



Hi-Green Carbon Limited

Works : Survey No. 2894, Village : Rupaheli Chouraha, Th.: Hurda, Dist.: Bhilwara - 311 026, Rajasthan (India)

Regd. Office : G-557, Lodhika Industrial Estate, Gate No.-3, G.I.D.C., P. O. Metoda, Kalawad Road, Tal. Lodhika, Dist. Rajkot - 360 021. (Gujarat) India. Mo.: +91-9106409053

E-mail: compliance@higreencarbon.com ■ website: www.higreencarbon.com ■ CIN: L45100GJ2011PLC066917 ■ PAN No.: AAQCS2877J ■ GST No.: 08AAQCS2877J1ZK

Date:- 21.11.2025

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 Financial Results for the First Half Year Ended on September 30, 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 Tuesday, November 18, 2025 to discuss the Company's financial results for the First Half Year on September 30, 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/152pRm1ATIceER4yusM4i31ePLSFUompr/view?usp=drive_link

For Transcript: https://drive.google.com/file/d/1GVWLaNtXRW8Riwddla_bp3Is5IKbQRx-/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 Bhalodi
Managing Director & CFO
DIN: 00410150



The Real Green Carbon Black

**H1'FY26 Earnings Conference Call
November 18th, 2025**



**MANAGEMENT:
MR. AMITKUMAR BHALODI,
MANAGING DIRECTOR & CFO**

Hi-Green Carbon Ltd
H1'FY26 Earnings Conference Call
November, 18th, 2025

Harshil Sutaria: Good afternoon, everyone, on behalf of Kairovest Advisors Investor Relations team. I welcome you all to the H1FY26 post-earnings conference call of Hi-Green Carbon Limited. The investor updates, including the investor presentation, have already been uploaded on the stock exchange.

Today on the call, from the Management we have with us Mr. Amitkumar Bhalodi, Managing Director & CFO;

As a disclaimer, I would like to inform you all that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder to the, reminder that this call is being recorded.

I would now request the management to run us through the business and performance highlights, and the growth path of the company for the coming year. Post which, we'll open the floor for Q&A. Over to you, Amit sir.

Amitkumar Bhalodi: Yeah, thank you. Thank you, Harshil, and good afternoon, all the investors, all the family members.

Let us start reviewing our last half-year results. So, first of all, I would like to brief you about the figures.

In the last half year, I think most of the investors have our presentation and the financials. On a standalone basis, we did a turnover of almost 59 crores, and consolidated, we achieved around 69 crores. In terms of capacity utilization, we processed 17,400 metric tons together in both the plants — Rajasthan and Maharashtra — compared to 15,900 metric tons in the previous half year. So, our capacity utilization reached almost 75–76% in both plants.

So far as the pyrolysis of waste tyre is concerned, the rCB capacity in the Rajasthan plant is also being maximally utilized, and our rCB facility at our Maharashtra plant is also increasing its utilization.

Regarding utilization of waste heat, waste gas, and waste energy, as declared in our last meeting, we have been doing research for utilization of waste gas and transforming it into electricity at our Maharashtra Dhule plant. This R&D had been ongoing for more than one year. Now, everything is clear. We already ordered the gas engine, it is ready, and it is supposed to be delivered to our factory within a couple of days. So, in the next month, we expect to achieve utilization of gas and conversion into electricity. That is our second update.

About our third update — our MP plant has also been erected. Around 90–95% of the erection work is completed. Only synchronization of the electrical panel and plumbing of various pipelines remain. We hope it will be concluded by end-December, and we will be able to kickstart our plant by mid-January. We are applying for consent to operate next week, and we expect to start production at our MP third plant in mid-January. So, these are the three plant updates.

Apart from that, we were changing some machineries at our subsidiary, Samsara Recycling at Kutch. We started production last year, but we were not able to clean the steel scrap properly, so the machineries were altered. That work is complete, but unfortunately, on Diwali, there was a fire incident. Fortunately, we are covered by insurance. Evaluation by the insurance team is ongoing, and we are hopeful that by the end of next month, we will get clearance to restart production there also. So, this is the overall business update from my side.

One last update — consolidation of business from Radhe Renewables into Hi-Green. As we explained in our disclosure, the business of Radhe Renewables will be transferred to Hi-Green. As declared in our press release, at a token amount of ₹1, we will transfer all know-how, patents, and intellectual property. At a rent of ₹1 lakh per month, we will lend our factory to be used by Hi-Green. For existing pending orders already signed by Radhe Renewables, and for any new orders related to gasification or old business, Hi-Green will manufacture and execute. As compensation, a 1% commission will be granted to Radhe Renewables.

All business will be executed by Hi-Green. All expansion will be done by Hi-Green itself, creating a win-win situation. We will be more competitive for expansion without any capital expenditure or additional capex required. This is the overview of our current situation.

So, I would like to open the floor for questions.

Harshil Sutaria: thank you, sir. So now, we'll request the participants who wish to ask the questions to please use the option of Raise Hand. If anyone is unable to choose the raise hand option, please put your question in the chat box and we'll, take up your question. We have first question from, Yash Purbhe.

Yash Purbhe: Hi, first of all, congratulations for a good set of numbers. I have a few questions. I'm a bit new to this company, so some questions may be repetitive. First of all, sir, can you give the breakup of plant-wise revenue and capacity utilization?

Amitkumar Bhalodi: In the last half year, we almost achieved 8,000 metric tons of processing in our Rajasthan plant. It has a capacity of 8,300 metric tons. And 9,000 metric tons in the Dhule plant. So, we achieved better utilization at our new plant.

As far as revenue is concerned, around 60% revenue comes from our Rajasthan plant because there is full capacity utilization of rCB and revenue from syngas also. Around 35% to 40% revenue comes from our Dhule and Maharashtra plants.

Yash Purbhe: Nice. And sir, at peak capacity utilization, what kind of revenue can we achieve from these plants?

Amitkumar Bhalodi: Currently, the market in the last half year was very slow. Crude prices were falling, and there were certain restrictions from the U.S. for export of petroleum products. So, the prices of refinery products—especially our product which competes with LDO and furnace oil—were under price pressure. Prices had almost bottomed out. Now our situation is improving. In the last half year, monsoon was also there, so demand for TPO was affected. Now everything is on track, and considering that in the current year our third plant will also start in the last quarter, we expect that cumulatively we will process around 38,000 to 40,000 metric tons of waste tire, compared to last year's 24,000 metric tons. So, we expect that revenue could be around ₹130 to ₹140 crores.

Yash Purbhe: Nice. And sir, can you give some idea—you said that at our new plants we are doing some initiatives for using gas in our products, so we will be saving some money on energy. How much savings will we be doing from these initiatives?

Amitkumar Bhalodi: That we can't comment on right now because everything depends on the success we get. We are 99% sure because we have done R&D for generation of power from gas at our Rajasthan facility for the last one year—cleaning gas, utilization of gas, efficiency, conversion of gas into electricity—everything has been optimized. But still, we are not able to comment. We will get a result the moment we start. Within one month, we will be able to assess the numbers.

Yash Purbhe: Another question—there are other players coming up with continuous pyrolysis plants. In the listed space alone, around 400 to 500 TPD capacity is being added, and in private space too, some players are adding capacity. Can you give an overall idea of the market? Is there a risk of overcapacity? Will it affect our margins? Since some players have their own sourcing and will get EPR benefits—which we can't—can you shed some light?

Amitkumar Bhalodi: EPR benefit is a secondary thing. If they are able to get it, we are also able to get it. We are avoiding claiming EPR credit because we want to avoid double credit. Secondly, the pyrolysis market in India is currently scattered in the unorganized sector. The batch-type reactors have a capacity of almost 12,000 metric tons per day. So, adding a 400–500 metric ton per day capacity with continuous plants is nothing. It is just a transformation because in most states, batch-type reactors have been banned. So, people are now shifting from batch to continuous reactors. Whether they get success is a question mark.

But we hope that adding this capacity will ultimately help convert the industry from unorganized to organized in the hands of organized players. So, it is a good transition. We hope there will be no major competition because the batch-type sector is huge and is converting into continuous.

Yash Purbhe: And sir, one last question—I wanted to understand our sourcing. As of now, we get chips from other suppliers, and we acquired Samsara, but there was a fire there. So, what are our plans for sourcing? Will we be doing 100% sourcing from our end, or will we continue sourcing from others?

Amitkumar Bhalodi: We will do the balance work because Samsara will not be able to supply more than 20% of our requirement across all three plants. So, we will still need the majority of supply from third parties. There is a lot of expansion happening in the manufacturing of crumb rubber chips, and many new players are coming up across various states. That is a good thing because it increases the availability of tire collection and conversion into chips after removing steel. We will have many options.

Obviously, we are expanding Samsara with the purpose of supplying to us, and our target is 50%. But we will still keep the option open for third-party suppliers.

Yash Purbhe: Okay sir, thank you so much, and best of luck.

Amitkumar Bhalodi: Yeah, thank you.

Harshil Sutaria: Thank you, Yash., the next question is from Jatin Agarwal. Please go ahead.

Jatin Agrawal: Good evening, sir.

Amitkumar Bhalodi: Yeah, good evening.

Jatin Agrawal: Congratulations on the results, sir. My first question is—your operating margin has fallen to 15% from 20% earlier. Any particular reason for this, or was it just a one-time impact?

Amitkumar Bhalodi: Yeah, there are two factors.

One is that there was pressure on prices. Constantly, prices were dropping, and simultaneously raw material prices were also coming down. But since we were holding inventory, the higher-priced inventory had to be sold at a lower price. This situation has now bottomed out, so it created pressure on the top line, and now the situation is at the bottom. From here, we expect good growth.

The second thing is margin pressure due to the overhead of the third plant, which is supposed to commence. Last year, there was pressure from the second plant. Now there is some pressure from the third plant. This will get neutralized once the third plant starts operating.

And the third thing is that in the last half year, we did a lot of R&D for power generation. Almost ₹80–90 lakh was consumed as consumables and spares for this R&D, which has been claimed in other expenses.

Apart from that, we ramped up sales of rCB. Till now, we could not get new customers because our capacity was fully utilized. Now we have capacity for rCB for new customers. So, we changed packing, did roadshows, advertisements, exhibitions—so some sales-related expenses are there. Some expenses are also related to approvals like ISCC+.

We renewed it, and only one week earlier we also got the ISCC EU certificate, which is required for export to European countries. These one-time expenses have also been claimed in the expenses. So, these are the factors which have pressurized our margins. Hopefully, these one-time expenses will be covered in the next half year, and there will be improvement in margins due to bottoming out of crude prices and good demand in the winter season.

Jatin Agrawal: Okay, okay. So, it's safe to assume you will be back to your 20% OPM by the next half?

Amitkumar Bhalodi: Yeah, that is our target. And if you see in standalone results, the figures are intact. But in consolidated results, there is an effect due to the ramp-up of production in Samsara.

Jatin Agrawal: Fire at Samsara?

Amitkumar Bhalodi: No, not fire. Fire happened in October, which was not in the last half year. Fire will not have a major impact because the insurance company is there to take care of it.

Jatin Agrawal: Correct, correct. Okay. Also, you just mentioned that once all three plants are in the running stage, you would be able to do ₹130–140 crores. So, was that for the second half or the whole year?

Amitkumar Bhalodi: No, that is for the whole year. In the second half, we are expecting almost ₹80 crore turnover.

Jatin Agrawal: And sir, any upcoming new plants planned after your third plant?

Amitkumar Bhalodi: Yeah, we have two options in mind, but we are still evaluating feasibility—raw material feasibility, operational feasibility, land cost feasibility. So, it is too early to announce, but it is under consideration.

Jatin Agrawal: Also, you had mentioned somewhere that to set up a plant, you need around ₹50 crore—much less than the global cost of setting up a plant. Is that true?

Amitkumar Bhalodi: Yeah.

Jatin Agrawal: And you also mentioned you are aiming to open at least one plant a year.

Amitkumar Bhalodi: Yeah.

Jatin Agrawal: So, are we still on track, or do you see changes or disturbance in that plan?

Amitkumar Bhalodi: As part of that only, we consolidated the business of Radhe Renewables with Hi-Green. A few investors had concerns that we were transferring prices to our sister concern, but that was not the case. To remove that doubt, we transferred all business of Radhe Renewables at a token amount to Hi-Green to build trust.

Jatin Agrawal: Also, sir, could you give me the capacity utilization in percentage terms for the Maharashtra plant?

Amitkumar Bhalodi: 75% we achieved for pyrolysis, 30% for rCB, and 0% for syngas. Syngas will be utilized once we install the DG set next month. And for rCB, we are making maximum efforts to promote our rCB.

Jatin Agrawal: Hopefully. Okay sir, that was all. Thank you so much, sir, and all the best.

Amitkumar Bhalodi: Thank you, thank you.

Harshil Sutaria: Thank you., and the next question is from Prerna., please go ahead.

Prerna Khandelwal: Hello, am I audible?

Prerna Khandelwal: Yeah, so hi, this is, Preena Khandelwal from Anala yam Capital, and I had, like, a couple of questions.

Amitkumar Bhalodi: Yeah.

Prerna Khandelwal: So, the target of 20% OPM that you had mentioned, is that for the first half of the year, or for the entire year?

Amitkumar Bhalodi: There is obviously, for entire year.

Prerna Khandelwal: Okay, and, like, I wanted to ask whether capacity expansion is underway as planned, and also, do we expect any further drop in margins due to the new capacity... due to the new capacity in Madhya Pradesh?

Amitkumar Bhalodi: hopefully not.

Prerna Khandelwal: Okay, and the capacity expansion is going underway as planned?

Amitkumar Bhalodi: Yeah, that, as I said earlier, 90% of the plant work is completed.

So, only a few synchronizations of electric, power, automation, and plumbing work is going on. So, hopefully, we will get it done by end of December, and by 15th of January, we'll start a trial run, or even a commercial production in January itself.

Prerna Khandelwal: Okay, cool. That's all from my side. Thank you so much.

Amitkumar Bhalodi: Thank you.

Harshil Sutaria: Thank you. The next question is from Anshul Shah. Please go ahead.

Anshul Shah: Hi, congratulations on a good set of numbers. I had a few questions. The first was regarding the rCB part. What is the utilization of rCB —if you could give us the breakup between the Rajasthan plant and the Maharashtra plant?

Amitkumar Bhalodi: Utilization of what?

Anshul Shah: rCB.

Amitkumar Bhalodi: Yeah, rCB.

Anshul Shah: The rCB capacity.

Amitkumar Bhalodi: Yeah. In the Rajasthan plant, we are almost crossing 75–80% utilization, which is equivalent to the pyrolysis plant of Rajasthan. But in Maharashtra, the pyrolysis plant is utilizing 75%, while the rCB capacity is around 30%. As I mentioned in our last call, rCB is a critical product—we need to approach new customers, convince them, they need to take a trial at lab scale, then at product level, and finally validation at their customer end. So, it's a lengthy process, but it is going on. We started from zero last year and now achieved 30% utilization, and it is increasing day by day.

Anshul Shah: Right, sir. And the capacity for rCB is the same as pyrolysis—24,000 metric tons per year, right?

Amitkumar Bhalodi: No. From 24,000 metric tons of waste tire, we get about 30% rCB, so almost 7,000 metric tons would be the rCB capacity per plant.

Anshul Shah: Okay. And sir, just to clarify again—what would be the TPO capacity for both plants? Also, since you said TPO prices came down quite a bit, could you give us a comparison of how much prices have corrected?

Amitkumar Bhalodi: From each plant, we get almost 10,000 metric tons of TPO. So, the TPO capacity of Rajasthan is 10,000, and for Maharashtra also it is 10,000 metric tons. As far as pricing is concerned—in September last year, TPO prices were around ₹44–45. Now the prices have touched ₹34, and are currently settled near ₹36–38. So, in the last year, we have seen a fall of almost ₹10 in TPO prices. Because of that, our top line increased only marginally—otherwise it would have crossed almost ₹80 crore in the current year.

Anshul Shah: Correct. So, what do you think is the long-term trend of TPO prices? Was ₹44–45 very high and ₹38 more normalized?

Amitkumar Bhalodi: It all depends on refinery LDO prices. LDO has also come down, but compared to that, TPO had a little more effect. Particularly in the first half of every year, due to monsoon and slowdown in road construction, TPO gets affected more.

Now construction of bitumen roads has ramped up. There are also developments for TPO because, being a sustainable product, some carbon companies and even refineries are exploring use of TPO in their bitumen. But it is too early to comment. We hope that, being a sustainable and recycled fuel, TPO will have a good future.

Anshul Shah: Okay. And in terms of utilization, what would be Rajasthan/Maharashtra for TPO?

Amitkumar Bhalodi: Same—TPO means pyrolysis output. So, pyrolysis utilization is the same—around 75% plus for Maharashtra.

Anshul Shah: Okay. Sir, in Rajasthan, we are converting syngas into sodium silicate, but we have not done the same for Maharashtra because we are trying to convert into electricity. Is realization from electricity expected to be higher than sodium silicate?

Amitkumar Bhalodi: Whatever realization comes will be in the form of savings in electricity bills and a few kilowatts being sold to the grid. But the concern is not realization alone. As we discussed earlier, we need multiple options to use syngas. In remote states or globally, the market for sodium silicate may not be available everywhere. So, at such places, we need an alternative solution. That's why we are focusing on electricity—because we need electricity in-house and we can feed surplus to the grid. It may not be at par with sodium silicate, but we need another viable option. That's why we are choosing this path in the Maharashtra plant.

Anshul Shah: Earlier you had said this gas can also be bottled and sold for industrial use. Are we doing any R&D for that? Or do you need more certification?

Amitkumar Bhalodi: Yes, R&D has been done. The main requirement is cleaning gas—which we already do for converting into electricity. But for bottling, the major concern is getting permission from PESO or the petroleum department. For our third plant in Madhya Pradesh, we are trying to get this approval, but there are a lot of queries because this would be the first time in the world that syngas is converted into a bottled fuel. Being a new concept, there are no shared guidelines, so the question-answer process is going on. Hopefully, the department will grant permission in a structured manner.

Anshul Shah: When you say cleaning of gas, does it mean separating the constituents like propane & butane?

Amitkumar Bhalodi: Cleaning means removing impurities—moisture, sulphur, higher contaminants—not separating into propane or butane. Cleaning simply means making the gas fit to be burned legally and safely in industry.

Anshul Shah: Fair enough. And my last question—about the synergies from consolidation with Radhe Renewables. Could you give a sense of what kind of numbers we can expect from that business?

Amitkumar Bhalodi: For every plant, earlier we ordered machinery worth ₹25 crore from Radhe Renewables. For our new plant, total cost is about ₹50 crore—₹5–7 crore for land, ₹5–7 crore for building and infrastructure, ₹25 crore for pyrolysis plant, and the rest for rCB plant and ancillary facilities like electricity setup, nitrogen plant, storage, and movement vehicles like Hydra and crane.

Going forward, this ₹25 crore machinery will be developed by Hi-Green itself. Apart from that, Radhe Renewables has its own business—manufacturing gasification plants, sewage treatment plants, and recently we developed bio-carbon conversion machinery at industrial scale. There is good demand for bio-carbon from green steel manufacturers and carbon-credit buyers. So, we expect good business. But being a technology-driven business, predicting precise numbers is difficult. It depends on turnkey project orders—we may get orders of ₹100 crore sometimes, or ₹20 crore at other times.

Anshul Shah: So, will these additional orders be consolidated into Hi-Green?

Amitkumar Bhalodi: Yes. All transactions of Radhe Renewables will be consolidated into Hi-Green. And whatever comes is a bonus, because Hi-Green is not investing anything for acquiring that business—only ₹1 for know-how and ₹1 lakh for leasing the premises and machinery. So, there is no capex. Whatever business and profit Radhe Renewables was earning will be consolidated into Hi-Green.

Anshul Shah: Okay, fair enough. Thank you, sir. If I have further questions, I'll join back in the queue. Thank you.

Amitkumar Bhalodi: Yeah.

Harshil Sutar: Thank you., the next question is from Yash Naik., please go ahead.

Yash Naik: Hello. Am I audible?

Amitkumar Bhalodi: Yes.

Yash Naik: So, most of my question is answered, so just a couple of... just clarification I want. So, with the third plant now going live in a couple of months, given, earlier indication that each 100tp plant can generate around, like, 70 gross revenues, right? And it takes around 3 to 4 months to ramp up, so is it reasonable to think about 200 crore plus top line in FY27, once all the 3 plants are operational fully? And what would be the margin at that scale?

Amitkumar Bhalodi: Yeah, fairly speaking, we are hopeful to achieve beyond that, but it would be, it would be injustice to predict, number and give a forward indication like this. So, hopefully, will satisfy your expectations.

Yash Naik: Oh, thank you. And just one thing on the... I read that there is an import restriction of tire for a TPO. So, do we import all our waste tire from domestic only, or do we have some international supply also?

Amitkumar Bhalodi: No, we, currently, we are, presenting our, case with the MOE, or Ministry of Environment and Finance. We have already applied for import license.

Yash Naik: Hello?

Amitkumar Bhalodi: Hello? I'm audible?

Yash Naik: Yeah sir, you are now audible.

Amitkumar Bhalodi: So, on the basis of our merits, we have already applied for, MOEF for granting a permission for direct import of waste tire, but, that, process is going on. So, one meeting was already conducted, and in that meeting, they... they ordered for a physical visit of our premises by people from CPCB, from MOEF, from State Pollution Board. So that committee is already formed, and they are supposed to come and visit, and then submit report to MOEF here, that how this process is going on, and why the license would not be given, because, we are doing all this activity, recycling activity at fairly international scale. There is no pollution, direct pollution, and for that, we did a lot of greenhouse gas calculation for, product life assessment, etc., to make our case strong. And, positively, committee is also considering that that's why they ordered a physical visit, and hopefully... we are hopeful that we will get a license also.

Yash Naik: So, sir, currently, how much percentage of our raw material has been imported?

Amitkumar Bhalodi: Nothing. Directly, we are not importing anything.

Yash Naik: Okay, so we are just exporting the end product.

Amitkumar Bhalodi: Yeah.

Yash Naik: That's what you are trying.

Amitkumar Bhalodi: Yeah, yeah, we are exporting our end product.

Yash Naik: one last thing regarding the Radhe Renewables Group that you mentioned, now the, since we have now consolidated the Radhe Renewables also, so you mentioned the revenue projection is a bit tricky to, at the current stage to figure out, but if you could throw some light on the margin, what would the margin?

Amitkumar Bhalodi: Yeah, yeah, it is a technology company, so obviously it has far better margins compared to our Hi-Green. And we can say that, being a monopolistic thing, it is obvious that we get a good margin in the technology manufacturing sector.

Yash Naik: And we can expect to see the revenue in second half also from that, the gasification on all the projects that you previously mentioned.

Amitkumar Bhalodi: Yeah, yeah, yes, yes.

Yash Naik: Okay, thank you so much. If I have anything, I will come back in queue

Amitkumar Bhalodi: Yeah, yeah.

Harshil Sutaria: Thank you., we have next question from Khush Shah., please go ahead.

Khush shah: hi, good evening, sir. I am audible?

Amitkumar Bhalodi: Yes, yes.

Khush shah: So, I am new to this company, so could you just clarify one of the things I want to know? You currently operate around three plants, and earlier you had mentioned that there will be a new plant expansion every year. Do you already have a plant or location identified for future plans, or is there any plant planned to start operations soon?

Amitkumar Bhalodi: We are operating at two plants, and third is almost at a completion stage. And for our next expansion, we are looking for a new, place. We have two, three places in our pipeline, but it is too early to declare anything on that. So, we are committed to our earlier commitment of expanding. So, we are on the track.

Khush shah: Okay. And, my second question would be, can you just, tell us about the why the other expenses have been increased, is there any, any contributor to this rise?

Amitkumar Bhalodi: Yeah, there are two, three factors. I explained it, let me explain it once again. So...

Khush shah: Okay, you had mentioned earlier, okay.

Amitkumar Bhalodi: Yeah, there are particularly sales-related expenses for branding and for rebranding our packing. There are expenses related to approvals like ISCC, ISCC+, ISCC EU, the GHG report, and the product lifecycle assessment reports. Certain CSR expenses are also on the higher side compared to last year. Additionally, some research-related expenses for power generation have been incurred at our Rajasthan premises for the last one year, particularly for the last six months. All these factors have largely contributed to the increase in other expenses.

Khush shah: Okay, fair enough, sir. My last question would be regarding the machinery that you are taking for the rubber business. You had also mentioned in the Annexure that it was acquired at a nominal value of ₹1. So, I just wanted clarification on that acquisition and whether there is any strategic rationale behind it. And also, can we expect any top-line or margin guidance?

Amitkumar Bhalodi: To plan the margin from Radhe Renewables would be difficult, but our intention to acquire this business is clear. First of all, we want to reduce sister concern transactions and remove the doubts in the minds of minority shareholders that we are transferring profit to our parent company. It was not like that, but still, we want to be more transparent, so that's why we transferred all this business of manufacturing machinery for our future expansion to Hi-Green itself and side by side, as a surplus or bonus, all the business of Radhe Renewables—apart from this machinery manufacturing for Hi-Green—along with all infrastructure, we are transferring to Hi-Green at a nominal rent. It is a token amount of rent per month, without any capex or without any transfer of shares, machinery, or any investment from Hi-Green's side. So, there is no burden on Hi-Green for capex for manufacturing machinery for itself, as well as for adding the business of Radhe Renewables into the hands of Hi-Green. So, there will be dual benefit—saving in capex and getting the revenue of Radhe in our portfolio.

Khush shah: Okay, sir, thank you, thank you so much for letting us, sir.

Amitkumar Bhalodi: Yeah.

Harshil Sutaria: Thank you., we have next question from Nikunj., please go ahead.

Nikunj Devpura: Hi, good evening. Thank you for providing me an opportunity to ask questions. Yeah, Amit, there are just a couple of things. As you have already clarified why the revenue has increased, but our margin has been on a decreasing trend. One of the possible reasons is the new plant which has recently started and is not being optimally utilized, right?

Amitkumar Bhalodi: Hmm. Yeah, it is underutilized.

Nikunj Devpura: So, it would be... yeah, because rCB has not been fully captured right now. So, Amit, just one suggestion: whenever you provide any presentation, if you can include a plant-wise P&L, that would help us understand the revenue potential and margin of a mature plant versus a new plant. Because I believe that due to the new plant, the margin must have been suppressed during this quarter.

Amitkumar Bhalodi: Yeah, good suggestion. We will take care of that. In the last yearly call—the year-end call—we did it. We will do it half-yearly also, no problem.

Nikunj Devpura: Right? Okay, fine. And in continuation to that, your rCB is just 30% utilized, right? So, what is the hurdle? Why have we not been able to convince customers? Because we already have a customer pipeline; we have been running the business for the last 10 years, right? So, customers should already be there. Then what is the challenge? Does every plant require the same continuous process of revalidation?

Amitkumar Bhalodi: Yeah, because major rCB goes into the organized players. They have a standard set of processes. Even before offering rCB, we need certain certificates for our product also. It's not like TPO, where it is energy or a commodity. rCB is a little bit tricky, especially in sectors where the ultimate consumption is in the auto sector. So, there are a lot of formalities and approvals.

Last month only, we had a visit from one of the major players. We were chasing them for the last six months to fulfil their requirements—documentation, policies, frameworks, etc. And we are also exploring getting the IATF certificate for our plant so that we can cater to big customers. It's a lengthy process. But frankly speaking, we have achieved 30% in our Rajasthan plant, we took four years, but in the Maharashtra plant, we achieved 30% in six months. So comparatively, we are faster than our initial startup.

Nikunj Devpura: Yeah, but there should be a learning curve effect, right? The prior period was different. My point is: does each and every plant have to go through the same process again? Because once you are already an approved vendor...

Amitkumar Bhalodi: Yeah, every location is considered a different factory for them. It's different machinery, different setup, different administrative team, different process. So, every plant needs certifications like ISO. ISO is not for the company; it is for a particular plant. That process we need to follow.

Nikunj Devpura: Okay, okay. Sir, I got your point. Second, strategically, you had said during IPO time that you want to go 10x of your current capacity. You are at 100 metric tons, and you want to achieve about 1,000 metric tons by 2030, right?

Amitkumar Bhalodi: Yeah.

Nikunj Devpura: So, interesting—from 100 to 1,000 in 10 years. And you had also mentioned in your AGM annual report that you are looking for some partnership. So, if you can throw some light on what kind of partnership?

Amitkumar Bhalodi: No, where did we mention that we need partners?

Nikunj Devpura: In the annual report... it was mentioned that you are looking for some collaboration or something like that.

Amitkumar Bhalodi: No, it means for our future expansion—if we are going globally or into a remote state—if good partners are available, we are open for that. If there is synergy, we can explore it.

Nikunj Devpura: I mean... not for licensing, but more from a strategic point of view, like someone who can be an investor or...

Amitkumar Bhalodi: Someone who can help us learn better and place our product in a better proposition—like forward integration or backward integration.

Nikunj Devpura: Okay, okay.

Amitkumar Bhalodi: Where there is synergy and our business can grow.

Nikunj Devpura: So, are you currently in discussions with any partners, or is it still...?

Amitkumar Bhalodi: Let's see. We are, but I can't disclose because we have signed an NDA with them. So, we cannot disclose.

Nikunj Devpura: Okay.

Amitkumar Bhalodi: But we are exploring multiple opportunities in this direction also.

Nikunj Devpura: Okay, fair enough, fair enough. And one last thing: your subsidiary company has made a loss of about ₹6 crore, right?

Amitkumar Bhalodi: No.

Nikunj Devpura: Yeah, it was mentioned in the report—loss of subsidiaries. All three subsidiaries, around ₹6 crore total.

Amitkumar Bhalodi: No. You can send it to me personally—where it is mentioned.

Nikunj Devpura: Okay.

Amitkumar Bhalodi: Yeah.

Nikunj Devpura: So, what is the... as per our...

Harshil Sutaria: Nikunj, if you could please join the queue, because we have still a few participants who are waiting in the queue.

Amitkumar Bhalodi: Yeah.

Nikunj Devpura: Okay, fine.

Harshil Sutaria: we have a follow-up question from Prerna, please go ahead.

Prerna Khandelwal: Yeah, so actually, I wanted to ask—could you please guide me on where I can track the selling price of the various products?

Amitkumar Bhalodi: Hello?

Prerna Khandelwal: Am I audible?

Harshil Sutaria: Yeah, yeah, you're audible, Prerna.

Prerna Khandelwal: Yeah, so I wanted to ask—could you please guide me on where I can track the selling price of various products?

Amitkumar Bhalodi: If you want to track, you can compare the prices of furnace oil, which are published every fortnight by major refineries. And you can even get the target price of TPO from that. But for rCB, I think it would not be possible because rCB is a clear competitor to virgin carbon. And virgin carbon has a lot of different qualities, manufactured by different companies like TCBL, Aditya Group, and Imerys. So, as a reference, you can take prices from these companies. But for more data related to furnace oil, you can track TPO.

Prerna Khandelwal: Okay, okay, sure. Thank you.

Harshil Sutaria: Okay, we'll take another question from, Anshul shah.

Anshul Shah: Just a follow-up question to one of the points Nikunj had asked—what is the ramp-up time for rCB in each plant? If you could just give us an idea: to achieve optimal capacity, which is around 75–80%, once the plant becomes operational, how much time would each plant take to reach that?

Amitkumar Bhalodi: For TPO, it is hardly 2 to 3 months, but for rCB, we are estimating around 1 year.

Anshul Shah: Okay, so one year to stabilize.

Amitkumar Bhalodi: Yeah.

Anshul Shah: Okay, okay, fair enough, that was my question. Thank you.

Harshil Sutaria: Thank you., the next question is from Yash Naik., please go ahead.

Yash Naik: Thank you for the opportunity. So, in the previous call, you mentioned that rCB can act as a substitute for virgin carbon in two-wheeler and four-wheeler tire manufacturing. And you also said you are in discussion with ATMA and a few other large OEM tire manufacturers. Could you please share some update on that?

Amitkumar Bhalodi: Yeah, that process is going on. In the last week only, we signed an agreement with ATMA—the Association of Tire Manufacturers. But the pace of their R&D is a little bit slow. However, individually, some tire companies—like I mentioned, last week—visited and audited our facilities. So initially also, we are in talks with tire companies, but their R&D and approval process for rCB is something new for them. They are taking a little longer time, but it is in progress.

Yash Naik: So, sir, if you could share a tentative timeline—how much time it would take, and what...

Amitkumar Bhalodi: No, we can't, because it is all dependent on them. Since tire manufacturing—especially for four-wheelers—is a high-speed application, they cannot compromise on any quality. So, they are taking their own time to adopt it.

Yash Naik: Okay, thank you. And regarding the J&K subsidiary that you mentioned, do you have any update on that, or...

Amitkumar Bhalodi: Yeah, it is on hold. It is on hold because J&K has a completely different setup after the change of government, and there is no promising support or outcome from the department.

Yash Naik: So, there is no prospect of revival of the network?

Amitkumar Bhalodi: Yeah, we don't see that. Because the incentive policy of the central government has already expired, and the central government is in no mood to renew or extend it.

Yash Naik: Oh, okay. Thank you so much, sir, for the detailed answer. Wish you the best.

Harshil Sutaria: Oh, can I take, I'll take Daksha then first., Daksha, you can go ahead.

Daksha Parwani: Hi, I'm audible now.

Amitkumar Bhalodi: Yes.

Daksha Parwani: So, first question on the rCB quality. In the last call, we understood that we have some R&D work going on for improvement in the rCB quality, and it was lab-viable but not commercially viable yet. So, can you throw some light on that?

Amitkumar Bhalodi: There is no major development that we can announce, but we are at the verge of achieving it. Soon we'll let you know on that.

Daksha Parwani: Okay, and just a quick thing on Samsara. Since the recent fire breakout, when can we expect the operations to resume?

Amitkumar Bhalodi: Almost all insurance company surveys have been completed. They have given us a green signal for ramping up or removing some of the burned-out building portions. They have allowed us to do modifications in the building and machinery to ramp up our operations. Hopefully, after assessing the loss in raw material, they will grant us a green signal to restart production. We expect it will take at least two months.

Daksha Parwani: Okay. And I understand 20% of our raw material has been consumed from there, so for the time being, can we have an impact on our inflated raw material prices?

Amitkumar Bhalodi: No. We will only lose the profit on that portion; otherwise, there will be no impact on the promotive pricing of our input cost.

Daksha Parwani: Okay. And sir, one last thing: I understand that it takes time to onboard a client for the rCB, but can you give me a tentative or rough figure of how many clients we have onboarded since the last call? Six months have passed—so in the last six months, have we onboarded any clients on the rCB side? That will help us understand the progress.

Amitkumar Bhalodi: For rCB, I think in our system plant also, we hardly had 10 to 12 customers. And for the Maharashtra plant also, we have already started supplying to 6—6 to 7 customers already. So, the demand will increase, and side by side, we are adding new customers also.

Daksha Parwani: So, these 6 customers are the existing customers, the previous customers which we had onboarded earlier?

Amitkumar Bhalodi: No, these are new customers.

Daksha Parwani: New customers, right? Okay.

Amitkumar Bhalodi: Yes.

Daksha Parwani: Okay, thank you. Thank you so much.

Harshil Sutaria: thank you. We have a follow-up again from Anshul Shah.

Anshul Shah: Thank you. My follow-up question was—sir, earlier in your concalls and earlier in the year, you had said that rCB export prices are much better. So, is there any update on that? Except for the certification, which we have done, are we in talks with any customers for export of rCB or...

Amitkumar Bhalodi: No. For the last one year, because of the Russia–Ukraine conflict and related restrictions, the U.S. sanctions have changed the entire carbon black market. Previously, most of Europe’s carbon requirement was met by Russia. Nowadays, they are not importing from Russia; they are importing from China or India.

But the thing is that Russian carbon—or Russian feedstock for carbon—is being diverted to the Indian market or Southeast Asian countries. So, the prices of Western carbon have taken a new dimension due to the war. The situation, which we previously expected to change after the Israel and Russia conflicts picked up, is still evolving.

There is good demand, and we are in talks with a few customers in nearby countries like Sri Lanka, Thailand, Malaysia, and even the Middle East. So hopefully, we will crack that.

Anshul Shah: Okay. And sir, for export, are there carbon credits available for this in the export market?

Amitkumar Bhalodi: No. Till now, there is no carbon credit for any kind of pyrolysis or recycling of waste tires—globally.

Anshul Shah: Globally. Oh, okay, okay. So that means the entire process will have to be set up for getting it approved for carbon credits?

Amitkumar Bhalodi: Yeah, it is something new; there is no set pattern. So, we are...

Anshul Shah: Are we evaluating that? Have we approached any authorities for getting these approvals?

Amitkumar Bhalodi: Yes, that’s why we are building our profile. That’s why we did the greenhouse gas calculation, product lifecycle assessments—we have said this time to time. All these processes and procedures are in line with eventually getting a carbon-rated factor for the pyrolysis industry.

Not just us, but a few big players globally are also working on that, and a few local people who are joining the pyrolysis industry will also help take this objective further.

Anshul Shah: Okay, okay. And so, my next question was—in terms of the third plant for FY27, from April onwards, will we be fully utilizing that plant?

Amitkumar Bhalodi: Yeah, yeah.

Anshul Shah: Will we be in a position to fully utilize it?

Amitkumar Bhalodi: For TPO, obviously yes. For rCB, once again, once we start our plant, we expect that one year will be required to ramp up our rCB sales. So hopefully, yes.

Anshul Shah: Okay. And it would be the same pattern—7,000 metric tons for carbon black equivalent?

Amitkumar Bhalodi: rCB 10,000 per year, yes.

Anshul Shah: Okay, okay, fair enough. Thank you so much for the clarification, sir.

Amitkumar Bhalodi: Thank you, thank you.

Harshil Sutaria: Thank you. So that was the last question. Amit, if time permits, can we now take questions from the chat box?

Amitkumar Bhalodi: Yeah, no problem.

Harshil Sutaria: We have a few questions from Pranav. Sir, can you tell us how much of our profitability is dependent on EPR credit?

Amitkumar Bhalodi: Yeah. For EPR, as I said, our raw material is something like crumb rubber—rubber chips. So, we believe that our suppliers who are sourcing tires, either importing or locally purchasing, are the ones generating EPR on that. So, in Hi-Green, we avoid generating EPR.

But as far as Samsara is concerned, their raw material will be old tires—local or imported—so Samsara will be generating EPR. But frankly speaking, from the beginning, I'm not against EPR, but I am also not highly positive about it, because EPR is not revenue to be kept in the recycler's pocket. It is to be passed on to the people who collect tires—to incentivize them to supply tires to the organized industry.

Even EPR credits are made to be passed to customers to incentivize them to buy the product. So EPR will be passed on to customers and suppliers. EPR cannot be predicted as pure revenue in the hands of a recycler. So still, I am saying EPR will not majorly affect any revenue or expense. Ultimately, it will pass on to business partners—like suppliers and customers.

Initially, people were saying EPR would be sold at ₹7 or ₹8. But you can verify that there is hardly any demand for EPR, and the price is in the range of ₹1 to ₹1.25. So EPR is nothing significant—you cannot add EPR into your bottom line.

Harshil Sutaria: Okay, thank you. Another question is: as you mentioned, you are targeting one plant per year. So, can you provide us details on how you are planning to fund that?

Amitkumar Bhalodi: Yeah. After ramping up our third plant, we will have enough internal accruals, and our bankers are there to support us. Even incentives from state governments—particularly a few states—are available to fund that. And if we have a bigger opportunity, then obviously we will contact you people who are willing to support our larger expansion, which is beyond our internal accruals.

Harshil Sutaria: Okay, thank you. The other question is—in rCB, do we have any pricing power with tire OEMs? And in TPO, do we have any long-term contracts?

Amitkumar Bhalodi: No, right now, no. But surely, we are working on that.

Harshil Sutaria: Okay. And the government has allowed carbon black from 15–25% recycled content for new tires. How do we see this, and when can we see its benefits?

Amitkumar Bhalodi: No, the government has not declared any such policy.

Harshil Sutaria: Okay. This is the last question—what is the capacity of Samsara?

Amitkumar Bhalodi: It was almost 40 metric tons per day. But as I said, we did modifications in machinery so that we can get almost 60 to 80 metric tons per day, as well as clean steel as a by-product. Previously, we were getting unclean steel mixed with rubber. But since we did modifications in a few machines in the last half year, now onwards we'll get better production—60 to 80 metric tons per day—and clean steel also.

Harshil Sutaria: Okay, thank you. We have just one last question from Nikunj. Nikunj, please go ahead.

Nikunj Devpura: Hello? Yeah.

Amitkumar Bhalodi: Yes?

Nikunj Devpura: Sir, this is not a question—it's just my view. I am very bullish on this company because what I understand is that you guys are doing a wonderful job.

Amitkumar Bhalodi: Yeah, yeah.

Nikunj Devpura: And your technology is also unique in the sense that I believe there are hardly any players who have achieved pyrolysis on a continuous basis, right? So, best of luck.

Amitkumar Bhalodi: It is not something extraordinary. The unique thing is that at this particular capex, achieving this capacity is our strength.

Nikunj Devpura: So low-cost capex and high capacity, right?

Amitkumar Bhalodi: Yeah, yeah, yeah. In India, this is our strength.

Nikunj Devpura: And efficiency, correct. So, sir, in terms of competitors, is there anyone who is ahead of you? Considering that you have an objective to reach 1,000 metric tons, and currently you are sitting at almost 300 metric tons—are there any players currently?

Amitkumar Bhalodi: We don't see anyone right now in India who will be at this capacity. Even in the world, only a few players in Europe are targeting such big capacities—like 1 lakh metric tons or even more. But their plants are in a very initial stage, so they are only targeting it.

Nikunj Devpura: Okay, okay. And I believe your company is more of an R&D-oriented company because you are diversifying the end use of all your products, and you are not dependent on any one end use. So, you can have better command...

Amitkumar Bhalodi: Yeah, we always believe in balance and diversification. That's why we choose different locations and different technologies. We choose multiple options—like sodium silicate, bottling gas, and power.

Nikunj Devpura: Correct.

Amitkumar Bhalodi: Our only target is that in any condition, in any competition, we should be on the top. And even in the worst conditions, we should be in a position to survive at any cost.

Nikunj Devpura: Right, because I understand that only because of pyrolysis, you will not make much profit unless all four products are being used and consumed properly.

Amitkumar Bhalodi: Yeah, yeah.

Nikunj Devpura: I don't think we will be able to generate profit, right?

Amitkumar Bhalodi: Yeah, because we are not dependent on any incentive, and we are not bypassing any regulation. So, competing with the unorganized sector in waste tires would be difficult if we depend only on pyrolysis. But once all the people and all the raw materials come into the organized industry, then it will be easier. But the fact remains—we have to run our business in the current scenario of India.

Nikunj Devpura: Correct, correct. But are you emphasizing any support from the government? Because in other industries like electronic recycling, the government is mandating waste generators to recycle. Many companies in the electronic circular economy have grown sharply because of government mandates, and they are also eligible for EPR. So, from that angle, are you seeing anything? Do you have any dialogue with the government?

Amitkumar Bhalodi: No, because recycling electronic waste is something new, which has recently started. And the volume and raw material availability for them has various challenges. But pyrolysis is a well-established industry in India for a very long time, although mostly in unorganized hands. The government is helping us by restricting the unorganized sector and diverting raw material to be processed in an organized manner. That support will be enough for developing a standalone industry.

Nikunj Devpura: Correct sir, correct sir. And I wish you the best of luck for your future endeavours.

Amitkumar Bhalodi: Thank you, Nikunj. Thank you.

Harshil Sutaria: Amit Sir, do we have a few more minutes? We have some more chat box questions.

Amitkumar Bhalodi: Yeah, yeah, no problem.

Harshil Sutaria: One question is—what is the use of sodium silicate?

Amitkumar Bhalodi: It is used in the soap and detergent industry—soap, painting, dyeing, printing, and related industries.

Harshil Sutaria: Okay, thank you. And what will be the impact on margins due to the fire in the Samsara plant?

Amitkumar Bhalodi: No major effect.

Harshil Sutaria: Okay. And how do you see the competitive intensity next year as the competition capacity will go live in the next financial year? Also, what impact will it have on our margins in FY27?

Amitkumar Bhalodi: I think this is a very precise question and can be answered in a precise manner. As I said earlier, competition is for those who see it from a direct perspective. But indirectly, it is diverting the unorganized sector to the organized sector. Getting a competitor in a continuous plant is one thing, but we also see how many plants are being closed down in the batch reactor and how many states are restricting this batch-type technology. So, we believe this is a good transition phase.

Harshil Sutaria: Okay. And one of the participants wanted an update on the insurance claim of the Gujarat facility. When do you expect the claim to be settled by the insurance company, and what is the claim amount?

Amitkumar Bhalodi: Two months—two months would be the timeframe they have given us, as an estimate. And the lowest amount would be around ₹5 to ₹7 crores. We have enough insurance cover, so hopefully, the net loss will be minimal.

Harshil Sutaria: Okay, thank you so much. So that was the last question. I would request the management to give the closing comments.

Amitkumar Bhalodi: Yeah. Thank you to all the investors, thank you for your participation, and thank you for putting forward your questions and suggestions. We would like to receive more suggestions from our investor friends, and we will definitely incorporate them in our performance as well as in our presentations. And we assure you that we will be more transparent, more compliant, and more enthusiastic to achieve our goal together. Thank you. Thank you, everyone.

Harshil Sutaria: Thank you so much, sir. On behalf of Hi-Green Carbon Limited, that concludes this call. Thank you, everyone, for joining us. You may now disconnect your lines. Thank you.

Amitkumar Bhalodi: Thank you, thank you.