

May, 2018

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Sub: Transcript of Conference Call held on Wednesday, 9th May, 2018

Dear Sir/Madam,

Further to our intimation dated 4th May, 2018 in relation to the conference call on the unaudited financial results of the Company for the quarter ended 31st March, 2018, please find enclosed herewith Transcript of the said conference call held on Wednesday 9th May, 2018 for your perusal/records.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For Huhtamaki PPL Ltd.,


D V Iyer
Company Secretary & Head – Legal



Encl: As above

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Transcript

Conference Call of Huhtamaki PPL Limited

Event Date / Time : 9th May 2018 3 PM IST

Event Duration : 36 min 01 sec

Presentation Session

Moderator: Ladies and gentlemen, good afternoon and welcome to Huhtamaki PPL Limited 1QCY18 earnings conference call hosted by Aditya Birla Money Limited. As a reminder, all participant lines are in listen-only mode now. Later, there will be an opportunity for you to ask questions after the presentation concludes. Please note this conference is recorded. I would now like to hand over the floor to Mr. Jaymin Trivedi of Aditya Birla Money. Thank you and over to you sir.

Jaymin Trivedi: Good afternoon everyone. We welcome to the Q1CY18 earnings conference call of Huhtamaki PPL Limited. Today from the management, we have Mr. Parag Vyavahare, CFO of the company. To start with the call, we will have a brief update from the management on the results, after which we will open the floor for questions. Over to you sir.

Parag Vyavahare: Thank you Jaymin and thank you moderator. Good afternoon ladies and gentlemen and welcome to this investor's call for the Q12018 results of Huhtamaki PPL Limited. The results were cleared by the board yesterday and they are there with you. The key highlights of the current quarter I will say is that we have been able to log a good sales growth of 7.8% vis-à-vis last year same quarter. The PBT has been up by 11.6% and EPS has grown by 9.3%. Two other highlights I would like to add of this quarter, which are relevant, which you would I like to know. We have announced the acquisition of the Ajanta Packaging Limited, a partnership firm, on a business transfer agreement basis, on a slump sale basis, wherein we will be acquiring their whole of the business within India for consideration of Rs.100 crores. The transaction is yet to be closed and be subject to the usual customary closing adjustment. So, this transaction will enable the company to strengthen and consolidate its position in the labeling business and hence we are very happy to talk about that acquisition.

Second thing, in the current quarter we also have done...we have added a one-of-its-kind digital printing machine, which is a wide web printing machine, which we have added to our portfolio, and which has given us a start in a differential product category. So, these are the two good news for the quarter to share with you. With that, I would like to hand over the mike back to the moderator, and I am now open to the questions. Thank you very much.

Question and Answer Session

Moderator: Thank you Mr. Parag. We will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad

and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again.

Sir, the first question comes from Mr. Sunil Kothari, Unique Investments Consultancy.

Sunil Kothari: Thank you very much. Good afternoon Parag Bhai. Congratulations on a reasonably good set of numbers. Sir, my basic question is this tax rate seems to be 45 plus percentage, which I understand mainly because of your interest, seems to be not deductible (not sure) that is the reason. So, when we are giving thought on repaying this debt we have taken as an NCD from our parent company?

Parag Vyavahare: See, this NCD repayment is, as you know, it is a bullet repayment due in January 2020. Obviously, we also do have the option of prepaying this NCD. However, it really depends as to how does one get what kind of cash flows and the surpluses. So, depending on that we would like to take this call and then we will decide based on that thing as to when do we repay this loan, or do we refinance towards the end.

Sunil Kothari: Because, is there, I mean 7% net of tax is the cost to us, so I think, that's why I thought that why should we not go for some, maybe it was given at the right time, we have really used this very well. But when we are having cash flow, if we can pay that part also, that will help us a lot.

Parag Vyavahare: See, last three years, post the, this thing, have been reasonably tough; post the acquisition, because of the economic situation, turned out to be slightly adverse compared to what was originally envisaged. So, obviously, the growth rates have been subdued in this period and hence the profits, what we have earned, and the cash that we have been able to generate, let's say, has been subdued, because of the overall situation, which you have been the witness over the last three years. So, obviously, that has put some limitations in terms of how much cash we can afford to spare at this point of time for the repayment of the loan. And as you rightly pointed out, as the loan is at a very, very cheap rate, and it is from the parent company, we have always the option. But, we thought that it is better to use the cash more productively in the business, either to repay the existing other cost-free loans or undertake the more productive internal capex investments, or the acquisition like Ajanta Packaging. And then we said post that we will look at repayment of the loan, because that is not such a major hurry. Because, overall, if you look at it, our debt-equity ratio is less than 0.75:1, which is quite reasonable, and it is not something, which is not such a burden to the company at this size of the operation.

Sunil Kothari: No, sir, my thoughts, I mean, my point of view is, say, suppose you take NCD from any Indian entity, from mutual fund or somewhere where this corporate deposit is available between 8, 8-1/2%, and if you are paying a 30% taxes, 35% is our normal tax rate. Then our effective cost comes around 6% or less than 6%, and now you are paying 7%. So, there is a difference between this interest cost. Because you are not allowed to deduct as an expense in terms of Indian income tax act, so that's why you are paying 46%, 50% tax. So, ultimately, your cash outgo is more than 7%, I mean, if you could tax calculation when it is effectively costing you more than 9, 9-1/2%.

Parag Vyavahare: I would not like to look at it that way and I would not like to, you know, preempt the conclusion at this point of time. One, you will agree, we will have to do a bit of wait and watch and allow the situation to pan out.

Sunil Kothari: No, I am not arguing. What I am trying to convey is this is the post-tax 7% you are paying, so pre-tax if it is available at 8, 8-1/2%, why it should not be substituted with, that is my point of view, but anyway, I mean, this is my point of view, I would like to communicate.

Parag Vyavahare: There have been considerations behind this. So, it is just not you take one loan and substitute it with other loan. The challenges could be almost similar, and it may not solve the problem, it rather may aggravate the problem. So, hence we would like to be more cautious rather than trying to just, running for a pit solution for the issue.

Sunil Kothari: Yeah. And, your thoughts and strategic intent behind this buying out Ajanta Pharma... apparently, it looks like 80, 85 crores everyone is giving for the company and we are paying 100 crore plus, so how important it is and how profitable it is in terms of future course of this company? Why we are behind this small 80 crore company, being at 200 crore plus revenue having?

Parag Vyavahare: Understood. See, as you know, we have this Webtech, which we acquired in 2012, if you remember, that's roughly around 100 crore business what we have been having. And as you will recall, Webtech has been more focused on the pharma segment and it is a very niche business and has been doing quite well. Now, the Ajanta Pharma is also into very similar kind of product business. However, the customer concentration is very less, is not towards the pharma, but rather it is towards the FMCG side. And hence, we thought, and hence we find this business to be very complementary to overall our strategy and it enables us to get a good growth in the FMCG sector from the labeling business point of view, and also it is quite nicely profitable, so overall, it's the profitability. And that's how you consolidate your position in the pressure sensitive labels market. You are getting a profitable business, good asset, good innovation capability, good technical availability. So those are the pluses what we saw, and hence, we would not like to look at that, okay, this is small compared to my size, this is large compared to my size, and hence I should go only for the large. No, sometimes you may not like to go only for the large acquisitions. You may also like to go for the smaller acquisitions, which add a niche value to the overall value proposition, which you are trying to create in the market place.

Sunil Kothari: Correct. And how scalable, or possibility of scaling up those business over the next three, five years?

Parag Vyavahare: It is scalable. You expand it...as the FMCG customer expands and they grow, you will grow along with them, and you should be able to capture the growth, which that particular sector offers you. So, that opportunity is there very clear-cut. So, as much scalable as, let's say, the Webtech or let's say the other labeling businesses are there. So, it is quite scalable. It is just the question of you being at the right time at the right place and having right set of infrastructure to be able to serve the customers.

Sunil Kothari: Correct, correct. Great, so Parag Bhai, again, this same request, yesterday you have done presentation at AGM, so please report it either under PPL website or please supply to, I mean, provide it through BSE website, I mean, through stock exchange...

Parag Vyavahare: Sure, sure.

Sunil Kothari: Up to now it is not available, so that's why I am...

Parag Vyavahare: No, no, it will...you know, the AGM just got over yesterday, so just give time to them today also, and it will be put on the website, that is what is the plan.

Sunil Kothari: Thank you very much.

Moderator: Thank you sir. Sir, the next question comes from Naushad Chaudhary from Systematics.

Naushad Chaudhary: Thanks for the opportunity. Two questions I have, first one sir, you talked about you have added this digital printing machine in this quarter, so if you can elaborate much on this, you know, what is the cost of these machines and what is the expectations you have from this, and how it is going to add value to the business?

Parag Vyavahare: See, right now, you may have seen in the market, Coke has launched this campaign, share my Coke, you know, you would have seen that thing. You know, share my coke with my brother, sharing coke with my sister, sharing coke with my amma, you know, and it is done in different languages and different, different messages. So it is a case of variable printing. So, the digital printing gives us a different technological kind of capability. It should not be compared to the regular gravure or the flexor printing that we do. It has a completely different capability, wherein differentiated and highly variable message or content or design kind of products can be produced, and that is what we have been doing here in the case of the coke, which is a very large campaign, which we have been running for them. So, that's the capability it has got. Now, as one can see, this is a large investment, which we have done, and to that extent, it is a bit differentiated and futuristic technology. So, it will take time for the various different kinds of applications to set in, but the opportunities are there. The digital printing, because digital printing hits very well the, few of the things, which, let's say, the gravure or the flexor cannot do or some of the variabilities which are required, or some of the variations you need to carry out, or some of the other things you need to carry out, which this gives a good opportunity. And that's where we see that this particular technology will be a good fit. And it will aid our growth in that area. So, this is our first step towards, I would say, digital printing.

Naushad Chaudhary: So, if it is not yet commercialized, then the business from the client's side is coming from the prototypes only at this time, right?

Parag Vyavahare: No, no. It is very much commercialized, and it is executing right now the commercial orders, very much executing the commercial orders. The coke my share, I mean, share my coke is already in the market, very much.

Naushad Chaudhary: Okay. And how this machine cost to us?

Parag Vyavahare: I didn't get your question, sorry.

Naushad Chaudhary: What is the cost of these machines?

Parag Vyavahare: I think, let's not get into that very specific, because this is a very different technology and guarded technology, so at this point of time I may not like to put specific values on those things. But it will add a good capability to our product portfolio, that's what I can tell you for sure.

Naushad Chaudhary: Okay. Lastly, in terms of utilization, if you can share how it was in this quarter? Capacity utilization?

Parag Vyavahare: See, this machine started towards the first, second week of February it has started, and it has had very good utilization, almost I can say, it will be more than 70%.

Naushad Chaudhary: And this is something very new we have started; it was not before with us, right?

Parag Vyavahare: That's right. We had earlier small digital printing machines, but they were very small, and they were narrow web digital printing machines. This is the first time large format, or what do you call, the wide web format digital printing machine, this we have put for the first time. And this is one of the first in the country.

Naushad Chaudhary: Okay. And overall utilization, if you can share sir, in this quarter?

Parag Vyavahare: We have been roughly at around, I will say, we are close to around, somewhere between 80% to 85%, I would say. We have been running quite chock-a-bloc.

Naushad Chaudhary: Of your 105 lakh capacity, right?

Parag Vyavahare: That's right.

Naushad Chaudhary: Okay, thank you so much. That's it sir.

Moderator: Thank you sir. The next question comes from Kaushik Poddar from KB Capital Markets.

Kaushik Poddar: 4% of 27.5% from last year 6.4 or 6.5%. So, when you are talking of an incremental growth of 1%, how...

Parag Vyavahare: Excuse me? Sorry, how some different voice started coming on the phone, moderator?

Moderator: Sir, I think he got dropped out sir.

Parag Vyavahare: Okay, fine.

Moderator: Sir, the next question comes from Mr. Vipul Shah from Sumangal Investments.

Vipul Shah: Hi sir, can you share any financials of this Ajanta Packaging and valuations, means, at what EBIT to EBITDA this deal was done, means...

Parag Vyavahare: No. We would, see, we are bound with some other confidentiality clauses, however, I can share that as what has been disclosed in the public place, is that this is roughly around 80, 85 crore turnover company, and we are acquiring it for 100 crores on a debt free, cash free basis. The...

Vipul Shah: 80, 85 crore is the turnover of the company, is it?

Parag Vyavahare: That's right.

Vipul Shah: But it is a profitable company?

Parag Vyavahare: Yes.

Vipul Shah: And it is a debt free company.

Parag Vyavahare: No, no, we are acquiring on a debt-free basis.

Vipul Shah: You are acquiring on a debt-free basis.

Parag Vyavahare: Right.

Vipul Shah: And sir, one new unit at Guwahati has gone in production, right?

Parag Vyavahare: Yes, yes.

Vipul Shah: So, are there any tax breaks for that unit, Guwahati and Sikkim?

Parag Vyavahare: Yes. See, both the units are eligible for the income tax benefit as per the policy for the setting up of the new units in the northern states, so both units are eligible for that thing.

Vipul Shah: So, effectively, how much you can expect tax rate to come down?

Parag Vyavahare: See, the impact of the tax, the impact will be very less, because as you see the size of the company has become very, very large. At best, the situation, both the units probably will be able to add roughly, I can say, somewhere between 90 to 100 crores of turnover, to the total of 2100 crores of turnover. So, you can see that, probably it contributes 5%. So the tax rate impact only, if you see, the tax rate will be 35% if you take it, it is not going to be more than 5% of that, which will be let's say 1-1/2 to 2% max, not more than that.

Vipul Shah: And sir, lastly, regarding this digital printing technology, means, can we say five years down the line, means, substantial portion, I mean, one-third or one-fourth of our turnover may be coming from this technology? Means, is it feasible?

Parag Vyavahare: Slightly difficult to say with very clear-cut conviction at this point of time, because see, the digital has been in the marketplace for some time and we have seen the evolution of the digital. But digital does have certain advantages, but also it has limitations. So, I will say, each of these technologies, with the flexo, gravure, or digital, each has their relative advantages as well as disadvantages. And hence, one cannot really say that okay, digital will go on a straight basis and replace everything, I think, it is very difficult to say at this point of time, because there are certain advances yet, which have to take place, and also one needs to bear in mind, there is a lot of capacity of the gravure and flexo sitting on the ground in the economy. So how does all that equations really pan out, one really will have to see that thing.

Vipul Shah: Okay sir, thank you.

Moderator: Thank you sir. Participants are kindly requested to restrict with two questions. The next question comes from Bharati Mundhara from CD Equisearch.

Bharati Mundhara: Good afternoon sir. Sir, in one of your previous con calls you had mentioned that you are exploring other overseas markets. So, could you please throw some light on why you are doing so?

Parag Vyavahare: See, basically what...see, if you remember in one of the earlier calls I had mentioned, that with the...oil prices having come down, one of our major markets for the exports has been African markets. So that has not been doing quite well, because there had been the issues of the....because of the oil prices have fallen, other commodity prices also had fallen, and because of which many of these countries were facing currency availability issues. So, the exports growth in those markets were bit subdued, and that is where we saw there was opportunity and hence we have started looking at other geographies where we could go and capture the resources growth. And that's where we thought of looking at other geographies like USA or Europe.

Bharati Mundhara: So, sir what's the status on that and have we been able to get orders from these overseas markets?

Parag Vyavahare: See, USA, we have been... you know, North America, we have been exporting, I mean, okay, with a reasonable good success. Europe, is the one area where we are yet to....we are, just are about to start that process. So, it will take some time for us to really make a breakthrough there.

Bharati Mundhara: So, then like, are we undertaking any specific steps in order to get into the European markets?

Parag Vyavahare: Specific steps, basically, see, the manufacturing will occur in India, you need to have some kind of base in Europe wherein sort of a distribution stock

or trading hub, may have to be there etc., so we are exploring all those possibilities, and we are trying to see as to how we can work in a best possible fashion.

Bharati Mundhara: Alright. And sir, like, what is the status of the American export market at the moment?

Parag Vyavahare: No. The African market does have the stress, does have (not clear), American market, I don't think there is any stress as such.

Bharati Mundhara: No, no, I am talking about the African market itself.

Parag Vyavahare: Sure, sure. So African market trade is still there. Because the currency availability in many of the markets is a challenge and because of which the currency availability, also, some of the countries have gone and imposed anti-import duties, so those definitely are causing the disturbances. So, the stress is still there, definitely.

Bharati Mundhara: Okay. And sir, my last question is, what kind of a margin difference do we see for digital printing and from the printing that you have been doing till now?

Parag Vyavahare: I would not like to, it is slightly very premature, Bharati, and I would not like to put specific numbers on those at this point of time, because these are highly sensitive and competitive information.

Bharati Mundhara: Alright sir. Thank you so much sir.

Parag Vyavahare: Thank you.

Moderator: Thank you. The next question comes from Kunal Bhatia, Dalal and Broacha.

Kunal Bhatia: Yeah sir, thank you so much for the opportunity. Sir, you did mention in terms of the utilization is that 85%, just wanted to know by FY19 or '20 end, what is the additional capacity we would be having and what total capacity are we planning to reach at?

Parag Vyavahare: See, as I had earlier mentioned, we are planning to do a capex of around roughly 125 crores to 130 crores in the current year; so, which will be on adding the new lines, so probably we are looking at adding couple of lines in the current year. Plus, we are trying to look at some of the different format equipments, you know, which will aid in terms of acquiring different technologies or adding different formats of packaging. You know, of course, as an extension of the festival packaging and also some amount of capacity balancing. So, all that put together, we are looking at these activities. And those expansions should get....some expansions will get completed by the end of the 2018, some of them will get initiated in '18, and they will get completed in '19. So, that capacity will come into stream in a gradual way, because, you remember, last year we had expanded by way of setting up the unit in Sikkim and Guwahati, so which that capacity came into stream in 2017 and now that capacity has seen through, the ramp up is happening there. Similarly we are setting up capacity in

the current year that we will see a ramp up through '18, and some capacity also will come in stream in '19.

Kunal Bhatia: Okay. And sir, so you mentioned that the effective tax rate should come down to 35%, if I am not wrong?

Parag Vyavahare: No, no, I didn't mention that thing. I didn't mention that thing. It was in reference to, in general, somebody was asking whether what happens if because of the this thing, something, in a general context it was said, it was not specific anything, and I didn't make any separate statement as to the tax rate will come down to 35%.

Kunal Bhatia: Okay. So, post these expansions with the kind of tax benefits, which we would be having, as you mentioned, you were saying that even two plants would be eligible for tax benefits, so do we see the tax rate coming down to those levels or, because...

Parag Vyavahare: No, no. It will take some time, no, no that will not take...because there are certain contentious issues because of which the tax rate will tend to be high for another couple of years or so.

Kunal Bhatia: Okay. And sir, finally, in terms of the digital printing machine, which you have added, just wanted to know, what kind of market are you looking there and what kind of an opportunity you are looking for?

Parag Vyavahare: See, basically, these will be very value added and niche products, where the customer wants to bring out something different. As I mentioned, you know, in this...I don't remember the exact numbers, but when we were doing this Share my coke campaign or the coke campaign, which is being run, it is..... I mean, multiple messages in multiple languages are there, so the messages, which are there on each of the can, are different. So, is a very well printing kind of phase, so these kind of options you can create. So, basically, it really depends as to how what can, you know, the opportunities which will be, niche opportunities or certain specific opportunities, which the market place will offer, that is where this technology will be used. It is not (not clear) thing, gravure or (not sure) cannot do this thing for that thing, it is mainly more suited toward the short run, but niche jobs, which require different kind of technical inputs or different kind of technical applications. That's where this technology will be more useful.

Kunal Bhatia: So, in that case, the margins could be 2, 3x vis-à-vis...

Parag Vyavahare: I would not...see, that would really depend as to what kind of markets we are serving, what kind of competition is there, what kind of pressures of pricing situations we will see in those market places. So, really, it is slightly premature to commit like that thing.

Kunal Bhatia: Yes sir, but it will be at least better than what we have currently...

Parag Vyavahare: See, we just began, so let's pause that question for some time.

Kunal Bhatia: Okay, fine sir, thank you so much.

Moderator: Thank you sir. Sir, the next question comes from Kaushik Poddar from KB Capital Markets Private Limited.

Kaushik Poddar: See, GDP of India is supposed to grow from 6.4% to 7.5% this year. So, do we see that kind of improvement, say 10%, 15% improvement, say, the revenue growth growing to say, mid double digit?

Parag Vyavahare: Our aim is that Kaushik. I mean, we want the economy to grow at that 7.3%, 7.4%. So, it is expected that the, as you said, the economy will grow at 7.3% and economy structure should grow better in the current year compared to, let's say, past, so we expect that we being the direct suppliers of the packaging material to the FMCG sector, that growth should translate for us as well and then that's what our efforts are concentrated towards that.

Kaushik Poddar: Okay. And, is your target only FMCG companies, or you are even targeting even pharmaceutical companies also?

Parag Vyavahare: No, we target both, but of course, the bigger segment from our business portfolio will be the FMCG, because pharma is a different application, because they are more into, as you say, either into tablets or into tablets with a strip packaging, or into the bottles. So bottle is not packaging in which we are there. We do provide for the labels of the bottles.

Kaushik Poddar: Okay. And lastly, recently, the crude has started moving up quite sharply. So, will that impact your bottomline?

Parag Vyavahare: See, at that, I had earlier also explained in terms of calls when you probably would have been there, is that, see, what happens, always it happens is that in our industry, we have something, what is known as the raw material pass through mechanism, wherein the raw material cost starts rising, we have to pass on the increase to the customer and understanding is there with the customer that the increase will be passed on to them. However, and also vice versa, which is you know, if the raw material price is decreased, the decrease also will be passed on to them. However, there is a...only the challenge that one faces is that this can never be on a real time basis, there will be some lead and lag in that thing, right, and so to that extent the impact starts coming.

Kaushik Poddar: Okay. So this impact will be for one month or something, I mean, how much time does it take to pass it on?

Parag Vyavahare: See, it depends on the... customer to customer it can take anywhere between one month to four months.

Kaushik Poddar: One month to four months.

Parag Vyavahare: That's right.

Kaushik Poddar: And one more question, I mean, you have said that your taxation will be on the higher side all the time, I mean, the position remains the same, inspite of all your acquisition and all?

Parag Vyavahare: Yes, yes.

Kaushik Poddar: Okay. And what is the kind of taxation you are looking at, tax rate?

Parag Vyavahare: Around 43% to 45%.

Kaushik Poddar: And two, three years down the line, will it be coming down or it will continue like that?

Parag Vyavahare: It should...it is expected after two, three years, it should come down.

Kaushik Poddar: Okay, thank you.

Moderator: Thank you sir. The next question comes from Chirag Uderani from Emkay Global.

Chirag Uderani: Sir, one of my question was on crude, which has already been answered. My other question is that in one of the con calls before, we had mentioned that capex would give about 250 crores of revenue on the higher side. I want to know whether this capex was the same as the digital printing machine or this is the capacity expansion, other than...

Parag Vyavahare: No, digital is one of the part of that thing, and apart from the digital, there is other capacity expansion plan, and which is on the way.

Chirag Uderani: Is there any allocation that we can do to the digital printing machine, like additional revenues or incremental revenue?

Parag Vyavahare: No, at this point of time we would not like to put specifics, because it is new technology, it is a nascent technology, so one really would have to do sort of market seeding and development activities. So, it is into that sort of a learning and development scheme it is there.

Chirag Uderani: Okay. And how much capex has been done specifically for this machine?

Parag Vyavahare: That, I would not like to put specific numbers to that thing, because there are sensitivities around that.

Chirag Uderani: Okay, thank you sir.

Moderator: Thank you sir. The next question comes from Ankit Gor from Systematics.

Ankit Gor: Hi boss, thank you for taking my questions. Sir, first question with regard to this Gwalior facility...

Parag Vyavahare: Guwahati or Gwalior?

Ankit Gor: Sorry, Guwahati, extremely sorry. Sorry Guwahati facility, do we see...what is the ramp up there sir? What is the capacity utilization? What is the current capacity? If I remember correctly, it is a 5000 tons sort of capacity is there. What is the utilization?

Parag Vyavahare: No, no, it is not 5000, it is not 5000, it will be more like 4000 tons or so should be the capacity. And right now, we are roughly at around 65% to 70% capacity level utilization we have reached.

Ankit Gor: Okay. And sir, what, you were facing problems with regards to Positive Packaging, we understand that Positive Packaging, particular that unit was exporting much, much higher, and do we see any respite there? I understand that you have given some commentary with regards to African markets and these things; but as the crude price is going up, given the purchasing power of those economies will increase, so what's your sense on overall export economy, sir?

Parag Vyavahare: Ankit, slightly early in the day to comment on that thing, it is vis-à-vis sort of early offshoots or early green shoots, whatever one can say, so, slightly premature and early to comment on that thing. One will have to really do wait and watch, because you know, those economies have suffered for almost three to four years with the oil prices being down. Now, you know, just for last one, one-and-a-half quarter, two quarters, when the crude prices have started going up it is very difficult to predict the recovery of the losses, because, you know, the losses, or the troubles or the pain through which those economies have gone, in last four years and adjustments, all the changes which are this thing. For one to really come out of that thing, all and come back to the normalized situation of operation, will take some time. So, it is slightly difficult to predict because one does not know how long this situation of the pricing, oil prices, or whether it will stabilize or whether they will further keep on going up, you know. So, one will have to do wait and watch.

Ankit Gor: Agreed with that sir. And sir, this year should we see a kind of double digit kind of a volume growth? What's the sense from our customers coming in, and what does the order pipeline look like to you sir, for this year?

Parag Vyavahare: See, Ankit, as you know, as a policy we do not give the guidance. So, because it is difficult for me to give specific number terms of that thing, but what we feel is that, with the economy set to grow at 7.3%, and FMCG sector should grow in a reasonably good double digit, our effort will be to catch that growth, our effort will be to catch that growth.

Ankit Gor: Okay. And sir, do you see some more acquisition coming in, for sure, but on the labeling front, if I am correct, only the company called Zercon is the third largest...so, do we see this acquisition spree going on and what's the sense sir, if you can, obviously, with some kind of confidentiality, if you can guide us there?

Parag Vyavahare: No, there is nothing specific to talk on acquisition at this point of time, because you know, see the acquisitions really depend on as to how do they help you to further your strategy, or niche growth, of certain specific technological acquisition...for technology you are trying to do acquisition or for innovation capabilities, or certain geographical space, or for certain specific customer base you are trying to do that thing. It really depends on that thing. So to make a generic statement that our, whether we will do more acquisitions, or we will do less acquisitions, that is slightly very difficult to comment like that thing. It really depends on the kind of opportunity and whether we find the right fit for that particular acquisition in our overall scheme of things, and we have the right amount or kind of price and funding for that thing.

Ankit Gor: Okay sir, thank you. Thank you very much.

Moderator: Thank you sir. There are no further questions. Ladies and gentlemen, this concludes the conference call for today. You may disconnect your lines now. Thank you and have a pleasant day.

Note:

1. This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.