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BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532937 Scrip ID: KUANTUM	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Trading Symbol: KUANTUM
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Sub: Transcript of Q3-FY24 Earnings Conference Call of Kuantum Papers Limited

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 & 46 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find attached transcript of the Earnings Conference Call conducted on 02nd February, 2024 to discuss Q3-FY24 earnings. It is hereby confirmed that no unpublished price sensitive information was shared/discussed in the call.

The above information is also available on the website of the Company:

www.kuantumpapers.com

This for your information and record.

For Kuantum Papers Ltd

(Gurinder Singh Makkar)

Company Secretary

Encl: a/a



KUANTUM PAPERS LIMITED
Q3 FY24 Earnings Conference Call
February 2, 2024

MANAGEMENT:

Mr. Pavan Khaitan – Vice Chairman and Managing Director

Kuantum Papers Limited
Q3/9M FY24 Earnings Conference Call
February 2, 2024

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 9 months FY24 Conference Call of Kuantum Papers Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. I now hand the conference over to Miss Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you. Good Afternoon everyone. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations for Kuantum Papers Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the third quarter and 9 months ended Financial Year 2024. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by an information currently available to the management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Now, let me introduce you to the management participating with us on today's earnings call and hand it over to them for their opening remarks. We have with us, Mr. Pavan Khaitan, Vice Chairman and Managing Director.

Without any further delay, I request Mr. Pavan Khaitan to start with his opening remarks. Thank you and over to you sir.

Pavan Khaitan: Thank you, Purvangi. It is a pleasure to welcome you all to our earnings conference call for the 3rd Quarter and nine months ended for the Financial Year 2024.

Let me first take you through the financial performance of the company for this 3rd Quarter followed by the nine months ended results for the Financial Year 2024, after which we will provide the operational highlights. During the quarter under review, the operating revenues stood at 302 crores and the EBITDA was at 79 crores or 26.33%. The profit after tax for the quarters stood at 42 crores with a PAT margin at 14%. Revenue for Q3 was in line with Q2 and the EBITDA margins for Q3 remained robust at 26.33%.

This is despite the temporary shutdown for modification and upgrades of our PM1 and the 10 MW turbine and which was alongside a rise in wood material costs. The overall operational efficiencies in power plant operations was enhanced through effective utilization of rice husk waste, which is Khuddi as a cost effective alternative fuel, reducing costs by about 50% compared to coal. For the nine months ended under review, the companies operating revenues stood at 912 crores, which was a small decline of about 5% year on year. EBITDA is reported that 269 crores, which has grown about 1.6% year on year. EBITDA margin stood at around 29.53%, while the profit after tax is reported at around 150 crores with PAT margins reported as 16.43%. The yearly decline in revenue can be attributed to various market challenges such as decrease in price and demand pressures, alongside an increased competition from imports. On the ongoing CAPEX front, during the 3rd Quarter, our PM1 underwent a comprehensive rebuild with new headbox, wire parts, press part, pope reel and the addition of dryers, which has resulted in an increase in paper production from 25 to 40 tons today. Additionally, the upgradation of our TG4 from the 10 MW is now standing at 13.5 megawatts and this was completed, which will lead in higher efficiency of steam production with lower costs. Both these projects were successfully commissioned in Jan 2024. Work has also commenced to produce an additional 20 million saplings in the clonal production center, which will be operational by the financial year 2025. I'm very pleased to share that the board has approved a revised CAPEX project cost of Rs. 735 crores, an increase from the initial outlay of Rs. 285 crores. This increased investment will be towards our upgradation and modification of existing projects, mainly paper machines with a focus on environmental sustainability, which will ultimately result in a 50% boost in our production capacity. Under this new CAPEX plan, we have placed orders for the state-of-the-art shoe press for PM4 from Bellmer and their workshop is in Germany and initiated the procurement of a DBS for our pulp mill, which has result which will result in higher production and pulp yield with lower steam consumption. Thank you with this we can now open the floor for questions and answers session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mr. Kunal Tokas from Fair Value Capital. Please go ahead.

Kunal Tokas: A recent letter was written by the IPMA president urging the government to increase the base customs duty to 25% from 10% and you have said that the recent quarter witness pressures from imports on prices as well as the volume fund. Can you quantify the increase that the inputs witness in this quarter and how that has been going on in comparison to the to the trend?

Pavan Khaitan: We have already witnessed an increase in imports of almost 40% to 45% and that's quite a substantial volume which is coming in mainly from Southeast Asia. And that is what is sort of adding to the volumes getting sold in the domestic market. Additionally, with the Red Sea crisis happening, there is a shortfall in the outflow in terms of exports. So that is also adding to the volumes getting sold in the country, so on both these accounts there is a slight additional pressure on market prices because of these additional volumes coming in and that is what is sort of affecting the market status so to speak currently.

Kunal Tokas: 40% that you mentioned, that was y-o-y.

Pavan Khaitan: Y-O-Y. Correct.

Kunal Tokas: And about the Red Sea crisis, it is difficult for us to export now because of the Red Sea crisis. It will be even more difficult I presume for the South East Asia nations to export to that area and will that be having an effect of increasing the exports to India because they cannot export to those regions now because of the Red Sea crisis is that a temporary increase in imports that we are seeing?

Pavan Khaitan: That clearly could lead to a temporary further increase in imports, but I would say that even market per se, the demand is on the rise, though not as big as the imports coming in, so slight unsettlement and uncertain period of operation will be there for a few times going ahead and I think but that it will all should settle out sooner than expected sooner than later and sort of the industry is quite well competent, well placed to take on such challenges.

Kunal Tokas: And about that competitiveness what is the trend of International Pulp or Paper prices that you have been seen?

Pavan Khaitan: Fortunately, pulp pricing is on the increase, which is a good sign for us. Normally, we see that paper prices follow the trend on pulp and so paper prices should fall in line and start increasing as well, though that hasn't happened yet. We are still to witness and that increase to happen, I'm sure in times to come that will also be led and have a salutary effect on the market.

Kunal Tokas: The increase in paper prices would be expected to happen with the lag right? Lagging the increase in pulp prices and can you quantify the increase in the pulp prices?

Pavan Khaitan: Pulp prices increased by about \$80 - 100 per ton from last quarter.

Kunal Tokas: From the last quarter. All right. And Sir about the revised capex you have announced of 765 Cr rupees. How much of that will be towards your specialty treatment?

Pavan Khaitan: Well, actually, Kunal, all our four paper machines are getting upgraded and they will help in increasing our production capacity by about 50%, which is quite a substantial jump. So from the current 450 tons per day, we are targeting 675 tons per day of production and from going ahead, I think both our PM1 and PM2 on which there will be an output of 80 tons each. So 160 tons per day of specialty paper is there for sure but even on our bigger machines some part of that production will also go towards serving the specialty needs. So a total of about 25-30% of the overall production capacity will be towards the specialty segment. So which is, I would say about 200 tons would be the specialty paper production and operation.

Kunal Tokas: Thank you for answering my question. I will come back in the queue.

Moderator: Next question is from the line of Rusmik Oza from 9 Rays EquiResearch. Please go ahead.

- Rusmik Oza:** Sir wanted some more understanding on this bigger Capex how is the funding is going to be done and by when you feel this expansion will get commissioned. This is the first question.
- Pavan Khaitan:** So this is going to be funded by a combination of bank debt and internal accruals. We have already applied for a loan component of 535 crores to the banks and the balance 200 crores will be through internal accruals. A Majority of our projects, which is going which is going to lead to production increase is going to get completed by March of 2025 and a few other projects like Pulp Mill addition and the other sustainability projects will follow soon and will get over in phases between September of 2025 and March of 2026. But I think a good part will be within the Financial Year 2024-2025 and we will see a fair bit of healthy increase in production levels going forward 2025-2026 and thereafter 2026-2027, we'll see the full result of this project.
- Rusmik Oza:** Sir if you have to bifurcate the growth in the two years i.e. 2025 & 2026 actually, what kind of growth can come in FY 2026 & FY 2027. Out of which 50% will materialize in FY26 and how much will come in FY27?
- Pavan Khaitan:** We can expect the growth of about almost 60% in 2025-2026 and the balance 40 % i mean completed in 2026-2027.
- Rusmik Oza:** Ok, and the current utilization will be completely optimum right, we will be running on optimum utilization as of now.
- Pavan Khaitan:** Correct
- Rusmik Oza:** So FY 25 probably could see some marginal growth in volumes and then I'll pick up can turn out I think in 2026 and 2027.
- Pavan Khaitan:** That's right.
- Rusmik Oza:** And in terms of the realizations, can you give us some trend how the realizations of your end products has been the last three quarters and how do you see it going forward?
- Pavan Khaitan:** So there is a kind of a decline. If you are asking about 3 quarters, we were at a quite a high in quarter one where we returned an EBITDA level of almost 36%, the highest that we have ever returned. Post that the decline in pricing has been there it has come down from a level of about Rs. 85,000 to about Rs. 74,000 per ton in the quarter under consideration and, yeah, going forward, I think we should be stable around here, not much change and so it should be even out because it's not only going to be decline and I'm sure it's going to turn around as suggested earlier, the pulp pricing is increasing, paper prices should see the turnaround happening and average out should come back and start proceeding towards 75,000 and above.
- Rusmik Oza:** Ok, got it and will there be proportionate, you know, in the power production also when you are setting up this new expansion capacity?

Pavan Khaitan: Yeah, the fact is that currently we are producing about 25.5 megawatts completely and after this expansion happens, our total requirement will go up to between 28- and 29-megawatts for which we already have the required infrastructure with us. So there is no additional power infrastructure that is getting created.

Rusmik Oza: Okay.

Moderator: Thank you. The next question is from the line of Bharat Gupta from Fair Value Capital. Please go ahead.

Bharat Gupta: Couple of questions from my side. So first on the order book, so can you just quantify like what kind of order book which we will be working upon and how has been the order includes with respect to the new education policy?

Pavan Khaitan: So the new education policy has not really been quantified or implemented in its entirety. Only the lower classes up till standard three has been implemented. The standards four and above are waiting in the wings. They are likely to happen during the course of the year. So there has been no uplift because of the NEP implementation. So whatever is happening is because of the ongoing market conditions and there is an ongoing demand that is happening on ground and we are continuing our trending of collecting all our orders in advance, keeping our machines running and we are going to follow that practice for sure.

Bharat Gupta: Right. So anything like any instrumental, particularly with respect to the order books which we have currently in place with respect to the next fiscal year, anything which you can write?

Pavan Khaitan: So yes, there is clearly an opportunity with this single use plastic ban that has come in. We have already looked at creating some new product profiles to fulfill that demand and serve that demand. So that what we are working on and we are hoping that with this renovation on our PM1 & PM2, which will then become more and more suitable to make Specialty papers, those order books will get implemented and fulfilled over a period of time over the next year.

Bharat Gupta: Sir you mentioned about the reduction in the realizations as such and that we are facing a competition with respect to inputs. But like we are based out of the Northern side and we are insulated to the whatever happenings which happens with respect to imports. So just wanted to check like going forward as such with the pricing trend of the pulp on the increasing side. So do you think that the momentum will be with respect like our momentum and the insularity which we have, so that will actually play across and we will be able to pass on the price increase in the subsequent quarter?

Pavan Khaitan: Surely we, as you have rightly pointed out, we have an insulation because of our location and more so that we are located nearer the biggest market in the country, which is stationed and located in the north, which is Delhi and NCR. So we do have an advantage there and which we are using to our advantage and being able to get a realization, which is better than most of the other players in the industry and I think that advantage will continue and we will be able to stave off big competition from imports for a longer period than others and help in sustaining our pricing for longer periods in the times to come.

Bharat Gupta: The reason why I'm asking is primarily driven by two factors, one I think 20% of our product portfolio is with respect to specialty and we are going to increase it to 30%. Sir the realization in the specialty bit like how it will be bigger than the blended realization which we drive.

Pavan Khaitan: So normally we get a realization of about 8 to 10% better than the normal writing and printing grades that we make. So that advantage is going to continue and as we are increasing our volumes that will further effect and impact or down sort of bottom line better, and I think that it also has a play with overall market pricing coming down. It is not that we will be able to sustain our specialty paper prices to that original levels what we were. Some impact will be there maybe if let's say the average downfall in writing printing paper prices is 5%, the specialty paper may reduce by 2% or 3%, not so much. So yes, there is a betterment in terms of pricing that we get on our specialty paper compared to writing and printing paper.

Bharat Gupta: Right. Also Sir, with respect to the EBITDA per ton, so in our previous interaction, you always used to guide that the company is looking for EBITDA per ton to be ranging over 25000. But right now if I look at the numbers, I know that PM1 was not operational during the quarter in the previous quarter itself our number was below 20K and Rs.20,000 per ton and this quarter itself it's close to around the similar levels. So any insights like what are the missing links currently with respect to the communication and also going forward what kind of margins per ton you expect on a sustainable basis, which you can derive?

Pavan Khaitan: So I think what to my mind we have hit out bottom as far as pricing in the market is concerned for so this average level of about Rs.19,000 to Rs.20,000 per metric ton of EBITDA that we are maintaining, we can only hope to get better this in future. With further decreasing costs what has happened is that even though the market prices have come down, they have been supplanted with a reduction in cost of our other raw materials like wheat straw and fuel and which has helped us maintain these margins going forward there is going to be further efficiency that is going to be built in by way of these CAPEX that we bring in and with the efficiencies and economy of scale that we get and build to our operation which is going to better our cost of production, we will be able to offset any further decrease if an when it happens. So we are going to maintain these margins EBITDA margins for sure and going forward as and how the market prices are going to turn around get better, it's going to have go straight to better our bottom lines.

Bharat Gupta: Right and sir I think operational leverage will also clean because I think currently we are operating here around 80-85 percent utilization level.

Pavan Khaitan: No, we are 90 plus.

Bharat Gupta: And that is across both specialty and packaging.

Pavan Khaitan: Sure. No, no, packaging we don't do packaging at all, it is only specialty and writing, printing.

Bharat Gupta: Writing, printing, sorry. So that way going forward with the incremental capacity which will be coming in. So I think the number can be. Whatever range you have guided in the past so we can adhere to that.

Pavan Khaitan: Yes, we are wanting to target similar production capacity levels, which is 90% plus and that is also the 90% capacity is not due to market constraints. It is because of operational constraints. There are mandatory downtimes of machines that we have to undertake because of the nature of the machines. We have to bring a downtime to get better efficiencies, change the machine clothing review and renew our various machine parts. So that is the reason why machines are put into a downtime and that's why that is what leads to this 90% capacity utilization otherwise if you see machine running, we are operating at 100% of operational hours.

Bharat Gupta: Just a guidance here with this specialty margin, so how it will be better in comparison to the one which we enjoy in the copier or in the printing side?

Pavan Khaitan: So our specialty paper margins would be higher by about Rs. 4000 to 5000 per ton.

Bharat Gupta: And the incremental capabilities majorly it is towards the specialty trend.

Pavan Khaitan: Yes. Not majorly from the current level of about 20% that we are doing will go up to 30% of the increased capacity. So we will be doing about 200 tons out of the 675 tons that we will be producing in future.

Bharat Gupta: And in this specialty bit, the competition is mainly from the imports, not with respect to any domestic guy. No one is manufacturing that kind of products which we are manufacturing.

Pavan Khaitan: There are there a few people in the industry who are into this specialty segment like ITC, Pudumjee , JK Paper. But, yes imports the competition from imports are limited because the consumer requirement is very, very specific and it's not easy for it to be fulfilled by imports of paper. Imports of paper is happening normally in larger quantities on bigger scales, and specialty requirements are very, very focused. In a timely manner, which imports are not able to fulfill, so primary competition is local only and it is against these along with these bigger mills which is much more organized.

Bharat Gupta: Alright Sir, last question from my side with respect to the RM increase, so just wanted to check has it been broad base across timber, chemicals or the kind of levels which you are seeing currently. So do you want that particular levels will sustain or there can be a downward going forward as well?

Pavan Khaitan: You're talking about pricing of raw materials?

Bharat Gupta: Yeah sir, particularly with respect to timber or with respect to chemical.

Pavan Khaitan: So if we see the pricing in wood has increased a bit, that is because of a seasonal season ability that is there and would currently it's in shorter supply compared to other periods, but wood availability is likely to increase in the coming quarters, so it's going to have again an offset and average out to the yearly requirement, yearly average that we normally operate in wheat straw currently is on a lower trend. We

have been able to reduce our prices by almost 15 odd percent compared to the last quarter and that trend is continuing. So we are seeing witnessing a reduction in price of our other main raw material which is wheat straw. Chemicals are normally remaining flat and I don't see any huge change in the pricing of chemicals and other inputs.

Bharat Gupta: OK. So the gross margins which we enjoy currently around 68-70 odd percent so the trend will remain on a similar basis in Q4 and in the subsequent quarter.

Pavan Khaitan: Well, on the cost front, we are quite competitive but with the reduction or a change in market prices it could affect our EBITDA levels and margins going forward and but that would be temporary. So maybe just one quarter could be a little challenge, but I think going forward it will be back to normal and better.

Moderator: The next question is from the line of line of Tej Patel from Niveshaay. Please go ahead.

Tej Patel: Sir, I know you have discussed, you know earlier in this call only. But just I wanted get to know in detail from you but so you shared that the wood pulp prices have increased QoQ right, if you can give up in terms of percentage, how much they have increased and it's been one month since in this quarter and how much wood prices do you anticipate going to increase given the Red Sea situation currently and what is the delta between the import price and the price that the domestic paper producers are selling and given that they aren't able to export to other countries because of the Red Sea issue. Do you see this delta increasing over the period given the increase in volume coming from the import from the Southeast Asian countries?

Pavan Khaitan: So I'll try and answer your question one by one. Mr. Tej wood pulp pricing wood pricing has increased by about 8% quarter on quarter and it is stable at that. We don't foresee a further increase. In fact, it could reduce with wood availability getting better in the coming quarters. With respect to the delta, it's an average that one can measure. It's not something which is all across the board. There are certain quantities which are coming in at lower pricing, but most quantities are averaging around \$700.00 per ton and what we were exporting earlier was about 780 to \$800 per ton and that and this \$700.00 per ton translates to about Rs. 65,000 per ton locally but domestic market is averaging about 71 to Rs.74,000 per ton which we are being able to manage quite successfully because imports cannot take off and fulfill the entire requirement of the country. So we have an upper hand there and this delta will be able to manage going forward.

Moderator: Thank you. The next question is from the line of Mr. Kunal Tokas from Fair Value Capital. Please go ahead.

Kunal Tokas: You said that the effect of an increase or decrease in international pulp prices applies a lag on paper prices. In your experience, what has that lag period been like, is it a few weeks or few months?

Pavan Khaitan: Normally it's between 30 to 45 days, but with the uncertainties that are happening across the world with whatever is happening in the economic front, US Fed rates the way they are going, wars going on, one

doesn't really know for sure what is the kind of lag that is we are going to experience? But, Yes on an average about 30 to 45 days.

Kunal Tokas: And are you expanding any R&D efforts on developing new specialty products?

Pavan Khaitan: Yes, of course. There is a huge R&D effort that is going on, we've already implemented 2 new products which are off setting the use of single use plastics and that effort is going to continue and that is what is going to make up in the bulk of our specialty paper products going forward.

Kunal Tokas: Alright, and Sir, in the last call, we hypothesized that industry might see more consolidation happening with mill closing down or bigger mill acquiring other mill. Have you seen that trend continue in the latest quarter?

Pavan Khaitan: At the moment one has not heard of anything per se it's status quo as of now and, but what one does here of is it may continue for the long run. It will continue for the long run, but as of how these deals happen, I think everybody will get to know about them.

Kunal Tokas: This is the final quick question. I know you mentioned your thoughts about it in opening comments, but can you provide the timeline for the capacity expansion that you are undertaking?

Pavan Khaitan: So a majority of the expansion will get completed by March 25 within the next 11-14 months and the balance small park will get extended into up to September of 2025 till March of 2026.

Kunal Tokas: By the majority you mean the majority of 50% increase.

Pavan Khaitan: Yes, I think about 60% increase we should be able to take in and complete by March of 2025 the effect of which will be very, very visible in the financial year 2025-2026.

Moderator: Thank you. Next question is from the line of Ankit Gupta, who is an individual investor. Please go ahead.

Ankit Gupta: I think my question got answered. Thank you.

Moderator: The next question is from the line of Rusmik Oza from 9 Rays EquiResearch. Please go ahead.

Rusmik Oza: Sir want to understand how do you see FY25 panning out in terms of profitability because you know the new capacities usually come up FY 26 and we already running at more than 90% utilization right now. That's my first question. And my second question. How do you not plan actually secure the raw material as and when you know increase in the capacity by 50% because will there be adequate availability of raw material for making this higher production of 50% going forward?

Pavan Khaitan: So I will answer both your questions. The trending on profitability is quite stable and I think we have declared good results 26% EBITDA levels plus is I think a good robust performance, going forward with increase in capacity. I don't see it's not a good exercise to collect material in advance, because it's a very,

very seasonal availability and very-very subject to the vagaries of environment. So you cannot really store this material and because it is open to decay. But I would on the other hand say that a good enough availability is there in the market and whatever is our requirement will clearly be cater to will be available. Within the state of Punjab where we operate there's plenty full of raw material both in terms of wheat straw, the primary material that we operate in as well as wood supplies and also the fact that we have also done a study which suggest that there is enough and adequate availability of the same and with the propagation of our clonal saplings and clonal nursery, which we are doing in a big way, we are trending on towards increasing the wood availability in future for ourselves and for the community at large.

Rusmik Oza: If I refer my first question, this year we are doing 26 % EBITDA margin, but next year will the profits of FY 25 be higher than FY 24 or will the margins be better than FY 24, that is what I am trying to understand.

Pavan Khaitan: We are targeting better margins in the financial year 2025-2026 with on the back of better operational efficiencies and with some of our capacity increase small increment coming in this year's financial year 25-26 itself, primarily on better efficiencies and better operational ability we do see a betterment in our EBITDA margins going forward.

Moderator: Thank you. The next question is from the line of Imran from Longo India Capital. Please go ahead.

Imran: Sir, can you please share the pricing separately for maybe you know the writing and printing paper and the other and the other paper that you make?

Pavan Khaitan: I would say Imran, this is a little bit of confidential in nature because that is how we are able to create a good marketing plan for ourselves, but suffice to say that there is a delta of about 5 to 8% between pricing of writing and printing paper and specialty segment paper.

Imran: So, Specialty would be higher by whatever percentage?

Pavan Khaitan: Yes. Higher.

Imran: Alright. I had an impression that this especially the cut size paper which is used mostly in offices, I thought it is the highest price category, but I think I stand correct here in the other ones you mentioned are the highest price products right?

Pavan Khaitan: So what you are mentioning cut size that is copier that is used in offices that's not what we identify specialty paper that would that we take is as retail writing and printing paper segment only. Our specialty paper is an exclusive paper going into very, very varied applications and primarily now the focus will be on to replace single use plastic ban which has come in and find the rightful replacement of those kind of usages with paper.

Imran: Right. can you at least give a split between the specialty and the other paper that you make?

Pavan Khaitan: Yeah. We are doing about 20% of specialty paper and balance is writing & printing. Even under writing and printing, there are various categories like Copier, there is Maplitho, there is Creamwove, there is high bulk paper. So even it's not like 80% is one category alone there are different product portfolios under that category as well, but all under the overall category of writing and printing paper.

Imran: Right and sir if it is possible, otherwise you can skip this question if you can divide the 80% into copier and non-copier if that is possible.

Pavan Khaitan: Copier is about 18% and balance would be the segments of Maplitho, Creamwove, High Bulk papers.

Moderator: Next question is from the line of Yash Malhotra from JM Mutual funds. Please go ahead.

Yash Malhotra: Hi Sir, what would be the kind of aspirational number you're looking for specialty let's say three years down the line.

Pavan Khaitan: Well, as I said with this upgradation happening, we will be producing about 200 tons per day, which is 30% of our capacity, but three years down the line, maybe we look at another Speciality paper machine which is going to be specifically for this product, which could be another further 100 - 150 tons per day, so that's going to add to this 200 tons and make it about 300 to 350 tons going forward.

Yash Malhotra: Correct. So it would be fair to assume 20% going to 30 as a percent of revenue.

Pavan Khaitan: Yaa, that is already in the works. But as you said, if you're asking a three-year visionary statement, I say the 200 tons could be further increased to about 300 - 350 tons with the new specialty paper machine.

Yash Malhotra: Correct and these also operate at 90 plus percent capacity

Pavan Khaitan: Absolutely

Yash Malhotra: Correct. Alright, thank you.

Moderator: As there are no further questions from the participants, I now hand conference over to Mr. Pavan Khaitan for closing comments.

Pavan Khaitan: So thank you all for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Managers at Valorem Advisors. Thank you and wishing you all a great day ahead.

Moderator: Thank you. On behalf of Kuantum Papers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.