



Hi-Green Carbon Limited

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Date:- 12.06.2025

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex
Mumbai-400051

Script Name: HIGREEN (ISIN: INE0PIC01017)

Subject: Transcript and Audio Recording of Earnings Call pertaining to the Audited Financial Results for the Second Half Year and Financial Year Ended on March 31, 2025.

Dear Sir,

Pursuant to Regulation 30 read with Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the link of Transcript and Audio Recording for Earning Call held on Thursday, June 05, 2025 at 12:00 noon to discuss the Company's financial results for the Second Half Year and Year Ended on March 31, 2025 has been made available on the website of the Company and can be accessed through the link provided below:

For Recording: https://drive.google.com/file/d/1dB0x2uwev1H0YMkk_xzipY8LH3aYi_9-/view?usp=drive_link

For Transcript: https://drive.google.com/file/d/1-diYldwfktU0WJZMg49-J4opimpzSbnT/view?usp=drive_link

Transcript of the Earning Call is also enclosed herewith.

We hereby request you to take the above information on your record.

Thanking you,

Yours faithfully

For Hi-green Carbon Limited,

AMITKUMAR H. BHALODI
Managing Director & CFO
DIN: 00410150



Hi – Green Carbon Limited
H2 & FY25 Post Earnings Conference Call
June 05, 2025
12:00 noon IST

Management Team
Mr. Amitkumar H. Bhalodi – Managing Director & CFO

Moderator : Good afternoon, everyone. I, Sagar Siyani, Company Secretary of Hi-Green Carbon Limited, welcome you all to half yearly and financial Year 2025 post earning conference Call for Hi-Green Carbon Limited. Today on call we have Mr. Amitkumar Bhalodi, Managing Director & CFO of the Company on behalf of the Management.

As disclaimer, I would like to inform you all that this call is being recorded as per SEBI regulations requirements.

Now, I would like to request Mr. Amitkumar Bhalodi to give brief about business and performance highlights and the growth path and the vision of the company for coming years. Post which we will open the floor for question answers.

Over to you, Sir.

Amitkumar Bhalodi : Thank you, Sagar, Good Morning to all the investors, all the friends.

So basically, let us start with the brief, because most of the our investors are aware of the history of the company. Then also let me brief you for a few minutes about the history of the group and our company. Basically, we are the part of Radhe Group and Radhe Group is pioneer in technology manufacturing for last 3 decades.

Starting from biomass based bracketing, biomass based gasification, then water generator HG, then CO generation, methane generation units, gas cleaning equipment. These are our technology we use to supply to various industries, starting from steel mills, rolling mills, ceramic industry, pharmaceuticals, and many mineral companies.

Before 12 years we were in search of such a technology that can convert waste hydrocarbons like plastic, electronic waste, tyre waste, rubber waste, MSW, IDF. So we come across the pyrolysis concept and we studied all the available technology across the globe, including vertical reactor, horizontal reactor, batch type, electronic microwave and this continuous reactors etc. and we come to conclusion that, continuous, in the long run, it is a more suitable, more energy efficient it can be and it can be scaled up. So we focus on continuous technology and we put our own plan in 2012 at Bhilawara, Rajasthan, starting with the just 25 metric ton per day capacity. We did a lot of trial and error for a couple of years in initial phase, because the technology was developed by Radhe, by ourselves only. So it was the 1st time that we were doing a pyrolysis and on a ground level. We did it. We achieved it to 25 metric ton capacity. Then we expand the reactor, expand the condenser, and expand the ancillary facilities. We achieved 50 metric ton per day. Then gradually we reached up to 100 metric ton capacity, ideal capacity. And then after a value addition, what can be the value addition? What can be the energy efficiency we can achieve. We focus on that. So initially, we were used to use our external fuel then we achieved a self-sufficient energy level. Then, after excess energy was generated. Meanwhile we develop rCB. We did a trial with various industries across the rubber industry, plastic industry, converter belt, solid tyre, Two wheeler tyres etc. So rCB was started to be our second product after fuel oil, and then we to utilize our Syngas, we installed a sodium silicate furnace in Bhilwara plant and it was running for last 3-4 years, and then we in the last year, 2023, we come up with a public offering IPO. Then we utilize that fund to install our second plant in Dhule district of Maharashtra, where this plant is running for last more than 5-6

months. So that plant is currently achieving at 70% capacity, and from the spare fund and internal accrual, we installed our 3rd plant in Dhar district of Madhya Pradesh, which is under construction and machinery mobilization is already started. So that we expect that this plant will be in operation by October-November of this current year.

So this is the brief about the present situation, and let me brief you about the financials of the last year. So we achieved a consolidated turnover of around 96 Crore and that is a comprising of 100% results of our 1st plant at Bhilwara and plus in November we started our second plant in Dhule, so few months from Dhule operation, and we acquired one subsidiary company called Samsara Recycling Private Limited in Mundra, which is engaged in the business of manufacturing Crumb Rubber from local as well as imported tyres. So few crore, like of 7.00 crore was the result which is consolidated from Samsara. So it's a partial figure of our achievement. So this year we expect that our both the plant will contribute 100% in the results and a few months of operation from our 3rd plant in a Madhyadesh.

So this is the basically brief about the results from my side and we'll have a question answer, and we'll have a detailed discussion on the every questions.

Moderator : Thank You Amitsir. Now all those who want to ask question use the option of Raise Hand, in case you, you are unable to do so I would like to request you to put your request on chat board, and we will open for discussion. Due to limitation of time. We can limit up to 2 - 3 questions per person. So now you can raise your hand for Question-Answer.

Divy Agrawal : Hi, Can I Speak?

Moderator : Yeah, You can.

Divy Agrawal : Yeah. Yeah. Hi, Sir, thanks for taking my question. So, sir, I just wanted to know. You guys are into recovered carbon black as well. So I just wanted to know how is the demand of recovered carbon black in India and as well as in the international market and as well. I actually want to know about the penetration level as well in the tyres of rCB, so can you throw some light on that.

Amitkumar Bhalodi : Yeah. rCB, is a little bit a new concept and we find aggression in rCB market for last couple of years only. rCB is, I can say rCB. Is not more than 4 year 5 years. set. So Rcb is a bit new, and it has a 2 type of demand, countries like us rCB is driven by value because it is cheap compared to virgin carbon. So people get incentivized by value, and in countries like European, where they have a better faith in sustainability. So they are focusing on, They are utilizing rCB to replace their material by sustainable material. But India also go for Sustainable, material.

Divy Agrawal : So what's the penetration level right now is, are the Indian tyre manufacturer using rCB, right now in India?

Amitkumar Bhalodi : Currently I've seen these. Sorry. rCB, currently, is adopted by Master Batch industry, Plastic industry, by solid tyre, conveyor belt manufacturer, few of the two Wheeler tyre manufacturer. So it is growing a market in a various segment. But fact is that still tyre companies of India, Four Wheeler Tyre, especially Four wheel tyre companies in India.

They are doing a research. They have not started yet to utilize rCB at their association level also, like ATMA(All India Tyre Manufacturer Association.) They are doing this initiative. So basically, their acceptance time is too lengthy, but the process has already started one more than one year. So, tyre companies are evaluating property of rCB. And where they can adopt it, and they are considering it.

Divy Agrawal : Sure. Sure that was helpful, sir. Thanks.

Amitkumar Bhalodi : Yeah. Second, one.

Moderator : Thank you, Mr. Agrawal. Next question is from Mr. Siddharth. You can mute yourself and ask the question.

Siddharth Agarwal : Hi, good afternoon Amitji. So my 1st question is for our dhule plant. We decided to not to go ahead with sodium silicate. So what are we doing with these gases and the additional gases which we are using in the original plant?

Amitkumar Bhalodi : Siddharthji, it's a good question. Let me have a more detail on the our process. So other friends can have a more inputs. So basically in pyrolysis, we separate Three components out of tyre. If you compare our mass balance, it is Zero – Zero 100%, input 100% output. 1st output is the fuel gas from pyrolysis. So fuel, gas fuel oil is our 1st product which we get after condensing that vapours which is generated in a pyrolysis. So when we start our plant anywhere, like in Bhilwara, in Dhule, also. we start with a pyrolysis plant which gives us a fuel oil as a 1st product, and second thing is a raw carbon, which is not we cannot say it is rCB. It's a raw carbon generated from pyrolysis plant. So that is our second and 3rd one is a synthetic gas syngas. Technically, we say it's syngas, but it is an equivalent of LPG with a calorific value of 10,500 c. So that scene gas is a our 3rd output from our pyrolysis process.

So Fuel oil we sell is as it is, raw carbon we upgrade in a rCB plant. So our second plant is rCB and 3rd plant to utilize this syngas, we utilize this in gas for our process itself. Also. So 50% process, 50% syngas is utilized in our pyrolysis process and remaining thin gas we use in other application where thermal energy is required. So in Bhilwara we installed the sodium silicate furnace where soda ash and silica is melt down at 1,500 degree temperature, and to melting that down we utilize that syngas. So energy, cost of sodium, silicate plant get zero, because we have a free syngas from our pyrolysis plant. 1st plant. So in dhule we are. We are open for sodium silicate. It's not like that. We are not going in that direction. But we found in the last two years we surveyed many things. We evaluated quality of our syngas, and we found that other applications should be developed.

So in the future, we are having a target to expand at multiple state or multiple countries. So wherever the possibility of sodium silicate market is not available or silica is not available or transportation restrictions are there. So at that point, the syngas could be wasted. So we don't want to waste that syngas. So in dhule plant we decided to do research, though it will take one or two year, and we are going to install that power plant that will run, or only by utilizing this syngas, and for that we have already ordered machinery for generation of power, and that power will be utilized in our manufacturing process, in our factory itself, and excess power. whatever will be feed

into grid, though the approvals from the grids are not achieved. We are working on that, but our utilization will be zero. Power Consumption will be zero once we started utilizing the syngas. So in our dhule plant we are targeting to convert Syngas into power, and one more R&D that is a bottling of syngas. So we are targeting that also in Dhar. We have started approval for getting approval for bottling of the Syngas and selling to industries like LPG, so these two R&D's we are going to commercialized. So in Dhule it will be power, and for that machinery is already ordered, and it is also it comes in the premises of our vendor. So They are doing a modification of all these machineries to adopt our syngas and meanwhile we are also doing a machinery for cleaning of the same gas to feed into their DG. Set in a in a power set.

Siddharth Agarwal : Great Amitji. So, Amitji, what is the additional capex that would be needed for this.

Amitkumar Bhalodi : Yeah, it will be around Two Cr. for whole set of power and panels and synchronizing with existing panels and switches and transformers, etc.

Siddharth Agarwal : Okay. and once this is commercially, I mean operationally stable. Would you think that the operating margins for both the plants will be roughly the same. I mean, whether we do it, use it for sodium silicate or for power, or bottling the net outcome would in terms of profitability, would roughly be the same.

Amitkumar Bhalodi : Yeah, we expect that it will be same, because one MW of power, we are anticipating that this will generate additionally.

Siddharth Agarwal : Okay, great. and finally, sir, could you talk a little bit about the raw material availability if it is easily available for our Dhule plant. Have you done any tie-ups, or in terms of ability to source the amount of tyres needed?

Amitkumar Bhalodi : Currently till last 2 years Indian tyre market waste tyre market was ended by this non registered unregulated vendors. But since introduction of EPR policy, so many vendors are organizing their channel for collection of tyres from the interior part of the country and we are getting a good volume from a single vendor, and many development in this line is happening. So we don't find, even it is getting easier to get a material wherever we put a plant.

Siddharth Agarwal : Great and finally, sir, last question from my side is about this EPR. Which you just mentioned, so have we been able to generate. EPR and any of it till now.

Amitkumar Bhalodi : Yeah, till now. Last year we did a little bit. But this year we avoided to generate EPR, basically for the sake of safety, because our vendors are already generating EPR and we don't want to double it. We don't want to claim a double credit, so we are avoiding, and there is a to be very fair. Since it is a new concept. So there is a lot of ambiguity and lot of double crossing. So for the safety we are not generating EPR. On this company last year.

Siddharth Agarwal : Okay, that is surprising, because we are actually doing cradle to cradle recycling and still we are not claiming the credits and vendor who is supplying us for material, is able to please

- Amitkumar Bhalodi** : Basically EPR is for the people who who collect the waste tyre and It's for a 1st chain. So we could be a second or 3rd in a whole chain of Waste recycling. So basically, they are claiming it and supplying after taking a credit so it would be very risky to have a Second time or 3rd time getting a credit. But the fact is that they are passing the benefit whatever benefit they are claiming in terms of EPR. So it is bound to pass that benefit in upper level, so we are supposed to get a credit, and that benefit also we are supposed to pass to our customers. So it's a whole chain who will get benefit from EPR. Not any single person.
- Siddharth Agarwal** : Thank you very much, Amitji, and I'll get back into the queue. Thank you.
- Amitkumar Bhalodi** : Thank you.
- Moderator** : Thank you very much, Siddharthji. Now next question is from Mayank Agarwal. Mayankji, you can unmute yourself and ask the question.
- Mayank Agarwal** : Hi! Am I audible?
- Amitkumar Bhalodi** : Yeah.
- Mayank Agarwal** : Yeah, thank you for the opportunity. Like, I had just Two questions like, I'm new to the business, like, I want to understand, like why there has been the fall in the margins, like from 26% to 20% last three years, like, what is the reason behind that? and what would be the sustainable margin going forward like EBITDA margins.
- Amitkumar Bhalodi** : Yeah, in the last, if you see our results last two years. So in the last 2 years we are doing a maximum expansion. We are supposed to get three times compared to our pre IPO capacity. So the cost of all the expenses like salary, like financial expense. These are impacting on our bottom line and second thing is that in last year we started our pyrolysis plant only in Dhule and rCB. Started late in March. So the contribution comes maximum from rCB. So rCB It was not reflected in our P&L So margins of only Pyrolysis, where we get a little bit thin Margin was reflected in our P&L. So we hope that in coming years, when we run at a maximum capacity. We'll have a stable margin and efficient use of expenses, our manpower or financial burdens. Everything will be distributed on top numbers.
- Second thing is that few pressure from import tyre, because India is importing lot of tyre and price of local tyre always depends on import expense, import prices also. So there was a burden from dollar price and shipping cost. Also the cost of raw material was little bit higher also compared to or last to last year. So few percentage was diluted due to input cost also.
- Mayank Agarwal** : Okay and like, if you can quantify like, what can be the EBITDA margin going forward like sustainable EBITDA margins on long term basis.
- Amitkumar Bhalodi** : We target it. It will be stable around 20% to 25% in between.
- Mayank Agarwal** : Okay and my next question is on the capacity expansion, like we are like the company is doing from like 200 to 300 MTPD like which is going to live in next March. So what is

the capital structure behind it like? How much is coming from debt, and how much is coming from like the internal accruals.

Amitkumar Bhalodi : We always prefer to have a 50% debt. So 50% debt, 50% equity would be the ideal for our all the expansions.

Mayank Agarwal : Okay and like, last question is on the capacity utilization rate, what is the utilization right now? and like how much time it will take a particular plant to reach the peak utilization.

Amitkumar Bhalodi : Yeah, in every plant, pyrolysis, we run at a full capacity and output of pyrolysis is a fuel oil, so there is no problem of setting a market of fuel oil. But for our rCB, we need to have a marketing and searching a new customers approving our product and starting a regular supply. So in terms of paralysis, we get we hardly take a few months like a 3-4 months. We utilize our 70-80%. We run at 70-80% capacity. So all the operations start from Pyrolysis. So it would hardly take 3 - 4 months to utilize our 70-80% capacity in a new plants every time.

Mayank Agarwal : Okay and like, look last question I had like, there is an inventory buildup in effort. 2025 march like, if you can see like, what is the reason behind that like? It is impacting our cash flow? Conversion also, like.

Amitkumar Bhalodi : Yeah, it was necessary, because it was we were initially we were doing planning for our Bhilwara plant. But now we have two plants. So we need to build our inventory, especially raw materials and we need to target for feeding a 3rd plant also. So we are acting little bit in advance. So inventory was built. For that reason only.

Mayank Agarwal : Okay and what would be the debt repayment plan going forward for the company.

Amitkumar Bhalodi : Sorry.

Mayank Agarwal : Debt repayment, plan.

Amitkumar Bhalodi : Debt is mainly from banking channel and it is a regular in terms of Term Loan, since we have not increased our working capital limit. So we took a term loan of 14.00 crore for our Dhule plant, and it is already repaid 4.00 crores like it's a regular repayment of 20 lakh per month and we took a loan from loan for this Dhar plant, and that repayment will start once operation of company will start so that repayment will be taken care by internal accrual of particular that plant only. So we don't have a repayment obligation, big repayment, obligation on particular debt. It's all in terms of installments which is not serious or any impacting going to impact our cash flow seriously.

Mayank Agarwal : Okay, thank you. That was from my side. Thank you for all the answer.

Amitkumar Bhalodi : Yeah, thank, you.

Moderator : Thank you. Now, next question is from Mr. Romit Agrawal, Ramiji, you can unmute yourself and ask the question.

- Romit Agarwal** : Yeah, okay, thank you, sir, for opportunity, sir. Basically My question is, as mentioned in Presentation, like Dollar and fuel cost affects the margin of our company. So can we hedge the same to mitigate the volatility?
- Amitkumar Bhalodi** : As you rightly said, we can hedge a dollar, but we are not directly importing raw material. It is coming through various vendors. So that is the one thing and second thing due to fuel rising this fuel price which is not directly importing, impacting us. But the fact is that fuel cost has gone down, crude price in the last 2 years. and it is impacting prices of virgin carbon, so comparatively virgin carbon prices has gone down by 20% or 30%. If you compare to prices of virgin carbon, it has come down from ₹120 to ₹90 in average. So we need to compete that, particularly in India, where sustainable product we need to introduce to our vendor so little bit pressure from both the side we are facing. But we are sure that once this local market is developed for recycling of tyre, because EPR policy will surely get all the tyre in a recycling segment other than burning for a fuel. So there is no EPR Credit, If you are burning your tyre so all the tyre will come in a stream of recycling, and we'll get a local tyre, abounded tyre and there will be no issue of importing and second thing is that, compared to vergin carbon people, will emphasize on sustainable product because we got ISCC certificate, which is a good recognition that our product is a sustainable product and whosoever our customer who are exporting to developed countries and incorporating our rCB in their product, they are getting a good reward, good recognition because their product is made ultimately from sustainable material. So these are the two developments which will take care of this fluctuation in currency and fluctuation in crude prices.
- Romit Agarwal** : Okay, thank you, sir, Next question. Can you provide guidance for 2026-27?
- Amitkumar Bhalodi** : You know, the direct guidance is not advisable from the regulatory point of view. But we can say that our Bhilwara and Dhule plant will run at maximum capacity, and in a last quarter a few contribution from our 3rd plan will also happen, so accordingly, the top line and bottom line will be accordingly.
- Romit Agarwal** : Okay. Thank you, sir.
- Moderator** : Thank you very much, Romitji. Now next question is from Mr. Saroj Kumar. Sarojkumarji, you can unmute yourself and ask a question.
- Saroj Kumar** : Yeah. Thank you for this opportunity. So Amit may I mean, am I audible sir.
- Amitkumar Bhalodi** : Now it is better.
- Saroj Kumar** : In promoter, RNG Finlease hold majority stake in the Company. You holds 4.4% and other holds the same. Can you tell me What is the relation between RNG Finlease and you.
- Amitkumar Bhalodi** : Yeah. RNG is owned by all the promoter who are individual shareholder also. So RNG is not a separate company. It is 100% owned by our three families. RNG is basically the acquired this company to be holding company of our all the group businesses for other businesses we have in our group. So all the holdings are basically held by RNG only. This company, Hi-Green was also previously 100% held by RNG. We acquired shares,

to make it limited company because we need seven shareholder. So it's RNG is not a separate entity. It's 100%. Our promoters company only.

Saroj Kumar : Okay. And Second Plant at Dhule is operational now, so you said our margin squeezed due to mainly because of Depreciation and one time expenses. So what are that one time expenses which impact the most.

Amitkumar Bhalodi : Yes. Good question whenever we start a new plan we needed a lot of approvals like fire and safety health approval, hazardous goods permission, this pollution control board permission, and various local approvals, like approval of map, construction plan, etc. So every authority has some stipulated fees for that, and consultants are charging money for getting these approvals and apart from that, some financial expenses like processing fees of banks and like valuation and TCRS, etc. So all these expenses are also contributing in a expense column. So these are the one time expenses when we start a plant.

So basically, these are the one time expenses apart from, say you rightly said depreciation and 3rd thing, I want to bring to your notice that from pyrolysis margins are very thin, like 20%. Our overall gross profit 35% or 40% comes when we sell rCB, when we utilize syngas also. So in November we started our Pyrolysis plan. So whatever contribution, whatever margin, was only from Pyrolysis, but we started rCB from march, and now, in the next one or two months syngas utilization will also start, so it will increase our margin also. and same way, all or one time expense of Dhule plant will not be in our P & L, but obviously Dhar plant few initial expenses on/off expenses and some manpower expenses will be on P & L.

Saroj Kumar : If one of expenses can we quantify? approx. how much it affect?

Amitkumar Bhalodi : Like we can say around 50 to 70. Lakh was a one time expenses.

Saroj Kumar : ok so 50 to 70 lakhs.

Amitkumar Bhalodi : Yeah.

Saroj Kumar : Sir our second plat is now operational, so our Capacity increase from 100 to 200 TPD. By I think November-December same will be increase to 300 TPD capacity.

Amitkumar Bhalodi : Yeah.

Saroj Kumar : So currently, what is the capacity utilization?

Amitkumar Bhalodi : We can say that we run our plant for almost 250 days, 240 days in a year by excluding holidays and weekly off and some maintenances will be there. So currently, we are utilizing around 80% of a particular capacity of paralysis plant.

Saroj Kumar : Okay and, Sir, revenue guidance, Can we expect some revenue growth? Or can we expect in term of percentage of growth in revenue in FY 26-27 that around 30-34% growth in terms of revenue, this much revenue jump should be there after 6-8 moths, it will be at the triple capacity.

- Amitkumar Bhalodi** : As I said, that guidance in terms of number, I would like to avoid it. You can quantify that. In the last year it was from single plan. Now it is from 1.5 plan. So next year will be from 2 plans. As it is, plus 3rd plan, little bit, so you can. You can put your numbers.
- Saroj Kumar** : And overall scenario demand and absorption. You are quite bullish on your business, or be competitive.
- Amitkumar Bhalodi** : Yeah, yeah, We are very much bullish and we are in the phase of expansion for at least 10 years from right now. So we are expecting that. We'll have a 10 time capacity compared to our Pre IPO capacity in coming years 7 to 10 years. So conservatively, it will be 10 time in a short term. We have a no issue of raw material supply. We don't find any issue of marketing. Our product and best thing is that we have a technology in our hand. So we are far competitive compared to other people, because, fortunately, some good companies are also coming in RCB Market. This will help us to propagate RCB. At a better scale. But compared to other newcomers. We have edge because we have a technology, we have experience, we have a working experience and we are expert in technology modification. So we have a technology at a competitive cost, plus, we have a technology which is a far better economically as well as energy efficient. We can say. it's a far energy efficient. So we will have edge from this will help from all this expertise and edge.
- Saroj Kumar** : Okay. will margin sustain for 4-5 Year? Do you see that?
- Amitkumar Bhalodi** : Yeah, we hope so. We hope so. We are very much concerned for that and we hope so.
- Saroj Kumar** : Margin will remain same or it will increase from here?
- Amitkumar Bhalodi** : We can't predict right now, because raw material market is developing and rCB is also growing. So we hope for the better. But we, we can say that we will try our level best to sustain our margins.
- Saroj Kumar** : At least there is no chance of shrink in next 4-5 year? Either it will sustain or increase.
- Amitkumar Bhalodi** : Yeah, yeah.
- Saroj Kumar** : Okay. Okay, thank you. Thanks a lot, sir.
- Moderator** : Thank you, Sarojji. Now, next question is from Mr. Manan.
- Manan Madlani** : Hi Amit. Thanks for the opportunity a couple of questions from my side. So 1st is the we were we had a tie up with the Manipal University to, you know, develop few products. So update on that and what's the update on getting a virgin carbon from record carbon.
- Amitkumar Bhalodi** : 1st question. Virgin carbon from recovered carbon is not possible, but we can improve our quality to achieve the level of virgin carbon. So virgin carbon is recovered from manufacture of petro-chemical products.

So far as the tie up with municipal is concerned, we are working on Two front. One is upgradation of carbon, and one is a upgradation of our fuel oil. So what other product

can be recovered from our fuel oil that currently is going on? So we have a good result. But basically, as I said, results are not good. Still it is economically viable. So in a lab scale, they are working and there is possibility that good chemical can be recorded from fuel. But still, we are working on finding a solution which is cost effective. So we can sustain in a market. We can introduce that in a market.

Manan Madlani : Okay, so at what stage you can say that R&D is going on currently like, is it so? So the problem is only regarding the commercial viability.

Amitkumar Bhalodi : Yeah, yeah, there are. There is a possibility that we can remove silica. We can remove waste. We can take our carbon near towards in carbon. There is a possibility that there are valuable chemicals in fuel oil. So thing is the only thing is that at what cost. So we are working on that to reduce it to make it economical, viable. Still, it is in a you can say it is in a lab scale. It will it will, it will take time to develop a commercial model.

Manan Madlani : Correct. Okay. and for Dhule plant. As we mentioned, we are, using the synthetic gas for a captive consumption. So in terms of margin or absolute terms. What sort of benefit we are getting instead of like we can produce silicate sodium, as well. Right? So what sort of benefit we are getting by not getting that.

Amitkumar Bhalodi : So also our 1st of all thing we get a we'll get a proven alternative solution of synthetic gas. As I rightly said that wherever in future expansion, when this sodium silicate is not possible over there, we will have a tool to manufacture power. So 1st thing is that it is R&D thing. So whether we'll get benefit or not, it is secondary thing, but we want to do it to prove to have one more weapon in our hand. So this is the 1st motive. Second motive is that once we start getting a power, so our self-consumption of that particular plant will be Zero. So whatever power cost like currently, we are paying almost 15 to 20 lakh rupees per month. So that will be reduced to Zero, and second thing, excess power can be feeded into grid. So if government give approval for buying our power, then, we will have additional revenue from that also. But beauty is that sodium silicate has a turnover. It has an inventory, it has a plant, it has adapters, it has creditors. It's a whole cycle. So in sodium silicate, we have an investment in all this thing also, but in a power. We will have a less investment, though we will not have a turnover, but we will have a cost reduction, so margin will be more better compared to sodium silicate once it will be at a full fledged.

Manan Madlani : Okay and could you share the split of the revenue between our four products? For FY 25 and FY 24.

Amitkumar Bhalodi : Yeah, that is in a little bit detail. But I will. You drop me a message I will send you by mail. But roughly we can say that in 2024 we did a crumb rubber processing of 16,000 metric ton. But in 2025 We did it 17,000 metric ton. So in compare, in in terms of volume, we did a better processing of crumb rubber at Bhilwara Plant. We sold oil 7500 metric ton compared to 6,600 metric ton year on year and in terms of sodium silicate also we did 12,000 metric ton which was 10,500 metric ton previous year, and apart from that, in Dhule plant in 4 to 5 months, we did a process of 7,000 metric ton waste tyre.

- Manan Madlani** : Okay. So reason I was asking is, when I compare a year on year basis FY24 versus FY25 I get that we had a one of expenses as and the new capacity, you know, employee cost all that I understand, for the EBITDA margin, but on a gross margin as well from 40% to 34%, our gross margin reduced. So was it because of any product, mix change or because I guess we are. This number is almost at a lowest point, like.
- Amitkumar Bhalodi** : 100%. Yeah, as I said on that in additional revenue which come from Dhule plant, there was no RCB. Last year, so it was only fuel, oil and raw carbon, so the margin of fuel, oil, and raw carbon is very thin. so whatever turnover we did in a Dhule plant. It was only from pyrolysis, so that margin diluted overall margin, and apart from that, if you see our consolidated balance sheet, we get a few numbers from our subsidiary Samsara, which is basically in a crumb rubber business. So all the margins are very thin. So overall dilution was due to these two factors and a few in the past. I said some pressure was from currency, and some pressure was from virgin carbon prices. So overall. This 4-5 factor contributed on margin.
- Manan Madlani** : Okay and on the J&K subsidiary. What? What does that company do.
- Amitkumar Bhalodi** : Good question let me explain you. We have a Three subsidiaries right now on board. 1st is the Samsara recycling, which is located in Kachchh, which is doing a manufacturing of crumb rubber. It is all together the separate business, and we have a subsidies from Gujarat government. So we form that that separate company we acquired that company. Second company is Shantol Recycling Private Limited, which is based in Madhya Pradesh. So 3rd plant, which is coming it will be under the name of Shantol Recycling Private Limited. So that is the second, and 3rd is GreenVelly Hydrocarbon Private Limited, which is a specially formed for our J&K plant. So J&K has handsome subsidy. But the deadline is finished and they are not going. We are not hearing any news that central government is renewing it, because now government has changed. So these are the issues we are waiting for any conclusive development. Otherwise, in J&k there is a 300% subsidy of your investment. So that was the only attraction point, but due to geopolitical issues, we are waiting for more clarity on this.
- Manan Madlani** : So we haven't made any investment there yet.
- Amitkumar Bhalodi** : No, no, we have find Land, but we are waiting for all this clearance before doing any major investment.
- Manan Madlani** : So okay. And all these subsidiaries are wholly owned. Right?
- Amitkumar Bhalodi** : Yeah, all the 100 % only.
- Manan Madlani** : Okay? One question on the raw material side we spoke earlier when you mentioned, we are not at that stage where we can directly source the raw material. Right? So given, we are going from 100 to 200 and now 300 in a couple of months or couple of quarters. Can we now, input directly our raw material?
- Amitkumar Bhalodi** : Yeah, we are We have a plan for that. But it's a cumbersome process because it involves chain of supply. So we need to manage all these things. So we are now focusing on expansion rather than on required these activities. So it's a more or less transportation

job. So our suppliers are doing that and even at a ground level, people are collecting a tyre. They are supplying it to the person who are just cutting it and cleaning it. They are removing the steel. They are selling the steel and supplying whatever balance rubber material to us. So the chain is working properly right now and we don't see use margin or any shrinkage in this chain. and fact is that Samsara recycling especially form for that only in future, this company will handle all this activity.

Manan Madlani : Correct. Yeah. Just last 2 questions for a single plant like for a plant or for Dhule plant or MP plant. How many employees do we need?

Amitkumar Bhalodi : Hardly 40-50 people.

Manan Madlani : Okay, okay, fair enough. One last book-keeping question, what's the cost of borrowing for our long term debt?

Amitkumar Bhalodi : From banking. Currently, it is around 9%.

Manan Madlani : Okay, for long term.

Amitkumar Bhalodi : We have a debt from Central Bank, which is around 8.87%. and we have from PNB for MP plant. that is 8.75%. I think. So that is the average cost.

Manan Madlani : Oh, fair enough!

Amitkumar Bhalodi : Not More than 9%. Yeah.

Manan Madlani : Thank you so much for the elaborate answer. I wish you all the best.

Amitkumar Bhalodi : Thank you.

Moderator : Thank you, Mr. Manan. Our next question is from Mr. Anurag Agrawal.

Anurag Agrawal : Hi! Amitji! Am I audible?

Amitkumar Bhalodi : Yes, yes, alright!

Anurag Agrawal : Most of my questions were answered, sir, but I have few questions left, sir, as you mentioned, that we have a higher gross profit in rCB versus the Pyrolysis process. So, and you also mentioned that, you know, ramping up sales in rCB. Is comparatively a lengthier process as compared to selling oil, since oil has a readily available market. So what kind of steps are we doing to, you know? Improve our sales in rCB.

Amitkumar Bhalodi : rCB is a specific product. It's not a commodity. So we can say, we need to find a customer who are using carbon. Then we need to sample, give our specification, We need to give our samples. They do trial whatever help they require to adopt RCB in their production product. So once they use it they find it compatible. They get it certified from their ultimate purchases also. So it's a little bit cumbersome process. Once it is adopted, it's a regular consumption call. So we are doing all this exercise with a new customer as

well as our existing customer to use our rCB in their other products and improve the percentage of rCB also.

Anurag Agrawal : Okay, so how many customers would we have right now for rCB, and how many new customers are we planning to develop.

Amitkumar Bhalodi : Yeah, right? Now. We have around more than 50 customers across India as well as in abroad. and We are exploring new in particular all the segment, like in master weight, like in rubber, like in other products.

Anurag Agrawal : Okay, so what would be the split according to this? To the industry type, for example, Master Batch, like plastics or tyre manufacturing.

Amitkumar Bhalodi : It's a difficult to be on precise numbers, but in every segment we are exploring. So we are getting a good feedbacks and we are getting a new customer. Also.

Anurag Agrawal : Okay. Okay. You also mentioned that RCB is comparatively a newer product or a newer market which is being created in India. I wanted to understand. What? How is the market in, you know, developed countries, are they using rCB in huge quantities for tyre manufacturing?

Amitkumar Bhalodi : Yeah, if you find that globally. All the research are happening most of in Europe. So Bridgestone and Michelin they have joined hand with the rCB. Manufacturers of Europe to add up rCB. In their production. and same way our Indian companies mostly they have a branches in India also. So once their parent plant will adopt rCB, they will force their companies set up in India. So it is going at a good space. But research are happening in Europe and developed countries, and tyre companies are more open because every tyre company has their own mandate to replace all the sustainable, to use all the sustainable product by particular time in their product. So for virgin carbon there is only one solution, that is rCB. so they are adopting it past, and a lot of changes in quality, lot of improvement in quality are also happening. And we are taking all this detail, and we are doing our self, also upgraded & updated.

Anurag Agrawal : Okay, so we must not have any approvals from any tyre manufacturer as of yet, because you are, as you are mentioning that this is still a relatively new process, and it's in under R&D stage.

Amitkumar Bhalodi : Yeah, yeah, we are. We are directly doing this approval process with two of the tyre companies. I cannot name it due to NDA agreement. But since when their parent organization ATMA, all India Tyre Manufacturing Association, they are also doing this exercise simultaneously.

Anurag Agrawal : Okay, since you cannot name the organization, can you? Just tell us, how long have you been in conversations with.

Amitkumar Bhalodi : More than one year, sir.

Anurag Agrawal : Okay, okay, okay, that's it from my end. Thank you, sir.

- Amitkumar Bhalodi** : Hello!
- Anurag Agrawal** : Yeah, that's it from my end. Thank you, sir.
- Amitkumar Bhalodi** : Yeah, thank you.
- Moderator** : Thank you very much, Anuragji. Now next question is from Mr. Vinay Ambekar.
- Vinay Ambekar** : Hello! So few questions just more for clarification. So you said, one is on our power requirement. You said we are consuming 50% of the syngas for captive use into the pyrolysis process. So there is still requirement for 50% external power. Right, sir. So in the Dhule plant, why is it not today being able to use 100% and you have to actually do power generation instead.
- Amitkumar Bhalodi** : No, I didn't get your question. Can you repeat it?
- Vinay Ambekar** : Sir, you said, 50% of the syngas we use into our own pyrolysis process. Yeah, yeah, exactly. So, 50% currently is getting used to manufacture raw glass.
- Amitkumar Bhalodi** : That that is, that is scenario with Bhilwara plant.
- Vinay Ambekar** : Bhilwara and there we have some external power requirement for which you set up approximately half Gigawatt of Solar Plant.
- Amitkumar Bhalodi** : Yeah, yeah.
- Vinay Ambekar** : So in plant. If you were to compare, we have extra syngas.
- Amitkumar Bhalodi** : Yeah.
- Vinay Ambekar** : Which you are saying that we will do a power generation using generator.
- Amitkumar Bhalodi** : Yeah.
- Vinay Ambekar** : So this I'm trying to understand. If you're already able to use 50% into the Pyrolysis reactor. Why we are not able to use 100%, why we have to right.
- Amitkumar Bhalodi** : It is not initially when we started our journey in 2012 in a 25 metric ton plant, we used to use our Diesel as external fuel then our 50 metric ton plant. Also we apart from our existing syngas. We were using external fuel. but as I rightly said, our whole journey was journey was not only improvement of our product, it was improving efficiency of our plants so in terms of energy. We improved our plants, we improved recovery system. So our syngas. Initially, we are releasing flue gas at 600 degree. Right now our flue gas are releasing at 100 or 110 degree only. So whatever energy we are recovering we are. We are getting all this waste energy, and we are utilizing in our plant itself. So external energy requirement was zero, and apart from that, whatever syngas generated from pyrolysis process. 50% is only required for pyrolysis. That's how we can say that our plants are energy efficient. So 50% syngas. Still, it is extra till today. Today we are

just planning it because we don't have a use it. But we are developing this power plant to utilize this syngas. So in in our paralysis plant it is not required.

Vinay Ambekar : Okay, sir, I will try to understand this better later. Sir, Second point is because our margins are fluctuating due to fluctuations in raw material and finished product prices. Is it that we try to work on a fixed, let's say, gross profit conversion per ton or EBITDA per ton. Is, does it work like that in any way?

Amitkumar Bhalodi : Yeah, yeah, we are. We are in our back mind always. We fix that thing. But since we are, we can say, we are very in early stage of our businesses, so we are finding the best alternative sources of our energy, our by-products, so that margin obviously will improve, improvise it.

Vinay Ambekar : Okay, okay, got it. So because it is in initial stages. But otherwise the intention is always to work on a like a conversion.

Amitkumar Bhalodi : Yeah, yeah from oil. We are finding a best solution. Best customer who can give us a good value addition. We are talking with companies, who can have a better use of our properties of our oil and we are improving RCB, we are, finding a best solution for best use of our scene gas, so margins are bound to get good.

Vinay Ambekar : Sir, can you quantify this improvement in quality of oil and rCB? In any way, in terms of maybe calorific value or percentage of carbon.

Amitkumar Bhalodi : That cannot be quantified like that.

Vinay Ambekar : Okay. okay. So now that the Dhule plant is operational, do you can you just share what is the final cost of the plant, including any pre-oper. expenses that would have got capitalized.

Amitkumar Bhalodi : Yeah, because we will be it. Still, now we invest more than 45 crore something, and few things like, these power plants, and some accessories are pending. So it will be around 48 something.

Vinay Ambekar : 48 Okay and other than this, we will need about approximately 10 crore of working capital. Is that right to run the plan.

Amitkumar Bhalodi : Yes, yes.

Vinay Ambekar : Okay. and compared to this Plant, what would be the cost of the Dhar plant? Similar.

Amitkumar Bhalodi : Compared to this.

Vinay Ambekar : Compared to the Dhule plant total cost of 48 crore. The Dhar plant also will be of similar cost, or will there will it be.

Amitkumar Bhalodi : Yeah, plant is same. Basically, everything is same. Just the difference is a cost of land and cost of civil thing. Otherwise. It is a replicate only, but whatever additional investment required for bottling of our syngas that will be in addition. But looking to

the cost of power and cost of bottling compressor everything. It will be hardly one or 2 crore plus minus.

Vinay Ambekar : And so I think one difference also is that we will be getting incentives from the respective governments. Right? So Maharashtra government and MP Government

Amitkumar Bhalodi : Yeah, yeah.

Vinay Ambekar : Can you give little details how it works?

Amitkumar Bhalodi : Dual plant. There is a 80% subsidy divided into 10 years. So Manan was asking about the cost of borrowing. So It is 9%. But still in Maharastra will get an interest subsidy, so it will be effectively. It will be more or less and in. In MP plant there is a 40% State government subsidy divided into 7 year only. So these are the two incentives we are supposed to get. And in a in our subsidiary company, Samsara, we are going to get interest subsidy from Gujarat government, also electricity, duty exemption from all these government. All these states. In Maharashtra and Gujarat there is electricity duty exemption, and also so these are the incentive, and apart from that SGST reimbursement. So in in terms of quantum, 80% in Maharashtra and 40% in MP.

Vinay Ambekar : Okay, So in accounting wise. This will come into profit before tax directly.

Amitkumar Bhalodi : Yeah, we'll be.

Vinay Ambekar : So that will further add to margins.

Amitkumar Bhalodi : Yes, yes.

Vinay Ambekar : Okay. So last Two, couple of questions, this Samsara recycling. Can you just explain what is the benefit it brings to us? Because you also said that we prefer to buy rubber pieces directly, but still we have invested in this crumb rubber plant.

Amitkumar Bhalodi : Yeah, because that, Samsara, it is located in strategic location in Munra. So we are preparing for our future expansion in Gujarat, which I'm just giving you highlight. So Samsara is based in Kachchh and it is at the transport hub. It is at the import port, Big import port. So we developed this company to help us in procurement of raw material for processing the material over there. So one guy said that, why you are not doing this backward integration. So it's a part of our strategy to do backward integration of our products and process.

Vinay Ambekar : And that will be that will consume more energy. and there your this power generator will be useful. Is it like that?

Amitkumar Bhalodi : No, but the Pyrolysis plants would be there. Then it is useful. But right now we don't have a plan over there, so we are consuming a power from a grid only. But you rightly pick the point.

- Vinay Ambekar** : Okay, okay sir. How does this? EPR work? Because you said that the tyre collectors are generating the EPR but in the chain. We are doing more value addition than them. No, so we shouldn't. We be getting more share of the incentive.
- Amitkumar Bhalodi** : In our chain in our chain the person who supply raw material to us. They are collecting tyre locally. They are processing it. They are cutting it, they are removing steel they are making it small pieces and supplying to us. So in this process, obviously, they are supposed to get or they might be generating EPR, so we are not. We are avoiding right now to get a double credit. But, EPR is not a big thing which was predicted that people will get this much of amount of EPR, and this amount per credit right now, EPR is sold is sold hardly at one rupees or one and a half rupees per credit. So it's not a big thing which can turn your books. But thing is that whatever benefit they are getting in terms of up, they are passing to their customers. So we are their customer. We are getting that benefit and whatever getting benefit we get in terms of raw material input, we are bound to pass it to our customers. So EPR is made for all the chain, it is not made for any particular person. So the whatever, whatever scheme or like that if Maharashtra government is giving a subsidy. It is not for myself only it is. It is for the our employee we used to distribute. We visualize that this amount, this much of benefit are supposed to come. So we have invested over there. We took a risk like in EPR also, if any person get a benefit, it is supposed to be distributed in whole chain, and we are part of whole. Though they are not giving directly their epr percentage. But it is, it will be passed in terms of price.
- Vinay Ambekar** : So today there is no distribution. For example, when you said ₹1 per credit. So how much the tyre collector keeps.
- Amitkumar Bhalodi** : Like you and me. We both are a vendor to Xyz company like, Hi-Green, you are getting EPR and I'm not getting EPR but since you are getting EPR benefit you, you are bound to lower your price to get a more supply or more order from Hi-Green.
- Vinay Ambekar** : Right.
- Amitkumar Bhalodi** : Practically things happen like this. So your EPR benefit will be passed on to Higreen. Yeah, Higreen is getting a cheaper raw material compared to Xyz. Other company, then to be more competitive, Higreen will pass few of the benefit to their ultimate customers. and it should be like that. Only EPR is not made for only the person who collect it is made for the like. In a developed country they are giving a tipping fee. Tipping fee is paid to the only point where these tyres are being collected. But ultimately what happened? The collector pass this tipping fee to that yard. People, yard people pass it to manufacturer, manufacturer, pass it to exporter, exporter, pass it to ultimate importers. So till today, if you see this tyre price of India is two time compared to imported. Why? Because, due to all this benefit, which is mandatory in developed country, and ultimately they are passing up to Indian importer.
- Vinay Ambekar** : Hmm.
- Amitkumar Bhalodi** : To be more sustainable, so EPR or any collection be is made for all chain. So it is not like that. If I'm not getting. EPR I will be out of benefit.

- Vinay Ambekar** : Oh, okay, no, no, I didn't mean that. Only thing is because our larger competitor GRP they have. In fact, they quantified their EPR inventory this time. I don't remember the number of.
- Amitkumar Bhalodi** : I don't want to comment on any other companies. But EPR is what I said.
- Vinay Ambekar** : I understood. Okay. And so last question is, now that the J & K. Plant is slightly on the back burner, and we are waiting for something. So can you just lay out maybe a 3 or a 5 year, whatever you're comfortable with in terms of where all you are exploring it could change, of course, but from a medium to like a 5 year thing where we should see plants coming up, or what.
- Amitkumar Bhalodi** : We have a multiple location in India as well as in abroad also. we are exploring, but still any concrete decision we made or any. We are exploring policy. We are exploring incentive, We are exploring market supply chain ability of a particular good location everything. So there are 3-4 location on our cart. But shortly, right now we don't have any conclusive location. But surely we'll share it in the short term.
- Vinay Ambekar** : Okay, broadly. But you think, similar to the current pace, one plant per year is something that you would see.
- Amitkumar Bhalodi** : Yeah, yeah, that that is obviously. and after 4 or 5 location, we'll have a additional capacity expansion at particular plant also, thinking on that also putting a second plant in Maharastra itself, or in MP. Once it is started, so that will.
- Vinay Ambekar** : So extra land is available for that.
- Amitkumar Bhalodi** : Yeah, yeah, we have.
- Vinay Ambekar** : Already.
- Amitkumar Bhalodi** : Yeah, everywhere we have a enough land to do 2 - 3 plant at a particular location.
- Vinay Ambekar** : So just to conclude, then, it is important to build the organization also, because otherwise single person.
- Amitkumar Bhalodi** : That is, that is, you are. Yeah, getting good people, training them, retaining them, and keeping our technology secret. So all this is this is a exercise apart from putting a plant. So we are equally monitoring this. All this activity also.
- Vinay Ambekar** : Right. Right. Thank you. Thank you so much, sir, for your patience and elaborate answer. All the best.
- Amitkumar Bhalodi** : Thank you, Vinayji.
- Moderator** : Thank you. Vinayji. Next question is from Mr. Ankur Agrawal. You can unmute yourself.

- Ankur Aggarwal** : Hi, sir! I wanted to know. When you set up a hundred TPD plant, then your cost is as you mentioned approximately 45 to 50 cr, so usually, sir, how much time it takes, you know, to ramp it up to 100%. Revenue utilization means maximum revenue utilization.
- Amitkumar Bhalodi** : Yeah. we have a three phases of utilization. first is a pyrolysis, second is a carbon RCB, and 3rd is a syngas. So pyrolysis is a 1st phase where we get a utilization of our full capacity in a within 3 or 4 months. Then conversion of raw carbon into RCB comes. So in RCB. There is a cycle of customer approvals, and these and that so estimate estimated, it could be 9 months to 12 months and seen gas also we can immediately use. But as I said, we are exploring a new avenues for using our syngas. Which are more better compared to our existing option. So this time it is taking a time, otherwise, else it can be used from the very 1st day.
- Ankur Aggarwal** : Got it, sir. So, sir, like, since last, you know 4 and half years like 23 H1 H2, 24 H1 H2, we are seeing consistently revenue in the range of approximately 35 cr. But this time revenue was 61 cr. So, sir, this additional, you know, 13-14 cr, so this is from the new plant, right.
- Amitkumar Bhalodi** : Yeah.
- Ankur Aggarwal** : And so like, is it safe to assume that a new 100 TDP plant can generate approximately 70 cr. revenue in a year.
- Amitkumar Bhalodi** : Yeah, you can.
- Ankur Aggarwal** : Okay, all right, and, sir, last time, sir, last thing, As of now you, told that current capacity is 200 TDP. Am I right?
- Amitkumar Bhalodi** : Yeah.
- Ankur Aggarwal** : So, sir, this 3rd plant when it? When is it coming online?
- Amitkumar Bhalodi** : It will be operating from we expect it some somewhere around November-December.
- Ankur Aggarwal** : November-December. Yeah, okay and since the second plant, we can expect the you know. Come like full capacity utilization in this coming half year.
- Amitkumar Bhalodi** : Pyrolysis - Yes, for rCB - One year and for syngas. There also we are developing a 3rd option of utilizing syngas that is, selling a syngas as it is, after cleaning it, after bottling into cylinders and selling to industries like pharma or bakery, or any brewery, or any thing where thermal energy is required. So since this option, 3rd option is also new one, it is bound to take time, because since 6 months we are working to get a permission for bottling of this plan, bottling, permission at that particular plant. So all these things are new. So there is no, any standard policy made for this. So government is also taking a time for us. Also We don't know the what would be the hurdles, but best thing will be that once all these 3 things will be in our hand. We'll have a multiple option, more flexibility to put more and more expansion at any location whatever. Suitable option is there we can use it, and whatever good option we found will replicate in our existing plants also. So, for example. we get a good response in bottling. We got

a good revenue compared to lesser investment in inventory and lesser investment in working capital cycle. Then we will opt for that at all this plant.

Ankur Aggarwal : Okay, got it. So, sir, one last thing. So I wanted to know, like, if we are getting, let's say, 70 odd crore revenues from one plant having capacity of 100 TDP in a year. Then, what percentage of that 70 crore is fire losses revenue, What percentage is RCB revenue and what percentage is syngas revenue?

Amitkumar Bhalodi : Yeah, roughly, we can say, 40% could be a pyrolysis, and 30% could be from our existing sodium. Silicate and rest from the RCB.

Ankur Aggarwal : 40 from Pyrolysis, and

Amitkumar Bhalodi : 30 from rCB, 30% could be from this sodium silicate plant.

Ankur Aggarwal : Alright got it. Thank you so much, sir.

Amitkumar Bhalodi : Yeah, thank, you.

Moderator : Next question is from Mr. Siddharth Agarwal

Siddharth Agarwal : I'm really sorry it has been a long day for you very patiently answering a lot of our questions. So a quick question that I have is for the rCB Approval that we need. Is it that you know we are already supply to certain vendors from our Bhilwara plant?

Amitkumar Bhalodi : Yeah.

Siddharth Agarwal : Even for the same vendors. Do we again need to get approvals for the yeah, the.

Amitkumar Bhalodi : Yeah, for standard companies. They do. They need all these, their audits and their formalities are high. But for small vendors, small companies or small consumers. No, they take lesser time. But since we are already supplying them, so we need to find a new customers. So we are finding a new customers and we are exploring a potential use of rCB, in other application in existing customer also. So in in that scenario also in other product. If they want to use it, they will form, develop a formula, they will change the formulation. So this is the time consuming process, little bit.

Siddharth Agarwal : Okay. So typically then, should we assume that you know rCB, utilisation or commercial sales will take roughly 9 months to a year after the commencement of Plant.

Amitkumar Bhalodi : Yeah, yeah.

Siddharth Agarwal : Okay. and, sir, could you finally, sir, share a little bit on the industry development itself? You did mention that there are other players who are setting it up. I'm assuming the continuous batch process, as a you know, as a suitable recycling process for tyre tyre is now well established from all the environmental as well as the a financial viability angles. So where is the industry today? and are we seeing more competitors trying to come in, because commercially it still looks very viable or is it our own expertise from the other group that you know? This allows us to set up a cost at market. A significant

lower cost is a great edge, which the industry wider industry may not have and allows us to, you know, to get better returns on capital than the industry. Could you, sir, please go a little bit like on how it is happening.

Amitkumar Bhalodi : Yeah, for particularly processing of waste tyre. There is, in existence also, there is a lot of player in India as well as in globally. But for the companies or players will get more edge in terms of quality of their product will survive more so in the longer run continuous paralysis process is improved to be the good technology because it is a consistent one. So whatever product we get, we get it consistently and the quality are more consistent compared to any batch or any other technology user. So we have adopted this continuous technology. And this technology can be scaled up also because base, you know, I don't. I did not heard that any base reactor is more than 10 ton per day. So and every day they get one batch. So there is a limitation of scalability. So continuous technology is scalable and consistent. So the newcomers are also obviously deploying continuous paralysis and they are buying either from China or either from developed countries and they are buying from developed country. It is too high, and they try to compete with our investment figures. But still it is more and in China 2-3 person have already imported. But I heard that it is not working properly because there is limitation on getting a visa by this Chinese vendor into India right now. So they are not coming for installation of their machinery. So it's they are suffering. But it could be a temporary place. But thing is that we'll have a edge because we have a technology in our hand. We are, far better in terms of investment bigger control. So if you see other people, they are investing almost 2-3 time compared to our investment for even half capacity compared to our single plan, so this will give us more edge at laser investment we'll have a better technology and better revenue.

Siddharth Agarwal : And, sir, finally, a request so, as a shareholder, if possible, we would, you know, very much appreciate a chance to look at our you know the visit a new plant which has been set up, and to truly appreciate the you know, the technology and all the hard work that the company has put into, you know, to do this cradle to cradle recycling with. You know, we create environmental.

Amitkumar Bhalodi : Yeah, obviously, as investor, you are most welcome, but as investor only, Sir.

Siddharth Agarwal : Yes.

Amitkumar Bhalodi : So we have a certain criteria of verification of person who are visiting is. We'll be glad if your intention is good.

Siddharth Agarwal : so. Reach out to you intact.

Amitkumar Bhalodi : Yeah, yeah, definitely.

Siddharth Agarwal : Thank you, sir.

Amitkumar Bhalodi : Thank you.

Moderator : Next question is from Mr. Manan.

- Manan Madlani** : Yeah, I thanks for the follow up, sir. Most of my questions have been answered. Just one clarification did you mention? You know. The next plant will be in Gujarat.
- Amitkumar Bhalodi** : Could be.
- Manan Madlani** : Oh, so there was a restriction for the plant earlier in Gujarat, if I remember correctly, so is it sorted.
- Amitkumar Bhalodi** : In Gujarat before 15 years, when batch type of reactor was at the boom. So many people have installed a batch type reactor. So there were a few accidents, there was a incidents of fire and blast, and these and that. So, looking at that time other technologies were not available, and Gujarat government so Pyrolysis was banned in Gujarat. But we present our case. Our association, a few other people, few of our friend. We took initiative and approach government and showcase the comparison and developments in pyrolysis. other technologies, like continuous paralysis, advanced technologies. So looking that government have started giving permission for Pyrolysis in Gujarat.
- Manan Madlani** : Okay, okay, fair enough. Thank you so much, sir. I wish you all the best.
- Amitkumar Bhalodi** : Thank you.
- Moderator** : Next question is from Mr. Anurag Agrawal.
- Anurag Agrawal** : Hi, sir, thank you for the chance again. So 1st question that you mentioned that we have the land parcels that we have in our existing factories can accommodate bigger factories as well bigger capacities as well. So what would be the reason of, you know, buying a land in another state or a city or area, rather than utilizing the same land. Wouldn't it be more capital efficient to utilize the same? The existing land parcels we have right now rather than going somewhere else.
- Amitkumar Bhalodi** : Yeah. But our 1st motive was to just get a diversified in terms of State in terms of territory. So we choose a different state initially. So we get a balance of market balance of benefit of different territories. So we like that in in Rajasthan we started with 25 metric ton. But same place we did a hundred metric ton, so I would like to say, when when we were working at 25 metric ton. There was no buyer for our product initially. So we explore the potential. We approach the customer and right now we have all this customer in end, who can absorb our two time production also. So initially getting a supply chain customer. So it takes a little bit time. So we develop 3 different state to get a balance of customer balance of supply chain 1st end benefit of all the States. Right. Now, then, after, in the second phase, we can have a multiple expansion, which whichever place is more better like that. If you find that MP. Is more better compared to previous 2 State. Then 1st expansion will be in in Mp.
- Anurag Agrawal** : Got it, got it. So basically, you're trying to develop customer base and diversify. You know, revenue.
- Amitkumar Bhalodi** : Because raw material supply supposed to be, get from every State of India.
- Anurag Agrawal** : Got it.

- Amitkumar Bhalodi** : We don't want to waste our money in transportation or bringing away material and sending a material at particular one location only.
- Anurag Agrawal** : Got it got it? Sir, also one small technical question that do we also have the capability of making plants which are larger than 100 tons per day, size.
- Amitkumar Bhalodi** : Yeah, obviously, we can increase we can increase the capacity. But ideally, this plant, we found, is more economical and energy efficient.
- Anurag Agrawal** : Okay. So going forward, even in new, near future, we'll always be expecting expansions of 100 in terms of multiples of 100 Plant a hundred tone.
- Amitkumar Bhalodi** : In in a world you will not find any any hearing that manufacturing plant beyond 50 metric ton few very rarely they are doing 50 min. So on. It itself is a very big capacity. But and we find also that this is a more energy efficient.
- Anurag Agrawal** : Okay. Okay and another question, sir, sir. I was reading up on, you know Recovered carbon black, and how global companies of big giants Tyre manufacturers are, you know, trying to inculcate that in their process the major challenge that they face was the standardization of quality. So and that is why, right now, even in globally, the rCB market, you know, utilization is less than 1% of the entire carbon block in tyres. So what do you have to say about that? Do you think? Are we able to, you know, produce consistent quality? and if yes, how so? and our peers in global markets you know, able to manage that.
- Amitkumar Bhalodi** : Basically technology. We have a technology, and we have expertise to modify our technology also. So whatever requirement? thing is that what we are doing is not important. Where, when we are approaching big giants. So what they need, we need to adopt it and modify accordingly. So we have a capacity and confidence once the trial will complete, and whatever they demand and whatever we can do that will be committed, and will supply according to our commitment and meanwhile, apart from this personal or any particular point of view standardization of RCB is also going what at an international state. So ASTM grade is also been developed, but they are still working on improving this gradation system. So that is also on the table.
- Anurag Agrawal** : Okay. So you mean to say, it is possible to produce standard quality, and which is desired by a particular customer consistently throughout the year.
- Amitkumar Bhalodi** : Yeah, yeah, ambiguity of the technology.
- Anurag Agrawal** : Because I was somehow involved in recycling of polymers in plastic, specifically not rubbers. and in our plant. What we used to see was, there was a huge deviation in quality as in when we used to get different types of, you know, used plastics. Similarly, I would imagine that even in tyres that you would get, they would be of different qualities, different life usage which has been done, you know. So is it still possible to maintain standard quality of output of rCB.
- Amitkumar Bhalodi** : For us. We can say yes, because we know ins and outs of technology, we it is not like brought out vehicle from outside. So it is developed by us. We know the ins and output.

We can change the parameters. We can change the we can optimize it, and we can do it. and apart from that, some control on inventory, which is also more important to get a consistent quality, so that that is, on the priority.

Anurag Agrawal : Okay. and so last question you mentioned in the presentation that 40% of the tyres are, like, you know, burned in furnace, and you also mentioned that, you know. EPR, credits are not that, valuable as we had earlier thought, it's about ₹1 per credit only, or 1.15. Maybe so. Is there still a natural incentive in the entire ecosystem for them? For you know, scrap dealers to give this tyres to companies like you in indirectly or is it still viable.

Amitkumar Bhalodi : Thing is that incentive is more, not more important. Documentation is also more important, because it will be composed to route it through recycler only because burning is not officially allowed anywhere. So if you want to do business everything should be on paper and on paper can be only through recycler. Only.

Anurag Agrawal : Okay. But, sir, I will. I understand that a lot of things have to be on paper. But I assume that a lot of things do not work like that as well.

Amitkumar Bhalodi : But everything get improvised, because nowadays it is not possible. To escape from all these regulatory frameworks. You need to have E-way bills. You need to have a everything so.

Anurag Agrawal : But, sir, economically, would what would be more beneficial for a scrap dealer to do to get it burned in a furnace in some power factory or a random factory? or would it be more beneficial for economically beneficial for them to give it to a scrap dealer, cut it, and then have it paralysis done.

Amitkumar Bhalodi : The time will say cannot be. I cannot comment that if a coal price get suddenly get shoot, then it will be more viable to burn prior compared to coal, so they will get more incentive over there.

Anurag Agrawal : Got it.

Amitkumar Bhalodi : Yeah.

Anurag Agrawal : Got it. Thank you so much, sir, for answering all the questions so in detail. Thank you.

Amitkumar Bhalodi : Thank you. Thank you.

Moderator : And then last question is from Mr. Ankur Agrawal ankur. You can unmute yourself.

Ankur Aggarwal : Yeah, thank you for the follow up question, sir.
Sir, you told an interesting thing that to set up the similar capacity, you know, other players in your line of work might need to invest 3x, the capital which you are investing, maybe, you know, like.

Amitkumar Bhalodi : Only like I just need given more power figure.

- Ankur Aggarwal** : Okay. So, sir, just a thought like, what if you know is it feasible for you to set up a new vertical where you are helping them set up a plant like that.
- Amitkumar Bhalodi** : It is increasing competitor. We have a multiple approach from different or whosoever are installing this big scale plan. They have already a approached us. But we denied because it is a ultimately deviating our interest in industry. So we don't want to even disclose our technology, also. So increasing-reducing a competition is a one factor. and second thing is a secrecy of technology. Whatever inputs we have developed, whatever after putting a technology optimize how to optimize it. it's a very big thing that we acquired after a lot of experience. So we don't want this thing, at least in India.
- Ankur Aggarwal** : Okay. Understood, sir. Thank you so much.
- Amitkumar Bhalodi** : Yeah, thank you.
Now, thank you. All the investors for giving us opportunity to put our points on table. And we thanks again for your trust, for your faith in us, and whatever question, or whatever any doubts you have, you can personally you can mail me or you can send a mail to compliance@highgreengarbon.com and if you have any personal query you can always contact me. Thank you. Thank you. Everyone.
- Moderator** : Thank You So much all.
