MTPL/SECT/77/2024-25 **Date: 10th February, 2025**

The Secretary, Listing Department, **BSE Ltd.,** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. **Scrip Code: 533080**	The Manager, Listing Department, **National Stock Exchange of India Limited,** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051. **Symbol: MOLDTKPAC - EQ**

Sub: Transcript of Earnings Conference Call for discussing the Un-audited Financial Results of the Company for the third quarter ended on 31st December, 2024 and other Business Updates

Ref: Regulation 30(6) of SEBI (LODR) Regulations, 2015.

This has reference to our letters dated 3rd February, 2025 & 6th February, 2025, where-in the Company has given intimation to the exchange(s) about the schedule of the Earnings Conference Call of the company for discussing the Un-audited Financial Results of the Company for the third quarter ended on 31st December, 2024 and other business updates on Friday, the 7th day of February, 2025 at 05:00 P.M. (IST).

In this regard, pursuant to the requirement of Regulation 30(6) read with Para A of Part A of Schedule-III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcripts of the said earnings call of the company and be informed that the same has also been uploaded on the website of the Company at:

https://www.moldtekpackaging.com/investors.html

For Mold-Tek Packaging Limited

LAKSHMANA RAO JANUMAHANTI

Digitally signed by LAKSHMANA RAO JANUMAHANTI
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J. Lakshmana Rao
Chairman and Managing Director

Encl.: A/a

"Mold-Tek Packaging Limited
Q3 FY '25 Earnings Conference Call"
February 07, 2025

MANAGEMENT: **MR. J. LAKSHMANA RAO – CHAIRMAN AND MANAGING DIRECTOR – MOLD-TEK PACKAGING LIMITED**

MODERATOR: **MR. NITIN GUPTA – EMKAY GLOBAL FINANCIAL SERVICES**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference Call of Mold-Tek Packaging Limited hosted by Emkay Global Financial Services.

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 star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Gupta from Emkay Global Financial Services. Thank you, and over to you, Mr. Gupta.

Nitin Gupta: Thanks, Michelle. Good evening, everyone. I would like to welcome management and thank them for this opportunity. We have with us today, J. Lakshmana Rao, Chairman and Managing Director. I shall now hand over the call to him for his opening remarks. Over to you, sir.

Lakshmana Rao: Good evening, everybody. Thank you very much for your interest in our quarterly and 9 months results. I'm glad to inform you that there is a considerable improvement in the performance this quarter compared to the previous two quarters.

The sales are up by 15%. In volume terms, it's up by 7.5% in rupee terms, it's up by 15.25%. EBITDA also gone up by almost 12%. But due to higher depreciation and interest, the PAT has dipped by 3.9% compared to Q3 last year.

So the one significant improvement what we are going to see in future is our entry into pharma is well consolidating. We are in a position not only to add several new products and several new clients, but commercial supplies to some of them started as late in December and it's picking up pace in this quarter, that is Q4.

For example, our sales were hardly INR1.5 crores in pharma compared to INR2.27 crores in pharma against INR1 crore in Q2. But in the month of January itself, we have crossed INR2.1 crores due to the commercialization of the samples that were approved during the last several months.

So within a year -- less than a year, company could come to a considerable capacity utilization of pharma facilities. Currently, at INR2 crores, it is almost occupying 40%, 45% -- 40% of the capacity. And steps have been taken to enhance the pharma capacities also.

During the question and answers, we can have a more detailed discussion. So over to the moderator to start the question-and-answer session.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Gaurav from Capital Farming Consultants.

Gaurav: Thank you for giving me an opportunity. So my first question is, some of the clarifications vis-a-vis the last quarter when we were conducting this conference call, we mentioned couple of challenges from supply side within Mold-Tek. That was like, for example, printing machines were not available, which impacted our, I think, paint tax supply.

Then certain molds were not also available, which impacted our pharma confirmed orders, right? And same way in food and FMCG segment, we were expecting that the supplies will start from majorly in January onwards, right? So in all the 3 segments, either availability of machine or molds or supplies from Panipat plant in January, if all of them have started or some of them are still facing challenges?

Lakshmana Rao: Yes, that's good that you're following it up very closely. Yes, one of the challenges we have been facing for the last several months is the printing capacity of IML and procuring the IML in time, which is impacting our supplies in food and FMCG sector and also to some extent in the paint and lubes. So these printing machines have just arrived, a couple of them, one from Italy and one from Delhi. Both the machines are in transit.

Actually, the Italian machine landed in India. And in this week, it will be reaching our plant. So we anticipated end of January but they are reaching by, say, 10th of Feb and probably the erection will take another couple of weeks. So, certainly by end of February, we are ready to have almost 35% to 40% increase in the capacity of IML print labels, which will also die cutting, so which will enable us to face the upcoming season, which generally starts middle of February and goes up till July -- June ending. So these next 4, 5 months is crucial. And thankfully, we are ready with the enhanced capacities.

Coming to the pharma, the molds which have been developed for pharma are all approved. And I'm glad to inform you that we are not even 1 year old in pharma because the plant was inaugurated only in February last year. And within 1 year, I'm glad to say that we have developed 12 new bottle SKUs and 2 more chilled-assistant featured products for pharma industry in India.

And I'm also glad to inform you that recently in the month of December, we have taken up a challenging project for one of our Hyderabad-based MN company exporting to US, a product which has been applied for patent. And that product supplies also started at the trial batches of about 2 lakh pieces worth around INR25 lakhs, INR30 lakhs per month, but with a potential that can more than triple in the next financial year.

So that product, we are applying for the patent because there's a lot of IP and design concepts have been incorporated in it and well appreciated by the client for quick development within 5 weeks. So that product showcases our ability to develop new packaging solutions in the pharma industry, which has been highlighted in our course of audits by various other companies also.

So these molds are now ready and supplies also have started. And we are gearing up additional capacities in pharma within the premises, what it can accommodate in the next 3 to 4 months. And for the new premises, construction also has been initiated, which will be probably starting from next calendar year.

Gaurav: That’s great. So coming to the presentation that we have uploaded for 9 months, this quarter result also. So overall volume, we have mentioned that there is an increase of almost 7.29% from

26,590 metric ton to 28,530 metric ton. So if you can give in these 9 months volume, what exactly is the volume of Paint-Packs vis-a-vis last year 9 months?

Lakshmana Rao: Yes. The Paint-Packs volume has grown up by almost 14% this year, thanks to Aditya Birla Group starting commercial production at Cheyyar and Panipat and recently at Mahad. So paint is up by 14% in 9 months to 9 months numbers in terms of value. But in terms of quantum, that is in tonnage, 8.4% is a growth in paint, 7.3% in food and FMCG, 18% in Qpack, that is our square pack. Pharma, of course, is contributing minus small numbers. And then rest is lubes is down by around 1.5%. So overall growth is around 7.4% -- 7.31% in tonnage.

Gaurav: Understood. Would you be able to give the absolute number of the paint segment in metric tons, this year 9 months vis-a-vis last year...

Lakshmana Rao: For the 9 months, it is 13,733 tons, which is 48% of our overall volume.

Gaurav: Last year it was?

Lakshmana Rao: Lubes is 24%, food and FMCG 12.7%, Qpack is 14.6% and pharma is 0.35%.

Gaurav: Sir, I'm asking last year 9 months volume of Paint-Pack?

Lakshmana Rao: Last year 9 months volumes. Last year, it was 12,670 paints; 7,006 in lubes; 3,368 in food and FMCG; 3,546 in Qpack; and pharma 0.

Gaurav: Sir, considering the 9 months volume of paint segment last year vis-a-vis this year and considering that we have grown substantially, considering the supplies that we have made to the Aditya Birla, right? So if we exclude the Aditya Birla number, I'm assuming that it will be somewhere around 1,500 metric ton or 2,000 metric ton in 9 months volume. So there seems to be a degrowth in the Paint-Packs on a 9-month basis, right, if my understanding is correct?

Lakshmana Rao: If you remove ABG, it is in negative in other paints segment. ABG alone is contributed around..

Gaurav: It is because of the Asian Paints or some other players have also contributed degrowth?

Lakshmana Rao: Major reduction is from Asian Paints because they are one of our largest customers even today. So there, we lost almost 10% volume. And others like Nerolac and Berger, this is not much of a downfall. It may be 4% to 5%, but the major reduction is from Asian Paints.

Gaurav: Would you be able to elaborate what are the reasons why such kind of a degrowth almost 10% in our volume share with the Asian Paints is there?

Lakshmana Rao: One of the reasons is I think they also have tepid growth, one. I don't have the exact numbers, but there is a tepid growth in their volumes. And there is also redistribution of volumes between the vendors based on pricing. We are a little sticky on our pricing. Probably that is one of the reasons why we are losing some part of the business.

Gaurav: Okay. Sir, last question from my side, if you may allow. In one of the last con call also, you mentioned the same challenge that redistribution of the volume by Asian Paints to some of the other suppliers also. And one of the suppliers is their related party also, right? You mentioned in the con call.

So since we are backing up on the Aditya Birla Group, specifically this Birla Opus in a big way, we have spent a lot of money in the capex, right? So do you foresee the same kind of a challenge going forward that in their scenario also, there might be some related party to whom this volume distribution can happen and our entire capex that we have done over a period of time, it might not give up that kind of a ROIC?

Lakshmana Rao: See, we are neither related to Asian Paints or ABG, we are just a professional company and doing our best services and our quality is what is giving us the opportunity to serve this kind of giant companies. Having said that, ABG, all the suppliers other than Hi-Tech, rest of the all the paint manufacturers you name in country are associated with ABG one way or another.

So that is not the reason, like our association with ABG won't make Asian Paints to reduce our volumes. Definitely, I don't think so. It is maybe redistribution or pricing that could be the reason is what I guess. Because Jolie or Hi-Tech -- other than Hi-Tech, you name all the players in the paint segment, they're all working for ABG. So that's a common feature.

Gaurav: No sir, my question was slightly different. Let me rephrase it, because there is a related party which also supplies to Asian Paints and based on -- because it is also a listed entity as far as I recollect and the numbers that they have reported, they have taken a substantial chunk of volume as well as value-wise from Asian Paints, right?

And since we have invested for Aditya Birla Group also, a lot of money in terms of capex. So do we foresee that a certain related party of ABG Group maybe in near term can also get into -- if not already in this vertical, maybe get into this vertical and then our supplies might be curtailed somewhere down the line 2, 3 years?

Management: You mean things that Aditya Birla might start on their own into plastic?

Gaurav: Some of the related party group company, do you foresee that challenge?

Lakshmana Rao: No, I don't foresee that because there was no such talk or even a wrinkling of mentioning such plans in Asia...

Gaurav: As per your industry knowledge sir -- as per your industry knowledge, if Aditya Birla Group is having any such company, which is also in this paint manufacturing segment or not at all? Because you know the industry very well as compared to us.

Lakshmana Rao: As of today, because we certainly have information about that. As of today, there is no entry of Aditya Birla Group directly or indirectly in any of the plastic molding lines.

Gaurav: That’s great. That’s all from my side. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Sani Vishe from Axis Securities. Please go ahead.

Sani Vishe: Thanks for taking my question. So I'm trying to understand the EBITDA per kg trajectory. So if I remember correctly, we are expecting to cross the EBITDA per kg of INR38 by the year-end. But as of now, it seems to be somewhere around INR36.7. So what are our expectations for the full year? And when do we see us crossing the earlier target of INR40 per kg?

Lakshmana Rao: Yes. Probably in the Q4 we may see the number crossing INR38 as the pharma contributions are substantially improving compared to the previous quarters. But for it to cross a level like INR40 maybe only in the next financial year, we can aim at it because pharma will be in big numbers compared to what it is in this current financial year. From INR2 crores, INR2.5 crores, what we did in the first two quarters put together, pharma probably would do another INR5.5 crores to INR6 crores in the Q4.

That takes the overall total to about INR8 crores for the year. So from INR8 crores, we are aiming at almost INR30 crores, INR35 crores turnover coming from pharma in the next financial year. So that substantial improvement of high-margin business should enable us to move above the -- or at least close to the INR40 mark next financial year.

Sani Vishe: Okay. And one small question. So this quarter we increased the volumes by 7.5%, but the revenue was higher by 15%. So there is clear improvement in the realization per kg. So is this - the current level is more or less that we'll be able to hold or do you think it is improving further in the coming quarters?

Lakshmana Rao: Yes, there is an improvement due to two reasons. One is raw material price also has gone up marginally. It's not really gone up. It is -- if you take 9 months it's gone up by around INR4. So the selling price could go up by around INR8. So that is why we are able to sustain the EBITDA improvement which is almost 11.9% for the quarter and 6% for the overall 9 months in spite of increase in staff costs and labor costs due to the new plants that have been installed and commissioned in this year.

All the capitalization benefit -- not benefit, I would say, capitalization of expenditure is now getting impacted in the P&L. So that way the underutilization of these new capacities is causing a challenge in increasing the EBITDA. But going forward, with the ABG numbers improving and pharma numbers also improving from probably next quarter onwards, we would be able to see the EBITDA per kg improving.

Sani Vishe: So sir, I'm asking on realization per kg. So I think it will be a product of raw material prices and demand?

Lakshmana Rao: It's a product of raw material and also a combination of the product mix. As we grow in pharma, per kg realization could be more than INR300 to INR350, whereas our current average is INR206. So even if pharma becomes a 5% of our sale price -- sale volume, it would be taking up our sale average price from INR205, INR206 today to INR215 level. So that can substantially improve the pricing, hence, margins also.

But because of low volume as of today, it will not be able to pull it up right now. But as I said the Q4 is promising. We are almost doing double -- more than double than what we did in the first 9 months in this quarter. So that way, a little improvement can come in Q4, but substantial improvement I'm sure will start showing from Q1 of next financial year.

Sani Vishe: Thanks a lot, sir. Thank you.

Moderator: Thank you. The next question is from the line of Mayank Agarwal from Scientific Investing. Please go ahead.

Mayank Agarwal: Thank you for the opportunity. So I have a question on the margin pressure on the revenue book from the paint and the FMCG segment. Yes. So how much of the revenue book has like margin pressure, especially in the paint and the FMCG segment you are facing right now?

Lakshmana Rao: See, almost paint segment contributes to us even today 48% of volume and lube is 24%. In terms of lube, we are reasonably all right because the product quality is very demanding in lube compared to paint. So the competition is not so severe in lubes. Hence, price pressure on lube packs is not so much, but in paints being a very thick product and a lot of suppliers are already existing in the country, there is always a price pressure on paint industry, sales to paint industry.

In food and FMCG as we are progressively adding new products, for example, this year, one of our biggest catch is Surf Excel which is now coming in, you might have seen in the markets that it is a 4 pack of -- 4 pack Surf Excel, I think it is each 1.5 kg or 1 kg. They are packing in our 10-liter square pack. And that's become a very big hit in the market and their volumes are increasing.

And the indications are whatever we sold this year might almost at least grow by 40%, 50% next year. So Surf Excel is a big catch. And we have been talking about Horlicks for the last 2 years. Now the clearance have come for Horlicks and the numbers what they indicated are also very encouraging.

So in food and FMCG going forward, better utilization and the molds were made more than a year ago for Horlicks. And in the case of Surf Excel, the molds were added recently and that product is also doing good. So going forward, even food and FMCG, we anticipate double-digit growth from 7.3% this year. It should be in the range of around 10% to 12%.

Mayank Agarwal: Okay. Thank you. And on the new paint capex we have done, like will it work on the same margin or like the more or less as it was before?

Lakshmana Rao: Which one in paint or...

Mayank Agarwal: The new paint capex we have done.

Lakshmana Rao: See, in the paint industry as of today the EBITDA margins are below the -- our overall company average. So increasing the paint industry growth only in the case of Aditya Birla Group and Asian Paint where quality and IML being highly used, we have decent EBITDA margins.

Other industries where we still use screen printing, there the EBITDA margins are not so encouraging. So that is one of the reasons we let go some of those opportunities and concentrate more on high value-add like FMCG, food and now pharma.

Mayank Agarwal: Okay. And can you give more light on like how you are doubling the capacity for the pharma segment?

Lakshmana Rao: See, in pharma segment, it always goes with -- starting with the audit and then followed by stability tests and then machine trials and then batch tests, after that commercial supplies would start. So I'm very glad that 12 of the reasonably big pharma players in India have already audited our premises in the last 10 months.

And all of them cleared our premises for the next steps, that is stability and even some of them completed trial lot supplies and commercial quantities started from somewhere in end of December. And the reflection is shoot up of turnover in Jan because some of the products have become commercial. Same trend, if it continues, we hope good numbers to happen in Q4 and even from Q1 onwards for next year.

Another thing is 3 more products I have mentioned in the press release today, squeeze lock CRC, 28 mm CRC. We are working on 1 more -- 2 more SKUs for another large MNC in India. These 4, 5 products are in the anvil. The molds are in the final stage, samples have been approved. Now line trials are going on.

Maybe April onwards, they will get into commercial production, shooting up our numbers in the Q1. So if things go well, pharma can be a star contributor in the next couple of quarters. But that's not the end. In fact, it is the beginning because, as you know, pharma packaging is a very huge market of more than INR3,000 crores, INR4,000 crores per annum. So what we are looking at is INR30 crores, INR40 crores next year is not even 1%.

So -- and also added to that, we are very -- I wouldn't say fortunate, we have been identified even by a U.S. company to procure canisters from us. I have been talking about our products which are unique compared to our competitors in India, especially in the canister segment. We have single-piece canister with laser marking on it, whereas others are still using paper label and double piece canisters.

So these are what canister models which are used in USA. And in fact, right, as we are talking today, one consignment of 1 million pieces of canisters are being exported to U.S. directly. So that opportunity also opening up our ability to aim at U.S. market directly instead of going through Indian pharma companies. So we are even exploring those opportunities.

I wouldn't say that's very huge as of today. But going forward, the numbers also will be -- this segment is another area which can add value to both in terms of revenue and profits to the company.

Mayank Agarwal: Okay. And the last question, if I may ask, like are we sticking to the old growth in the margin target given?

Lakshmana Rao: Yes, we thought of reaching better than this, but probably we may end up somewhere close to 8%, 9% this year because what we thought in terms of ABG, we lost in Asian Paints, half of it at least. So that is what has caused difference in our numbers projected and what numbers we are achieving. But still, we'll be close to a higher single digit in this year and definitely be in double digits next year.

Moderator: We'll take the next question from the line of Richa from Equitymaster.

Richa: Sir, it seems that the pharma is shaping up well and you had planned some kind of capacity expansions. If you could give some kind of capex target for FY '25 -- for FY '26, it would help. And also with the current capacities, is the depreciation and interest cost the same run rate can be considered with whatever capex plan was -- capex was planned for FY '25?

Lakshmana Rao: Yes, because we have depreciated almost like -- we're going to depreciate, I'd say, almost INR50 crores in this current financial year. So far, already INR36 crores has been depreciated, probably another INR12 crores, INR13 crores would go off. So next year, probably it will inch up a bit, but the new addition of plant and machinery, I don't think will be to the tune of INR120 crores, INR130 crores, which we have been investing in the last 3 financial years.

Because next year plan is only to admit pharma capacities, which may not be like INR60 crores what we did in Phase 1. It may be to the tune of INR30 crores to INR35 crores, but that is enough to double the capacity because the land and building is already in place. So only for additional machines and molds, the investment will be definitely less compared to Greenfield project what we invested last year.

So additional INR25 crores to INR30 crores investment will certainly happen in pharma going forward. But that won't be still enough. Maybe we may have to go for expanding, adding new buildings in the Sultanpur premises by spending another INR8 crores to INR10 crores. So that addition, if we take into -- that's not been decided.

But looking at the trend, what is happening, we may have to start that immediately to catch up with the growing demand for our products. So if that too happens, probably investment in pharma can reach up to INR40 crores. So INR25 crores to INR40 crores is investment we are planning for pharma next financial year. And the rest of the investments are only balancing in nature in either at Cheyyar or Panipat or Mahad, we already made substantial investments.

Mahad may have some investment of INR10 crores, INR15 crores. But rest of the plants, it is only balancing equipment. So I am thinking at least on the paper, what it looks like our investment next year may come down substantially from INR120 crores for the last 3 years, including this year to around INR60 crores, INR65 crores for the next financial year.

Richa: Okay. And sir, my next question is on the food and FMCG segment. It seems like this used to be a key driver with more than 15% growth and almost 20% kind of growth used to be the guidance. And I think you mentioned some -- in response to some question of 10% to 12% kind of growth, which seems quite low and it will be difficult to push the volume growth at an overall company level given what's happening at the paint segment in the lubes segment?

So could you just add -- could you just elaborate on what's happening? Has the competition increased? Or have you acquired new customers? Is this the best that we can expect 10% to 12% in food and FMCG?

Lakshmana Rao: Yes. I answered this last quarter also. Yes, there is an increased competition, especially in the nooks and corners of the country, small players with a couple of machines and a few product range they are entering, especially in ice creams and dairy products where there's a need everywhere.

So that is one certainly a reason. But our confidence for better growth next year is because our plant at Panipat will start manufacturing thin walled products or food products from April or max May this year. So they will start -- that will start contributing. And another confidence is good numbers of the Horlicks and Surf Excel products which we are going to manufacture already for which the orders and molds are ready and supplies have started in the case of Surf Excel and other products might start sometime in the next couple of months.

So that is why I'm confident next year, thin wall sales also can be in double digits. Yes, I agree with you like in the paint industry, probably the trend may not be so sharp in terms of using orders from existing paint companies because they are also shifting into IML. The good news is last few months, IML sales -- I mean, shifting to IML is improving in the paint industry That makes Mold-Tek as a better choice for players like Asian Paints or even KNP and Berger because of the robotic capacities what we have, our in-house IML capacities and our ability to develop new designs and challenging artworks.

So that makes Mold-Tek is obviously a better option. So we anticipate at least, if not a growth in the other paint companies, we may not lose our share in the next financial year is our strong belief. If that happens, ABG will continue to grow because they have expansion plans and they are indicating big numbers to happen in the next financial year. If they are partially true or at least reasonably true, we may see a reasonable 10% -- I mean, double-digit growth in paint segment as well. If that happens, our prediction to cross 10%, 11% growth in next financial year shouldn't be a problem, but I keep my fingers crossed on that.

Richa: Okay. And sir, you mentioned your capacity is at 50% plus, but if you could give the exact capacity and utilization expected this year?

Lakshmana Rao: Capacity utilization is still around 70% overall company level, but the plants at Cheyyar and Mahad, especially Panipat which have been created in anticipation of ABG's growth, there the percentages are still 60% compared to the initial capacity, but we have been adding machines there in anticipation of their growth next year. So if you consider that also it is below 50% utilization. So once that start moving up to 60% or 70%, we will be seeing the overheads distributed over larger output and the margin.

Richa: Okay. But what is the base capacity, sir?

Lakshmana Rao: The base capacity is more than 53,000 tons as of today per annum. And this year we may hit close to 40,000. We are already -- sorry 28,500. So probably we'll be hitting somewhere close to 39,000.

Richa: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Ashutosh Khetan from Asian Markets Securities. Please go ahead.

Ashutosh Khetan: I wanted to ask the contribution of IML in value and volume terms for this quarter and in terms of value paints, lubes, FMCG and pharma contribution?

Lakshmana Rao: Yes. In terms of IML, the numbers are going up because the paint industry also started adopting IML in a reasonable way. And of course, HTL is also a part of it. So overall labelled containers have grown up from 64% last Q3 to 73.4%. Overall, for 9 months it's also substantial, 63.6% to 69.3%. So almost 10% improvement in the labelled containers compared to last year, there is an improvement.

And coming to volumes, I think I already mentioned to you, paints contribute in this Q3 45.5%; lubes 22.2%; food is 18.4%; Qpack is 12.7%. So put together, food and Qpack is almost now crossed 31%; pharma is 1.19% in terms of percentage in the turnover side. In the volume side, paint is still 48%; lube is 24.6%; food and FMCG is only 12.4%; Qpack is 14.4%; pharma is 0.6%.

Ashutosh Khetan: Okay, sir. And what will be the volume guidance for FY '25?

Lakshmana Rao: FY '25, we thought we will be in the region of 10% to 15%, but probably it looks like we might end up close to 8% to 9% growth overall in this year concluding in March, but coming to next year we are confident we'll be in double digits because what I explained to the previous question.

Ashutosh Khetan: Okay, sir. And lastly on the pharma, what will be the revenue potential for '27?

Lakshmana Rao: Yes. See, ideally, we wish to see a triple digit coming over there, but that may be too ambitious. But it is possible. It's not impossible because the way pharma market behaves is their approval system, their trial system is pretty long. Sometimes it takes almost 1 year to get into real commercial supplies.

And that phase is being completed for almost 10 to 12 clients and they are in the process of giving us trial orders, some of them giving commercial orders. That is why there is a short up in the performance in January. So if that accumulation starts from, let's say, next year the numbers can double, at least, if not triple. So if we achieve INR30 crores, INR35 crores in next financial year in pharma, we can aim at INR60 crores to INR65 crores for the following year, that is '26, '27.

Ashutosh Khetan: Got it, sir. Thank you.

Moderator: Thank you. We'll take the next question from the line of Roshni Galani from ICICI Prudential AMC. Please go ahead.

Roshni Galani: Thanks for the opportunity. One thing I wanted to ask was with respect to the capacity addition that we are doing in Panipat for FMCG. Do we have active commitments from our clients because we have already lost some market share there?

Lakshmana Rao: Yes. Actually, some of the products will go to Baddi -- Hindustan Levers Baddi. There is others which we are sending all the way from Hyderabad. So part of this can be moved there, part of the molds can move there. Even Horlicks is also filled in the north, a part of that can start there and a big market of Square pack is open for us because as you know, we have the patent and able to push the patent right in the Delhi High Court and several other high courts. So the square pack demand is still improving there in the North and those will be met through Panipat plant.

So coming to the regular ice creams and dairy products, we certainly have our own way in terms of our quality and consistency and especially when volumes are involved, we are the most reliable supplier for anybody. So we certainly feel that starting in North will give us a better momentum in food and FMCG growth.

Roshni Galani: Okay, thanks.

Moderator: Thank you. The next question is from the line of Jaiveer Shekhawat from Ambit Capital. Please go ahead.

Jaiveer Shekhawat: Sir, first question, if I track your guidance on volumes over the last couple of quarters, I mean, this year we were expecting to possibly end the year at low-teens and the guidance for the next year was possibly somewhere around mid- to high teens. But I think over the last few quarters, we have seen that there has been consistent decline in the overall volume growth guidance.

So are there any structural challenges that we are facing because of which now even for FY '26, last quarter, you were talking about possibly mid- to high teens and now you're possibly down to double-digit growth. So any structural challenges that we are facing or do you think you'll be able to get back to about mid-teens growth next year in terms of volumes?

Lakshmana Rao: See, to be very fair and clear, I mean, answer to you. Our -- we never anticipated a drop in Asian Paints volumes in this year. So that growth they contribute almost 30%, 33% of our sales even today, 30%. So a big 10% drop in the volume has hit us by almost 3 percentage points.

So that is one of the reasons why we have not reached the projected volume growth in the current financial year. And ABG numbers were picked up well in the first 6,months, 7 months, but they are a little tepid now. But of course, for any brand to sustain and grow it will take some time and we are bullish on that because their commentary and their indication to us is a good number of growth coming in the -- right from Q1 onwards.

So our two things majorly, one of them is our misplanning in printing capacity or a reduction of the printing machine in a vital time has made us lose some part of business both in Qpacks and thin wall. That is one reason. And second reason I state is Asian Paints loss of business. These two are the major reasons why we couldn't reach at least close to 12% to 15% bracket which I thought we would definitely meet. These are the two reasons frankly, I should admit.

Having said that, with the addition of print capacities in February, which is the starting of the season and that capacity is also substantial. It's not like 10%, 15%. We added almost 40% extra capacity now which will smoothen our supply situation in IML labels and won't disrupt any supplies to clients with whom we have to say no in the last season. So I hope that is one big correction we have taken.

And I would like to be cautious this time because we don't know how things will happen in the paint segment going forward. So keeping that in mind, I'm talking of lower growth. But internally, we are still aiming at, at least 15% growth for next financial year. But I'll be glad even if it is more than 10%, mainly fuelled by pharma. If it is fuelled by pharma that will be much better satisfaction in terms of revenue and profitability also.

Jaiveer Shekhawat: Sure. Sir, since you've already mentioned you're targeting anywhere between INR30 crores, INR40 crores next year in terms of revenues from pharma, so that contribution would possibly still be sub-5 percentage of your overall revenues. So I think majority of the heavy lifting will still have to be done by your existing segments. So when you say that 10% to 15% volume growth, how do you see the volume growth across different segments?

Lakshmana Rao: See, as I said, I'm not very confident about the paints. As far as ABG is concerned, I'm confident that numbers will definitely go up because the indication given to us is they're talking about 40%, 50% increase in our pickup, if not their overall demand from pickup from our plants they indicated. So that will be a substantial improvement for us if that happens.

But Asian Paints, we are not very sure how their plans of procurement are going to be. But definitely, we will never lose beyond if we lose 5%, 6% or 10% or probably we may get the same level of demand from them next year because they are moving more and more into IML. I mean, currently, more than 10 packs are shifted to IML and where we are standing to gain in terms of volume business.

So hopefully, we may stabilize with Asian Paints this year and ABG might add a decent number to pull us up into double-digit growth in paint segment as well. But lubes will never be such a player. Lubes will be hardly 2%, 3% either side. So as you correctly said the growth has to come from paint, food and FMCG and Qpack.

In Qpack, we are confident because Surf Excel and a couple of other opportunities we got which are going to be in big numbers. And we have also expanded the product range added 2 liter and 3-liter pack in square and the molds are ready and samples are being tested by a few big clients. So those numbers might start adding and Horlicks numbers will certainly add next year and Panipat.

So I'm positive about a double-digit growth in food and FMCG. Only one area where we may not see double digit is lubes. So if other product lines can pull it up, we will be definitely in a decent growth next year.

Jaiveer Shekhawat: And sir in case of thin packs over there as well, given your commissioning capacities, both in North and West, I mean, what is your expectation for your high-margin thin packs overall volume growth?

Lakshmana Rao: We should be close to 15% in the thin packs next year.

Jaiveer Shekhawat: And sir what's really driving that because we have actually not grown much this year, possibly in low single digits. So what's driving your confidence for a 15-percentage growth next year?

Lakshmana Rao: No, this year, tonnage-wise it is 7.3% for the first 9 months. And hopefully, we'll close this year by around 8%, 8.5% in thin wall. So that is improvement in the last quarter and this fourth quarter because of as I said, Horlicks and Kissan Jam started. And those numbers will shoot up in the next Q1 onwards.

So I'm confident of a double-digit growth or maybe -- I mean, I would say 10% for sure. It can also be 15% if our North plants go as per our plans, if things go as per our plans. Coming to Qpack, I'm confident it will be again 18%, 20% kind of growth next year. So that is one number which will pick up the lube or loss of lube because in terms of value addition also, lube and square packs are almost similar.

So that way, Qpack growth might take care of lube. So all depends upon how we fare with Asian Paints next year. If our numbers at least stay where they are this year, we can aim at definitely a double digit and a decent better numbers, which we'll see only next year.

Jaiveer Shekhawat: Sure. Sir, last question if I see your other expenses, Y-o-Y these have increased by around 30 percentage while your volumes have only grown by 7 percentage. So could you highlight what's leading to this increase, substantial increase in other expenses?

Lakshmana Rao: What do you mean by other expenses, what are all the items that you have taken?

Jaiveer Shekhawat: So as you disclosed in your BSE filing itself, the line item, other expenses just below depreciation and amortization expenses. So this other expense is about INR36 crores, INR37 crores this quarter as compared to about INR28 crores in the quarter last year?

Lakshmana Rao: Yes, couple of reasons. One is to sustain our patent rights. We have been filing cases and spending on legal expenditure. That is a one reason. And legal expenditure is more than INR1 crores where we press the various courts to get the injunctions and close the operations of three or four competitors who have copied our square pack. So INR96 lakhs to be precise in the first 9 months.

So that is one reason for expenditure increase. And general expenditure that includes travel and trade fairs. We are now participating in trade fair in Chicago. We have participated in -- sent a team to Europe for our CPHI, that is pharma exhibition and shows. So we are now participating in all the pharma shows across the country. So these are the other reasons for increased other expenses.

Jaiveer Shekhawat: Sure. Thanks a lot sir and all the best.

Moderator: Thank you. The next question is from the line of Manan Madlani from KamayaKya Wealth Management. Please go ahead.

Manan Madlani: Thanks for the opportunity. So assuming the next year, Asian Paints volume grows back to normal level, do you see any problem regarding the offtake from the Asian Paints like will there be any switch from our company to the related party companies or anything like that?

Lakshmana Rao: No, I don't want to comment like this. Actually, it's not that our volumes are going to their related party. I'm not saying that. It is -- our maybe pricing inability or some other advantages what they foresee in other suppliers is causing a loss in our volumes for the last couple of years. But going forward, I don't think it would happen further because as I said IML adoption is improving in Asian Paints.

Earlier, it used to be almost nil is now currently at least 10% to 15% of their volumes, what they're picking up from us is in IML. And going forward if those numbers increase, of course, others also will follow suit and develop their IML capabilities, but we being the leaders in IML and able to work on challenging artworks and challenging label technologies, we may stand to gain. That is what positive we see in Asian Paints going forward.

So how they decide the market share or dividing their share is definitely based on competitive pricing and their commitment. In both commitments, they are always stable with us. And the variation in the business distribution also won't become 0. It will become, let's say, it's between 15% to 25%. If your pricing is competitive, I may get my 25%. If my pricing is not so competitive I may get 20%. I'm very costly, I may get still 15%.

So that way, they are very fair in business allocation. And some reasons can still be there why we may be losing, but I think pricing or our cost of manufacturing being a little on the higher side because of our R&D efforts, our design team, our robotics costs, we are a little expensive than other players. Maybe that is one reason why we also internally should agree why we are losing part of our business.

Manan Madlani: Okay. And in terms of Grasim, what kind of commitment they have given for next year?

Lakshmana Rao: It's not a commitment. Their volume growth, they are projecting 40% to 50% compared to this current financial year and we are ready with this machinery and molds. I mean, we are almost ready. Most of the machines have arrived. A couple of them are in transit. By Feb end or March end, we'll be ready with that volume. If their volumes start picking up really what they are predicting, we will be benefiting considerably.

Manan Madlani: And for Grasim, how much of the total volume is IML?

Lakshmana Rao: About 20%, about 15% to 20%.

Manan Madlani: So it's twice what Asian Paints is getting?

Lakshmana Rao: Asian Paints today also, I don't think it is about 10%. I don't have correct numbers, but I guess it should be around 10%.

Manan Madlani: Okay. And one last question on the pharma side. So do you see in next 3 to 5 years, getting market share of somewhere around 5% to 10%? Do you foresee that kind of ambition?

Lakshmana Rao: Yes, we are definitely nurturing such ambition because what I'm really excited about is in the pharma industry, new product development is a long process. Most of the -- I don't want to comment about the competitors because they're well established and doing a pretty good job themselves.

But coming to the new product development, we can cut corners really fast because of our in-house tool room and our big design team, developing a new concept, for example, the jewel chamber product what we developed for one of a big pharma company in Hyderabad, it is really a challenging task. Within 4 weeks, we developed two sets of molds and those two components have to be assembled together to make a single piece which will serve the jewel purpose of low-volume air inside and big handling -- ease of bigger size for handling.

So that challenge we have solved with our own internal design for which we have now filed a patent. That shows within a year, less than a year's time, Mold-Tek is not only establishing the confidence, gaining the confidence of more than 10, 12 pharma companies are able to file a patent application.

And that is where I see in pharma, we can make a big change because anybody who want to develop a new product, they will look at Mold-Tek now. Already second client who has been very happy with one fast development has giving us -- has already given us three, four products for development and two more products that we have completely developed and started commercial supplies in January and is given two more products.

So when they see the speed at which Mold-Tek is able to develop molds, develop corrections and give them a product which they have to go for stability tests, send it for trial, supply trials, transit trials, where they have a lot of time wasted. So if we save the development time by couple of months that is what makes pharma to look at Mold-Tek with interest and we are using world-class facilities, nowhere we are compromising on quality or cleanliness.

In fact, if you guys come and visit our plant, you will think it is a pharma company. That's the kind of facility we have created. So world-class facilities, world-class tool room and fast development and innovation is what we are bringing to the table in pharma packaging. I'm really excited that is going to be the game changer for next -- at least for a decade for Mold-Tek. That's my individual expectation.

Manan Madlani: Fair enough. So on the pricing side, do we still on the premium side for pharma segment as well compared to other peers?

Lakshmana Rao: See, wherever we develop a new product, we can command a very good pricing because obviously the risks of tooling and assembly machines what we invest definitely need for -- call for a higher return and always all players are ready to pay for it. For products which are already established, obviously, there will be some pricing or productivity gains you have to show to attract.

So both the deals we have taken care. One on the innovative product side we are able to gain good numbers and good pricing. And on the conventional products we have gone up with higher cavitation molds. See, if somebody is having 8 cavity or 12 cavity molds, we have started 24 or 36 cavitation.

So obviously, our per crores investment per day production will be much better. It will not go in the same proportion. So we have gone up with high cavitation, high-speed assembly machines to beat pricing, if necessary, in the conventional products. So in both sides, I think we have an edge.

Manan Madlani: Okay. Fair enough. One last part. So given we want to grow this much in the next 3 years to 5 years, do we have enough bandwidth or we need to improve that? And second, what would be the ROIC on the pharma side of the segment?

Lakshmana Rao: ROCE, what we generally monitor is definitely much better in pharma in terms of EBITDA, I can say if it is 38% or 37% in current product mix, anything above 100 to 150 is possible in pharma. So that every kg of pharma would be adding decent numbers to our overall average. So in terms of ROCE also, it should be more than 28%, 29% if our product range goes into reasonable utilization.

For example, in the products like canisters, the return or EBITDA is much higher. It even crosses 50%. So -- but their sales are picking up, are yet to see big numbers. And those volumes are yet to pick up. Now one US client we are supplying million pieces a month. And a few more clients in India have given clearance for trial lots. For them to become commercial lots and become a regular product, it may take 3 to 4 months.

So going forward, if the canister sales increase, our numbers will shoot up. But I can't see where it will be right now because unlike paint and lube industry, we are very new in pharma. So how the numbers will shape up, only time can tell. I also mentioned this 6 months ago. But today, I can say with confidence because what we have seen in January is a testimony of our confidence.

And going forward, if a couple of such things happen and four more new products we are introducing, molds are almost ready. Some of the samples are under testing. And these products become commercial, let's say, by April, May. From June onwards, we can see another spike in pharma numbers.

So like this every addition of a new commercial product will be adding numbers in pharma. And we are taking the challenge of new product development as an entry point into big pharma companies. And they're definitely delighted to see the speed at which Mold-Tek is able to develop a new product or alter an existing product to suit to their lines. This is where we pitch in.

For example, I tell you, somebody want a regular 40 ml bottle which is, I mean, kind of a commodity nowadays -- 40 ml bottle with 12 grams is what is there with the mold makers all across India, somebody want a 14 gram because the client insists on some MBTR test or something where he want more thickness. And while the other mold makers -- other suppliers take 2 months, 3 months to get the core rods changed and cavities changed, we do it within two weeks.

So they cut time and they will be able to give samples faster than the other company where they are competing with and they will be able to gain advantage with their end client. So that is where they see value with Mold-Tek. That's happening with a couple of clients that itself given us confidence that if it happens to -- with 10 clients, if not all, it can really shoot up our demand.

Manan Madlani: Okay. Thank you so much sir. That's it from my side. Wish you all the best.

Moderator: Thank you. The next question is from the line of Mehul Panjuani from 40Cents. Please go ahead.

Mehul Panjuani: Thank you so much for the detailed answering of all the questions. One question because I'm new -- I'm tracking this company very lately. So I just want to understand a couple of things. What is the difference in IML and the normal other for paint industry? How -- why does a paint manufacturer go for IML? What is -- I mean, I'm very lenient in this question. So if you can elaborate a bit?

Lakshmana Rao: Yes, yes, it's a very basic question. But I think, as you said, you are late in following up with the industry. You don't have a full knowledge. Typically, the decoration of pail is done by screen printing all these years. Then the next step was heat transfer label. That means you print an artwork on a label and by heat, you transfer the ink onto the container. That is HTL. That is a step forward. But in 2010, '11, Mold-Tek is the first company to bring in-mold labelling concept to India, along with robotics and even in-house manufacturing of IML, we started soon after.

So because for every container, you need a label, it is impossible to import these labels. So we have developed the technology to even print and die cut the labels in India in 2011, '12. And that has introduced the concept of world-class IML decoration in this country.

So in this, you can print photographic finish, you can take a picture and develop it in multicolor printing and print it on a label and die cut it exactly to the developed surface of the product. And then you -- with robotics, you put the label before the molding and molding happens underneath the label and it fuses, the label fuses to the container. Thereby, when the product is molded itself, it is completely decorated and ready to go. So no human contact, no post-operation, no contamination that makes IML world-class over any other way of decoration.

And it covers the entire area of the container, unlike HTL where you have to leave at least 20% of the area for the squeezing, heating area. So you will end up covering the surface only 80%, whereas in IML, you get 100% -- 95%, 98% surface coverage. And it is permanent, whereas HTL by some acidic or alkaline contact, the paint may go off because it's obviously a transfer from a label to container.

Whereas in IML, you are printing it beneath the label and the label is stuck on to the container. So somebody need to remove the label means he has to really scratch it vigorously, even then it won't come out. So it is a permanent decoration compared it to other molds. I think I've given a detail...

Mehul Panjuani: A follow-up question on this and then one more question. So first, I'll go with another question. Sir, what is it -- I mean, again, this may be a layman question again. Why have we -- I mean, throughout the call, we are talking about that we are entering pharma, and we have entered last year, I think maybe 3, 4 quarters back, we have entered the pharma space and we are progressing very well.

So that's a very good sign. But I have a question which is again basic that why have we not entered pharma because Mold-Tek has been there for maybe more than a few decades. So why is it suddenly we are entering pharma right now? And is there any particular reason or opportunity?

Lakshmana Rao: No reason. It was basically, we are growing in IML and there was a lot of things on hand, including ABG projects were given to us. And it's like more of a bird on hand. So it was -- concentration was all the time on these products and IML products. I would -- I wish that time goes back and we can start pharma 5 years ago, but that's not being the possibility. Whatever we could do, we did it last year. Actually, it took us 1 year to set up the plant and it went commercial about 10, 11 months ago. So anyway, never -- it's always better late to be than never.

So having started, we are now finding that our strengths of mold making, concept designing, product development has a long way to go in pharma than any other segment. And the beauty in pharma is the stickability is very high. Once they are with you in terms of new product especially, their dependence on you is still high, as high as your dependence on them. And the stickiness gives you comfortable growth wherever you could prove your metal. So that gives us a more challenging and better margin also. Obviously, we are more excited in that field.

Mehul Panjuani: Sir, thank you so much for your candid reply. Now regarding pharma, the opportunity size may be 3x, 4x what is there in paints. Is it fair to assume that or even more?

Lakshmana Rao: 3x, 4x of what?

Mehul Panjuani: More than paints, the opportunity size for Mold-Tek?

Lakshmana Rao: No. As of today, paint segment, in my opinion is much bigger than pharma because most of the Indian pharmaceutical products are still in what you call like metal film packing and what is it called, that aluminum foil packing. So whereas abroad in US and Europe is -- containers are used for tablet packing, powders, tablets, even liquids are in kind of HDPE and PET bottles. So in India, it is a long way to go. But once the Indian pharma -- now these rules are changing, government is -- you might have read recently in Baddi, they stopped some 25 units, which are not following pharma standards while manufacturing medicines.

So government is also tightening belts on the way pharma products are being produced in India. If the changes come in, there will be more and more demand for pharma containers compared to what it was a few years ago. But comparatively, in terms of rupee size, still, in my opinion, paint packaging is at least 50% to 100% more than pharma.

Mehul Panjuani: Okay. So right now, we are -- paint is 50%. So can we say that if everything goes well and we are grabbing a lot of opportunities in pharma space, can we say that in 5 years, we would be -- 20% of our sales would come from pharma?

Lakshmana Rao: In 5 years, yes, it is possible. Definitely possible because it's a big...

Mehul Panjuani: Big opportunity.

Lakshmana Rao: Pharma packaging segment more than INR4,000 crores, INR5,000 crores. So what we are talking about is even after 5 years, we are, let's say, close to INR1,500 crores, INR1,700 crores, reaching a 20% means about INR250 crores, INR300 crores or maybe INR300 crores turnover in 5, 6 years is definitely possible.

Mehul Panjuani: And what kind of competition is there in the pharma segment, sir, for Mold-Tek?

Lakshmana Rao: Yes, Shriji Polymers, Gerresheimer, Gopaldas, there are 3, 4 well-established players in pharma sector. Shriji, I think, is the largest. And Pravesha was there, but it is Aurobindo in-house company, which has been acquired by -- recently by FI, I think PAG or one of the FIs has acquired Pravesha's packaging business. And even Manjushree was acquired by them.

So that way, there are 2 big players I can consider is the Gerresheimer, that's a German company having plants in India, and Shriji, which also has 3, 4 plants across India. These 2 are major players. Gopaldas and Dr. Pack, to some extent, Bericap's some products. These 3 companies are also reasonable size, say, INR100 crores to INR200 crores, I think I'm guessing, INR200 crores turnover.

Mehul Panjuani: Okay, thank you so much, sir, and wish you very best and I really appreciate the way you respond to all the questions in a very detailed manner.

Moderator: The next question is from the line of Akhil Parekh from B&K Securities.

Akhil Parekh: And sir, many congratulations on the pharma side of the business. But my question is on the paint side. You mentioned that we have almost lost 10% from Asian Paints. So just wanted to understand the thought process of the management given that Asian Paints is the largest paints company of India?

Does it make sense to sacrifice a bit on pricing and continue to get higher volume share from Asian Paints? So it will certainly help in fixed cost absorption, right, if we are able to get higher volumes from Asian Paints, given that we are already scaling up in pharma, so whatever negative impact it can have will probably get offset by the pharma segment. So that's my first question.

Lakshmana Rao: Yes, it's a business call we have to take based upon our long experience in this field. I'm sure you will give us that credit. So we also don't wish to lose volumes, but the pricing delta is also something which will hurt us in case we follow their address. But sometimes we need to do that to gain volumes. It's a balancing act believe us that we are taking.

Akhil Parekh: Okay. Just a supplementary question to it, like I've been reading Manjushree is getting aggressive in the paints business, right? And they are the largest rigid packaging player. And we have not seen, I believe, such kind of a volume drop from Asian Paints in our last 2 to 2.5 decades of dealing with Asian Paints. Would you be able to share some light? Is it because of likes of Manjushree who are competing hard on pricing front?

Lakshmana Rao: I don't want to comment about them because I don't have their details with me, who they are competing. But that's not the reason that we are losing our business. Manjushree is definitely not a big player in pails. They are very big in PET and blow molding as far as my knowledge goes. In pail, yes, of course, they made a couple of acquisitions or one acquisition for sure, I know. And they are supplying to ABG also from one of the plants.

So they are trying to -- I mean, enter in the pail segment, for sure, I know that. They're also aggressive in pricing for whatever reasons they deem fit. But that is not the reason -- the only reason why we are losing. It's a combination of our pricing and Asian Paints expectation and other pricing. That dynamic is what creating this loss of business, which we are trying to impress upon Asian Paints, because of our quality, because of our consistent new design development.

For example, when they want to reduce their weights and go for cost saving, it will be Mold-Tek first. We will develop the molds and prove the concept and then others follow. So we take always the lead. Even today, we work with Asian Paints very closely for their new IML products, which they are advertising now and the cricket matches you see Ultima Protek and all.

We are the lone suppliers as of today. So that way, our relationship with Asian Paints is pretty strong. It is balanced between their competitiveness, what they anticipate and pricing, what we expect, some plus or minus happens. But as a business relation, we enjoy really a good relation with Asian Paints.

Akhil Parekh: Sure. And just one last bookkeeping question. We have 1,500 tons of pharma capacity, right, at this point of the time, and it should be able to -- 1,500 tons that should be able to -- at optimum utilization, we should be able to clock INR30 crores of top line from that capacity. Is that correct?

Lakshmana Rao: No, no, no. The minimum pricing of our average on combination of all products, our pricing will not be less than INR300 to INR350 per kg.

Akhil Parekh: That's all from my side and best luck for coming quarters.

Lakshmana Rao: Thank you.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Lakshmana Rao: Yes. I take this opportunity to thank Emkay and Mr. Nitin in particular, for arranging this conference call. And I also thank all the participants for their interest and time they spent in our company -- knowing about our company and our quarterly results. And I thank you also for your good wishes, and I wish you all a very happy year ahead and good luck. Bye-bye.

Moderator: Thank you, members of the management. On behalf of Emkay Global Financial Services, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.