB Investments:**

- Good evening, sir. Thanks for the opportunity. First question is, how is our barrier packaging machines running and what was the revenue done during last year?

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

- We did around Rs. 21.5 crores of revenue to be very specific, from the barrier packaging segment. Machine is running fine, the product is well established and as I mentioned previously, we are looking at the revenue of around Rs. 28 to Rs. 30 crores from barrier packaging for this year.

**Mr. Suresh Jain – NB Investments:**

- Sir, to follow up, question. One, when do you expect to run at a full capacity only for barrier packaging and how much revenue at that time?

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

- That's around Rs. 50 to Rs. 60 crores is the overall revenue we can expect from the barrier packaging if we run at hundred percent capacity.

**Mr. Suresh Jain – NB Investments:**

- So currently you would be running for the other products also, no, the same machine?

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

- Yes.

**Mr. Suresh Jain – NB Investments:**

- Okay. Sir, it was supposed to contribute higher margins for these products. Are you able to achieve that at least?

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

- Yeah, barrier packaging is giving us the higher margin. It is around 4-5% higher than the conventional products.

**Mr. Suresh Jain – NB Investments:**

- And how much is our conventional one, sir at the end of FY 23-24?

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

- Conventional is around 13-13½%. So this is at 18% level for this year.

**Mr. Suresh Jain – NB Investments:**

- Okay. Sir my next question is, this 4000 metric ton, you are increasing the capacity at our Vapi plant and all. You said this would be ready by June, right?
- Sorry. Another two months means, August?

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

- Yeah. I would say end of August or September mid it should be ready.

**Mr. Suresh Jain – NB Investments:**

- Okay. So assuming that it will be available for full run from H2 onwards and since you are running it from the existing plan so the margins for these 4000 odd capacity products should be on the higher side?

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

- I would say the other expenditures won't be there because everything has been accounted for as the capacity go up. So whatever additional sales we bring, will help us in improving the bottom line.

**Mr. Suresh Jain – NB Investments:**

- Okay. My third question is about the toll manufacturing where now you're increasing the capacity. Now when it is running at thousand, I think we were not making money out of that. So by what capacity...by when we will start making PAT positive in that toll manufacturing?

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

- In fact that capacity will also get ready in next 2-2½ months' time. So next to the 3000 ton capacity will be available. Like, there has been increase of 400-500 metric ton already being done in the month of April. So balance 1800 will come by H2. So this year as I mentioned we will be looking at the revenue of around Rs. 32 to Rs. 34 crore. So definitely that will give us profitability and on full scale as it runs we can look at the revenue of around Rs. 45 crores from this capacity. Even at Rs. 30 to Rs. 35 crore it will turn profitable, at 45 it will give us the real benefits.

**Mr. Suresh Jain – NB Investments:**

- So this Rs. 30 to 35 crores the target you have given for the current year we will be making money at PAT or EBITDA?

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

- PAT.

**Mr. Suresh Jain – NB Investments:**

- PAT, okay. Fair enough. Sir the next question is your Olive sales. So how much we are targeting in FY25?

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

- Rs. 90-100 crores is what we are looking at in the current year, that is FY25.

**Mr. Suresh Jain – NB Investments:**

- Sir will it be EBITDA positive at this scale or does it have to be ramped up to 170-180 crore in FY26?

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

- IT will be EBITDA positive, but at the PAT level there will be a loss.

**Mr. Suresh Jain – NB Investments:**

- Okay. So my last question is the about the debt. In spite of rising money through QIP and raw material price having come down but still debt has not come down. So is there any plan from the management to reduce that debt during the current year?

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

- Yeah. As all the investments now has majorly gone into Olive that is now almost done. So over a period of next 4 to 6 quarters we should see a significant reduction in the CC, I will

say limits. Our long term debt is around Rs. 15 crores. So the short term debt definitely will be using lesser CC limits over next 4 to 6 quarters.

**Mr. Suresh Jain – NB Investments:**

- Okay. So how much we can reduce by you know, both long term and short term put together, how much we can expect by the year end, sir?

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

- Long term will reduce by around Rs. 5 crores and short term we can look at around Rs. 10 to 12 crores for this end of next year.

**Mr. Suresh Jain – NB Investments:**

- So that would mean less than 20 from the current level of around 80 crores or so.

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

- 15, Rs. 15 to Rs. 16 crores from the current level.

**Mr. Suresh Jain – NB Investments:**

- Current debt is 87, right sir?

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

- No. Long term is 15 and short term is 58.

**Mr. Suresh Jain – NB Investments:**

- Oh short term is 58. So from 58 plus 15 is 73. So you are saying from the level of 73 we would come down to almost 25.

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

- No, no. I said Rs. 5 crores will be reduced from long term.

**Mr. Suresh Jain – NB Investments:**

- Oh Rs. 5 crores will be reduced from short term! Okay.

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

- Long term.

**Mr. Suresh Jain – NB Investments:**

- Long term, okay.

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

- And we will look at reducing our short term from 58 to 45-48 crores.

**Mr. Suresh Jain – NB Investments:**

- Oh, okay. So there also another Rs.10 to 15 cross reduction. Sir, my last question is we have generated a cash flow of around Rs. 21 crores during the current year. So how much we can expect in the next year.

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

- We can look at the number of anywhere between 28 ±1.

**Mr. Suresh Jain – NB Investments:**

- Okay. Fair enough, sir. Thank you very much for answering all my questions and wish you all the best, sir.

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

- Thank you.

**Moderator:**

- Thank you. Ladies and gentlemen, to ask a question please press ‘\*’ and ‘1’ on your phone now.
- We have a question from the line of Rohit Shah from Ladderup Wealth Management. Please go ahead.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Hello sir. Sir, so earlier you said that next year in plastic packaging we can see kind of 15% revenue growth at a value level. But given that currently the raw material prices are kind of stable or at least inching up slightly and your volume growth is very good at (+) 25%, I mean shouldn't we expect a higher growth in next year?

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

- As we are adding the capacities which will start contributing in H2. So we feel like we will be able to generate at that level only at for this coming year at around 15%.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Do you expect any realization improvement in the next year or....? Because I understand your volumes will come down because of capacity constraint. But do we expect any realization improvement?

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

- Realization we are continuously engaging with our customers to have better prices. And the marketing team has been working on that constantly. So we'll try to increase our margins by 1-2%; we are working on that with the customers.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Okay.

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

- Let's see how we are able to get the support from the customers.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- So the raw material prices have stopped falling sir, right? They're stable as you said over the last two quarters.

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

- Yeah. Raw material prices more or less are stable. That they are range bound I would say within 2-5% ±.

**Mr. Rohit Shah – Ladderup Wealth Management:**

- Okay. Thank you.

**Moderator:**

- Thank you. Ladies and gentlemen, to ask a question please press ‘\*’ and ‘1’ on your phone now.
- We have a question from the line of Nikhil Shetty from Nuvama Wealth. Please go ahead.

**Mr. Nikhil Shetty – Nuvama Wealth:**

- Thanks for taking my question. Sir, my question is on the overall margin. So I think based on your guidance, we can be near to around the Rs. 318 to 320 crore in FY25 in terms of revenue. And, what kind of a margin you are expecting? Because I understand PAT will be lower by 1 or 2 crores this year compared to whatever the numbers flowing from the benefit of increase in revenue. But wonder what kind of a margin you are expecting this year and next year.

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

- So this year like as I mentioned, like EBITDA margin will be looking at  $14 \pm 0.5\%$ .

**Mr. Nikhil Shetty – Nuvama Wealth:**

- And PAT excluding JV contribution?

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

- PAT excluding JV contribution we can look at around Rs. 14 to 15 crores.

**Mr. Nikhil Shetty – Nuvama Wealth:**

- Rs. 14 to 15 crores for this year, right? And next year we'll get a full benefit of the increased capacity. And, any further expansion we are aiming for in second half or the first half of next year? Because then with this kind of a pace probably we will be exhausted with the capacity in next say two or three quarters. Then again, you know, planning in advance would be a better idea.

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

- Yeah. We are evaluating to add some little small capacity in and around western or in the current location only. We are evaluating that at the moment. Nothing is concluded. So as and when it gets concluded we will come back to you on that.

**Mr. Nikhil Shetty – Nuvama Wealth:**

- The incremental capacity will be coming with the better margin. Because then the operating leverage can be the trigger.

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

- Yes. Yeah.

**Mr. Nikhil Shetty – Nuvama Wealth:**

- Okay sir. Thank you so much. That's it from me.

**Moderator:**

- Thank you. Before we take the next question, would like to remind participants to press ‘\*’ and ‘1’ to ask a question.
- Next question is from the line of Anant Shenoy from AS Capital. Please go ahead.

**Mr. Anant Shenoy - AS Capital:**

- Good afternoon, sir. My first question is, despite like not so high sales growth, our inventory has gone up again. So, like what is the reason why the inventory has gone up from Rs. 66 to 71 crores despite not much increase in sales?

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

- Just a minute. The inventory for last year was Rs. 66 crores and this year is at Rs. 71 crores. So we make a lot of finished products for our customers by the end of the year because we enter into the season period and there are certain agreements with the customer to build inventory for them. That's why we see this particular inventory little on the higher side. And this year, also the summer started little late. So whatever inventory they were supposed to lift in month of March, they had not lifted and the lifting actually started after 15 days.

**Mr. Anant Shenoy - AS Capital:**

- And where do you see this one for the next year also? Like, March 25 how do you see this event? The reason I am asking is because of our working capital and even the short term debt is at high around Rs. 58 crores. So how do you see this...? Like, do you see this will continue, this trend?

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

- we look forward to reduce by 10 to 12% in next two quarters as well as for the working capital finance, we looking at reducing that by Rs. 8 to 10 crores by the end of the year.

**Mr. Anant Shenoy - AS Capital:**

- Sir is it due to the seasonality? Because the ice cream, curd and all happens in Q4-Q1. So next year in the March quarter, again the same trend will be there or do you think it like as a percentage of sales we will see the inventory days coming down?

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

- By certain efficiency and stability into product mix, we will be able to bring it down by at least 10%. And our target is to bring it to 100 ±10 days. That is what we are looking at.

**Mr. Anant Shenoy - AS Capital:**

- That's all. Thank you for the time.

**Moderator:**

- Thank you. Ladies and gentlemen, to ask a question please press ‘\*’ and ‘1’ on your phone.
- We have a question from the line of Anant Shenoy from AS Capital. Please go ahead.



**Mr. Anant Shenoy - AS Capital:**

- Thank you for the opportunity again. Sir, on the Orissa plant, do you think this year or next year again there will be increase in the debt because of the Orissa plant? Or do you think like, we have a sufficient headroom for growing for next year, say FY25 and FY26 also without the Orissa plant?

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

- The max as I said, is going on at the moment in terms of the investment and the capacity. So, as and when we are ready with the actual investment, what we are looking at, we will let you know. But for this year, definitely we don't foresee any further increase in the....major increase in the debt as such.

**Mr. Anant Shenoy - AS Capital:**

- Okay. So roughly how much time it will take for us like to set up this plant.

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

- 15 ± 2 months is what I feel we should take to set up this capacity.

**Mr. Anant Shenoy - AS Capital:**

- Okay. Thanks a lot, sir.

**Moderator:**

- Thank you. Ladies and gentlemen, to ask a question please press '\*' and '1' on your phone.
- As there are no further questions, I now hand the conference over to management for closing comments. Over to you, sir.

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

- Thank you very much, ladies and gentlemen, for joining us on the call and asking the relevant questions. I really appreciate each of your questions, and I hope that I have been able to answer them to your satisfaction. With this, I wish you a great last quarter ahead and wish you all the best to your family and good health. Thank you very much for joining us today.

**Moderator:**

- Thank you, sir. On behalf of Prabhudas Lilladher Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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