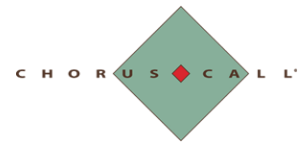




“Tinna Rubber & Infrastructure Limited
Q4 FY '25 & Full Year FY '25 Earnings Conference
Call”

May 26, 2025



MANAGEMENT: **MR. GAURAV SEKHRI – JOINT MANAGING DIRECTOR –
TINNA RUBBER AND INFRASTRUCTURE LIMITED**
**MR. SUBODH KUMAR SHARMA – WHOLE TIME
DIRECTOR AND CHIEF OPERATING OFFICER – TINNA
RUBBER AND INFRASTRUCTURE LIMITED**
**MR. RAVINDRA CHHABRA – CHIEF FINANCIAL
OFFICER – TINNA RUBBER AND INFRASTRUCTURE
LIMITED**

MODERATOR: **MR. MIHIR VORA – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Tinna Rubber and Infrastructure Limited Q4 FY '25 and Full Year FY '25 Earnings Conference Call hosted by Equirus Securities. 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, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mihir Vora from Equirus Securities. Thank you, and over to you, Mr. Vora.

Mihir Vora: Yes. Good afternoon, everyone. So welcome to the 4Q FY '25 Earnings Conference Call of Tinna Rubber and Infrastructure Limited. We have on the call with us Mr. Gaurav Sekhri, Joint Managing Director; Mr. Subodh Kumar Sharma, Director and Chief Operating Officer; and Mr. Ravindra Chhabra, Chief Financial Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the company faces. May I now request Mr. Gaurav to take us through the company's business outlook and financial highlights. Thank you, and over to you, sir.

Gaurav Sekhri: Thank you, Mihir. Am I audible?

Mihir Vora: Yes, sir.

Gaurav Sekhri: Okay. Thanks. So good afternoon, everyone, and thank you for joining us today for the Q4 and FY '25 earnings con call of Tinna Rubber and Infrastructure Limited. Our financial results and earnings presentation are available on our website and on stock exchanges. I believe you may have had a chance to review the same.

I will briefly take you through the strategic updates, post which my colleague, Subodh, our COO, will take over and give details about the operational and financial performance highlights for the fourth quarter and financial year end 2025.

It gives me immense pleasure to share that Tinna Rubber has delivered a strong and consistent performance with a 3-year CAGR of 30% growth in revenue, 27% growth in EBITDA and 42% growth in PAT. In FY '25, we are happy to share that we have achieved 39% revenue growth, reaching INR505 crores and surpassed the ambitious INR500 crores revenue guidance we had given out at the start of the year. FY '25 EBITDA and PAT also increased significantly by 22% and 20%, respectively, to INR76 crores and INR48 crores, respectively.

Coming to strategic updates, I am delighted to share that Tinna achieved a major milestone with its successful listing on the NSE in April 2025. This milestone, alongside our existing presence on the BSE, underscores our commitment to enhance visibility and accessibility in India's capital markets.

On the capacity expansion front, we have significantly scaled up our tire crushing capacity to 185,000 metric tons per annum, exceeding our earlier guidance of 150,000 tons per annum. With strong momentum in place, we are confident of further increasing this capacity to 250,000 tons by FY '27.

For FY '25, the planned capital expenditure of approximately INR50 crores has been completed in line with our guidance. Looking ahead, we plan to invest around INR100 crores over next 2 years. Additionally, we intend to raise approximately INR150 crores through QIP to further strengthen our existing business and to set up a recovered carbon black plant along with some other capacity expansions.

We hereby provide you a brief overview on the projects. In FY '25, our Varale plant contributed approximately INR58 crores to overall sales, operating at a capacity utilization of around 50%. Additionally, we have expanded its capabilities by adding capacity to recycle 10,000 tons of TBR, further strengthening our recycling infrastructure.

The Polymer Composites business began contributing to our revenues from H2 FY '25 in a small way. During the year, Tinna successfully commenced production of recycled engineered plastics and masterbatch, which has contributed approximately 1% to our overall top line in FY '25. The Renewable Energy Solar Power system commissioned in Q2 FY '25 generated a total savings of INR6.5 million in FY '25, and that is in line with our expectations.

Turning to our international initiatives. I'm proud to highlight the continued success of Global Recycle LLC in Oman, which has served as a strong testament of our capabilities and our strategic decision to invest in Oman. Encouraged by this achievement, we are now accelerating our global expansion strategy with Saudi Arabia and South Africa poised to become our next strategic foothold as we extend our presence into high potential international markets.

In Oman, the existing plant is running successfully at around 85% capacity utilization. We have hired a team of professionals to build market for our recycled rubber materials within GCC region, and we are optimistic that we will be selling majority of our production within GCC by end of this financial year.

We do not foresee any further capacity expansion in Oman due to limited availability of ELTs and considering that we are already recycling approximately 30% of the end-of-life tires generated in Oman.

In Saudi Arabia, we are in process of identifying suitable land for establishing the necessary infrastructure to support our planned investment to set up a 24,000 ton per annum recycling facility. The aim is to commission the project in the second half of FY '26.

In South Africa, the JV company has been granted approval to export 24,000 tons of end-of-life tires from South Africa. We intend to bring these to India for further processing.

As part of the first phase, the company has commenced development of the infrastructure with operations expected to commence in Q1 of FY '26. I'm very pleased to announce that the

Board of Directors has recommended a final dividend of INR4 per share, reflecting the company's continued commitment to delivering value to its esteemed shareholders.

In conclusion, I would like to emphasize that we are firmly on track to achieving our Vision '28, expanding our presence from 6 to 10 locations, targeting revenue CAGR of over 25% to reach INR1,000 crores in revenue by FY '28. We intend to grow profitability by over 33%, and we intend to maintain EBITDA margins of around 18%, and we are targeting an ROCE of around 30%.

With that, I would like to hand over to Subodh, the COO of Tinna Rubber, for his insights and comments on operational and financial performance. Over to you, Subodh.

Subodh Sharma: Thank you, Gaurav ji. Good afternoon, everyone. Am I audible moderator?

Moderator: Sir, you are loud and clear.

Subodh Sharma: Thank you. So coming to operational performance. In FY '25, the volume of tires processed saw a substantial growth of 35% with Q4 FY '25 recording a year-on-year increase of 14% on a Q-on-Q rise of 16%.

Regarding F '25 segmental performance, revenues from the infrastructure, industrial, consumer and steel segments have grown by 18%, 46%, 55% and 109%, respectively, on a Y-o-Y basis. Segment-wise revenue contribution in FY '25 was led by infrastructure at 48%, followed by industrial at 22%, steel at 13% and consumer at 7%.

This also has 1% contribution from our recently started polymer composite and masterbatch businesses. The Infrastructure segment volume has grown by 21%. This growth has been supported by 75% volume growth in processing of rubberized bitumen and over 50% volume growth from the bitumen emulsion side.

Industrial segment recorded an impressive revenue growth of 46%, with approximately INR29.6 crores attributed to contribution from EPR credits. Exports have grown by 28% in volume in FY '25 and have remained our focus area.

In FY '25, though the domestic tire industry remained stable, revenue growth was majorly contributed by exports. The Consumer segment witnessed a significant volume growth of 58% with sales continuing to rise. This segment will continue to be a key focus for enhancing capacity utilization at Varle, Maharashtra. In fact, in the FY '25, Varle has operated at around 55% of capacity utilization and it is yet to run on its peak.

The Steel segment saw impressive volume growth of 95%, driven by higher tire recycling volumes and the inclusion of steel abrasives in the product portfolio. Going forward, we expect a strong growth in steel abrasive business due to increased focus on defense spending by government.

Coming to consolidated financial performance for FY '25. Revenue increased by 39% to INR505 crores due to an increase in tire fishing volume and operational efficiencies. EBITDA

and PAT increased by 22% and 20%, respectively, to INR76 crores and INR48 crores, respectively.

Margins saw a slight dip due to higher raw material costs driven by elevated ocean freights. Nevertheless, EBITDA and PAT margin remained robust at 15% and 9.6%, respectively.

Tinna delivered a strong financial performance with ROCE exceeding 26% and ROE surpassing 27%, steadily progressing towards our vision of achieving ROCE 30% plus. Our working capital cycle has seen a remarkable transformation, improving by an impressive 48% from 62 days in FY '22 to just 42 days in FY '25, reflecting our unwavering focus on operational efficiency and financial discipline. On a stand-alone basis, Tinna showed a similar growth story with revenue, EBITDA and PAT up by 39%, 18% and 12%, respectively.

Coming to the consolidated financial performance for the quarter. Revenue increased to INR129 crores, which is up by 17% on Y-o-Y basis and 5% on a Q-on-Q basis. EBITDA and PAT increased by 18% and 43% on a quarter-on-quarter basis.

So just to summarize, Tinna Rubber is advancing steadily towards the realization of its Vision 2028. Key strategic initiatives include scaling up tire crushing capacity to over 250,000 metric tons by FY '27, undertaking substantial capital investment, establishing a resilient global procurement network and embracing a fully integrated business model are laying a strong foundation for sustained long-term growth.

Complementing this are the company's diverse and customized product offerings, a growing focus on international market and an experienced leadership team, all backed by the unwavering support of its stakeholders, reinforcing a promising growth trajectory.

I would now like to open the floor for question and answer. Thank you, and over to you, moderator. Thank you.

Moderator: Thank you very much. The first question comes from the line of Lalit Rai with Whitebridge Capital. Please go ahead.

Lalit Rai: So the first question is on your raw material prices. You have mentioned in the presentation that there was an elevated ocean freight factor to it. Was that all that was to it? And has that cooled off now?

Gaurav Sekhri: This is Gaurav Sekhri. See, for us, in dealing and handling with scrap and we import a fair bit of end-of-life tires from outside India, freight is a large and important component of the overall cost. And when that changes, it impacts our cost as well. So largely, I would attribute the cost to the freight.

Lalit Rai: All right, sir. And has it cooled off after the end of the quarter from March onwards?

Gaurav Sekhri: It is stabilizing. It is getting better. And we also work on multiple origins. So we are also constantly monitoring which are the least cost options for us. So that also plays a role in

impacting our decision. But overall, they have stabilized. They haven't really come down, but they've stabilized.

Lalit Rai: All right, sir. And for your procurement of tire scrap, how much do we do domestically and how much is imported in percentage terms?

Gaurav Sekhri: It changes, but typically, it's about 70% imports and 30% domestic.

Lalit Rai: All right, sir. And sir, you also mentioned in the call that you are setting up recovered carbon black plant. Would you be able to share some more details about the timing, the amount of capex that it would take or if you have identified a location for it? And what kind of a payback period would you be expecting from this?

Gaurav Sekhri: See, it is a bit early for me to share all these details in open platform. We consider some of this information sensitive to the company. Optionality for us is we already have infrastructure and footprint pan-India with our facilities in South, North, West, et cetera. So it will be, in all likelihood, within our existing complex or very close to our existing complex. But those are the decisions we are finalizing now as we speak.

Lalit Rai: Sure, sir. But have you -- can you give some indication of the amount of capex that you are looking at for this?

Gaurav Sekhri: It is -- at this rate, this early, I would not want to give you any indication on the capex plan. But we are quite committed and we have almost finalized on technology. But until we completely close everything, I do not want to give any number.

Lalit Rai: Sure, sir. We'll wait for whenever you guys are more comfortable about sharing this. And lastly, sir, on the guidance. So I believe earlier, you were targeting about INR900 crores kind of revenues by FY '27. And now you are talking about INR1,000 crores by FY '28. So is that -- so that INR900 crores then doesn't look achievable, right, if I want to grow 25% that year? So is this like a slight downward revision of what you were expecting earlier?

Gaurav Sekhri: See, we are making some of these investments, which we have always said that capex and investments will be made in order to get to this target of INR900 crores and now, let's say, INR1,000 crores by FY '28. So because of that, there is some fluidity. I would not rule out INR900 crores in FY '27 completely. But -- and all I can tell you today is that we will -- if we don't get to it, we'll probably get very close to it.

Moderator: We have our next question from Vinit Agarwal from Aditya Birla Money.

Vinit Agarwal: So just a couple of questions from my side. Like your working capital has improved significantly. So if you can throw some light on that? And can we expect this to be a new normal?

Subodh Sharma: Vinit, Subodh here. So in the last 2 years, if you see there is a drastic improvement on the working capital side. But going forward, like we mentioned there are many avenues we are opening up masterbatch business, plastic recycling and all. So it's very difficult to predict right

now. But with the existing business, what we are doing since last many years, we can claim, yes, we can. But by adding up some of the new product line, we yet to determine. And I think if not close, maybe 10%, 15% impact will be there on the working capital days.

Vinit Agarwal: Understood. And secondly, like your net debt to equity is increasing for the last 2 years. And we understand you have more than doubled your capacity. But what can be the comfortable debt level, which internally you are targeting?

Gaurav Sekhri: Gaurav Sekhri here. Increasing capacities and investments, the debt is necessary and all other parameters and ratios are pretty healthy and they are included in our presentation as well. So my answer to your question is that we are very comfortable with our current level of debt.

In fact, if we have to add also another INR20-odd crores, also we are comfortable. And that is sort of our take because we monitor ratios more than the absolute number. And our ratios are all looking very healthy.

Moderator: The next question is from the line of Viraj Mahadevia from MoneyGrow.

Viraj Mahadevia: Congrats on the stable results. A question regarding the rubber prices. Given that they've come off meaningfully in the last few months, does that have any bearing on the need or the desire for using recycled rubber in your end customers?

Gaurav Sekhri: Viraj, your voice is slightly muffled, so I can't fully understand what you're saying. I think your question is about natural rubber and the impact on demand.

Viraj Mahadevia: Yes. Yes, absolutely. The pricing on natural rubber has come off meaningfully in the last few months. Does that have any bearing on the need for recycled rubber used by your end consumers?

Gaurav Sekhri: So I think we've discussed this in various calls, and I'm glad you brought it up again because it is relevant. But the impact that our business experiences in natural rubber prices is positive, but it is not directly -- we cannot directly coordinate to say that it would lead to some dramatic increase in use of recycled rubber materials because there is some limitation in various products like tires, for example, how much recycled rubber can be used.

But what is certain is that the motivation to use recycled rubber increases. And that becomes a priority, whether it is in their research or in their procurement plan, et cetera, which is a good thing for us.

Viraj Mahadevia: So the motivation increases when prices are high, right? But I'm saying given that prices have come off, do you see a change in that motivation?

Gaurav Sekhri: So the prices -- like I said, the prices are still at a fairly high level, even though they may have corrected marginally or they fluctuate, it's a commodity. But at any given time, virgin polymer prices are 3x to 4x of recycled materials.

Viraj Mahadevia: Understood. So that does not have a big bearing?

- Gaurav Sekhri:** Yes.
- Viraj Mahadevia:** Okay. And in terms of the ramp-up of your new plants, are you expecting a meaningful ramp-up given visibility for FY '26 Varle and otherwise?
- Gaurav Sekhri:** The big contribution in this FY '26 in terms of growth will come from -- we will now see Varle operating at optimal capacity. Last financial year, the first half of financial year went in stabilizing equipment and machinery and the processes. Now it has been running quite well to our satisfaction.
- So that will contribute to its potential, and that will add the top line for sure. And of course, all the other things that we have in the works will also contribute quite significantly in the growth we are expecting in FY '26.
- Moderator:** We have the next question from Ravi Naredi from Naredi Investments.
- Navani Naredi:** This is Navani Naredi from Naredi Investment. So my first question is regarding recycled engineered plastic and masterbatch, which has contributed 1% of the total top line already. So my question is like so going forward, like in 2, 3 -- next 2, 3 years, how much do we think we will be going to contribute in the overall product mix?
- And my second question is regarding how are we trying to mitigate the risk of rising raw material prices since in Q4, we saw a significant decrease in the margins, EBITDA margin. So what are the -- basically, how are we trying to mitigate the risk?
- Subodh Sharma:** Navani, this is Subodh here. So your first question about the recycled engineered plastics and masterbatch business. This business we initiated and we commissioned plant and machinery in the early FY '25. And as you know, if you start any new business, it takes time to stabilize.
- So last financial year, it has contributed close to 1% to the top line. And going forward, now the business is getting stable, and we could see some sales in the last financial year. So going forward, we see a potential of around adding around INR30 crores to INR40 crores to the top line.
- Navani Naredi:** Okay. So INR30 crores to INR40 crores is achievable next year. So like how much it will be contributing like 1% of the top line right now, it is contributing. So next...
- Subodh Sharma:** And we have around 5% addition to our top line.
- Navani Naredi:** All right. And how are we trying to mitigate the risk of rising raw material prices?
- Subodh Sharma:** Prices if you see -- during the last earnings call of Q3, you can see the changes in the EBITDA margin and the PAT margin because we have given a guidance that we would be pushing the customers and requesting the customer for correction in the prices. Some of them have started happening. And going forward, we see further correction. So, that's how we are trying to mitigate the pricing and by changing the product mix.

- Navani Naredi:** All right. So can we expect going forward that we will be able to like get the normal prices back like the material prices of the raw material back to normal going forward, will be able to do that?
- Subodh Sharma:** We are getting that stabilized, Navani. And in the long run, our aim is to maintain at least 15% of EBITDA margin at the gross level, and that's what we are wishing for.
- Moderator:** Our next question comes from Divy Agarwal from Ficom Family Office.
- Divy Agarwal:** Sir, I had a few questions. So firstly, I know you guys don't share segment-wise margins, but I just wanted to know the margin -- EBITDA margins for CRMB. Any light on like on this particular margin segment front for CRMB would be helpful, sir.
- Gaurav Sekhri:** This is Gaurav Sekhri. We will give you the same answer as we have given in the past that we tend to enjoy better EBITDA margins than our company average in the infrastructure-related business. But we consider this information sensitive to our business, and we don't like to disclose it in open platform.
- Divy Agarwal:** Sure, sir. Sure. I understand that, sir. Secondly, sir, in terms of competition in the CRMB segment, I just wanted to know, so one of your peers is also trying to get into this segment. So how do you think would be the competition, because you guys hold a good share in CRMB segment? So do you think there would be any loss of market share if your peer is entering into this segment?
- Gaurav Sekhri:** See, our take is that we've been in this business for more than 2 decades, and we have a fair bit of goodwill and relationships in the market. But any organized player coming into the business is a welcome step, because it addresses the overall opportunity. If you see the overall use of CRMB is still only about 3% or 4% in the use of bitumen inroads. So we have only begun to scratch the surface. So if more organized players come, it will help expand the TAM in my view.
- Divy Agarwal:** Right, sir. Yes. Right. That was helpful. Next, sir, I just wanted to know what would be the share of MRP and the reclaim rubber in the Industrial segment? Can you share that, sir?
- Gaurav Sekhri:** In the Industrial segment, the majority of the contribution comes from reclaim and MRP, both put together would be 2% of total revenue.
- Subodh Sharma:** Yes. So from what total revenue will be 22% in terms of Industrial segment, if our sale is, let's say, 100 the sale of MRP and reclaim put together would be maybe 80% or 85%.
- Divy Agarwal:** And sir, in that 80% to 85% MRP would be a bigger part or the reclaim rubber would be a bigger part?
- Gaurav Sekhri:** For us, in our context, they are both more or less as equals.
- Divy Agarwal:** Okay, sir. Got it. And lastly, sir, I just wanted to know what's the update or pyrolysis plan? Can you share an update on that, sir?

- Gaurav Sekhri:** I think we just discussed that with the earlier question that we took regarding the recycle generated carbon black. We are looking at technologies. We have a pretty good handle of which direction we wish to go to, and we will shortly be finalizing. Location will be in one of our existing plants. Beyond that, at this stage, I won't be able to share more details.
- Moderator:** The next question comes from Mohit Vijay from Oculus Capital Growth Fund.
- Mohit Vijay:** Sir, just wanted to know more about the capital requirements for the capex in the coming financial year. The fact that you told us that you are comfortable with the debt equity level, but at the same time, you are looking at the saving the QIP as well. So can you please elaborate on the capital elaborate on the capital allocation part of it, please?
- Gaurav Sekhri:** See, we are looking to invest approximately INR100 crores over the next 2 years. That is what we have shared. We are in the middle of QIP. And we are also comfortable to take a little more debt as well. So between the QIP, debt, et cetera, that is how we will be funding our ongoing capex.
- Mohit Vijay:** Okay. And what size are we looking at in terms of fund raising, sir?
- Gaurav Sekhri:** What size of, sorry?
- Mohit Vijay:** What size are we looking to raise in terms of equity, QIP?
- Gaurav Sekhri:** Approximately INR125-odd crores.
- Mohit Vijay:** So this is more than the capex plan to do actually. So need some more perspective in terms of dilution and fundraising plan, sir, if you can share some bit of it?
- Gaurav Sekhri:** See, we don't want to visit the markets again and again as we see opportunities. There are many other opportunities or inorganic as well that we continue to see. So when we start the process, we believe it is better to keep some firepower in the balance sheet. And with that intention, we have decided on this number.
- Moderator:** We have our next question from the line of Mihir Vora from Equirus Securities Private Limited.
- Mihir Vora:** So basically, I have one question regarding the EPR. So the EPR in the quarter seems a bit high. So was there some backlog also where we were registering the EPR for, say, year FY '24 or first half of FY '25. So first question is that. And apart from that, going ahead, what do we expect on the EPR terms in terms of what is the rate going on right now? And what do we expect a stable rate going ahead in the industry?
- Management:** Yes. Hi, Mihir. This is Abhay this side. In terms of EPR, firstly, I would like to clarify here that government policy on monetization of EPR policy it needs to be externalized. However, during current year, we have considered a total INR26 crores EPR in terms of value. Apart from that, INR12 crores pertains to earlier year and remaining for current year. Okay?
- Mihir Vora:** Okay. And the remaining is of this year. So we are done with this year, right?

- Gaurav Sekhri:** So Mihir, just to add further what Abhay said, you were asking about the ongoing price. So currently, EPR value is trading around INR2.25 to INR2.60 somewhere in between.
- Mihir Vora:** Okay. And we expect it to be in similar range going ahead like on our...
- Gaurav Sekhri:** Yes, because now the new financial year has started, so you will slowly, slowly get to know about the obligation and all and supply-demand situation will be clear, which will drive the price of the EPR going forward.
- Mihir Vora:** Right. And FY '26 won't see major backlog of FY '25, right?
- Gaurav Sekhri:** Yes.
- Moderator:** Our next question is from Adhiraj Sarin from Master and Little Associates.
- Adhiraj Sarin:** Yes. The question I have is that your revenue went up by 35% and EBITDA only by 22%. And when I look at the P&L, there has been a substantial increase in employee cost and other costs. Hopefully, this will now stabilize. And therefore, my take would be that revenue increase of 25% next year should by and large flow into EBITDA because it's unlikely, I think, that your employee cost and other costs will increase by the same rate. Is that the right understanding?
- Gaurav Sekhri:** Yes, Hi, Adhiraj, Gaurav here. This is a fair assessment that you have just made. A lot of our initiatives, whether it was when we started the Varale plant and gearing up for the PCMB business involved getting our people in place for these businesses. And some have already taken off, some are beginning to take off. So we will see the impact of these in the coming financial year. And you are right to assume that a large part of those costs related to employees, manpower, et cetera, have already been up.
- Moderator:** Our next question comes from the line of Shashank Agarwal from Cisco.
- Shashank Agarwal:** Sir, I just have 2 questions. Sir, how much is the ELT generation in India? And second, sir, regarding your carbon black plant. So in previous con calls, you had mentioned that the technology was not up to the mark so that the pollution is less. So have you found the new technology?
- Gaurav Sekhri:** Yes, we have always been in touch with the market on what technologies are available. We are more confident now, and we are seeing not just 1, but at least 3 credible options to choose from. So that is why we have decided to also get into this business because there is good synergy with our existing business. So that is our stand on regenerated carbon black. What was the first part of your question? Generation.
- Shashank Agarwal:** Sir, regarding the amount of ELT that can be generated in India?
- Gaurav Sekhri:** So India, it is our estimate generates between 2.5 million to maybe 3 million tons of end-of-life tires annually. And we are hoping that with this EPR policy and just the tightening of norms by the State Pollution Control Boards and CPCB, more of these tires will find their way for responsible recycling.

- Shashank Agarwal:** Sir, one small part to the carbon black business. Sir, like bigger companies like Himadri and all are also planning to enter into this segment. Sir, so how will the competitive intensity change for the raw material procurement?
- Gaurav Sekhri:** Like I said, we have a lot of tires right now going into sort of not environmentally desirous way of recycling. So the availability of these tires will increase as more organized players come with better quality plants, more efficient plants. So I don't see any major issue in terms of intensity or more people coming in causing the problem in terms of availability of raw material. Plus there is always the option to import.
- Shashank Agarwal:** And then the PCR tires can also be used in this plant, right?
- Gaurav Sekhri:** Yes.
- Moderator:** We have our next question from the line of Sai Gopi, an individual investor.
- Sai Gopi:** Two quick questions. Like what is your guidance for the FY '26 in terms of top line and the bottom line? And also, how do you see the situation currently because you mentioned that the freight rates have gone up. Do you have an opportunity to raise the dependency on imports and increase the domestic outsourcing of freight?
- Gaurav Sekhri:** See, in terms of our outlook for the current financial year, we are expecting to be around 25% growth in top line in the current financial year. And I did not really fully understand the latter part of what you were asking.
- Sai Gopi:** In the future, do you see any challenge with respect to the freight rates again going up in the coming financial year?
- Gaurav Sekhri:** It is very hard to predict that. There are many, many levers to what determines ocean freight. So it is very hard to predict. We can only adjust to it. We can only plan to mitigate against it. So that is the way to deal with it. It is very hard to predict. I think a lot of global uncertainty and movements are behind us, but even impact like very high tariffs in the U.S., even that disrupts container freights very dramatically. So that is very hard to predict.
- Moderator:** Our next question comes from the line of Atharva, an individual investor.
- Atharva:** Sir, actually, I'm reading annual report, and I got to know that our remuneration exceeding more than 10% in FY '24 and '23. So sir, can you explain, sir, why it is increasing more than 10% -- because sir, the act is you cannot withdraw more than 10%?
- Gaurav Sekhri:** See I know for sure and that I can tell you with certainty that we are compliant with all the rules and regulations in terms of compensation. I think by remuneration, you mean director remuneration and compensation, right?
- Atharva:** Yes, sir. Managerial person, that revenue, yes, sir.

Gaurav Sekhri: Sir, we are absolutely compliant. That I can tell you in certainty. If you have any other specific question on this, you are welcome to send us an e-mail and we can clarify to you. But we are compliant.

Moderator: We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing remarks.

Gaurav Sekhri: Thank you so much. We sincerely appreciate your participation in this conference call and trust that we have effectively addressed your queries. If you require any further information or have additional questions, please feel free to contact our Investor Relations team at Go India Advisors. Once again, thank you for your engagement and continued support. Have a lovely day.

Moderator: Thank you. On behalf of Equirus Securities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.