

**NEAPS/BSE ONLINE**

22<sup>nd</sup> May, 2025

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Plot No. C-1, Block-G  
Exchange Plaza, 5<sup>th</sup> Floor,  
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Mumbai – 400051  
(NSE Symbol: AGI)

Dear Sir/Madam,

**Sub: Transcript of the Earnings Conference Call held on 16<sup>th</sup> May, 2025**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on Friday, 16<sup>th</sup> May, 2025 for discussion on the financial results of the Company for the fourth quarter and year ended 31<sup>st</sup> March, 2025.

The transcript will also be available on the website of the Company i.e. [www.agigreenpac.com](http://www.agigreenpac.com).

You are requested to take the above information on your record.

For AGI Greenpac Limited

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## “AGI Greenpac Limited Q4 & FY'25 Earnings Call”

**May 16, 2025**



**MANAGEMENT:** **MR. RAJESH KHOSLA - PRESIDENT & CHIEF  
EXECUTIVE OFFICER, AGI GREENPAC LIMITED**  
**MR. OM PRAKASH PANDEY - CHIEF FINANCIAL  
OFFICER, AGI GREENPAC LIMITED**  
**MR. SANDEEP SIKKA - GROUP CHIEF FINANCIAL  
OFFICER**

**MODERATOR:** **MR. RONAK OTHWAL - ARIHANT CAPITAL MARKETS  
LIMITED**



*AGI Greenpac Limited  
May 16, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to the AGI Greenpac Limited Q4 & FY'25 Earnings Call hosted by Arihant Capital Markets Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Ostwal from Arihant Capital Markets Limited. Thank you and over to you, sir.

**Ronak Ostwal:** Thank you. Hello and good evening to everyone. On behalf of Arihant Capital Market Limited, I thank you all for joining into the Q4, FY'25 Earnings Conference Call of AGI Greenpac Limited.

Today from the Management, we have Mr. Rajesh Khosla – President & CEO of the business; Mr. Om Prakash Pandey – CFO of the business and Mr. Sandeep Sikka – Group CFO.

So without any further delay, I will hand over the call to the Management. Over to you, sir.

**Om Prakash Pandey:** Good evening, everyone and welcome to AGI Greenpac Q4 FY25 Earnings Call.

We have already circulated our "Earnings Presentation" which is available on our website and on the Stock Exchange website.

Kindly note that some remarks or observations made during today's call might be forward-looking. These may include, but are not limited to, financial projections or statements regarding the company's plans, objectives, expectations, or intentions. The company does not have any obligation to revise these forward-looking statements to reflect any future events or developments. For a comprehensive disclaimer, please refer to Slide No. 2 of the Earning Presentation.

In the fourth quarter of FY25, the company continued its growth trajectory achieving Total Income of ₹742 crore, registering a substantial growth of 17% compared to ₹633 crore in Q4 FY24. The Company's EBITDA for the quarter stood at ₹191 crore, up 23% from ₹156 crore from the same period last year, resulting in an EBITDA margin of 25.8%. Profit After Tax (PAT) reached ₹97 crore, a significant 50% rise from ₹65 crore recorded in Q4 FY24.

AGI Greenpac Limited reported strong financial results for the year ended March 31, 2025, achieving Total Income of ₹2604 crore, registering a year-on-year growth of 6.5% compared to ₹2445 crore in FY24. The Company delivered EBITDA of ₹689 crore, an increase of 17% over ₹588 crore in the previous year, resulting in an EBITDA margin of 26.5%. Profit After Tax



*AGI Greenpac Limited  
May 16, 2025*

(PAT) for the year stood at ₹322 crore, up by 28% compared to ₹251 crore in FY24. The company continued its strong momentum, solidifying its position as India's Most Profitable Glass Packaging Leader.

I am happy to announce the Board has approved a dividend of ₹7 per equity share.

Now, I would hand over the call to Mr. Khosla to discuss some of the Key Business Highlights. Over to Mr. Khosla.

**Rajesh Khosla:**

Thank you, Mr. Pandey. Good evening, everyone, and thank you for joining us.

In the year 2025, AGI Greenpac achieved the significant milestone demonstrating our commitment to excellence across various fronts. Our glass container capacity utilization consistently exceeded 95%, showcasing our dedication to operational excellence and efficient production optimization. We successfully executed debottlenecking initiative across our existing plants. And now with 2,000 ton per day capacity, we are well positioned to cater to the growing customer demand. We further solidify our foray into high margin categories such as cosmetic, perfumery, alcohol, and security caps closure.

In a significant step towards the future growth, the board has approved the setting up of state-of-the-art 500-ton daily capacity manufacturing plant in Madhya Pradesh, which will help us cater to the northern and central India market quite closely. This strategic move expected to increase our production capacity by approximately 25% underscores our commitment to capturing emerging market opportunities and driving sustainable shareholder value. We are well positioned for continued growth and success in meeting the evolving demands of our industry.

Now we would like to open the call for any question you may have. Thank you very much.

**Moderator:**

Thank you. We will now begin the question-and-answer session. The first question is from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead.

**Pranay Roop Chatterjee:**

Hi, thanks for the opportunity. My question is with respect to the other income. There is the Rs. 21 crore Telangana state subsidy that was recognized in Q4. Could you throw some more color on this? Is this one-time or would you be getting it yearly for a few years? Any other subsidy we should know about which we will recognize in the near future?

**Sandeep Sikka:**

I will answer this question. When we make investment into the state of Telangana, there are various incentives of state government which are there. Some of them are linked to GST refunds. Some of them are electricity and we regularly apply to them. Our accounting is based on reasonable certainty. When the money comes in, then only we account it. Technically, these are all incomes which are related to business and if you track our record for 3-4 years, you will see at many times we get this. So I cannot confirm that this will be a regular stream of income as



*AGI Greenpac Limited  
May 16, 2025*

such but these are all incomes which are related to the businesses which we do and the investments which we have made in the state of Telangana. These are technically one-off but relating to businesses.

**Pranay Roop Chatterjee:** Got it. My next question is on your margins. If I look at it quarter-on-quarter and Year-on-Year, your GMs have taken quite a hit and which has flowed down into EBITDA margin as well, obviously, ex other income. Any sense you can give what drove this low margin of about 21% after multiple quarters of 25 plus? And what bearing would that have on incremental quarters?

**Rajesh Khosla:** On a margin side, there are, on a very elementary side, there are two aspects. One aspect is on the price part and second aspect is on the cost part. So what happens is the stability of the market always happens on the price part. But there is a one area which is beyond the control of a organization that is basically on the cost side and that too particularly on those commodities which are well controlled by the government. So the quarter what you are referring to, they have had some little bit of disadvantage on the fuel side where the cost of fuel has gone up and it was high in those quarters in that particular quarter as compared to the other quarter. So what we normally do is we normally do not see from the perspective of one particular quarter where those elements which are beyond the control of anyone, they play the role of fluctuating any margins. It is more important when we say the stability of the business on quarter-on-quarter basis and all. Normally we always merge the whole year profit margins and the whole year EBITDA margins which are quite indicative of the future and all.

And your second part was, how it is going to be in the future? Yes, future is same as we have been committing in the earlier times that the market for us, particularly for us is stable. We are going to supply the material as per our earlier supplies. Small fluctuations has happened and small fluctuations can happen both on positive or negative side at any point of time, for timing and for a temporary basis.

**Sandeep Sikka:** But if you see year-on-year, we have been able to expand our EBITDA per ton by a range of around 6.5% to 7%. It's more the directionality rather going on the quarter-on-quarter basis.

**Pranay Roop Chatterjee:** Sir, a follow up to that. Sir, I am not entirely sure about the fuel part. Don't you guys report fuel separately like power and fuel and I don't see any increase on that front. So is there any specific component in COGS that has increased?

**Sandeep Sikka:** So here what we are referring to is a comparison of Q3 versus Q4. Which reference you are taking?

**Pranay Roop Chatterjee:** I am also referring to Q3 versus Q4 and if I look at power and fuel cost as a percentage of revenue it's flat quarter-on-quarter, 19%, my question is on the gross margin?



*AGI Greenpac Limited  
May 16, 2025*

- Rajesh Khosla:** The fuel part has already gone up and they have been the reason of a small fluctuation on the EBITDA.
- Pranay Roop Chatterjee:** Okay, I will take that offline. That's fine. So, I am not sure you want to answer this or not, but I was tracking the review petition and today it says dismissed in case status. So any color you want to throw on what the update is there or would you be disclosing it officially on the stock exchange?
- Sandeep Sikka:** We are still waiting for the final Supreme Court order to be uploaded. It's very difficult for us to comment on anything. As and when it comes, we will make a necessary disclosure as applicable.
- Pranay Roop Chatterjee:** Got it. For the Full Year FY'26, any number on EBITDA margin, I understand that quarter-on-quarter there is volatility. But like the margin that has come in Q4 is 21% and previously it was 25%. So the range is quite wide. Any sense you want to give, which one is the more representative of next year? Is it more like 20% or 25%?
- Sandeep Sikka:** You have to take it as a range bound. As such if you see in the past also, our actual measurement is not on the percentages, it's actually the absolute EBITDA per ton, because it has a numerator and a denominator effect, this is because when the raw material prices increase, with some lag, we are able to pass on the price increases to many of our customer based on contracts. What we measure internally from our perspective is EBITDA per ton, but I know we don't give the tonnages as such to the market. But from your perspective, you have to work it in a range of around 22% to 25% and this is only the guidance.
- Rajesh Khosla:** I think so, if you talk of the EBITDA margins on the annual scale, even if you ignore the other income part, they are always in the range of around 23% to 24%, something like that. And it has been in the FY 2024-25 also. It has been in the FY 2023-24 also.
- Moderator:** Thank you. We take the next question from the line of Rohan Baranwal from Singhania Capital. Please go ahead.
- Rohan Baranwal:** Sir, I wanted to ask some questions regarding margins. So, can you please explain the reason behind the decline in the margins?
- Rajesh Khosla:** I think it has just been answered now. The previous question is on the same lines.
- Rohan Baranwal:** Really sorry, sir. I was not active at that time. So if we can repeat that would be much better.
- Rajesh Khosla:** I think we have already explained to the previous question that there has been some fluctuation on the fuel side. The fuel prices have gone up in the last quarter and they have basically contributed in the fluctuation of small margin. But normally we see the directionality of the business, which is quite positive, healthy and moving positive towards that. There has been small



*AGI Greenpac Limited  
May 16, 2025*

fluctuation, which always can happen in any quarter, it can happen because of any reason. So we hope that the fuel prices are already stable and they will stabilize further and the margins practically whatever the small fluctuation which has happened, it will get settled down.

**Rohan Baranwal:** Thank you very much for your answer. So my next question is regarding the innovation in your field mix which you have talked in the last call. So can you quantify the cost benefit realized for this and what's the target going forward?

**Rajesh Khosla:** What do you mean like total value addition and innovation quantification? How much innovation is contributing in our margins? This is what you want to know?

**Rohan Baranwal:** Yes, sir.

**Rajesh Khosla:** I regret to say that looking to the confidentialities and even our competitive edge over the other players, we are not supposed to disclose that how much our innovation is adding to the contribution in our margins, because these are all confidential and secured type of things. Otherwise, it will open up and then we may not have any edge against our competitors. But it is open to an analyst like you to work it out that how much this innovation and other practices and good practices might have been contributing in our business.

**Rohan Baranwal:** Sir, can you please explain how have the soda ash prices moved like Q-on-Q and what is it currently? And what about your glass realizations as well for quarter-and-quarter basis?

**Rajesh Khosla:** I don't think so. We are not indicating the glass realization or glass quantities in our disclosures, that is one part. And as far as the soda ash is concerned, now soda ash for last 2-3 quarters is quite stable. They are still fluctuating, but to some extent. And the price of soda ash depends upon many many factors. It depends upon demand supply. It also depends upon Red Sea issue. It may also depend upon India's relationship with the Turkey. So it all depends upon so many factors and the contribution of the USA supply systems. So it depends on so many factors, but for last 2-3 quarters, it has been quite stable with a fluctuation of hardly 2%-3% here and there.

**Rohan Baranwal:** Okay, sir. Thank you. And sir, if it's not possible to provide the amount wise details, can you please quantify if it's up or down for the glass realization per ton in quarter?

**Rajesh Khosla:** I think, we have been indicating in our call so many times that our prices have been linked with the formula-based pricing on the raw material and other things, but there is always a time lag. So if the prices in the last few months, they have adjusted on a lower side or a higher side, our prices have also gone accordingly with that. So there can be a little bit of time lags. And there is also, sometimes there is a very temporary fluctuation which may hamper or I can say we can get it tail wind for one quarter or so, more or less overall, it is in the same range as our business used to be.



*AGI Greenpac Limited  
May 16, 2025*

- Moderator:** Thank you. Next question is from the line of Vijay Shah from Insightful Investment Managers. Please go ahead.
- Vijay Shah:** Thank you, ma'am. And congratulations on a great year, FY'25. So as I understand, our greenfield Capex will come up by closer to the end of FY'27.
- Rajesh Khosla:** No, '26-'27. End of FY'27.
- Vijay Shah:** Okay, so by the end of the Financial Year, FY'27. So just two questions. One is, in the meanwhile, do we have any plans of looking at any inorganic growth? That is my first one. The next one is that given that we have capacity constraint right now and value-added products up to 23%, over the next couple of years, if you could any guidance in terms of where you expect value-added products to go to?
- Rajesh Khosla:** Okay. Yes, you are right. We expect that the Greenfield project is going to be commissioned by the end of FY26-27. And till that time, no capacity can be added up. But yes, there is a scope we are hunting on de-bottlenecking our capacities. De-bottlenecking either on capacities, capacities are not going to be de-bottlenecked right now, but yes, with some practices and with some technological, we may upgrade the outcome of our furnace, I can say performances. So all the efforts of our technical team and other teams are always there to put up efforts to do that. So this is on the output side or technical side. On the commercial side, yes, there is a continuous endeavor to go for more and more value added and we are doing it. Yes, we have been doing close to 20% to 23% rightfully you are saying, and we hope so. We can add more percentage of products in the times to come. We are working on that and the success is, we have to see in the next two quarters how much quantity we are able to push on the value added. But yes, there is a consistent effort to make more and more value added products in this industry.
- Vijay Shah:** Sure. Sir, if I may just one follow up. The de-bottlenecking could lead to what kind of capacity growth approximately in a ballpark?
- Rajesh Khosla:** It's too vague today. That's what I am saying. It's a continuous effort. And we are not sure. For example, like when we were building our furnaces, we were reasonably pretty sure that we will be able to add 80 tons or 100 tons of the capacity at that time, because those were all quantified in that. But now the furnaces have already been built. Now, whatever the debottlenecking or capacity upgradation is concerned, it is more on the practices side. And in the practices side, we are also taking a lot of help from the global technical teams and they are doing it. So we are never sure that how much quantity can come, but it's a continuous exercise which we are going to do, but we are hopeful something is certainly going to hit us in the near future.
- Vijay Shah:** Sure. Thank you, sir. And just one more thing if I could add. Sir, if you could just give a little color in terms of the demand scenario and pricing? Are we facing any pricing pressure or how is the demand scenario from our customers?





*AGI Greenpac Limited  
May 16, 2025*

- Rajesh Khosla:** Demand is okay. I am not saying demand has any big change, but it's a continuous thing. India has a very small glass demand. It is just less than 2 kg per capita consumption. It is just 1.8 kg per capita which is far, far lower than the other countries. China has more than 12 kg and even in the USA it is more than 36 kg. In Europe, in some of the countries, it is more than 60 kg or 70 kg per capita consumption. So if we go that way, it is certainly very, very less and we hope that this demand is going to continuously increase in the near future. I think as India GDP growth is there, obviously new avenues on the consumption side, on the demand side is opening up. And hopefully with the new FTAs they are having with UK, USA, which they are going to have. So there may be more export opportunities and the demand of the glass will also grow up because the end product may require to pack in the glass site. So we hope that there is going to be a good demand in the future.
- Vijay Shah:** So, pricing environment continues to remain stable?
- Rajesh Khosla:** Pricing is sometimes the adjustments. That's what I am saying. Sometimes whenever the raw material prices goes up and down, the prices get adjusted with that. And there is a time lag. So with the time lag, there is small up and small down adjustment is always there. But more focus, I think we are also doing and probably the analysts' also must be watching, more is on the margin side, on a stable continuous margin side.
- Vijay Shah:** Sure. And lastly, any comment on the inorganic opportunity? Are we pursuing something or are we likely to see something over there?
- Rajesh Khosla:** Again, being in business, it's a continuous exercise. We certainly are looking at the opportunities, but unless until they are matured, approved by the board, it is very difficult to say anything on that. But they are all in an immature or in a WIP stage, I can say like that. So if anything is there, we will certainly go for it.
- Vijay Shah:** Fair enough. I just wanted to understand, are we looking at it or not? Perfect. Thank you so much. All the best.
- Moderator:** Thank you. Next question is from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead.
- Pranay Roop Chatterjee:** Thanks. Sir, would you be able to highlight what the legal costs were associated with some of these cases in FY'24 and FY'25?
- Sandeep Sikka:** Very difficult to respond to this. We can't provide specific, individual line-item details right now. However, once the annual report is released, you'll be able to find the relevant information there.



*AGI Greenpac Limited  
May 16, 2025*

**Pranay Roop Chatterjee:** Got it. In terms of revenue guidance, in the past you used to give after the annual results, anything you would like to comment on a FY'26 or we have to wait and watch.

**Sandeep Sikka:** We had given a guidance of around 8% to 10% growth with the existing product mix and debottlenecking on over the last year numbers. I think we will hold on to that.

**Pranay Roop Chatterjee:** Got it. And one final question on the working capital cycle. Has anything changed on that front? This year our cash generated from operations sort of took a hit, both because your payable days sort of went down and your receivable days went up. I mean, it's not a material change, but it did affect your EBITDA to cash conversion. Any change there in terms of customer contracts and is the current level what we should expect ahead as well?

**Sandeep Sikka:** These are some of the things, movement which are more of a year end stuff. But I think the plain answer is nothing much has changed here. But these are the, outcomes of a particular day. Let's say when you say that number of days have increased by around 12 days. When you analyze June, they may be lower. I think what I am trying to answer your question is, if you see any abnormality in the movement or the stocks are not selling or we building up receivables that's not going as a normal course.

**Moderator:** Thank you. Next question is from the line of Rajdeep Singh from Roha Asset Managers. Please go ahead.

**Rajdeep Singh:** This is a continuation to the previous participants' question on the legal and professional charges. The number for FY'24 is there in the annual report. FY'25, you are not being very upfront on calling out that number. Doesn't matter. But just that, checking on that, it has been rooted through the other expenses for the quarter and for the full year. That is what I wanted to check and this number would be substantially lower in FY26. Is that fair understanding?

**Sandeep Sikka:** Yes, definitely. We had a big chunk of litigations going on during FY'25 and also during FY'24. But as I told you, the matter was subjudiced before the Honorable Supreme Court and they have heard the matter for the last two days and the last week. We are just awaiting the order. Giving a guidance for next year on the legal costs will entirely depend on how the Supreme Court order comes in and what is the legal advice we get.

**Rajdeep Singh:** Okay, but whatever is the cost that has been booked through the P&L, right? There should not be any surprise on the next quarter in terms of in that number, right?

**Sandeep Sikka:** All the relevant costs are already booked.

**Rajdeep Singh:** Fair, thank you. So with respect to HNG, you were saying in Q3 call that two more reactors were going under shutdown. So has that happened? And where is this demand going to if you are not able to cater to this demand?



*AGI Greenpac Limited  
May 16, 2025*

- Sandeep Sikka:** I think HNG is making disclosures independent of us. As we can see from their website and under the disclosures, one furnace has got shut down very recently. But I don't know where they have given a guidance on the two furnaces will get shut down?
- Rajdeep Singh:** It was supposed to go for shutdown, is what you called out in Q3, I believe, if I recollect.
- Sandeep Sikka:** Okay. That's broadly depends on the condition of the furnaces. I think what we would have told is that furnaces have not been rebuilt for pretty long time. And few of the furnaces are under pressure actually for a shutdown. Very recently they have shut down one, but I think I would like to avoid any comments any further on this.
- Rajdeep Singh:** Okay. And so who has been able to cater to this demand? The customers are coming back to us, driving demand to us or? Can you comment on that?
- Rajesh Khosla:** Can you just repeat the question with more clarity so that I can answer precisely?
- Rajdeep Singh:** Since the furnace is shut down, the demand with respect to that, the customers, whom are they catering to? Is that demand coming to us? Or who in the industry is able to pick it?
- Rajesh Khosla:** See, what happens is, the furnace shutdown has happened on the northern part of India. And we are sitting quite on the southern side of India. So the demand has not come actually to us. And there has been some more capacities which has been there in the northern side. So they have catered those demands and they might have adjusted with that. And secondly, we also had pushed some more quantities in the whole system. So partly that has absorbed and partly it might have got absorbed with the other suppliers.
- Rajdeep Singh:** Sure, that is helpful. And thank you very much and all the best. Thank you.
- Moderator:** Thank you. We take the next question from the line of Praveen Sharma, an Individual Investor. Please go ahead.
- Praveen Sharma:** Good evening, Congratulations for excellent numbers for the year. I have one question. One is when this capacity expansion for Madhya Pradesh came, I was watching your interview on CNBC and we expected some 50% capacity increase over next 2 years. Where are we? Can you elaborate more? Because my worry is if this HNG thing doesn't come way, which looks like, then we don't have much capacity left for the next 2 years. And once this HNG through this international sugar comes back, will we not lag behind? We have not taken the headroom since we have our capacity limitations. Can you explain more how we are going to grow from here in the next two years?
- Rajesh Khosla:** During the time of litigation and during even the COVID times, we have been able to increase our capacity in a specialty glass. Then we have debottlenecked our two furnaces, which has



*AGI Greenpac Limited  
May 16, 2025*

added the further capacity. So these are the organic way of debottlenecking and adding the capacities. Besides that, we announced 500 tons of Gwalior project which is underway and we are trying to complete as soon as possible. So this Gwalior project is certainly going to add at least 25% of our capacity as on today. Then certainly we are seriously thinking on some other projects, but obviously once those projects are finalized, so we will come back to the investors and inform them about that. So before that, there was a question, are you still looking for some inorganic or organic growth? Yes, certainly. It is an ongoing exercise and we are certainly looking to that. And once anything gets materialized, once anything gets freezed, and once we inform the board and the SEBI, then accordingly we will inform to the rest of the investors. So you, please do not worry. We are in line, we have our plans intact. We are not going to lose on percentage market share in the market and certainly also not going to lose the trend of our growth which you have been witnessing for last few years.

**Praveen Sharma:** That sounds we very good, sir. Hope you will grow and you will not leave the headroom for the competition. Thank you and all the best.

**Moderator:** Thank you. We take the next question from the line of Anil Shah from Insightful Investments. Please go ahead.

**Anil Shah:** Hi sir. Congratulations on a good set of numbers for '25. I have two questions. One, you talked about penning 8% to 10% revenue growth for '26. Is that correct?

**Sandeep Sikka:** Yes.

**Anil Shah:** And stable margins from a yearly perspective, I understand quarterly aberrations can happen but we have seen about 23%-24% margin over the last two years. Is that something that we can pen?

**Rajesh Khosla:** Certainly.

**Sandeep Sikka:** So 8%-10% growth and in span of two years when the project is upcoming as Mr. Rajesh Khosla told. And we will have an incremental 25% capacity.

**Anil Shah:** 8% to 10% over two years or is it 8% to 10% for '26? I am only asking.

**Sandeep Sikka:** For FY'26.

**Anil Shah:** Correct. And with stable margins. So we should see at least EBITDA growing, moving up by 8% to 9%.

**Rajesh Khosla:** We are on track.



*AGI Greenpac Limited  
May 16, 2025*

- Anil Shah:** Perfect. My second question is, sir, on the new project that's coming up, just wanted to check land acquisition done, approvals in place, and have we already placed orders for the furnaces? Is there any chance of delay there or is it signed or is it all done? It's like a done deal in terms of placement of orders, approvals, etc.
- Rajesh Khosla:** Sir, everything on track. And as on today, I can say I may like to complete the project and share the information at least one day before the date we have committed to the investors.
- Anil Shah:** Which is the end of FY'27.
- Rajesh Khosla:** At least one day before we will complete. At least I am saying the word is at least. So as the project will proceed further, we see how we can fasten and do it further. So as far as your very specific question is concerned, whether we have finalized the furnaces and other things, yes, we have a Gantt chart, timeline chart, and everything is progressing as per that. So I can say that we are quite close because before placement of any of the machines or any equipment, there is a lot of due diligence discussions happened, so which are practically close to putting up the order to them. So everything on track.
- Anil Shah:** India needs lots of approval.
- Rajesh Khosla:** Everything on track, I can say today that we are ahead of what we are supposed to be.
- Anil Shah:** Fair. And sir my last question, for you to achieve, for just again, I am repeating, one, the project you've told me everything is on track, I appreciate. Second, you've told me 8% to 10% for FY'26, which steady margins. Anything that you think that can, on the downside, in terms of the risk on that, anything that can, in terms of, I won't use the word sleepless night, but which worries you, if at all?
- Rajesh Khosla:** Everyday when we wake up in the morning, it's full of risk and threats are there.
- Anil Shah:** No, no, obviously is there, But I am saying from a business perspective, I mean, we do have a lot of long-term contracts.
- Rajesh Khosla:** I am saying a small thing. Let's talk of a very small thing. Yesterday there was a news that Trump has said something strong word for India. They say no need for producing the Apple phone in the country. Then India decided to have a strong standing against Turkey. See, all these have somewhere or the other can impact the negative. But along with the negative points, are so many positive things are also happening which may is visible or which may not be visible. So being the business manager, so it is our responsibility to see that how these negative things I can take it out and how to ride on the waves of the positive part. So I cannot say that there is no negative. Every year there were so many negative things. And this year also we expect a lot of turbulence



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May 16, 2025*

by everyone. But don't worry, I think it is our responsibility to see that we should ride all those negative parts and make sure that we fulfill our commitments to the market.

**Anil Shah:** And sir last question, we chose Bhopal. Obviously, strategically makes sense from that perspective. But are we seeing any, any soaps coming in from the state government there in form of some waiver, in terms of taxation?

**Rajesh Khosla:** Today, every state government is attracting investments, and they're attracting a lot of soaps. So of course, those soaps are available to us also. But at this stage, I can say that these SOPs are designed especially for each project and we are not supposed to inform or to reveal those things because they are made specially for each project. I can say the government is treating us very fairly and we are quite happy with that.

**Anil Shah:** If I can squeeze in one more question, if that's fine with you, sir. I am already asked three questions.

**Rajesh Khosla:** Tell me.

**Anil Shah:** So in terms of the new capacity that's likely to come in at the end of FY'27, would you like to share if we have tied up with end users any particular percentage as far as the capacity is concerned already?

**Rajesh Khosla:** Sir, There are various ways of tying up with your products. So one is legal and contractual tie ups. Second tie ups you can say it is on the way of your understanding and long-term association. The third tie up I can say that it is more on extrapolating the demand side is there. And the fourth is you assume that there is going to be a technical upswing in your products and suddenly you are going to grab the market. So I think we are quite comfortable on all the 4-5 fronts is there because I can say the total quantity, whatever we are going to produce, partially we had a contractual tie up, partially we have an understanding on a long-term basis, partially I think because of our technological product, are very sure that we are going to grab the market. So all these various pockets and aspects assure us that we will be in a good position.

**Moderator:** Thank you. We will take the last question from the line of Steesankar from EIP. Please go ahead.

**Steasankar:** Good evening gentlemen. Basically, 2 questions. Over the last few years, I look at it, the cash generation has been so strong. So the Capex that we are planning around 500 TPD. If I understand correctly, that's 150 that will be funded by debt and equity, correct?

**Sandeep Sikka:** I can't hear you properly. You're holding your mic too nearer to your mouth.

**Steasankar:** Your cash generation has been so strong. And the way you have generated cash over the last four years is really commendable. The 500 TPD Capex, if I really look at the way you have been



*AGI Greenpac Limited  
May 16, 2025*

generating cash, that should not be an issue at all for you in terms of any increase in your leverage. And what is the long-term plan, or if I ask you for what, what are you going to visualize yourself in three years'? Where do you want to reach? And what are you going to do with all these cash generations? That's number one. Number two, and assuming that you will continue to generate next year also, year after also. You also plan to have your capacities built up in the UAE. Where are we with regard to that? Because I understand that you've already set up the company and all those things?

**Rajesh Khosla:**

Sir, I would like to answer the last question first and then my colleague Mr. Sikka will answer rest of the questions. Sir, we formed a company in UAE for marketing our products which we are manufacturing in India. So we have not started any company to put up the facility in UAE as on today. Though we may be exploring and taking care that is still okay, that is a part of the business but particularly we have not formed a company to explore any manufacturing facility in UAE as of today. Okay, so this is one part. And the second part is about the cash part, which is a good problem to understand and to talk. I think my colleague is going to answer that.

**Sandeep Sikka:**

Yes. I think if you see our performance, definitely a lot of cash is getting generated, which we have utilized to pay our debt and also build capacity by way of debottlenecking. We are now a very strong player in the liquid packaging market. And the company wants to remain focused on all the initiatives that we have done over the last few years. They are yielding results, whether it is glass internal efficiency build up, our caps & closure business, which is now doing good. We are evaluating various incremental investments, organic, inorganic, relating to liquid packaging market, which includes glass also. We see over dependence on one particular type of packaging product may also, over a long-term period, eventually have stagnation. So we need to move in line with how the markets move, and how the economic trends are in terms of purchasing power. Because when you see all this trending on per capita income has a lot of forbearance on how the demand emanates on the various types of packaging used. This is a broader stuff which I can tell you. We have a plan for investments and an appropriate stage, I think, when something gets fructified and approved by the board then we will come and inform all the investors how the plan will look like for the next 5 to 7 years. So right now, the focus is more on 2 to 4 years plan, that how we should build up our capacity on the glass packaging, and then there is a plan further which we are evaluating internally.

**Steesankar:**

Yes. If I can push last question. Earlier also, your colleague had mentioned about what's per capita consumption of glass in India, vis-à-vis what we are seeing in Europe and US and in some of the Asian countries too, etc. In this context, with the economic growth that we are continuing to see, even if it is slightly lower, what's the kind of capacity requirement or incremental demand that you are seeing for glass in India?

**Sandeep Sikka:**

Basically India has a good potential basis the per capita, the overall GDP performance of the country which has been very good. But I think the performance on our population increase also is correspondingly much better. When you see the numbers on per capita income, the trend is

there. But definitely when we see city-wise and when we try to analyze top 30 cities in the country, the demand for the improvised packaging is increasing day by day. And I am not taking entire country GDP, but if you try to analyze top 30, top 40 cities inside the country and their consumption pattern, because major chunk of income is in those top 30, 40 cities in India.

**Rajesh Khosla:**

I have already answered, I think in the previous question, glass consumption per capita has already been indicated, which is 1.8. And just for information, we are in the GDP range of around \$3,000 per capita. It has been seen that when the GDP moves from \$3,000 to \$5,000, so this \$2,000 straight away enters into your lifestyle, hygiene, eating habits, and other things and where this glass consumption plays a very, very big role. See, today, if you are talking of USA and other where the per capita income is more than \$50,000-\$60,000, so any increase in the per capita income in those countries and those people probably may not have any impact on the rise of glass consumption because they have already matured to that level and those extra income is not going to add up in their consumption pattern. But we are in a pattern where the maximum growth is going to happen between \$3,000 to \$7,000. So we expect that as the India grow and reaches \$5 trillion, \$6 trillion, \$7 trillion, \$8 trillion, and this income level goes from \$3,000, \$4,000, \$5,000 per capita, so there is going to be a huge demand in the glass side. Difficult to say, but normally what happens is, in this range, the glass growth and the GDP growth, they are more or less have a ratio of 0.9. Means for every 1% GDP growth, the glass consumption can be 0.9% growth. So this level of this thing we can easily assume.

**Steesankar:**

Thank you. I have something else also to ask. I will take it offline and ask you later. Thank you.

**Moderator:**

Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

**Sandeep Sikka:**

I would just like to thank everybody who was there on the call. Thanks a lot and see you again.

**Moderator:**

Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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