



JKTIL:SECTL:SE:2025

Date: 4th November 2025

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	National Stock Exchange of India Ltd. Exchange Plaza, C -1, Block G, Bandra -Kurla Complex, Bandra (E), Mumbai -400 051.
Scrip Code: 530007	Symbol: JKTYRE

Dear Sir,

Re. Transcript of Results Conference Call held on 29th October 2025
- Regulation 30 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015

Further to our letter dated 22nd October 2025 re. Intimation of
Schedule of Results Conference Call, we enclose herewith the transcript of
the Quarter 2, financial year 2025-26 Results Conference Call
(Group Conference Call) held on 29th October 2025 at 4:00 PM (IST).

Thanking you,

Yours faithfully,
For JK Tyre & Industries Ltd.

(Kamal Kumar Manik)
Company Secretary

 Encl: As Above



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JK Tyre & Industries Limited
Q2FY26
Earnings Conference Call
October 29, 2025



MANAGEMENT: **MR. ANSHUMAN SINGHANIA – MANAGING DIRECTOR, JK TYRE & INDUSTRIES LIMITED**
MR. ARUN K. BAJORIA – DIRECTOR & PRESIDENT (INTERNATIONAL), JK TYRE & INDUSTRIES LIMITED
MR. SANJEEV AGGARWAL – CHIEF FINANCIAL OFFICER, JK TYRE & INDUSTRIES LIMITED
MR. A. K. KINRA – FINANCIAL ADVISOR, JK TYRE & INDUSTRIES LIMITED

MODERATOR: **MR. CHIRAG JAIN – DEPUTY HEAD (RESEARCH), EMKAY GLOBAL FINANCIAL SERVICES LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to JK Tyre & Industries Limited Earnings Conference Call hosted by Emkay Global Financial Services Limited.

As a reminder all participants' 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 '*' then '0' on your touchtone phone.

I now hand the conference over to Mr. Chirag Jain – Deputy Head of Research, Emkay Global Financial Services Limited. Thank you and over to you.

Chirag Jain: Thank you, Samarth. Good afternoon everyone. On behalf of Emkay Global, I would like to welcome you all to the Q2FY26 Earnings Conference Call of JK Tyre & Industries Limited.

Today we have with us the senior management team represented by Mr. Anshuman Singhania – Managing Director, Mr. Arun K. Bajoria – Director & President (International), Mr. Sanjeev Aggarwal – Chief Financial Officer and Mr. A. K. Kinra – Financial Advisor.

We will begin the call with opening comments from the management team followed by the Q&A session. Over to you, sir.

Anshuman Singhania: Thank you, Mr. Chirag. Good evening to everyone. I welcome you all to the JK Tyre's Q2FY26 Earnings Call. I am glad to be here and I have with me Dr. Arun K. Bajoria – Director & President (International), Mr. A.K. Kinra – Financial Advisor and Mr. Sanjeev Agarwal - CFO.

At the outset, I would like to extend my heartiest greetings for Deepawali and the festive season to all of you.

To begin, Indian economy maintained its position as the world's fastest growing economy as it continues to demonstrate encouraging signs of growth led by resilient services export, softer crude oil prices, GST reforms and improving trade balances. GDP in Q1FY26 grew by an impressive 7.8% as against 7.6% in Q4FY25 with an outlook of 6.8% for the entire FY'26, reflecting the resilience of Indian economy even as it faces external pressures from US tariffs and stress on trade globally.

Keeping in view the above, India's long-term growth prospect appears to be strong on the back of robust macroeconomic fundamentals, buoyant domestic demand and rising infrastructure development which are further strengthening India's position at the global front.

The government in order to boost consumption has reduced the GST on tyres from 28% to 18% and on farm tyres from 18% to 5%. This GST reduction will act as a catalyst for growth across the sectors and is expected to improve the overall auto demand by 8-9%.



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JK Tyre has passed on 100% benefit of GST reduction to its customers.

GST reduction lowered the total cost of ownership for the end consumers which will lead to faster replacement of commercial vehicles on account of increase in consumption across sectors like FMCG, consumer durables, e-commerce and core sectors which will have a positive impact on tyre demand.

We are already witnessing favourable tailwinds in terms of festive demand and overall improved customer sentiment. Auto sales have witnessed a robust volume growth of 10% in Q2. Segment-wise, commercial category grew by approximately 9%, two-wheeler grew by 11% and farm by 28%. Although the passenger vehicle category witnessed a modest growth of 2%, it has now started achieving strong numbers recently.

Going ahead, commercial vehicle and passenger car segment are expected to grow in the mid-single-digit. Farm equipment and 2/3-wheeler categories are set to grow at a high single-digit. This growth is led by steady replacement demand and healthy rural income.

EV market is soaring along with ICE vehicles with two-wheeler and passenger car taking the lead. This encouraging growth highlights accelerated adoption of electric mobility in India, supported by new model launches, government incentives and increasing consumer awareness of sustainable transportation solutions.

Export of vehicles greatly contributes to auto sector. In Q2FY26, exports registered a double-digit growth of more than 20% and outpaced the domestic growth on a QoQ basis.

The tyre industry has been performing well and it is continuously gaining strength on a QoQ basis.

I am happy to share that JK Tyre has registered its highest ever consolidated revenues of Rs. 4,026 crores, up by 10% on a YoY basis. Consolidated EBITDA for the quarter stood at Rs.536 crores with an improved margin of 13.3%. Improved operational performance is a result of higher sales volumes along with softening raw material prices apart from higher operational efficiencies.

I am delighted to share that UX Royale Passenger Car Tyre has been chosen as an exclusive fitment in the newly launched Hyundai Creta Knight Edition, which is a testimony of our being the most trusted mobility partner of choice with OEMs.

We are amongst the few companies in India to launch an AI-powered voice bot that uses natural language processing for superior customer interaction and support. At JK Tyre, digital transformation continues to be a strategic priority and as part of our resolve to secure an organizational digital future.



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We are proud to share that JK Tyre has once again secured the top-notch CareEdge ESG1+ rating, setting another benchmark in the domain of sustainability. The above ESG rating demonstrates JK Tyre's leadership position achieved through proactive efforts across key environmental, social and governance themes, underpinned by comprehensive policies, advanced monitoring systems and significant investment in renewable energy and decarbonization technologies.

Another noticeable achievement reflecting our commitment towards environment at JK Tyre is that we have become the 1st Indian tyre manufacturer to publish Environmental Product Declaration (EPD) on International EPD System (IES) platform for our three products in PCR and TBR category, enabling customers to make more informed choices and showcasing our commitment towards sustainability.

With the combination of growing consumer demand, technological advancement and thrust on innovation, JK Tyre is uniquely positioned for significant growth in the coming years, while expanding its presence across domestic and international markets.

Now, I would like to take you through some of the key operational highlights:

- a) We registered the highest-ever turnover at the consolidated level with quarterly revenues at Rs.4,026 crores, up by 10% on a YoY basis.
- b) Domestic markets registered a growth of 15% in volumes, driven by a noticeable uptick across the segment.
- c) Export volumes grew by 13% over the previous quarter despite the uncertainty around US tariff rates.
- d) TBR volumes in numbers in the replacement market grew by 22% on a year-on-year basis.
- e) Passenger line volumes grew by 16% in replacement market and also its export volumes registered a 6% growth on a YoY basis.
- f) Farm category volumes also saw robust growth of 78% in OEM and 12% growth in replacement market on a YoY basis.
- g) 2/3 wheeler category volumes in OE segment grew by 155% on a YoY basis.
- h) On a quarter-on-quarter basis, raw material prices corrected by 3%.

Now, I would like Mr. Bajoria to take us through the performance of JK Tormel.

Arun K. Bajoria:

Thank you, MD sir.

The Mexican economy continued to demonstrate resilience despite the uncertainties around US tariffs. Notably, Mexico has surpassed China and Taiwan as the largest exporters to USA during the first half of 2025.



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World Bank has raised the GDP growth forecast of Mexico to 0.5% for 2025 as compared to 0.2% earlier and the projection of full year 2026 GDP growth stands at 1.4% which highlights the improved confidence in the Mexican economy.

Bank of Mexico has further cut the benchmark interest policy rate to 7.75% in this quarter which will improve consumer sentiment for overall economic growth.

I would like to highlight that in Quarter 2, JK Tormel has achieved the highest ever sales compared to last six quarters. Domestic PCR and TBR sales hit their record highs in this quarter and we are focusing to further increase these numbers in the coming quarters. Higher sales was achieved through better market coverage, increase in sales to mass merchandisers and focused sales approach in Brazil and LATAM markets. Exports to USA remained steady despite uncertainties of USA tariffs.

Sales have bounced back to Rs. 639 crores as against Rs.505 crores in previous quarter, a jump of 26%, thereby reflecting our relentless focus and concerted efforts to increase the top line. JK Tormel's EBITDA for Q2 grew nearly five-fold reaching Rs.49 crores as compared to Rs.10 crores in the previous quarter.

EBITDA margins rebounded to previous levels and stood at 7.6% reflecting an expansion of 560 basis points sequentially. Further, PBT and PAT stood at Rs. 25 crores and Rs.15 crores, both up significantly over the last quarter.

Further, the United States-Mexico-Canada-agreement (USMCA) is due for revision in 2026 and we are watchful for the same as it remains highly crucial to maintain trade relations and diplomatic ties with USA.

And now I would request Mr. Sanjeev Aggarwal to talk about the financial performance of JK Tyre for the 2nd quarter of FY'26. Thank you.

Sanjeev Aggarwal:

Thank you, sir. I would like to brief you all about the key highlights for Quarter 2 of FY'26:

- a) Consolidated revenues for Q2FY26 were recorded at highest ever level in a quarter at Rs. 4,026 crores which is up by 10% on YoY basis as against Rs.3,643 crores in the corresponding quarter.
- b) Consolidated EBITDA for Q2 was recorded at Rs. 536 crores as compared to Rs. 443 crores in Q2FY25, which is an increase of 21% on a YoY basis. EBITDA improved by 26% over the previous quarter.
- c) EBITDA margins during the quarter were recorded at 13.3% v/s 10.9% in Q1 representing an improvement of 240 basis points over the previous quarter.
- d) Cash profits for the quarter stood at Rs.428 crores, which is up by 38% on a QoQ basis and 33% on a YoY basis.



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- e) Profit after tax for the quarter stood at Rs.223 crores, which is up by 54% on a YoY basis.
- f) Capacity utilization for the quarter was 88% on a consolidated basis. Radial capacity utilization continues to remain above 90%.
- g) Exports in Q2 grew by 10% value-wise sequentially despite the tariff-related challenges.
- h) Both the subsidiaries, Cavendish and JK Tornel, Mexico witnessed robust performance in this quarter and added significantly to the overall financials of the company.
- i) Consolidated EPS in Q2 improved to Rs.8.08 per share as against Rs.6.03 per share in Q1.
- j) Return ratios have been improving continuously viz. ROCE and ROE, both remained robust in Q2.
- k) Net debt as on 30th September 2025 stood at Rs.4,201 crores as compared to Rs.3,862 crores as on 30th June 2025, which is up by Rs.339 crores mainly on account of increase in working capital requirement for carrying higher inventories of finished goods.
- l) On the other hand, gross debt increased by Rs. 243 crores. This is mainly the funds which were available with the company and have been utilized for the purpose of the project's implementation.
- m) The balance sheet of the company continues to remain healthy with leverage ratios viz Net debt to equity at 0.75x and Net debt to EBITDA at 2.5x as on 30th September 2025.
- n) Update regarding the merger, we are just nearing the next hearing date which is scheduled for 30.10.2025 with NCLT, Jaipur and we are expecting the merger to be completed in all respects by end of Nov'25 which will bring a lot of synergies for the merged entity.

Thank you so much. We have already circulated our Q2 Earnings Presentation on our website as well as on the stock exchange websites. Now, we open the forum for questions.

Moderator:

Thank you very much sir. We will now begin the question & answer session. The first question is from the line of Mr. Basudev Banerjee from CLSA. Please go ahead.

Basudev Banerjee:

Thanks. Congrats for a good set of numbers. Just a few questions. First question is for Sanjeev sir. From the cash flow statement, almost Rs.610 crores of capex in first half and as you said working capital increased this quarter and that's how one can see gross debt more or less to have remained unchanged. So, what is the outlook for full year capex and how do you see the working capital normalization in coming quarters so that one can see a good free cash flow generation in second half?

Sanjeev Aggarwal:

Thank you. So, this is regarding the total cash available what we have incurred so far in the first half of FY2026 which is about Rs.610 crores and almost the equal number which is about Rs.600 crores roughly is going to be spent in the second half as we receive machines for the projects which are under implementation. So, Rs.1,200 crores of the total cash outflow is scheduled for this year and this includes some amount towards the normal maintenance capex as well. And as far as the working capital is concerned there was intentional addition to the finished goods because we wanted to be ready for the festive season but I think going ahead, the working capital



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reduction would be there and we are hoping that with working capital will come back to its normal levels.

Basudev Banerjee: And can you give some breakup of the growth capex which segments you are investing in using this Rs. 1,200 crores?

Sanjeev Aggarwal: So, we have been implementing three projects, one is for the Passenger Car Radial (PCR) at a cost of Rs.1,025 crores at our Banmore plant in Madhya Pradesh. The second expansion is for Laksar tyre plant in Uttarakhand and this is for TBR category at a cost of Rs.261 crores and the third one is for the All steel light truck radial tyres (ASLTR) of Rs.112 crores which is going on at Vikrant tyre plant, Mysuru. So, these three projects put together will come up for production in the Q3 and the full ramp up will then gradually take place over the next 6 months period.

Basudev Banerjee: And overall utilization as of now would be what close to 85%?

Sanjeev Aggarwal: Capacity Utilization is more than 90% for the radial categories where we are expanding and this is going on very well in fact.

Basudev Banerjee: Second question, as you mentioned about raw material basket was down 3% QoQ and one can see that natural rubber prices are down to Rs.185/kg from Rs.205 approx. in August. So how do you see in December & March quarter other than the crude price correction, which is pushing up the margin now, the natural rubber price correction should aid margin improvement further, any comments on that?

Anshuman Singhania: Yes, we expect the raw material price to remain rangebound in the coming quarters and definitely it will help us in the margin expansion.

Basudev Banerjee: Last question, has there been any price cuts to pass on the raw material reduction in last quarter in any segment in the replacement market?

Anshuman Singhania: No, there has been no price revision.

Basudev Banerjee: Okay sir thanks that's all for my side.

Anshuman Singhania: Thank you.

Moderator: Thank you. The next question is from the line of Rehan Syed from Trinetra Asset Managers. Please go ahead.

Rehan Syed: Good afternoon to the team and thank you for giving me the opportunity. I have only one question, I want to understand regarding the exports side. So, your export grew 14% QoQ despite the US tariff uncertainty. I want to understand what is your plan B in case tariff strength wasn't



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in current year '26 and are you reallocating volumes to other geographies or increasing product mix of higher margin SKUs to offset the impact & What is the management's view on this?

Anshuman Singhania: Export grew by 13% QoQ and our exports to USA are only approx. 3% from the total revenue which we have successfully diverted to other countries where we are already supplying, namely Mexico, Latin America, Brazil. We have been able to divert these supplies and our strong markets being Middle East and even Southeast Asia which we are exporting and we are also exploring new markets like EU and UK and even Africa. So that will be our continuous focus going ahead.

Rehan Syed: So, do you think it will compress our margins?

Anshuman Singhania: No, it will not impact our margins rather it will improve the margins.

Sanjeev Aggarwal: Just to clarify that because we have already diverted a lot of our exports which were going earlier to US market, as Anshuman ji mentioned, we are also eyeing on the proposed trade deal with USA which will act as an additional opportunity for us to export to that market.

Rehan Syed: Okay. I want to ask if you could give any guidance for EBITDA margin that you can sustain over the next two to three quarters?

Anshuman Singhania: So, margins are going to be in the range of 13% to 15%.

Rehan Syed: Okay that's it from my side and thank you so much and good luck for the coming quarter.

Anshuman Singhania: Thank you.

Moderator: Thank you. The next question is from the line of Abhishek Kumar Jain from AlfAccurate. Please go ahead.

Abhishek Jain: Thanks for the opportunity and congrats for the strong performance. So, my first question is on the Mexico business. What was the average realization in terms of the rupee versus Mexican peso in this quarter and now that rupee versus Mexican peso has moved at around INR4.8 in last 2-3 months which is very much positive for your company. Just wanted to understand what benefit you will get because of this currency movement.

Anshuman Singhania: In rupee terms, our revenue growth has been 26% on a QoQ basis and in terms of constant currency i.e. Mexican peso, growth has been 20% on a QoQ basis and we have seen that depreciation of Rupee to Mexican peso by around 7%.

Abhishek Jain: So, what was the average realization then?



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- Sanjeev Aggarwal:** Average realization because there are number of SKUs, number of products so this is not possible but definitely it has gone up and we have taken the benefit of depreciation of rupee and going forward also if this continues then I think we will gain further.
- Abhishek Jain:** How is the demand scenario in domestic and exports side both?
- Arun K. Bajoria:** It is very good, it is improving further and we are expecting that the Mexican exports to USA should be better because Mexico is now going to conclude a deal with USA and as I mentioned in my opening remarks about US-Mexico-Canada-agreement (USMCA), we are hopeful that going forward we will be able to maintain and improve our sales as well as our margins.
- Anshuman Singhania:** And adding to that, we are strengthening our push within Mexico itself and to Brazil and LATAM which we are exporting from Mexico. We are expanding by adding new channel partners as well, so we see a good opportunity in terms of higher demand coming in from these countries.
- Abhishek Jain:** So, what sort of value we can see in the Mexican business in the coming quarters, we have seen very good growth in this quarter i.e. 8% YoY growth. But if we see the past number then we were doing around Rs.700 crores kind of the revenue from the Mexico 1.5 years back, so can we achieve that number again?
- Anshuman Singhania:** We see a continuous growth, as I and Mr. Bajoria already said that we are finding new market opportunities to expand our dealer base and looking for white spaces in Mexico and new export countries from Mexico. We are also enlarging our offerings by development of newer products, so we see a healthy growth coming in for the whole year.
- Abhishek Jain:** My next question is on the domestic side; we have seen very strong growth in the replacement business that has gone up by around 22% YoY in this quarter and basically TBR replacement demand was very much strong so what are the green shoots visible in the TBR replacement segment and how it will be sustainable?
- Anshuman Singhania:** So, we have seen a comeback of OE demand in the CV segment (for LCV/ SCV bias tyres), which was earlier muted. We see that in the replacement market right now the inventories of tyres which the dealers were carrying in, that has been flushed out and thanks to GST 2.0 it has brought in a lot of demand surge there and we see with the better monsoon and better infrastructure push by the government, clubbed with rural demand coming in, a positive trajectory of demand. So, all that augers well in terms of demand for our truck radial tyres. Going forward, we see all categories should do well in the replacement as well.
- Abhishek Jain:** So, in the overall TBR business how much contribution of LCVs in your segment?
- Anshuman Singhania:** Our CV segment contributes almost around 60%.



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- Abhishek Jain:** How much contribution of the LCV in overall segment?
- Sanjeev Aggarwal:** Overall, 60% is contributed by commercial vehicle as MD sir said and out of which LCV, SCV and MHCV there are various segments. Broadly, the LCV & SCV space contributes mid-single digits to the India revenues.
- Abhishek Jain:** And how is the mix in the TBR versus TBB?
- Anshuman Singhania:** TBR is around 40% to 45% and TBB would be around in the range of about 10% to 13%.
- Abhishek Jain:** Thank you, sir, that's all.
- Anshuman Singhania:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aditya Akhani from Shah Capital. Please go ahead.
- Aditya Akhani:** Thank you for the opportunity. Two questions from my side. I wanted to understand market and product category mix for Q2FY26 of India operation.
- Anshuman Singhania:** So, value wise the category mix is around 57% in truck space (TBB & TBR), around 30% passenger line radial, 2/3w at 4% and Non truck bias would be about 10%.
- Aditya Akhani:** And market mix?
- Anshuman Singhania:** Replacement is 63%, OE is about 24% and our export would be about 13%.
- Aditya Akhani:** Standalone number shows drop of Rs.173 crores versus Q1 while India revenue has moved up by Rs.63 crores in same period. Can you throw some light on Cavendish performance?
- Sanjeev Aggarwal:** There is no specific reason between the two quarters, let's say if the demand for the product by the OEM from JK Tyre is higher or it could be higher for the CIL tyres. So, in order to remove this kind of confusion this entity will get merged by the next quarter and there will be only one company. So, this depend upon the OEM requirements to be catered to from which company. For us it is the same thing India operations.
- Aditya Akhani:** Okay thank you.
- Moderator:** Thank you. The next question is from the line of Krish Jain from NAFA Asset Managers. Please go ahead.



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- Krish Jain:** Thank you for the opportunity and congratulations on a good quarter. My question is regarding JK Tormel. I wanted to understand what is the capacity right now and what is the capacity utilization as well?
- Sanjeev Aggarwal:** The installed capacities are around 59 lakh tyres and the overall utilization including radial and bias is approximately 80% but the radial utilization is higher at nearly 88% in JK Tormel, Mexico.
- Krish Jain:** In the next round of Capex how much will this capacity increase by?
- Anshuman Singhania:** It will increase by about 15%.
- Krish Jain:** And this is all for passenger car radial, right?
- Sanjeev Aggarwal:** PCR that is correct.
- Krish Jain:** And this will be achieved by December?
- Sanjeev Aggarwal:** No, it will be available from Q4'FY26.
- Krish Jain:** Okay thank you.
- Moderator:** Thank you. The next question is from the line of Puneet Javeri from Javeri & Companies. Please go ahead.
- Puneet Javeri:** Thank you so much for the opportunity. I just wanted to understand because of GST rate cuts what has been the market share gains for you in any other segments especially regarding OEMs. Have you seen an increase in market share especially for passenger car? Could you give us some perspective?
- Anshuman Singhania:** GST 2.0 has definitely brought in a lot of cheers to tyre segment, particularly for JK Tyre. Our share of business in the OEMs particularly in the CV is the highest. We are seeing a good pull from the vehicle manufacturers. Also, we are seeing good traction coming in from the replacement side as well. So, we see this segment to do well in the coming quarters. We are out of the monsoon as well and there is a lot of infrastructure push and rural demand coming in our way. In the passenger car as well, there has been a good traction in the entry level space where we are also participating. And we've seen our numbers in the PLT go up. There is a good demand coming in for the passenger as well in the replacement market. So, it augurs well in both the CV and passenger car. Further, we have seen a good mix in terms of higher rim sizes i.e. 16 inch and above. That is called premiumization. There also we have seen the mix improving in both OE and replacement. Plus, the farm segment is also performing really well. So there also we are likely to get good traction.



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- Puneet Javeri:** And is there any kind of quantification that you can give for the market share gain in these segments? Anything on passenger cars as well as CVs that you can provide right now?
- Anshuman Singhania:** So, we don't really quote any market share but definitely, our volumes have grown and we definitely have gained markets.
- Sanjeev Aggarwal:** Just to give you an idea in the replacement market as Anshuman ji mentioned earlier that in TBR we have grown by 22% and in passenger car by 16% QoQ, I think this is more than the market growth rate. So, you can very well assume our market share has gone up.
- Puneet Javeri:** And just one clarification, you mentioned about the capacity of JK Tormel. Could you just repeat the number please?
- Sanjeev Aggarwal:** The installed capacities at JK Tormel stands at 59 lakh tyres.
- Puneet Javeri:** All right. Thanks so much for answering the questions and all the best.
- Moderator:** Thank you. The next question is from the line of Mitul Shah from Dam Capital. Please go ahead.
- Mitul Shah:** Thank you for the opportunity and congratulations for a really great sequential improvement on top line as well as margin. One clarification, if I do the OEM calculation, it is showing double digit decline, whereas this Q2 OEM production seems to be quite strong. So, anything I am missing out or is it because of the Tormel replacement increasing? So how one should read about this?
- Sanjeev Aggarwal:** In number terms, if you see OEM we are talking about the overall increase across segments put together that has gone up because there is a significant increase in the non-truck, tractor and also in 2/3wheeler segments. If you compare the OEM numbers in terms of rupees crores, this is 2% increase approximately. This is almost flat, but volumes are up mainly on account of 2/3w and the tractor, there has been some good increase.
- Mitul Shah:** So overall OEM volumes are more or less flattish, we can say or revenue decline is something 11%?
- Sanjeev Aggarwal:** When you compare the overall OE volumes, then it is not comparable. In some segments, it may have gone down. In some segments, it may have gone up. So that is why I am saying segment wise, we will have to see.
- Mitul Shah:** Revenue wise as per your calculations, is it a growth ?
- Anshuman Singhania:** In terms of overall volumes, we have grown 43% YoY in the OEM (including 2/3w, farm, PLR, T&B)



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- Mitul Shah:** It's coming 11% decline as per presentation.
- Sanjeev Aggarwal:** With 2/3w segment, if you see, then OEM is almost like 43% increase YoY and if the volumes of 2/3w are not taken into account, then OEM volumes have increased by about 4% to 5%, since there is a significant increase in 2/3wheeler nos. this quarter on YoY basis.
- Mitul Shah:** Second question on the Tormel side, that there is a decent YoY growth. Even if we adjust for the currency, there is some growth on the revenue side. But margin improvement on a YoY basis, it's a contraction. So, anything to do with the raw material or we having previous quarter's high value inventory or anything on the other expense side?
- Sanjeev Aggarwal:** Mitul ji, there is a very small variation between the two quarters on YoY basis. And that is because of the trading component difference. So last year, the trading component was lower and it is slightly more in this quarter. Although the margins are not very different, this is between 7% to 8% range only.
- Mitul Shah:** Last question on the India operation side. In FY24, we really gained market share and outperformed strongly to the peers. But since last five-six quarters, if I take the India operations revenue growth, it seems to be underperforming versus industry as well as peer group. So, any market share loss one should think of or it is a product mix related challenge or anything else? And what is the strategy to rectify that going forward? This is the last question, sir.
- Sanjeev Aggarwal:** No, there is nothing like that. We have already mentioned 15% volume growth on YoY basis in the domestic markets. Taking into account the exports as well, the total volume growth comes at 14% YoY. Further on QoQ basis, volumes are up by 11%. So, there is no question of any contraction in terms of the volumes.
- Mitul Shah:** If I take the revenue growth of India operations, which you have mentioned in all the results, that is coming much lower than the reporting for the India domestic business. So, is it like a commercial vehicle not doing great and we are stronger on the commercial vehicle side? So that is like a product mix impact or market share?
- Sanjeev Aggarwal:** It is mainly because of the PCR since you are aware that in PCR, the selling prices are linked to the increase or decrease in the raw material prices. So that adjustment might have reduced the numbers on account of the value.
- Mitul Shah:** Understood, sir.
- Anshuman Singhania:** To add to this, the net revenues of India operations it is 10% up on YoY basis.
- Mitul Shah:** Yes, it is slightly lower than the peers in earlier quarters. That was the question basically but understood the point.



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- Sanjeev Aggarwal:** I don't think we will be able to compare. 2/3w prices might have gone up or may be some other segment's prices. Also, product mix difference would be there. So, it is not straight. Hence, we are not actually making the comparison with other companies. And as of now, only one or two companies have declared the results for this quarter.
- Anshuman Singhania:** And adding to Sanjeev ji, I must mention here that CV OEMs have picked up in this Q2 only, wherein we are very strong. So, looking at previous or corresponding quarters, they were not as strong in terms of their production if compared with these Q2 numbers.
- Mitul Shah:** That is, I think, right analysis or understanding that because of the commercial vehicle, which might have slight impact on overall industry and that has affected. Great, sir. All the best !
- Sanjeev Aggarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.
- Maitri Shah:** Firstly, congratulations on Rs.4,026 crores top line. My question is on the revenue. So, what sort of guidance do you have for the second half of this year and also for the next financial year on the revenue?
- Anshuman Singhania:** So, as I was addressing the other investors that we see a good trajectory of demand going ahead, we are very confident that we will be able to achieve double digit growth on the revenues going forward.
- Maitri Shah:** That is great to hear. And secondly, you previously mentioned about the three capex projects under implementation. Could you please mention them again with the amount of capex that you are investing?
- Anshuman Singhania:** Total of Rs.1,400 crores worth of expansion. TBR, which is the truck & bus radial which we are expanding in Laksar, CIL with Rs.261 crores. All steel light truck radial, which we are expanding in Mysore, Rs.112 crores and Passenger line expansion, which is Rs.1,025 crores, in our Banmore plant. The start of production is from the end of Q3FY26 with ramping up by next financial year.
- Maitri Shah:** That is great. And this does not include the USD21 million for the Mexico capex that we are doing, correct?
- Anshuman Singhania:** Yes, that Mexico capex is separate.
- Maitri Shah:** And that is going online from the 1st Quarter of next year?



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- Anshuman Singhania:** Yes, that is right.
- Maitri Shah:** That's it from my side. Thank you and all the best.
- Anshuman Singhania:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nandan Pradhan from Emkay Global.
- Nandan Pradhan:** Good evening, sir. Congratulations on a great set of numbers for this quarter. So just a small question from my side. So, in Q1, we expected the tyre industry to grow by about 7% or 8% for the full year. And we have already sustained our guidance of double-digit revenue growth for FY26. So, because of the recent GST cut and the festive surge that is going on, do you see any uptick in the guidance or would you sustain the same as the last quarter?
- Anshuman Singhania:** No, we would like to stick to our numbers in terms of the 10% growth guidance. Though we are seeing a good surge coming in and surely this momentum will carry on but we will stick to the numbers which we have already said.
- Nandan Pradhan:** Thank you so much. That answers my question.
- Moderator:** Thank you. The next question is from the line of S.B. Bhaiya, as an individual investor.
- S.B. Bhaiya:** Congratulations to you for a nice set of numbers. I have got only one question, with such a robust demand scenario which you have painted. How prepared you are from supply side till the time actually your new capacity comes in?
- Anshuman Singhania:** Our capacities are coming at different time lags across PCR and TBR. So, these expansions together will inch up our capacities by 12% to 13%. And that's how we will be able to cater to our increased demand.
- S.B. Bhaiya:** But as I understand your new capacities are coming in only in the last quarter of this financial year or by 1st Quarter of next financial year. So, till that time, do you think you will be able to meet the surge in demand?
- Sanjeev Aggarwal:** Our new capacities for PCR, TBR and All steel light track radial tyres are coming in India in the 3rd Quarter. And in fact, the PCR capacity has already started in the month of October, but the ramp up will happen by March'26. So, we are fully geared up to take up any surge in demand and we are ready to supply, we will not let any loss of sales on account of the capacity shortage. So, it will definitely get addressed. And as far as the Tornel is concerned, we will be ready by the 4th Quarter of this financial year. But in between when we start, we start with smaller capacities and then of course full ramp up happen over a period of 3 to 6 months depending upon the product.



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- Anshuman Singhania:** Plus, capacity utilization is also increasing.
- Sanjeev Aggarwal:** We are already operating at about 88% capacity and we are full ready to cater to any increased demand.
- S.B. Bhaiya:** Great sir. So, you are not seeing capacity as a constraint to meet the demand?
- Sanjeev Aggarwal:** Absolutely not.
- S.B. Bhaiya:** Thank you, sir.
- Anshuman Singhania:** Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Sanjeev Aggarwal:** Thank you so much for joining this call and we are quite happy to have shared all the numbers and I hope all the questions have been fully addressed. Thank you very much for this and we look forward to the next quarter. Good day!
- Moderator:** On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.