



“Tinna Rubber & Infrastructure Limited
Q4 & FY26 Earnings Conference Call”

May 25, 2026



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

MODERATOR: **MS. SANA KAPOOR – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to Tinna Rubber and Infrastructure Limited Q4 and FY26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sana Kapoor from Go India Advisors. Thank you and over to you, ma'am.

Sana Kapoor: Thank you, Neerav. Good evening, everybody and welcome to Tinna Rubber and Infrastructure Limited's Earnings call to discuss the Q4 and FY '26 Results. We have on the call Mr. Gaurav Sekhri, Joint Managing Director; Mr. Subodh Kumar Sharma, Director and Chief Operating Officer and Mr. Abhay Kumar, 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 Sekhri to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

Gaurav Sekhri: Thank you, Sana. Good evening. Am I audible okay?

Moderator: Yes, sir.

Gaurav Sekhri: Okay. Good evening, everyone and thank you for joining us today on this call. Our financial results and earnings presentation are available on our website and on the stock exchanges. I believe you 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 for the quarter.

Over the past few years, we have maintained a strong focus on enhancing profitability through operational efficiencies, product mix optimization, cost discipline and value-add offerings. We are pleased to see these efforts translating into tangible results reflected in our sustained margin expansion and strong financial performance.

FY26 was another year of strong execution for Tinna Rubber, despite geopolitical uncertainties and a dynamic operating environment, we achieved record tire processing volumes and delivered robust EBITDA margins of over 17%. I'm pleased to share over the past 3 years, the company has consistently delivered strong growth, recording a CAGR of 23% in revenue, 37% in EBITDA and 34% in profit after tax.

The following strategic updates highlight the meaningful progress made during the year towards realizing our Vision 2029. We continue to strengthen our processing capabilities during FY26 and expanded our tire-crush capacity in India by 9% to 185,000 tons. Going forward, we remain

focused on our expansion road map and are targeting a capacity of 235,000 tons per annum by FY27, representing a further 27% increase from current levels.

As part of our long-term growth strategy, we incurred capital expenditure of over INR100 crores during FY26. We remain committed to investing in the business and have earmarked a further INR100 crores of capex over FY27 and '28. So over next 2 years, another INR100 crores of capex is foreseen by us. Cost optimization remains a key area of focus for the company.

During FY26, we significantly expanded our renewable energy footprint increasing solar capacity by more than 3x from 1.23 megawatt to 4.48 megawatt. Nearly 50% of our power requirements are expected to be met through renewable sources from FY27 onwards, supporting both our ESG objectives and cost efficiency efforts.

In line with our commitment to delivering sustainable value to our shareholders, I am pleased to inform the Board has recommended a final dividend of INR3.25 per equity share for FY26. To briefly highlight some of our key achievements during the year, Tinna strengthened its presence in India's capital markets through its NSE listing in April 2025, complementing its existing BSE listing.

During Q1 FY26, the company successfully raised approximately INR78 crores through a QIP, attracting participation from leading institutional investors like ICICI Prudential Mutual Fund, JM Financial Mutual Fund and Bank of India Mutual Fund. These proceeds are now fully deployed.

We are also honored with the prestigious Innovation Award of 2025 in Lisbon for the rubberized -- by the Rubberized Asphalt Foundation in recognition of our pioneering contribution to rubber recycling and sustainable innovations. Turning to project developments, following are some key updates.

The Varale plant, the newest of our plants, has now reached capacity utilization of 80%. The PCMB division continued to gain traction during FY26, contributing approximately 4% of the company's overall turnover. We expect the contribution from the PCMB business to increase to 8% to 10% in FY27, supported by strong business momentum.

At a quarter-on-quarter level, the business has grown by approximately 75%. The division operating at 40% capacity utilization during the year provides significant headroom for growth. In line with our expansion strategy, we are enhancing the capacity of our polymer compounding facility in Haryana, which is expected to reach 18,000 tons per annum by the end of Q1 FY27.

We are pleased to announce the successful commencement of operations of our pyrolysis plant and the rCB plant, which is under commissioning. The TPO production is expected to stabilize by the end of Q1 FY27, while trial productions of the rCB plant is scheduled to begin in Q2 FY27 and we expect both the plants to be in full operation by Q3 of FY27.

TP Buildtech's performance was impacted by currency fluctuation, crude oil volatility and elevated polymer prices driven by the Middle East crisis. During the year, the company commissioned its Kolkata plant and launched three new construction systems product lines. The

Kolkata facility is currently operating at under 25% capacity utilization with both capacity utilization and new product sales expected to scale up progressively during FY27.

TP Buildtech business continues to be profitable, but its contribution to Tinna Rubber's numbers on a consolidated basis, this year, the contribution dropped significantly compared to previous year. Turning to our international project updates. The Oman plant operated at 85% capacity utilization in FY26, generating a revenue of approximately INR30 crores.

GCC markets contributed 60% of sales with the share expected to increase to 80% by end of Q1 FY27. This is very much in line with what we had been informing the markets. Performance in Oman was impacted by higher raw material costs during the year and export disruptions arising from geopolitical tensions in Middle East during the last quarter.

To mitigate the impact of elevated raw material costs, the company has implemented corrective action and we expect normalization within Q1 FY27, saying that the Oman plant on a stand-alone basis, even in FY26, reached a net-net breakeven and did not have any loss. The South Africa project has completed Phase 1 capex and commenced operations with exports of semi-processed material already underway.

The project is expected to achieve breakeven from Q2 FY27 onwards. Further, Phase 2 focused on full-scale tire recycling has been initiated with crumb rubber production expected to commence by early Q2 of FY '27. In Saudi Arabia, we have already got the land from the government of Saudi Arabia to set up a 24,000 tons per annum tire recycling facility.

However, due to the Middle East tensions, we thought it prudent to delay the commencement of the capital works and we are closely monitoring the situation. We expect to begin work possibly during end of Q2 or Q3 in Saudi Arabia. As we look ahead, we remain focused on delivering our Vision '29 objectives.

We aim to achieve revenue of INR1,000 crores while maintaining EBITDA margins of over 18%. With our ongoing capacity expansions, new product initiatives, sustainability-led investments and strengthening global presence, we are well positioned to drive the next phase of growth and value creation.

With that, I would like to hand over to my colleague, Subodh, for his insights on operational and financial performance. Over to you, Subodh.

Subodh Sharma:

Thank you, Gaurav ji, and good afternoon, everyone. I would like to reiterate that Tinna has concluded FY26 on a strong note, delivering EBITDA margin of over 17% despite a challenging macroeconomic environment. The progress achieved across our strategic initiatives, capacity expansions and sustainability-focused investment reinforces our confidence in achieving our Vision 2029 objective.

Let me briefly walk you through our operational performance during the year. Tinna achieved all-time high tire processing volume in FY26 with capacity utilization remaining strong at 90% for India operation and 85% for Oman. Tire crushing volumes increased by 13% in FY26 to 155,000 tons per annum due to an increase in capacity and utilization.

FY26 witnessed a strong growth in production volumes across key products category with micronized rubber powder, reclaim rubber and crumb rubber modifier. Also, it is worth mentioning that exports continuing to be a strong growth catalyst for us with the company delivering a robust 30% volume growth in FY26 over last financial year.

It will continue to be our focus area as it still have a big headroom for Tinna for the further growth. In FY26, the Industrial and Consumer segment recorded revenue growth, Steel segment remained stable while the infrastructure segment witnessed moderation. The Industrial segment achieved a strong 20% year-on-year growth in revenue.

Exports volume delivered robust 30% Y-o-Y growth despite global economic headwinds supported by a healthy order pipeline. Rising raw material costs and increasing focus on ESG goals within the tire manufacturing industry continue to drive demand in the Industrial segment.

The Infrastructure segment continued to focus on value-added products and margin improvement. Consumer segment revenue grew by 23% despite a marginal decline in volumes, reflecting the impact of price correction. The segment continued to offer strong growth potential with India emerging as one of the fastest-growing markets globally.

Steel segment remained stable on Y-o-Y basis, while volumes increased by 8%, the company also appointed as an exclusive authorized distributor for Zibo TAA Metal Technology Company Limited of China for steel abrasive distribution across India, with the steel abrasive business expected to deliver 30% volume growth in the FY27.

Coming to financial performance. On a standalone basis, revenue remained largely stable at INR533 crores, while EBITDA and PAT margin expanded by 286 bps and 161 bps, respectively to 17.2% and 10%, reflecting our strong operational performance and sustained efficiencies.

On a console basis, EBITDA margin improved by 206 bps to 17.1%, while revenue and PAT grew marginally by 8% and 9%, respectively. There was a net impact of initial start-up costs, geopolitical uncertainties and profit across associate JVs and subsidiaries, which is expected to normalize in the coming quarters.

Global Recycle, Oman contributed around INR0.26 crores and the PAT level through performance was impacted by elevated raw material costs and geopolitical disruption in the GCC region. Mbodla Investments, South Africa and Tinna Rubber Arabia reported a combined loss of INR1.58 crores due to start-up costs.

TP Buildtech delivered revenue of INR75 crores and EBITDA of INR6 crores with margin temporarily affected by volatility in crude oil, polymer prices and currency movements. EPR credits contributed approximately by INR29 crores in both financial year, reflecting a stable and recurring revenue stream. Sales of EPR credit contributed approximately INR29 crores in both the financial year, demonstrating a stable state of revenue.

ROCE for FY26 stood strong at 23%. Balance sheet strength improved in FY26 with debt declining 10% to INR121 crores from INR134 crores in the previous financial year. The interest coverage ratio strengthened to 7.49 from 6.09, while the net debt-to-equity ratio improved to

0.39 from 0.73, reflecting a healthier leverage profile. The company generated healthy cash flow from operating activities, which grew by 60% to INR57 crores during the year.

Coming to quarterly financial performance. Consol revenue grew 22% Y-o-Y basis and 13% quarter-on-quarter basis to INR157 crores. EBITDA and PAT increased by 63% and 42% Y-o-Y basis to INR29 crores and INR17 crores, respectively, with EBITDA and PAT margins improving to over 18% and 10%, respectively.

As we look ahead, we remain highly optimistic about the opportunities before us. The investments made over the last few years in capacities expansion, product diversification, sustainability and international markets are beginning to yield results backed by a strong operational foundation. A healthy project pipeline, clear strategic direction and the unwavering support of our stakeholders, we are confident of sustaining our growth momentum and delivering on our Vision 2029.

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

Moderator: Thank you very much. The first question is from the line of Vidish Asher, Individual Investor. Please go ahead.

Vidish Asher: Hello sir, good evening. Am I audible?

Gaurav Sekhri: Yes, good evening. Please go ahead.

Vidish Asher: So sir, congratulations on a fantastic quarter and also a superb year. Sir, as you said, your earlier vision was Vision 28 of INR1000 crores and 18% EBITDA, which now we seem to have pushed given global uncertainties and our global expansion plan. So, I have two questions today, sir.

One is on the revenue breakup. So, we have got about five segments that we are currently operating in. So, what would that look like in FY29? You know, what is our plan? And also in terms of EPI credits, what could we expect in the next two years?

Currently, I think past two years we have done about INR30 crores each. So, what could we expect from EPI credits? Because this adds to your PAT directly, right? So, we would just like to understand that, sir.

Gaurav Sekhri: Thanks for your question. The first part of your question is to try and get some visibility on the revenue breakup, basis our various segments. On that, there are two comments I would like to make. One is we expect some reduction possibly in the infra business during Q1, Q2 of this year. And that is probably, it will be because of less availability of bitumen. Because of that, roadworks, I think, are generally suffering. As a result, the demand for our modifier may also suffer in Q1, Q2.

But we expect that to normalize immediately because India has a very aggressive program for road construction. So, it is possible that in the later part of the year, we expect this to normalize and our overall business to remain unimpacted.

However, we are seeing very robust growth in our industrial sector. That is driven by, due to these crisis, the benefit that we have seen is there is higher motivation for blending of rubber in bitumen as well as for use of recycled rubber materials in new products. It is driven by high prices of the virgin polymers. So, that is one part.

I think the big change we will see is that the contribution in our overall revenue among segments, the PCMB business, the contribution is expected to go up to about 8% to 10%, which is currently at about 4%. So, that will be one major change.

I think to answer the second part of your question regarding EPR, the EPR revenues are more or less stable. The revenues and the generation, FY25 and FY26, we have not seen any major change in the company and we expect that to more or less remain the same in FY27 as well.

Vidish Asher:

Okay. So sir, one last question follow-up would be, so the realization we are at currently is sub INR40,000 per ton. So, what could we expect that to be, say, if we have a 2.5 lakh ton per annum capacity in FY28 or '29, which is our goal. So, what would be our target revenue utilization per ton?

Gaurav Sekhri:

I think you are averaging the total sale divided by total number of tons, which in our business is probably not so accurate, doesn't give an accurate picture because we cater to so many different segments. And so many different categories of products. I think that's -- we don't tend to look at our number in that way.

What I can tell you on overall revenue is we are expecting about 20% to 25% growth in revenue in FY27 from the previous year. And in terms of realizations and value, there is some volatility right now because of these -- the current situation that we are in. But I believe that is, at this point of time, working in our favor because of the high demand for recycled rubber materials.

Vidish Asher:

Right, sir. Thank you so much. Wish you a great year ahead.

Gaurav Sekhri:

Thank you.

Moderator:

Thank you. Next question is from the line of Khushal from Asian Broking. Please go ahead.

Khushal:

Hello. Yes, sir. My question is regarding tax rates. So, tax rates have been going from 24% to 27%, 28% from 2022 onwards. So, I mean, it's a small number, 22% to 26% and all, 4% difference. But why is this difference coming up in tax rates every year?

Gaurav Sekhri:

By tax rates, are you -- do you mean income tax?

Khushal:

Yes, tax rates, company tax.

Ravindra Chhabra:

Myself, Ravi Chhabra. Actually, tax rate remains same. But as we have installed solar plant this year, so there is some accelerated depreciation for tax purpose. That might have some impact on that, in the calculation.

Khushal:

Okay, okay. So sir, EPR revenue is also taxed?

- Ravindra Chhabra:** Yes, that is normal, taxable like our sales income.
- Khushal:** Okay, okay. Thank you, sir.
- Ravindra Chhabra:** Thank you.
- Moderator:** Thank you. Next question is from line of Harsh from Vinamra Capital. Please go ahead.
- Harsh:** Yes, thank you for this opportunity. So, firstly, sir, could you highlight on what is the payback period for the recovered Carbon Black project as well as the Pyrolysis project? And in terms of revenue or EBITDA contribution, how do you see that going forward in the next one to two years?
- Gaurav Sekhri:** See, the Pyrolysis and the RCB plant, we expect it to operate at very similar EBITDA levels. Our expectation is maybe 15% on the low side and 18% or 19% on the high side. We can only tell you more with more certainty once we run the plant fully and we have a more clear visibility on realization of end products. The payback calculation, ROE, ROC calculations remain again very much in line with our existing business.
- Harsh:** Right. And in terms of the softness that we are witnessing on the infra side, do you foresee that to impact your margins on a blended basis for this current fiscal?
- Gaurav Sekhri:** I don't expect it to be so. And that is again driven by much better realizations on our products like reclaim rubber and MRP because of increased demand. So I think that will more than set off if we see any softness in the sales of the infra business.
- But I think I had clarified that earlier. Even if we see that, that I believe will be temporary. Overall, because the price of bitumen has gone up 50% or 60%.
- Subodh Sharma:** Almost double.
- Gaurav Sekhri:** It's almost doubled actually, I expect the demand for the road sector and the inclusion rates to become much, much higher.
- Harsh:** Sure, sir. Thanks a lot for this and all the best. Thank you.
- Moderator:** Thank you. Next question is from Nikunj Bhanushali from Wallfort PMS. Please go ahead.
- Nikunj Bhanushali:** Hi, sir. Thank you for the opportunity. I just wanted to know what kind of top line are we looking from the RCB and the pyro plant in this particular upcoming year?
- Subodh Sharma:** Yes. Hi, Nikunj. Subodh here. So our projection for this RCB and TPO plant for the FY27 is somewhere around INR50 crores-INR55-odd crores for the FY27. As we mentioned during our opening session, that business likely to normalize for the TPO within the Q1 and the RCB likely to get stabilized by late Q2 or early Q3. So keeping that thing in mind, we are considering INR50-odd crores to the top line out of this business.
- Nikunj Bhanushali:** Okay. That's it from my side. Thank you.

- Subodh Sharma:** Thank you.
- Moderator:** Thank you. Next question is from the line of Disha Parakh from Sunidi Securities and Finance. Please go ahead.
- Disha Parakh:** Hello. Sorry for earlier. My first question was regarding the vision which has been answered. And my another question was regarding working capital. So the working capital days appear to have increased in FY26. Like the receivable days have moved to 55 from 42, if I'm correct. So with the revenue scaling up and new customers being added, is this a structural change or a temporary phenomenon? Like how is the company managing this?
- Gaurav Sekhri:** So, hi. Thank you for your question. Firstly, our receivable days are still operating, in my view, quite efficiently. The little change that has happened, it has happened because of the new business of PCMB, where the market trend and the industry practice is for slightly higher number of credit days. So that has had some impact. But overall, in our core business of rubber products and recycled rubber materials, the credit days have not changed in any dramatic way.
- Nikunj Bhanushali:** Okay. Thank you for answering the question. And also congratulations on a strong Q4 and FY26. That would be it from my side.
- Gaurav Sekhri:** Thank you. Thank you.
- Moderator:** Thank you very much. Next question is from the line of Shreyans Jain from 3A Capital Service.
- Shreyans Jain:** I had a couple of questions. First, sir, there are a few players entering into CRMB space as well as recovered carbon black. So how are we looking to compete with them and differentiate ourselves?
- Gaurav Sekhri:** See, we have always clarified, I appreciate your question, first of all, that the business that we do in terms of technology, in terms of entry-level capex is within reach of many people. However, to do this business well and to harvest the benefits that are there, one must have a diversity of product base, diversity of raw material base, a diversity of customer base. Now that can only be reached by scale.
- And we are in a unique position where we are the most diverse in terms of raw material options, most diverse in terms of not only pan-India presence, but now also presence in Middle East and Africa. And lastly, the kind of diversity we have in terms of our end use of products and the customer base is also extremely unique.
- Now this takes a fairly long time to develop. I mean, we did it. I'm sure others can do it too, but it takes a lot of sustained effort and patience. We have mentioned before that to get approvals from these large tire companies, multinationals can be a 2 to 5 year process after multiple audits and approvals for the product. This takes a certain degree of stubbornness and passion. So, we wish good luck and healthy competition is always welcome, but I feel that we are well protected with the moats that we have created.

- Shreyans Jain:** Great to hear that, sir. Next question would be, sir, so we are aiming to increase our tire processing capacity from 185,000 metric tons to 235,000 next year in India. So, could you please throw some light on that capex and time line as well?
- Gaurav Sekhri:** So, on capex, I think we have given you visibility that we are envisaging about INR100 crores of capex over next 2 years. So that is one part. And some of the works are already initiated and will be -- will happen in a -- on a rolling basis. For example, we are increasing capacity of our micronized rubber powder production at, at least 2 of our plants, seeing the increased demand. So, I think that hopefully answers your question, or is there something else you are seeking?
- Shreyans Jain:** No, no, sir, it completely answers my question. Another would be, sir, PCMB capacity currently is 6,000 metric tons and now we are increasing it to 18,000. So, what gives us the confidence for such expansion? And what would be the margin profile for this business?
- Subodh Sharma:** Subodh here. See, 6,000 ton was initial -- as a pilot test, plant was commissioned, wherein -- the PCMB means Polymer Compounding and The Master Batch Business. So, the 18,000 tons of this new capacity is more about the polymer compounding what we are setting up in Haryana. So, during the last 2 years of our extensive trials and the -- understanding the market, etcetera, we found this is the requirement wherein we can further increase our revenue and very, very focused towards the polymer compounding side of business. So, this is something about that particular product line, what we are expanding the capacity upon.
- Shreyans Jain:** Okay, sir. So, is it fair to assume that we would be able to achieve around INR150 crores of revenue from the expanded capacity?
- Subodh Sharma:** Sorry?
- Shreyans Jain:** So, we are expanding from 6,000 to 18,000. So, the revenue from this segment would be around INR150 crores. Is it fair to assume?
- Gaurav Sekhri:** Let me answer that. This is Gaurav Sekhri here. We are budgeting revenue of approximately INR75 crores in FY '27 and that is assuming basis our current forecast of demand, etcetera, obviously, not full capacity utilization. And then, of course, on a staggered basis, that should increase over the next 1 to 2 years. But for FY '27, our projection of revenue contribution from PCMB is about INR75 crores.
- Shreyans Jain:** One last question. Sir, could you please help me understand what would be the price difference between virgin rubber and recycled rubber that goes into tires, mats stuff, etcetera?
- Subodh Sharma:** Subodh here. So virgin rubber today is somewhere around INR240, INR260 kg in between -- somewhere around about. And the recycled rubber material is somewhere around INR50 a kg kind of. So, you can assume around one-fifth.
- Moderator:** Next question is from the line of Bhavin Bhagat from Concept Investwell.

- Bhavin Bhagat:** First of all, I have a couple of questions. Since you have already achieved a 17% EBITDA margin and your target is to achieve 18% by 2029, so is that a bit conservative? Or is it a sustainable number that you have shared?
- Gaurav Sekhri:** Gaurav here. We are forecasting this number, which we feel is maintainable and stable and with some degree of confidence, of course, we have come from about 14%, 15% about 2 years ago to this level of 18%. So, you can already see that there are various initiatives that we have put in place to be able to achieve this kind of margin, and we will -- we continue to have some very interesting opportunities on margin expansion. But our comfort level to give a guidance to market is at 18%.
- Bhavin Bhagat:** Okay. Got it. And the second question is that what are the reasons for the increase in the working capital days? Do you expect them to improve in FY '27, '28? Or -- yes.
- Gaurav Sekhri:** I expect our working capital days to remain where they are today. I don't expect them to improve or dramatically change from where they are today because like we said, the PCMB business is a new vertical where the market industry practice is of slightly higher credit versus what the rubber products business is used to. So that can have some overall impact to our working capital days.
- Bhavin Bhagat:** Okay. Okay. Got it. And some color on debt side, if you can highlight. Debt part.
- Subodh Sharma:** Currently, we have total debt of INR121 crores including long term and short-term both.
- Moderator:** Next question is from the line of Divy Agrawal from Ficom Family Office.
- Divy Agrawal:** Sir, firstly, I just wanted to know on the capex part. So out of the INR100 crores-plus that we have invested right now, how much is it left for pyro and RCB?
- Gaurav Sekhri:** The pyro, RCB capex is approximately INR40-odd crores, and that's largely completed. I hope that answers your question.
- Divy Agrawal:** Yes, yes. And the asset turns that we are expecting is around 1.5x to 2x on that or more than that?
- Gaurav Sekhri:** I believe it will be more like 2x to 2.5x.
- Divy Agrawal:** Sure. Okay. And sir, in terms of the customers for TPO. So, which are the customers are we planning to target? Is it like the industrial or the road construction or maybe the petrochem players? Can you throw some light on that?
- Gaurav Sekhri:** See, we are in the process of stabilizing the product and now the newer and newer applications are coming up. So, for that only, the work is going on. But yes, as a ready market right now, the road construction industry and the equipment, which is a ready to -- available market for these kinds of things. But going forward, the company has a plan for some more value addition so that it can be used more as industrial fuel.
- Divy Agrawal:** Right. And any plans to give your TPO to petrochem players as well, to the refiners?

- Gaurav Sekhri:** See, we are always hungry for the newer opportunity. So, we definitely would like to explore, like I said in the current state, like something to start, we have right now readily available market, but we continue to develop the product so that it can find a suitable application for the -- with the value addition and the more realization on the product side.
- Divy Agrawal:** Okay. Sure, sir. And lastly, sir, just wanted to know our pyro capacity is 100 TPD, right?
- Gaurav Sekhri:** Yes, 100 TPD of product -- 100 TPD of feed.
- Moderator:** Next question is from the line of Jignesh from Vedaarth Investment.
- Jignesh:** Yes. Sir, I wanted to understand that we have mentioned that we are also looking for -- to pursue inorganic opportunities in future. So that FY '29 number of INR1,000 crores that we are envisaging, so that is purely from organic front, right?
- Gaurav Sekhri:** That is correct.
- Jignesh:** And what kind of inorganic opportunities or in which sector we might pursue in future? And how big it can add to our current revenues, if at all, we go for it?
- Gaurav Sekhri:** See, on that, what I can tell you is we feel we are quite a way ahead of competition in terms of the kind of plants and the efficiencies we set up and the knowledge that we have gained over the years ourselves. I don't see us doing any inorganic acquisition related to our business, but some adjacency business, if it comes across, where we have something new to learn or a new product line to add or new geography to add, those are the ideas we remain open to and we will look at those opportunities.
- Jignesh:** And sir, the other question is we are also catering to the Infra and Industrial segment. So, if we see all the segment-wise mix, the Infrastructure in FY '26, there was a slight degrowth from INR222 crores to INR205 crores. So, going forward, out of all these segments, which is the growth, if we can explain segment-wise?
- Subodh Sharma:** Yes. Subodh here. So, on the infrastructure segment side, like there is a decline because our focus was more towards the margin expansion. So, we focus more on the value-added products, and that's the reason we have compromised on that. What was your other question, sir?
- Jignesh:** The segment-wise growth that we look in FY '27?
- Subodh Sharma:** So, FY '27, we expect like the PCMB would be sharing close to 10% of our total revenue target for FY '27. And infrastructure likely to be remain same with the similar kind of from the Industrial segment and Consumer will improve a bit and Steel.
- Jignesh:** Okay. So, the largest growth that we can see in FY '27 would be in Industrial segment in terms of growth -- year-on-year growth?
- Gaurav Sekhri:** Gaurav here, I just want to add to what Subodh said. We absolutely see very strong growth in the Industrial segment. We are already expanding capacity, I think, in Subodh's speech, opening

remarks, he mentioned how we have grown almost 20% to 30% in recycled rubber materials like MRP and reclaim and our exports have grown 30% in the last financial year.

We expect these trend lines to continue because we see a lot of headroom for growth. Saying that, we also are very bullish on Infra segment. The temporary disruption is only because of lack of bitumen availability, but the prices of bitumen have become so high that if I was a road contractor or any road contractor in my view, should see a lot of merit in using more and more crumb rubber modified bitumen because of compelling commercial reasons.

Moderator: Next follow-up question is from the line of Khushal Sethia from Asian Broking. Please go ahead.

Khushal Sethia: Sir, since bitumen is a byproduct of oil here and with the prices rising here, is it affecting you supply-wise or cost-wise or like both? Like what's the major impact here?

Gaurav Sekhri: Both, Khaushal. India is a net importing -- import-dependent country of bitumen. And in perpetuity, we will remain net importers. Our production is capped in our country at 5 million tons. Our current imports are approximately 3 million to 3.5 million tons, and they are only due to growth, because it is visible to everyone who's not even in the industry, how much road network expansion is still required by the country.

So, that's point number one. And there is a constraint of availability because Iran, which is a major supplier, is right now where the -- which is at the heart of the problem. So, that is point one. And in terms of -- and that is also reflected in terms of price, where bitumen prices have almost doubled in the last few months.

Khushal Sethia: Sir, how much -- I mean, I assume bitumen is stored in your warehouses and all, how many days of operations worth of bitumen do you have as of today? Like, let's say, worst-case scenario, bitumen supply cuts down to zero, worst-case scenario, how much bitumen does the company have to run operations?

Gaurav Sekhri: The company does not have any bitumen. We don't take any bitumen position; bitumen is highly volatile. So, we don't trade in bitumen, we don't hold inventory of bitumen. We are aligned with petrochemical companies like IOC, where when they produce bitumen, the modification that is required done by us. So, that is, you can say, assured business over next couple of years. That's point one.

Aside from that, the major contractors of the country tend to source their own bitumen, whether domestic or imported, and we align with them to supply them with the modifier. And we also do modification for them if they require. So, that is our second way of catering to the industry.

Our third opportunity of catering to this industry is to not road contractors, but people selling bitumen and bitumen products, who also require rubber for modification. So, these are our 3 sets of customers in the Infra segment.

Moderator: Next question is from the line of Smita Mohta from Kredent InfoEdge. Please go ahead.

Smita Mohta: Yes. Am I audible?

- Gaurav Sekhri:** Yes, Smita. Please go ahead.
- Smita Mohta:** Yes. So, sir, I wanted to ask just one thing to you. How much is the imported bitumen the cost for your expense as a product manufacturer? Because when we had discussed earlier, the Middle East was one area where you were saying that the crumb rubber, you are sourcing from there only, using it there only and you are importing that to India for manufacturing because EPR possibility in India is still low. So, just wanted to know your expense composition, sir?
- Gaurav Sekhri:** So, ma'am, I think there are 2 or 3 things here, which are getting mixed up. First point, we don't have any bitumen exposure. We don't own any bitumen, that is not part of our business. That's point number one. Regarding the import of crumb that we do from our own plant in Oman from time to time.
- That is to take benefit of logistics, because we have found that when the freight rates are normal between Middle East and India, our crumb rubber coming from Oman is more economical to deliver to Cochin, for example, in the Southern Kerala market, versus even supplying from our Gummidi plant. So, the 2 things are not connected, ma'am.
- Smita Mohta:** Got it. So, I just wanted to know, sir, your composition of expense?
- Gaurav Sekhri:** My composition expense in relation to bitumen is zero, like I said, we don't buy any bitumen.
- Smita Mohta:** Got it. And to crumb rubber, sir?
- Gaurav Sekhri:** Crumb rubber, again, ma'am, crumb rubber is an item that we produce. The different grades have different prices.
- Smita Mohta:** Okay got it. Thank you.
- Moderator:** Next question is from the line of Rahul Chaudhary, Individual Investor. Please go ahead.
- Rahul Chaudhary:** Yes. I had a couple of elementary questions. Actually, in your cost element, isn't tires -- used, end-of-life tires is your primary raw material. Do you import it or it's sourced from within the country? And if you import it, how much do you import it?
- Gaurav Sekhri:** We use a combination of domestically-sourced tires and imported tires, and the ratio keeps changing depending on prevailing prices and logistics of our plants, etcetera. So, it is hard to give you an estimate of what it is, what the ratio is.
- Rahul Chaudhary:** So, what I'm getting to is that this conflict now, do we have like adequate inventory and have our expense costs gone up significantly in the short term for like, say, this Q1, freight cost and raw material?
- Gaurav Sekhri:** No, thanks for your question. It's very valid. The freight rates on the import side have had some impact on the cost. Cost has gone up because of higher freight rates. However, we have managed to mitigate that cost rise because of creating various options for ourselves of origination so different geographies as well as different kind of feedstock.

That has helped us where we have innovated to create more options for us from feed. When we started the business, we were primarily a truck, bus radial tire recycler. And over the last 3 years, we have created options of being able to recycle passenger car radial, for example.

Rahul Chaudhary: Right, sir. And sir, the whole EPR thing, it originates from your production capacity or production volume or from sales? Can you run us through it like on the INR29 crores figure, like how do you get it? Like do you auction your credits? And is it outside India or within, I'm not aware of this at all.

Gaurav Sekhri: Sure. No, the government has an EPR policy, which is available on the net. It very clearly shows and describes the rules, etcetera, relating to EPR, relating to tire recycling and there are some equations in place giving more weightage to.

For example, material recycling products, which is the most optimal way of recycling of any kind of material which is to recover materials and using those materials to create tires again. So those weightages come into play. All of that is there in this policy, which you can access too over the net. So, it depends on...

Rahul Chaudhary: Is there a time lag between what you have booked and how much actually the payment comes or it's pretty straightforward?

Gaurav Sekhri: It is fairly stable now, fairly stable. We are able to generate, there's a portal where we are able to load up and get the accreditation, get the credit generated, those are audited by the government. And then we have a transaction with the tire manufacturing companies who have an obligation to buy EPR credits.

Rahul Chaudhary: Sir, my last question is that the INR100 crores capex that you are planning for the next 2 years. So, what will be the debt-equity like ratio? What is the thing, how do you finance it?

Gaurav Sekhri: We expect to finance most part of it from our internal accruals. We have generated INR92 crores of EBITDA in this financial year. Our projections show us convincingly crossing INR100 crores of EBITDA in FY27. So, we hope we can do a good part of the capex planned for next -- for this current financial year from our accruals. And if there is a gap, we are also very comfortable with our debt-equity ratio. We may opt to take up to about INR20 crores of debt also, but I don't expect it to be any more than that.

Moderator: Thank you. Rahul I'll request to come back for a follow-up question. I request all the participants kindly limit yourself to one question per participant and rejoin for a follow-up. Next question is from the line of Shialditya an individual investor. Please go ahead.

Shialditya: Can you hear me?

Gaurav Sekhri: Yes, please go ahead.

Shialditya: Sorry, if I missed it. So, from the different segments which you are operating in, can you give any kind of a guidance for FY27, the segmental as well as overall? And from the margin side, because we are moving more towards the Industrial, I'm seeing more growth and then there is

PCMB and all, which are supposed to be higher value-add products. So is the margin trajectory going to improve in FY27 and FY28? That's the question.

Gaurav Sekhri: See, our margin profile, we have clarified earlier also, we have achieved about 18% EBITDA in Q4. We expect to maintain that. In terms of our revenue mix across segments, we expect PCMB business to contribute about 10%.

We expect Infra business to be about 30%, about 35% will be the Industrial sector, approximately 10% will be the Consumer business contribution and the balance will come from our new product lines like rCB and pyro.

Moderator: Thank you. Next question is from the line of DVM Teja-Wing Commander, Indian Air Force. Please go ahead.

DVM Teja: Jai Hind. I'm very glad I got the opportunity to pose my question. I've gone through the presentation and I understood that Vision 2029 of the company envisages about expansion into 10 new locations. So, any new states that you would be adding as part of your expansion other than the existing in Southern India or North East of India?

Gaurav Sekhri: Jai Hind, sir, and thank you for your service to the nation and thank you for your question. It is sensitive, sir, to disclose and discuss where the company will expand. We are present in East, West, North, South. We have a plant in East already in Haldia. That is our footprint currently, but where the new locations will come up, sir, is very hard to disclose in public open forum.

DVM Teja: Understood and best wishes to you and all your team for exponential growth. Thank you.

Gaurav Sekhri: Thank you, sir.

Moderator: Thank you very much. Next follow-up question is from the line of Khushal Sethia from Asian Broking. Please go ahead.

Khushal Sethia: Sorry I have no questions. That was a mis click. Sorry.

Moderator: Thank you. Next question is from the line of Shreyans Jain from 3A Capital Services. Please go ahead.

Shreyans Jain: Thank you for the follow-up. So just wanted to know, is EPR available on TPO made from imported tires?

Gaurav Sekhri: EPR is not available on TPO from imported tires. I mean, not even for the other products, what we are doing out of this.

Shreyans Jain: Okay. And just wanted to know about the capex number for Saudi subsidiaries?

Gaurav Sekhri: The Saudi plant for us, we expect to spend approximately INR20 crores to INR25 crores.

Shreyans Jain: Okay. Thank you so much, sir. That's it from my side.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management for closing comments.

Gaurav Sekhri: We sincerely appreciate your participation in this conference call and trust that we have efficiently addressed all your queries. If you have any further queries or information you require, please feel free to contact our IR team at Go India Advisors. Thank you once again for your engagement, continued support and to Go India for providing the logistics for this call today. Thank you.

Moderator: Thank you very much. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.