

13.08.2025

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 Q1 FY26 Earnings Conference Call of Kuantum Papers Limited**Ref: Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 & 46 of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, please find attached herewith, transcript of the Earnings Conference Call conducted on 11th August, 2025 to discuss Q1 FY26 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It is hereby confirmed that no unpublished price sensitive information was shared/discussed in the call.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 i.e. www.kuantumpapers.com

This for your information and record.

Thanking you,

Yours faithfully,

For Kuantum Papers Limited**(Gurinder Singh Makkar)****Company Secretary & Compliance Officer****M. No.: F5124**



KUANTUM PAPERS LIMITED
Q1 FY26 Earnings Conference Call
August 11, 2025

MANAGEMENT:

Mr. Pavan Khaitan – Vice Chairman and Managing Director

Mr. Vikram Kumar Khaitan –Chief Financial Officer

Ms. Prachi Sharma – VP Corporate Strategy

KUANTUM PAPERS LIMITED
Q1 FY'26 Earnings Conference Call
August 11, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Kuantum Papers Limited Q1 FY'26 Earnings Conference Call.

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

I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you, ma'am.

Nupur Jainkunia: Thank you. Good afternoon, everyone and a warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors. We represent the Investor Relations of 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 1st Quarter of Financial Year 2026.

Before we begin a quick 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 belief as well as assumptions made by the 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 conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, I would like to introduce you to the management participating with us in 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; Mr. Vikram Kumar Khaitan – Chief Financial Officer, and Ms. Prachi Sharma – VP (Corporate Strategy).

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

Pavan Khaitan:

Thank you. Good afternoon everyone and welcome to the earnings conference call for the 1st Quarter of the Financial Year 2026. Let me begin by sharing a few business highlights, following which our CFO, Mr. Vikram Kumar Khaitan, will take you through the financials. The domestic paper industry continues to face significant challenges marked by persistently high domestic wood pricing and an influx of competitively priced imports. These pressures have resulted in a visible strain on sales and margins across the sector. Cheaper imports have impacted sales realizations and intensified competition in the domestic market, leading to lower net sales realizations. In response to the sustained industry appeals, the DGTR has recently initiated anti-dumping investigations into paperboard imports from Indonesia, signaling potential trade protection measures.

Despite these hurdles, we are witnessing a clear acceleration in market preferences. There is a robust growing demand for sustainable, recyclable and agro based paper products, particularly in specialty, food grade and packaging applications. This evolution aligns with tightening regulations, heightened consumer consciousness around environmental stewardship and a broad based move away from single use plastics. At Kquantum we have aligned our long term strategy with these evolving customer needs and paving the path for responsible and purposeful growth.

I am pleased to update you on our ongoing projects and performance this quarter. Our largest machine at the mill, which is paper machine 4, was successfully upgraded on 30th, June 2025. With the addition of a modern shoe press from Bellmer, advanced draining and drying systems, a modified hood and oil heated calendar and upgraded automation, we are poised for a substantial boost in productivity and efficiency. This will also support our diversification into higher value writing, printing and specialty paper grades.

We have also completed the retrofitting of our recovery boiler in July 2025 including the installation of a two stage causticizer and a new electrostatic precipitator. This will enhance our chemical recovery efficiency and optimize process performance. Operationally, both paper machine 1 and paper machine 2 posted their highest ever monthly production figures in this Q1 FY'26. PM1 reached 1860 metric tons in the month of May. And PM2 achieved its mark of 1491 metric tons in June.

On the digitalization front project Nirman, our industry 4.0 and AI driven transformation is progressing well with stable Max system performance on key production sections. The phase one implementation for PM4 is ready to launch in Q2, expected to further enhance productivity, consistency and cost efficiency. From an environmental and sustainability perspective, I would like to share that we are now fully compliant with the European Union deforestation regulation which is EUDR, reinforcing our dedication to combating deforestation and promoting the sustainable management of natural resources.

Our social farm forestry program has gained traction, and we covered almost 1400 additional acres in the quarter, bringing the total area under plantation to 13,870 acres and positively impacting nearly 16,000 local farmers. These achievements and initiatives are in-line with our vision and commitment towards sustainability, operational excellence and value creation for all our stakeholders. With that, I would now like our CFO, Mr. Vikram Kumar Khaitan, to walk you through the financial highlights for the quarter.

Vikram Kumar Khaitan: Thank you, sir, and good afternoon, everyone. Let me share a summary of our financial performance for the 1st Quarter of the Financial Year 2026. For the quarter under review, our operational income stood at Rs.223 crores, reflecting a decline of 20.6% year-on-year basis, and 19.6% on quarter-on-quarter basis. This was primarily due to planned shutdown of PM4 for its up-gradation, which reduced production by almost 9000 tons, and in turn impacted both revenue and EBITDA margin. EBITDA for the quarter was Rs.40 crores down 43.6% year-on-year basis, the EBITDA margin stood at 18.1%, net profit for the quarter was Rs.12 crore, making a decline of 68.3% year-on-year basis. PAT margins were reported at 5.4%. With this we can now begin the question-and-answer session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Manan Poladia from MKP Securities. Please go ahead.

Manan Poladia: Sir my first question is, on the line of the specialty paper thing. So, I know that we are one of the only two larger companies that are in the space, and we are trying to foray into tissue paper and other specialty grades. If you could provide a bit more color on what specific products are we looking to get into and what the competitive landscape is around that, and my second question is on the CAPEX front, if you could provide an update or what sort of timeline we are looking at for the CAPEX to like get over, that would also be great that's my two questions. Thank you.

Pavan Khaitan: Okay, thank you for your questions. I will take them up one by one. On our specialty foray we are looking at creating largely flexible grade food wrapping papers, and we are getting the right full coating plant, which is going to be an offline machine and which is also part of this entire CAPEX that we have planned for ourselves, and that is going to come on stream during the currency of the, either this year or latest by next Financial Year. It took a little bit of time finalizing the technology and the machine components, because there is a lot to play around with, and we have to be careful for our kind of CAPEX that we are intending to incur. So this is on the specialty front. On the CAPEX front itself, our total cost is Rs.735 crores, out of which till date we have already spent about Rs.400 crores on the CAPEX. This entire CAPEX is going to come on stream by June of 2026 but by March of 2026 which is the end of this Financial Year, the major up-gradations of all our machines which will happen one by one, PM4 was already completed in June. All other machines are going to get upgraded. So the next Financial Year 26-27 will see the full force of this entire up-gradation and the positive impact coming out next year.

- Manan Poladia:** Sir just a follow up on the specialty paper thing, if you could, since you are getting into food grade wrapping paper I know there's one more other company that's in this. But apart from that, if you could explain the competitive landscape a little bit more, that would be really good.
- Pavan Khaitan:** So, comparative analysis the environment is positive, because the kind of consumer off-take that is going to happen because of the single use plastic ban is going to be quite positive, the demand is going to grow, and we are going to see a fair bit of competition coming in, with people wanting to invest in this category. At the moment as you rightly said, there is one big operator in the industry but, there are a lot of small time operators who have taken single, single machines and buying paper from outside, coating them and creating the rightful product. How effective they are and versus us, how effective we will be time will tell. But I am hopeful that with our kind of size and our kind of technical advancements, we should be able to fare quite better.
- Moderator:** Thank you. We have our next question from line of from Krushi Parekh from BugleRock PMS. Please go ahead.
- Krushi Parekh:** So my first question is that, how much of the declining sales and profitability can be attributed to the planned shutdown, and is there anything else that you would want to bring out apart from that?
- Pavan Khaitan:** It's a good question Krushi, this shutdown which undoubtedly was planned, and it was for a period of almost 25 days, as enumerated by our CFO, it led to a reduction of almost 9000 tons, which has greatly impacted the performance of this quarter alone. And we just did an analysis in our board meeting also, that had this not happened, we would have maintained our EBITDA margins at 22% which we recorded even in Q4 of last year. So, I may say that EBITDA margins would have been in place. However, the sales reduction is on account of a margin variation which is very, very marginal, hardly any variation in sales pricing of this quarter. So, the majority of the reduction in sales value and EBITDA is on account of the loss of production due to the planned shutdown.
- Krushi Parekh:** So sir can we expect, because we intend to upgrade our machines one-by-one over this current Financial Year, so can we expect a similar kind of numbers for next two, three, four quarters as well?
- Pavan Khaitan:** No, I wouldn't say so, as I said PM4 is our largest machine, where our output is almost 300 tons per day. So the impact is more, other machines two machines are about 40 tons each, and one machine is 120 tons, so the impact will be much lower. And by that time, during the time that they will be shut down, our PM4 is also going to work at a higher capacity.
- Krushi Parekh:** Okay, I understand. And second thing sir, about this anti-dumping investigation that the government is undertaking. How can we understand the stage at which these investigations

are and how do we update ourselves in terms of, if at all any potential action will come on these imports or not. So, I am just trying to get some sense on how can we measure it, how can we follow it up?

Pavan Khaitan: So, I will let Prachi answer that for me.

Prachi Sharma: So the DGTR has just initiated the investigations, particularly into virgin multi layered paper boards from Indonesia. So, this is the beginning of these kinds of investigations where the DGTR has taken cognizance of the fact that the domestic industry has been impacted by routing of imports through Indonesia, whether it is from China or other Southeast Asian countries. So right now, since it's at the inception stage, they have just launched it in July, it remains to be seen as to how this progresses and bases this complaint. And the Indian Paper Makers Manufacturers Association, IPMA which is following up whether this gets extended to other grades of paper as well, because the industry has been talking to the government for protection from these FTAs and also these routings from Southeast Asia.

Krushik Parekh: But any specific timeline that we can benchmark ourselves from the past under such incidences, either in the paper industry or in some another industry that we can work with?

Pavan Khaitan: So normally these things do take its course and time, nothing can be expected in a short while, but only time will tell since it's the government who is in control of this entire process, and they don't reveal much. One only gets to know once the process is complete. I understand that we may look at about four to six months for a kind of, some kind of impact to come in, but it could go even up to a year, 12 months or so.

Moderator: Thank you. We have our next question from line of Arihant from Bowhead India Fund. Please go ahead.

Arihant: Sir, I wanted to know since start of this year from April 25, has there been any increase or decrease in paper prices if you can tell in percentage terms?

Pavan Khaitan: So, this Quarter Q1 we in fact, witnessed a slight marginal increase in prices compared to Q4, we were able to increase our prices by about up to 1%, about .7.8%. However, in July and August, prices have declined up to 7% to 8% from June quarter.

Arihant: Okay. Sir, and how do you see the outlook in short term, in next three, four months do you expect them to remain at current levels, or do you expect them to increase.

Pavan Khaitan: So normally, this Q2 is the lean season of the industry, so this reduction in pricing is on expected lines. We are quite well versed with handling such kind of declines through our own operations and efficiencies because, on the other side even raw material input and pricing helps us maintain our margins. In future, two things will happen, the printing and publishing industry

comes into bigger post Diwali and this this year Diwali is also earlier on 20th of October. So we will see, we will witness a price increase and escalation happening by middle of October or so. Also this year round, the government tenders have opened up much earlier, as compared to the previous years. So the moment they are floated and executed, that is going to release a lot of pressure from the market side, and the demand and supply situation will get balanced out, and that will also help in price stability and with an upward trend.

Arihant: Okay. Sir, can you provide some color like what led to the decline in July and August, paper prices were 7% to 8% steep decline?

Pavan Khaitan: As I said, this is the lean season. The demand for paper sort of declines a bit because everybody starts preparing for the new education year which is 26-27 only post Diwali, all the printing happens post Diwali, and that's when the paper industry picks up. So this we consider as normal for the industry, and this trend we have been witnessing for the past many years, nothing untoward about it.

Arihant: Okay, got it. Thank you, sir. And one more question I wanted to ask, regarding, like the investigation has started for the paper boards category, so any color, whether regarding investigation on writing and printing paper, when it will happen, or if the government will take that up?

Pavan Khaitan: We are hopeful because IPMA is representing on behalf of the industry, and we are thankful to them that they have taken up the cause for at least investigating into paper boards, paper can follow next we are hopeful.

Arihant: How is the competitive intensity being from imports has, as this been like similar to last quarter or has the intensity increased paper?

Pavan Khaitan: No, its very, very similar, it's not increased it's very similar. So it's nothing alarming.

Moderator: Thank you. We have our next question from line of Tanmay Mohta from Locus Investments. Please go ahead. We have our next question from line of Tejas Khandelwal from Prudent Equity. Please go ahead.

Tejas Khandelwal: Sir would you be able to give the capacity expansion for each of our machines and the timeline, the machine 4 contributes highest part of our capacity, and how much capacity increased you have done in machine 4 and the remaining three machines, how much capacity increase is going to be in each machine and the timeline as well. Thank you.

Pavan Khaitan: So PM4, we were averaging about 275 tons per day that will go up to between 315 and 325 tons per day. That also because it depends on the GSM that is being produced on the machine. Lower GSMs, even at full efficiency will lead to a total overall dipped output that's I am giving

a range 315 to 325 tons. Our next up-gradation will be PM1, which will be in November, that current capacity is 45 tons. We are planning to take it up to between 80 and 90 tons per day. Second, next will be PM2 in December, very similar to PM1 from the current about 40, 45 tons is going to go up to about 80, 85 tons. And third, PM3 will happen on March of 2026 and from the current levels of about 120 tons per day, it will go up to 200 tons+. I hope that answers your question.

Moderator: Thank you. We have our next question from line of current Karan Bhatelia, from MaIQ Capital. Please go ahead.

Karan Bhatelia: Sir, my question to you would be, can you give us segment wise breakup of the papers we are manufacturing between writing and printing and specialty?

Pavan Khaitan: So specialty is about 20% of our portfolio and balance will be 80% will be writing and printing grades of various qualities, which is Maplitho, Cream Wove, Copier and so on and so forth.

Karan Bhatelia: Sir from the 20% is it a split between tissues and the food, the wrapping paper which you talked about?

Pavan Khaitan: No, so at the moment we do not make tissue at all. We are sort of manufacturing various specialty grades which goes into very, very niche applications, like cup stock which you asked for, there is a paper bag, there is straw, straw paper, and these are base papers which go into multiple applications where we don't directly make the final product, but we give it to converters who convert it into various products of specialty nature. So for instance, there is a thermal paper which goes out on which all these bills are printed in these automated machines, in the teller machines. So we are making the base paper, then we are making various kinds of colored copier which goes into high end office stationery and sort of has a very, very specific application in use.

Karan Bhatelia: Got it sir. Sir what would be the sales realization per ton on this if you could give a figure for the specialty paper?

Pavan Khaitan: So the sales revenue will be about 3% to 5% higher than writing and printing rates.

Karan Bhatelia: So from the average 70,000 per ton you mean to say 4% higher on that number on 70,000?

Pavan Khaitan: Yes, please.

Karan Bhatelia: And sir going forward like the capacity expansion we are doing, the split remains the same between specialty and writing and printing or are we enhancing more towards specialty?

Pavan Khaitan: We will be enhancing, as I said we will be putting and installing a coating plant, and that coating plant will help us manufacture further quantities of specialty grades. So I am expecting our this percentage to go up from 20% to about 30% by the end of next financial year.

Moderator: Thank you. we have a next question from line of Tanmay Mohta from Locus Investments. Please go ahead.

Tanmay Mohta: So, I had one question on the lines of pulp prices. So, I just wanted to know how we are sort of impacted by global pulp prices. And pulp having bottomed out globally, are we impacted with global pulp prices and, if so then what is the sort of nature we expect in terms of realization going forward. And secondly, the question on the lines of raw materials so, a few other wood panel manufacturers mentioned that they expect some wood supply to enter the market this year. So, how is that shaping up, and what is our sort of expectations on domestic wood prices?

Pavan Khaitan: So Tanmay great question, and this is one answer where I will say, I wish I was impacted by wood pricing, because they have gone down internationally. Pulp pricing has, sorry wood pulp pricing. Wood pulp pricing is currently ruling at about \$500 a ton, which has gradually come down from a high of \$600 plus, which maintained during the last year. And even soft this is hardwood pulp pricing, even soft wood is ruling at about \$570 per ton, which is fairly lower than what it was ruling earlier. But we are not really impacted favorably because of reduction in these pricing, because the usage for us for imported pulp is very, very minuscule. No more than 3% to 4% of our complete raw material requirement is furnished by imported wood pulp. But going forward, when we are going to be increasing our production output levels, we are looking at increasing and taking in more imported hardwood pulp for our paper making, and that is going to lend both a betterment in our quality at reasonable pricing. So that's when the positive impact should come in. And as far as the other question, domestically wood availability that unfortunately is remaining on a high because there is another sector which is the pulp board sector and the MDF sector, which is also a sector which procures all this wood in a large quantity. So we are facing competition from that sector in terms of wood procurement, availability and pricing. So that is where we have taken on this social farm forestry measure an initiative in a big way. We have already reached about 40 lakh saplings on an annualized basis, and our target is to create 1 crore saplings every year in the next, by the end of two years, two to three years from here, and that is going to help generate more availability of wood for us and the industry around us.

Tanmay Mohta: Got it. Just a follow up sir, if it's okay. So I just wanted to, the follow up was mainly that. I just wanted to know if we can sort of quantify the delta, like for example if you said pulp internationally is at \$500, so until what price of pulp is, what would be the price of domestic pulp of the same quantity, if you say it for someone like you who grows it and then uses your own saplings, what would be the delta between your price and the global pulp price, until what prices pulp has to fall to sort of make you buy the global pulp?

- Pavan Khaitan:** So today, Tanmay at \$500 it is a kind of a balanced pricing for both imported hardwood and the pulp that we make from locally procured wood. They will be costing us in a similar range of about Rs.47,000 to Rs.48,000 per ton. So there is no advantage as of now. However, if domestic pricing starts going up from here, then yes, imported hardwood pulp makes sense and starts getting an advantage, and also the fact that with use of imported pulp, our quality is better so we are able to establish better efficiencies on our machine production. And that helps that delta is though very marginal, it helps in that additional 0.5% to 1% efficiency on our machines which comes helpful and comes to our advantage.
- Moderator:** Thank you. We have our next question from line of Arihant from Bowhead India Fund. Please go ahead.
- Arihant:** Sir, just wanted to ask on the imported pulp price. So wanted to know like, do you expect the international pulp prices to fall from this level, or the main constant do you see any new capacities coming up globally which can further aid in reducing the price any color on that?
- Pavan Khaitan:** So, in the near term pricing should not see any kind of variability, because at the moment the entire world trade is quite balanced. However, one doesn't know what will happen with the kind of stance the US government is taking in terms of tariffs. So what has happened is that, they have increased tariffs from the closer by countries like Mexico and Brazil. Brazil is a big exporter of wood into US, so if they feel the heat by not being able to gain on their sales and markets in US, they may be able to divert all those pulp capacities to other parts of the world, and that may help in reducing the pricing somewhat, but that only time will tell, because these are country specific decisions, it doesn't something happen in a short term, long term. For the long term, as you pointed out there are no fresh capacities that are there which are going help reduce pricing, availability and supply is quite matched. And for the near term, it's going to remain stable but, as a tendency being the kind of material that it is, it can see an upward trend from Q3, Q4 onwards.
- Moderator:** Thank you. We have our next question from line of Manan Poladia from MKP Securities. Please go ahead.
- Manan Poladia:** Sir my question is on the ASP right now, last quarter we had said that it was about Rs.66,000 per MTN, and you said that this quarter, whatever it was and 7%, 8% lower in July and August. One that, and secondly if you could also tell me, in 21-22 when there was a very big paper cycle and realization that really shot up, what sort of realization were we getting then, do you think those realizations are possible again, or that was just a one off because of what a COVID lead supply pressures or something of that sort. And secondly sir, on the specialty paper front, I was just wondering if the pricing of specialty paper also fluctuates like printing and writing paper, or it's more or less stable at like a negotiated contract price with the customer. How does that work?

- Pavan Khaitan:** So, I will try and answer all your questions one by one, as you rightly said, Q1 of this Financial Year versus Q4 the prices have remained largely stable, other than the about point 0.7% to 0.8% increase which we were able to affect. And yes, the pricing has come down in this Q2 July, August by about 7% to 8% and that is largely led by the fact that traditionally, this quarter is a lean season for the industry, and pricing generally comes down a bit from the Q1 and then starts to rise in Q3 and Q4. With respect to specialty paper, the pricing again gets varied according to the base pricing of writing and printing paper. So if the pricing of writing and printing paper has come down, the pricing of the specialty segment also, though not by the same percentage term, but yes, it will come down also and start showing some kind of impact. But as I said, the margins or the premium on specialty paper may vary from about Rs.1500 per ton to about Rs.3000 per ton, that premium and margin is better.
- Manan Poladia:** But it is affected by rise and fall in paper prices also?
- Pavan Khaitan:** Yes, and you also mentioned that 22-23 was an exceptional year for the paper industry where we as an industry also averaged about between Rs.85,000 to Rs.90,000 per ton that is the kind of pricing that we were getting. These kind of milestones come once in a lifetime and as you rightly suggested that was the COVID pressure getting relief which led to such a huge increase in the paper industry pricing. We are not likely to witness that kind of surge in pricing, but yes, we can certainly expect it to go up to levels of between 75,000 to 80,000 in the coming years.
- Manan Poladia:** Right. And just one more question on the specialty front, like since we are getting into food grade paper, et cetera my understanding is that one large competitor that exists has a decent arrangement with some of the large QSR players, right?
- Pavan Khaitan:** Right.
- Manan Poladia:** Just trying to get an understanding of, where we would look into break into that market smaller QSR players or smaller like one to kitchen, sort of like thing, how would we want to get into that business particularly since they already have a old established over there?
- Pavan Khaitan:** So we will obviously play out differently because we have gained the specialty of serving niche products and niche markets. So since our capacities will be of specialty paper will not be as large as the competition. So we will be looking at creating very, very specific applications, specific products for special needs of our customers. And that is why we will be adopting a very different route and creating a better margin for ourselves. So actually that's why we are taking a little bit of more time finalizing that on offline coating machine for ourselves, we are going to create much more variability and flexibility in being able to make differential grades of specialty paper and thereby allowing us to serve a very, very differential and a wide variety of customers, and that is going to be a stronger USP and strength.

- Manan Poladia:** Sir, I completely understand what you are saying just one thing, what I am trying to understand over here is, will that still be scalable domestically or will we have to look towards exports in that case, if we want to scale like very niche lines, I am assuming the market in India would be a relatively smaller market, right?
- Pavan Khaitan:** No, I we have done the dipstick study. The market for these kind of papers is fairly big, and so scalability will not be an issue for us. Once we are able to establish this offline portal that we are going to spend on, there we can easily enhance these capacities one by one in modular form and going for increase market output as and when required. But, the fact is that we are going to be making the base paper ourselves on our individual machines. So please understand that variability comes from not only the base paper, which can be created on each of our four machines, which means four different kinds of base paper, and then the coating heads, we are going to implement four different coating heads, allowing us to make differential varieties of coated specialty papers.
- Moderator:** Thank you. We have a follow up question from the line of Tanmay Mohta from Locus Investments. Please go ahead
- Tanmay Mohta:** So, I just wanted to ask two questions. One was regarding, the packaging sort of industry, so, given in on the industry level packaging seems to be one of the high growth area. So any expectations, packaging segment in any way in corrugation, et cetera. And the second question was on the line of the tissue CAPEX. So, there's some capacity which has come up in western India in tissue and, there is a lot of capacity coming up in South so, I just wanted to understand how is the sort of demand-supply going to go forward in tissues, is there that much demand for so much new capacity to be absorbed?
- Pavan Khaitan:** So packaging grades is something again, because of the kind of specialization that is getting catered to, the kind of demand that is coming in from Qcom, Ecom and everything, packaging is seeing an uptrend, and the market no doubt in future is going to play out favorably for the packaging grade of again specific grade, specific applications and specialty segments, similar is the case in tissue as well. Tissue, in fact is growing at the fastest pace of about 20% annual growth, and yes, it is getting established very clearly as a dominant product in the industry, largely because the base of this segment, particular segment is very, very low and giving us quite a big enough space for people to get into and make business sense out of it.
- Tanmay Mohta:** Sir, just a follow up. Do we plan on entering this packaging sort of grade of paper or as of now, there's no plan?
- Pavan Khaitan:** No, sorry packaging is not something that we are looking at all. Other than the flexible packaging grades that we can make from our writing and it's called graphic papers. So we are able to make graphic papers on our machines and whatever flexible packaging that can be created from a mix of our graphic papers with the coating plant that we are investing in, that

is what we are going to enter, not the normal packaging of the craft varieties that one knows of, and on the tissue side, yes, there is a future plan to go in, into tissue manufacturing at some point of time.

Tanmay Mohta: Okay. And sir, last question from my end, just wanted to understand the sort of geo breakup, given I think paper cannot be transported very long distances. Do you plan on going towards the Central or South Indian market or as of now your focus is primarily on the Northern sort of market?

Pavan Khaitan: No, we are already available all across the country, Tanmay. Though 40% of our production does get sold in the Northern market, and that is close to in and around Delhi. And we have a locational advantage there, and also because Delhi market happens to be the largest market for printers and publishers and paper consumption in India happens in the most volume in around Delhi, but we are already present in the Western, Southern and Eastern sectors of India, even today and for the last so many years.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to the management for closing comments.

Pavan Khaitan: Thank you. 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 relation managers at Valorem Advisors. Thank you and wishing you all a great day ahead.

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