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20.02.2026

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001.

To  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.

**Scrip code : 509152**

**Symbol : GRPLTD – Series: EQ**

Dear Sir / Madam,

**Subject: Earnings Call Transcript**

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Please find enclosed herewith transcript of earnings call held with analyst / institutional investors on Friday, 13<sup>th</sup> February, 2026 at 04:00 p.m. IST to discuss Company's operational and financial performance for Q3 & 9MFY26.

Kindly take the same on your records.

Thanking you,

For **GRP Limited**

**Jyoti Sancheti**  
Company Secretary & Compliance Officer

Encl.: As above.



“GRP Limited  
Q3 & 9 Months FY '26 Earnings Conference Call”  
February 13, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on February 13, 2026 will prevail.



**MANAGEMENT: MR. HARSH GANDHI – MANAGING DIRECTOR – GRP LIMITED**  
**MS. SHILPA MEHTA – CHIEF FINANCIAL OFFICER – GRP LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the GRP Limited Q3 and 9 Months FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Harsh Gandhi, Managing Director. Thank you, and over to you, sir.

**Harsh Gandhi:** A very good afternoon, ladies and gentlemen. Thank you for joining GRP Limited's Quarter 3 and 9 months for FY '26 Earnings Conference Call. I'm joined today by our Chief Financial Officer, Ms. Shilpa Mehta; as well as our Investor Relations advisers from SGA. The investor presentation has been uploaded to the stock exchanges and is also available on our company's website. We trust you had the opportunity to go through the same.

While quarter 3 and the year-to-date FY '26 were marked by muted demand and persistent challenges, the last 15 days have been particularly encouraging for us as a company and of course, the country as well. The reduction of U.S. tariffs on Indian imports from a potential high of 50% to about 18% is a significant development that provides meaningful relief to the pressures that we have faced earlier during the year.

This change is expected to improve our export volumes and realizations with benefits likely to begin reflecting from the current quarter itself. In addition, the India-EU Free Trade Agreement, while not immediately impactful for our business, is expected to enhance competitiveness of Indian tyre manufacturers with zero duty access to the European Union market.

Over the medium term, this could support increased demand for reclaim rubber, both for sales in Europe as well as through our customers in India, who will have a more significant platform for exports to the EU. This reinforces the sustainability-driven growth opportunities in our sector. Together, these trade developments mark a turning point, providing us greater confidence as we look ahead.

While recent developments are encouraging, it is important to note that Q3 of FY '26 and the year-to-date period were still shaped by macroeconomic and industry challenges. Despite these headwinds, we maintained the top line stability with total income of INR 1,352 million, reflecting a marginal 2% year-on-year growth. Overall volumes remained stable with incremental gains from new business and Tyre Pyrolysis Oil helped balance the drop in certain export-linked business volumes.

This stability reflects the benefits of our diversified portfolio and the gradual traction of our newer initiative. As part of our long-term strategy to build a fully integrated tyre recycling ecosystem, we continue to make calibrated progress in our newer businesses of tyre pyrolysis, recovered carbon black and crumb rubber.

Tyre pyrolysis, we are encouraged by the yield profile and the product mix that we have achieved so far, most of this in terms of operations starting in Q3 of FY '26, which gives us confidence in the long-term viability of the technology. However, stabilization of the technology has taken longer than anticipated and near-term capacity utilization remains below our internal expectations.

Technical teams are working closely to optimize process stability and consistency along with the technology providers. And in light of this, we have prudently deferred the next stage of expansion, including scaling up of the tyre pyrolysis capacity and commissioning of the Recovered Carbon Black facility.

These are now expected to be commissioned by August 2026 with commercial production available from the second half of the half year. We believe this disciplined approach protects capital while ensuring that future scale-up is based on stable operating parameters. The Crumb Rubber Modified Bitumen business, we have made strides and been able to penetrate certain markets.

And while we remain strategically committed, but we are realistic about our current input economics. To build a structurally margin-accretive model, we are actively developing import channels for waste tyres as relying solely on domestic sourcing does not presently support attractive returns for the CRMB sector. Once secured, the sourcing strategy will allow us to participate in a much larger way in the CRMB value chain.

However, sales in this sector have begun and approvals of several large road contractors as well as bitumen manufacturers have already been established. Overall, these businesses represent important pillars in GRP's long-term circular materials road map. While the near term is focused on operational stabilization and capital prudence, the strategic direction in this sector remains unchanged.

To take this in perspective, let me now turn to the broader industry environment that shaped the quarter till date. Global tyre demand remained under pressure. Passenger car and light truck OEM markets saw modest growth, largely driven by China, while Europe continued to experience weakness. Truck and bus OEM demand was subdued with North America at historic low levels for reasons we all know.

However, while replacement markets offered some stability, helping balance the overall demand environment in North America. Reclaim rubber industry exports were broadly unchanged on a year-to-year basis, but with the U.S. share of exports from India declining from 12% to 7%. Tariffs have had a significant impact on India's competitiveness for the North American market.

Domestic trends till quarter 2 FY '26 have, however, been more supportive. Consumption rose on a year-on-year basis and GRP's market share improved by 200 basis points. Our deliberate

focus on non-tyre applications have yielded tangible results with consumption in these segments rising sharply, our share expanding in the non-tyres application. This focus contributed to a 17% year-on-year growth in the domestic revenues on a YTD basis in reclaim rubber.

During the quarter, this figure stood at 27%, helping reduce the impact of external demand pressures, however, at much lower margins. Within this industry backdrop, our reclaim rubber business delivered steady progress. Revenues grew during the quarter, driven by strong domestic performance. Income from the pyrolysis and crumb rubber businesses started to build during the quarter and supported by sales to cement players as well as to steel industries.

This contributed to overall stability in volumes for the entire tyre recycling vertical. At the volume level, the most significant impact was seen in exports to the North American markets, where volumes to key customers fell nearly 40% on a year-to-year basis. Margins were affected by continued inflation in select raw materials. One key grade saw a 45% increase in input cost year-on-year, against which at 35% pass-through of prices were already achieved.

A large part of the price increases will get effective from this quarter onwards. And hopefully, as a result, the extent of the price increase will be completely passed on. This, along with sourcing diversification helped mitigate the pressure but did not fully offset the escalation of the raw material costs. Product mix improvements and selective pricing, gross margins were, however, kept broadly steady.

At the EBITDA level, margins in the reclaim rubber business improved, supported by a structural cost reduction measures. These included leaner manpower deployment, energy optimization and a gradual shift towards the new technologies, which together contributed to a 256-basis point reduction in other expenses.

Progress is gradual as transitions align with customer approval time line, but improvements remain steady and sustainable quarter-after-quarter. Revenues within the non-reclaim portfolio were broadly maintained despite softer offtake, particularly in the recycled polypropylene segment.

This segment continues to face near-term headwinds driven by a sharp decline in Virgin polypropylene prices and sustained inflows of low-cost imports, particularly from China, which has emerged as a net exporter. Industry prices declined 4% to 5% sequentially during Q3 and remained 30% to 35% lower year-on-year.

This affected our ability to increase volumes and build scale in the recycled polyolefin market, but we believe that there is a lot to catch up to. Price distortion that has temporarily compressed the economic spread between virgin and recycled material has reduced the immediate commercial incentive for customers to increase the recycled content beyond compliance requirements.

As a result, the demand momentum linked to EPR benefits has been slower than initially anticipated. However, we view this largely as cyclical rather than structural. India remains structurally underpenetrated in the recycled content usage relative to global benchmarks.

In addition implementation of the auto EPR norms mandating minimum recycled content by FY '28, along with broader regulatory tailwinds in the packaging and consumer goods sectors are expected to create sustained demand visibility over the medium term. There have been several encouraging product and customer approvals, which will contribute to the long-term growth of the business.

However, given our earlier plans in the current context, we are reassessing the subsidiary's operating model to ensure the capital deployment aligns with return thresholds. Our focus is on optimizing sourcing efficiency, improving product positioning in higher spec applications and end markets like automotive, electrical and appliances.

We are also evaluating strategic partnerships that enhance traceability and help us build scale. We remain committed to the opportunity but are playing a more disciplined approach for pacing the investments until pricing spreads normalize and return on capital employed is justified.

Further to our earlier update, we have entered into a PPA agreement with BECIS Solar Private Limited involving an investment of approximately INR 3 crores. This project is expected to deliver annual cost savings of approximately INR 3 to 4 crores, while also helping us reduce our carbon footprint and advancing our sustainability and decarbonization.

On that note, I'll hand over the call to Ms. Shilpa Mehta, our CFO, to walk you through the consolidated financial highlights for Q3 and 9 months of FY '26.

**Shilpa Mehta:**

Good afternoon, everyone.,,,

**Moderator:**

Shilpa Mam, sorry to interrupt, but we can't hear you properly.

**Shilpa Mehta:**

So we'll start with Q3 of FY '26. Total income is at INR 1,352 million compared to INR 1,327 million in Q3 of FY '25, which is reflecting a 2% increase. Gross profit was INR 666 million versus INR 704 million in Q3 of FY '25, which is a decline of 5%. Gross margins were 49% for the quarter. EBITDA came in at INR 112 million compared to INR 130 million in Q3 of FY '25, which is lower by 14% on year-on-year basis.

EBITDA and margin during the quarter were impacted by 11% higher RM cost in reclaim, volume drop in plastics and high base of polymer composite and EPR of previous year and a 45% export margin decline due to U.S. tariff. Another major factor is fixed costs from a new plant operating at sub-optimal levels, which is expected to improve gradually in future.

EPR accrued for the quarter was INR 4.54 crores and income from subsidiaries GCSL and GSPL stood at INR 44 million, with a loss of INR 11 million. Adjusted profit after tax stood at INR 23 million compared to INR 44 million in Q3 of FY '25 which is a decline 49% on year-on-year basis. This figure, however, excludes the impact of an exceptional item, which is gratuity provision as per new labour code, which is coming to INR 14 million.

Now we turn to 9 months financials, 9 months of FY '26, where income is INR 3,930 million compared to INR 3,912 million in 9 months of FY '25, which is maintaining broadly the same level year-on-year basis despite prevailing headwinds. Gross profit is at INR 1,970 million

versus INR 2,044 million in previous YTD of FY '25, which is lower by 4% on year-on-year basis.

EBITDA is INR 335 million compared to INR 363 million in 9 months of FY '25, while margin remained steady at 9%, which is consistent with prior period. Margin deduction was driven by flat volumes, a 5% increase in raw material cost, forex loss of INR 3 crores on account of revaluation of working capital loans and nearly INR 1 crores of additional debt servicing for new projects contributing incremental volumes but operating at sub-optimal level.

EPR for the period accrued at INR 13.56 crores. Adjusted PAT stood at INR 60 million compared to INR 113 million in 9 months of FY '25 excluding the impact of an exceptional item related to new labour code of INR 14 million. Gross debt, including long-term and short-term borrowings stood at INR 1,802 million in 9 months of FY '26, debt-to-equity ratio was 0.92 as on 31st December 2025. With this, I now open the floor for Q&A.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rajvi Shah from Bright Securities.

**Rajvi Shah:** So sir, on the U.S. tariff normalization, now that the tariffs have been reduced to around 18%, I had few questions regarding the same. So the first one is, has commercial negotiation with your U.S. customers resumed?

**Harsh Gandhi:** Rajvi, may I request you ask all the questions so I can respond to all of them together. It's easier from my perspective.

**Rajvi Shah:** Okay, sure. So sir, my second question is that are you seeing any early indications or green shoots in terms of order inflows or volume recovery? And nextly, how should we think about the time line for regaining the volume loss that occurred earlier due to the higher tariff regime, these are my questions?

**Harsh Gandhi:** Thank you so much, Rajvi. So as far as the U.S. tariffs are concerned, as you said, the volumes dipped in Q3 on a year-on-year basis by close to 40%. I think commercial conversations have already begun with the customers. Notwithstanding the fact that one particular business, which is the rubber composite, we announced earlier that we have decided to sort of shut that business that we would not be restarting.

But the rest of the businesses around Custom Die Forms as well as the reclaim rubber, we should be able to revert to those volumes potentially over the course of the next few quarters. I mean exact timing is still uncertain. We are having the conversations, but we do believe that the recovery in volumes will take place only to the extent of the substitution that was done for our product on a like-to-like basis.

However, customers are experiencing or have experienced during the year a lower demand and lower production of their produce, especially tires. As I mentioned, the OE tires were far lower in terms of overall production in North America. So I think a large part of our demand recovery will be also linked to how quickly does the OE replacement tire manufacturing in North America kind of come back to normalcy.

As far as the time lines are concerned, we are in conversations with the customers. I would say it will probably be another 3 to 4 weeks before clarity of this emerges. So, some impact visible from this quarter and clarity emerging definitely from next quarter, but to get back that entire volume, I don't have a timeline to provide

**Rajvi Shah:** Yes. That was really helpful.

**Moderator:** Thank you. The next question is from the line of Jigar Shah from Elevate Research.

**Jigar Shah:** Sir, I need some clarity on the INR 150 crores capex plan that was targeted by December. So in that you had mentioned that around INR 76 crores remains to be deployed across pyrolysis recovered from carbon black and crumb rubber. So could you break down how much capex has already been incurred in each of these three segments individually? And how much incremental capex is yet to be deployed in each business?

**Harsh Gandhi:** Sure. So I mean I think the questions are mostly around the green energy or the pyrolysis and the carbon black business. I think so far, a total of about INR 76-odd crores has been deployed until FY '26 until Q3 of this financial year, starting FY '24 last quarter that we had begun. And the rest of the capex as far as FY '27 is concerned, an approximate about INR 80 crores of capex to be deployed in this year.

However, we've recalibrated our plans from our earlier trajectory or earlier volumes that we were planning, almost 25% additional volume is planned for the entire project given the cost economy. And therefore, there's going to be an overrun on the overall spend, but to the higher capacity that will get deployed.

We expect that by first half of FY '27, the entire project in Solapur will be executed and commissioned. As I mentioned, by October, we are expecting commercial volumes to kick in for both the additional pyrolysis as well as the recovered carbon black. And the next site where we are planning to deploy will also have additional capacity and that work will start towards the second half of this year, potentially complete by Q1 of FY '28. So that's broadly how I can provide the breakup of this.

**Jigar Shah:** Yes. Got it.

**Harsh Gandhi:** As far as the other businesses sorry, your question was also in terms of capex in other businesses, I think. We already initiated capex in line 2 of the new technology in reclaim rubber that in the devulcanization technology, as we had explained earlier that as customer approvals improve, we will look at deploying the second line. I wanted to share that we have already initiated the investment and potentially by May or June of this year, that capex is likely to get commissioned as well.

So that will add additional capacity as far as reclaim rubber through the new technology is concerned. That investment is likely to be in the region of between INR 12 crores to INR 15 crores and will be deployed entirely by May of this year. That's the other deployment that is being planned. And this will be in the plant in Solapur, where this technology will get

commissioned and capacity utilization hopefully will start showing up for the 9 months of next year.

**Jigar Shah:** Got it, sir. And sir, at peak utilization, what kind of revenue potential do you see from each of these projects? And additionally, what asset turns are you targeting at a steady state?

**Harsh Gandhi:** Okay. I don't have those numbers immediately. I mean I think we've indicated as far as the entire pyrolysis and recovered carbon black is concerned, where the expected asset turns are in the range of 2 depending on the stage of execution that we do. As far as the reclaim rubber itself is concerned, the asset turns would be in line with the current numbers. And therefore, this INR 12 crores to INR 15 crores will yield appropriate revenue number.

**Jigar Shah:** Okay. Got it, sir. And lastly, sir, given some of these plants are currently operating at suboptimal levels, so what kind of margin track should we factor in over the next few quarters?

**Harsh Gandhi:** So reclaim rubber in the last 6 months, we've seen the utilization being lower mainly on account of tariffs, as I said and the U.S. alone was down 40% from the previous year's Q3. We are hoping to obviously get back some of those levels as far as utilization is concerned. I would say that with this new technology starting to pick up steam and we are starting to see the orders filling in.

I think the new tech will start seeing the utilization inch up about 60%, 65% , starting next quarter. And as the next line comes in, that utilization will also take some time to brew. But as far as Q3 reclaim is concerned, overall, we were at about 87% utilization. There is still some room for growth.

The EP business or the Engineering Plastics business continued to operate at just about 50% level. And the Custom Die Forms and the rubber composites, again, which were both U.S. dependent, were operating at 50% utilization. As I mentioned, the composite business, we have taken a call to discontinue, that is obviously not sure, but the CDF business is expected to get back up to the 75%, 80% utilization that it was operating pre tariffs. So that's in a nutshell, how I would describe the utilization over the next couple of quarters.

**Jigar Shah:** Got it. This helps. Thank you so much.

**Moderator:** The next question is from the line of Karan Sharma from Sharm Securities.

**Karan Sharma:** So sir, as you mentioned about reassessing the subsidiaries operating model, does this include any potential capital reduction or any strategic investor onboarding?

**Harsh Gandhi:** I think all options are on the table. I think the subsidiary has predominantly the polyolefin recycling as part of its portfolio. We've got some good strong approvals from brand owners. We've also started recently working with global compounder for the same. Some of the areas that we are reassessing the same is the kind of product mix and customer mix that we are targeting and also the end segments.

We're shifting or rather I wouldn't say shifting, but focusing far more on automotive, electrical and appliances sectors and that's something that we are hoping will provide long-term stability as well as improved margin.

As far as your question on whether we are looking at either of a fundraise or a strategic partnership and or reduction in capital, I think we haven't gotten far. I mean there is all on the drawing board and several options under consideration. We will certainly announce something once we have made progress on either of these opportunities. But yes, some of these are within the realm of possibilities.

**Karan Sharma:** Okay. What is the current capacity utilization in Non-Reclaim Rubber segment of this last year?

**Harsh Gandhi:** As I mentioned, I think each of these businesses are operating at different utilizations. The Engineering Plastics business is operating at just about 50%-odd, 50% plus a little bit plus/minus. The CDF business operating also at closer to 50%, while the subsidiary is operating at sub-50% at the moment.

**Karan Sharma:** Okay. And lastly, sir, on the auto EPR norms kicking in by FY '28, what revenue contribution are we expecting from EPR-linked demand by FY '28?

**Harsh Gandhi:** That's an interesting question. I don't have the quantification yet, but I can tell you two things. One is the auto EPR in Europe has been in place for a while. And what I'm given to understand with the India, EU FDA is that a lot of the vehicles that will be produced in India or exports to Europe will start having to comply with those auto EPR norms and that will provide some demand impetus to us wherever our approvals with the automotive brand owners is in place, especially in the plastic compounding line.

That traction should potentially start by FY '27, etcetera. As far as the India norms are concerned, I believe they are in the draft stage. So it will be a little early to comment on what would be the impact of that on our business. But I think these are directionally the areas that we've been investing in and these norms are anywhere close to what the European norms are.

It could mean significant growth in capacity, could mean for us at least the [inaudible 0:28:52] polypropylene doubling down of capacity from where we are at the moment. But again, as I said, since the norms are in draft stage, very difficult to be able to provide the number to you at this stage.

**Moderator:** The next question is from the line of Jay Jain from JJ Capital.

**Jay Jain:** Sir, on the EPR side, could you provide some color on the current environment, like are we facing any challenges in generating or monetizing EPR credits whether in terms of regulatory approvals, verification time lines or realizations?

**Harsh Gandhi:** No. Answer is no, there is no challenges in either of monetizing, generating or regulatory challenges. We continue to generate EPR credits in line with our domestic sourcing and in line with the production of the different grades of materials that are eligible for generating the credit.

There is only one particular issue, which is our pyrolysis plant. That registration is still pending and likely to be received in this quarter.

So the impact of EPR credits on account of both purchases and sales in the pyrolysis and rCB business, those are not factored in our current approvals, because the approval from the CPCB is not in place. But that's generally, there is a lag. It takes a couple of months, and we are hoping that in this quarter, we will have the registration and then start generating the credits and accruing the income to that effect.

As far as sales of EPR is concerned, I mean, we currently don't have challenges in selling. We have long-term contracts in place with several of our customers with whom on a quarterly basis we are selling the EPR credit, more or less in line with the generation that we are accruing.

Yes, there is some lag in terms of credits, but I don't think the lag is significant. We are pretty much able to convert most of the credits that are accrued in terms of cash with a lag of maybe a couple of months.

**Jay Jain:**

Okay. Sir, the reason I'm asking that we have seen some peers reporting higher-than-expected EPR accruals. So I just want to understand, is there any industry-wide shift in pricing or credit issuance that we should be aware of?

**Harsh Gandhi:**

I mean, a, as I said, we are generating credits based on only the domestic sourcing of raw materials that we are doing, which is in line with the norms. We are generating those credits on the portal and are able to sell those. EPR, what you call it, credits are not allowed on imports, and therefore, we are not generating any credits as far as imports are concerned.

As far as pricing is concerned, currently, all of our accrual is at the floor price of INR 2.52. We are not either bullish and/or ambitious in terms of the price at which we are accruing the credit. So I can't comment on what other peers, as you mentioned, have been considering, but we are very much in line.

In fact, the guidance that has been provided in the past, and I think the information that is there on the website in terms of the generation possibility based on our domestic sourcing and the production of reclaim that we have, I think, is more or less in line with what we are generating. I can't comment on peers and how they are reporting.

**Jay Jain:**

Got it, sir. Sir, just one last question from my end. How much incremental EPR benefit do we expect from the Pyrolysis and crumb rubber business as capacities stabilize?

**Harsh Gandhi:**

I don't have the numbers immediately off the top of my head, but I mean, we know that as far as pyrolysis is concerned, the oil generates credits at a conversion rate of, I think, 0.8x and so does the Char -- crumb Rubber generates credits at a conversion rate of 1.1x the input less the yield. Reclaim continues to be the highest at 1.3x, and I believe the conversion factors and the tables are all mentioned on our investor presentation.

There is a slide on that, which I encourage you to go through. If you have any questions post that, we'll be happy to address them offline at your convenience. But yes, I mean, 1.3x is what

Reclaim is and Crumb Rubber is at 1x, and Pyrolysis Oil and Char, through the continuous method, is at 0.8x weightage.

So all of that together will definitely add to the EPR revenue in the coming period. As I said, we haven't got the approvals from the PCB for the pyrolysis unit. So to that extent, we've under reported the income accrued, we can only accrue it once the approvals come in place and the credits are in our book.

**Moderator:** The next question is from the line of Nisha Shah from NM Securities.

**Nisha Shah:** I have a couple of questions. Your gross debt stands at INR 1,802 million with debt equity ratio at 0.92. So what is your comfort level for leverage? And what do you expect debt to increase before pyrolysis stabilization?

**Harsh Gandhi:** I think the debt equity was a conscious call when we did raise the capital because there is adequate confidence in the future cash flows that we are generating from the business. Of course, this year, over the first 6 months, there has been a little bit of a hiccup on account of the tariff from North America and its resulted impact on the gross margins for the company.

But we remain fairly confident that the margins will now start turning given that the tariffs have reversed. And this leverage will certainly reduce. But I think the current debt-to-EBITDA as well as the debt equity ratios, we are fairly comfortable with the current level. You will see in the course of the next few quarters that this will start improving for sure. That's broadly how I define this, yes.

**Nisha Shah:** Okay, sir. My second question is your solar PPA investment of INR 3 crores yield gives you INR 3 crores, INR 4 crores savings annually. So when do you see this start reflecting in P&L?

**Harsh Gandhi:** So I just want to clarify that the investment that we have made is in the equity of the SPV. So the total project cost obviously will be significantly more because of the way the SPVs will be structured. We will hold a 26% equity. The power producer will hold the remaining 74% of the equity. And then they will subsequently leverage the project for debt.

So therefore, the overall contribution of ours to the total project cost would be significantly lower at closer to about 11% or 12%. That said, this project is for our plants in Gujarat is expected to be commissioned by July, and therefore, the benefits of this will start accruing from August. Of course, solar power has its own seasonality in terms of generation.

So during the monsoon period, we often find the generation of units from solar plants lower than the rest of the year. So one will need to factor those in the projections. But yes, I mean, currently, the SPV PPA is very clear that from August we will start generating the units.

**Nisha Shah:** Okay, sir. And lastly, what will be your peak capex guidance for FY '26 and FY '27?

**Harsh Gandhi:** As I said, I mean, FY '27, I already indicated that the total number is likely to be about INR 80 crores for the Pyrolysis and Recovered Carbon Black business, and between INR 12 crores to INR 15 crores for the incremental capacity addition for the reclaim rubber business. This is

obviously in addition to whatever is the maintenance capex requirement for the plants, which will be more or less based on the historic level.

As far as FY '26 itself is concerned, roughly INR 31 crores have been spent on the Pyrolysis and the rCB plant and business, and another INR 18-odd crore has been spent on the rest of the capex. So together, close to INR 50 crores of the total capex for FY '26.

**Moderator:** The next question is from the line of Raj Mehta from Wisdom Advisors.

**Raj Mehta:** Sir, on the outlook front, on FY '27 outlook as we look beyond the current year and factor in tariff normalization along with the ongoing capex ramp-up, so how should we think about revenue growth in FY '27? And can you share any broad guidance on EBITDA margins once the new capacities stabilize?

**Harsh Gandhi:** I'd say, as far as the volume growth in the reclaim rubber business itself is concerned, I think for this year on the whole, we kind of will probably end up at closer to 5%. But next year, as far as would you call it the utilization of capacity or rather the growth is likely to be significantly higher on account of 2, 3 factors.

One is the volume returning in the North American market. The other is the approval of the new technology as that is picking up pace, we expect that, that volume will grow. So expectation is a mid-teen kind of a number in terms of volume growth for next year over FY '26.

Proportionately, as far as revenue growth is concerned, we should maintain that. And this is only as far as the reclaim rubber business is concerned. As far as the Pyrolysis and business of Recovered Carbon Black, etcetera, because it's a fairly low base, I would say that utilization will improve in there. And I mean, based on the pace, etcetera, this would be a fairly sizable jump in revenues.

I think at this stage, we are unable to provide a number, but this would be assuming that the entire say, capex for the Pyrolysis and rCB will be deployed, we will have an effective net capacity available of about 45,000 tons for the year additionally for all of pyrolysis steel, oil, crumb, char and rCB. So that 45,000 tons should generate a fairly significant revenue for that particular part of the business.

I think the plastics business, I would be satisfied with the utilization levels from the current sub 50% would go to closer to 75%, 80%. So that's the potential that I see again on account of a combination of factors. One is the return to normalcy of the polyolefin pricing, which we have seen reversal starting this month.

We are also seeing some demand offtake as far as nylon and engineering plastics is concerned. So all of this together, I mean, it will be incremental at best, but one can say that there, the growth in volumes, etcetera, would be also more or less in line with the mid-teens to high-teen numbers from the current year levels. So that's in a nutshell.

I mean, as I said, effective capacity of the Green Energy business of the Pyrolysis and rCB is what one should look at as providing a significant kicker in addition to the mid-teen volume

growth that we are expecting from the stable state -- steady-state businesses of reclaim and plastic businesses.

**Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you.

**Harsh Gandhi:** Thank you again for the interesting questions, as always. It's interesting to note that the questions reflect a strong understanding of the sector as well as the opportunities that lay ahead of us. I mean, again, I want to reiterate that we continue to remain committed towards the long-term plans of continuing to build a globally relevant size and scale for a tire recycling ecosystem.

We believe the tailwinds as well as the opportunities on account of the government as well as the brand owners are very much with us. And therefore, being able to implement these plans successfully is what we are hoping to achieve over the course of the next few quarters.

Yes, there have been a few hiccups during this financial year on account of project execution delays as well as the tariff situation, which was a little out of our control. But we do believe very strongly, both from a utilization of capacity in the pyrolysis business, we kind of have overcome the initial hiccups.

So therefore, starting to see some steady business growth there and the return to normalcy of tariffs will allow us to sort of provide unleash the full potential of the capacities that we've created for the reclaim rubber business.

I just want to highlight again that a lot of the initiatives on cost reduction in the reclaim rubber business have started to completely bear fruit and our operating costs continue to trend lower. So as and when there is a gross margin expansion, one will start seeing a fairly significant growth in the overall margins for that business.

So with that, we go into 2026, '27 extremely bullish and continue to deliver sustainable materials to the industry. Thank you so much for participating in the call and look forward to your support and continued guidance.

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