



# TOLINS TYRES LIMITED

(formerly known as Tolins Tyres Private Limited)

Safer- Stronger - Lives Longer

Date: June 04, 2026

BSE Limited  
Phiroze Jee Jee Bhoy Tower  
Dalal Street, Fort  
Mumbai – 400001

National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurl Complex,  
Bandra (East), Mumbai – 400051

Scrip Code: 544254

Symbol: TOLINS

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of Earnings Conference Call**

Dear Sir/Ma'am,

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to intimate that the Transcript of Earnings Conference Call held on Monday, June 01, 2026, at 5:30 P.M. (IST), in connection with the Audited standalone and consolidated Financial Results for the quarter and year ended March 31, 2026, is available on the website of the company in the below link.

<https://www.tolinstyres.com/investor-desk>

You are requested to kindly take the aforesaid on your record.

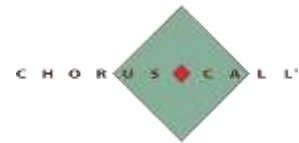
**Thanking You,  
For Tolins Tyres Limited**

**Umesh M  
Company Secretary & Compliance Officer  
Membership. No.: A72122**



“Tolins Tyres Limited  
Q4 & FY26 Earnings Conference Call”

June 01, 2026



**MANAGEMENT: DR. K.V. TOLIN – CHAIRMAN AND MANAGING  
DIRECTOR – TOLINS TYRES LIMITED  
MR. SOJAN C. S. – CHIEF FINANCIAL OFFICER –  
TOLINS TYRES LIMITED  
MR. CYRUS TOLIN – HEAD OPERATIONS – TOLINS  
TYRES LIMITED  
ADFACTORS PR – INVESTOR RELATIONS**



**Moderator:**

Ladies and gentlemen, good day and welcome to the Q4 and FY26 Tolins Tyres Limited conference call. 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 touchtone phone.

Also, please note that this conference call may contain certain forward-looking statements, which are based on the belief, opinions, and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties which are difficult to predict.

I now hand the conference over to Dr. K.V. Tolin, Chairman and Managing Director, Tolins Tyres Limited. Thank you, and over to you, Dr. K.V.

**K.V. Tolin:**

Thank you, and good evening to all our investors, analysts, and stakeholders. I welcome you all to the earnings conference call of Tolins Tyres Limited for the fourth quarter and financial year ended March 31st, 2026. Joining me today are our Chief Financial Officer, Mr. Sajan C.S., and our Head of Operations, Mr. Cyrus Tolin, along with our Adfactors Investor Relations team.

FY26 marked another year of steady progress for Tolins Tyres as we continue to strengthen our market presence, improve our operational efficiencies, and build long-term drivers across domestic and international markets. During the year, we continued to strengthen both domestic and international presence by capitalizing on emerging opportunities across key markets amid supply disruptions and evolving global trade dynamics.

A key highlight during the year was the healthy traction witnessed in our UAE operations. We were able to expand our market reach in select segments where competitive intensity moderated, especially in tread rubber exports. Our strategic focus on customer acquisition, distribution expansion, and deeper market penetration supported revenue growth during the year and further strengthened our long-term scalability.

On the product side, we continued expanding our portfolio across retreading materials, two-wheeler tyres, agricultural tyres, tractor rear tyres. The newly introduced heavy-duty tractor rear tyre category has started receiving encouraging response from the market through our dealer network and further strengthens our position in the agriculture segment. We believe this category will contribute meaningfully over the coming quarters as we continue expanding our agricultural product portfolio.

During the year, we also focused extensively on improving manufacturing efficiencies, process optimization, and operational discipline across our facilities. These initiatives helped us maintain stable profitability despite volatility in raw material prices and evolving market conditions. The broader tyre industry environment also remained supportive during the year.



Driven by healthy replacement demand, improving rural and agricultural activity, steady movement of commercial vehicle segment, and increasing focus on cost-efficient mobility solutions, the retreading industry continues to benefit from fleet operators focusing on cost optimization and tyre life extension. While demand trends across agricultural and two-wheeler categories remain encouraging.

Another important area of focus has been exports and international business expansion. We continue to see encouraging traction in export opportunities, particularly through our UAE operations, where the business environment remains supportive and scalable. In line with our strategy to strengthen domestic distribution and improve customer reach, we also expanded our presence in Western India through the launch of a new depot in Gujarat, which commenced operations on December 1st, 2025.

This facility is expected to help us penetrate deeper into untapped markets, acquire new customers, improve product availability, and significantly reduce lead times across the region. The depot caters to both tyre and retread products requirements and strengthens our distribution network in one of India's high-potential tyre markets.

At the same time, we are also progressing in our recycling initiatives under Terra Rubber, which aligns with our long-term sustainability and cost optimization strategy. This initiative is expected to improve material utilization efficiencies and strengthen operating margins over time.

Overall, despite temporary industry-level challenges during parts of the year, we believe that underlying demand environment across the replacement tyre market, retreading materials, agricultural tyres, and export market remains healthy. With our diversified business model, strong dealer relationships built over decades, improving product portfolio, and disciplined financial approach, we remain confident about the long-term growth trajectory of the business.

I would now like to hand over the call to our CFO, Mr. Sojan C. S., who will take you through the detailed financial performance. Thank you. Over to Sojan, sir.

**Sojan C. S.:**

Thank you, sir. Good evening, everyone. Let me take you through the financial performance of Tolins Tyres Limited for Q4 and FY26. For FY26, consolidated revenue from operations stood at INR327.12 crores as compared to INR292.45 crores in FY25, registering a growth of approximately 12% year-on-year basis. EBITDA, excluding other income for FY26, stood at INR47.8 crores as compared to INR57.91 crores in FY25. EBITDA margin for the year stood at 14.6%. Profit after tax for FY26 stood at INR35.69 crores against INR38.67 crores in FY25. Basic earnings per share for FY26 stood at INR9.03 per share.

Coming to the quarterly performance, Q4 FY26 revenue from operations stood at INR77.99 crores as compared to INR69.53 crores in Q4 of FY25, reflecting year-on-year growth of around 12%. EBITDA for Q4 FY26 stood at INR11.22 crores as against INR13.57 crores in the corresponding quarter last year. EBITDA margin for the quarter stood at 14.4%. Profit after tax for Q4 FY26 stood at INR8.94 crores.

The quarter witnessed some impact from volatility in raw material prices, higher inventory holding, and elongated receivable cycles amid geopolitical uncertainties. However, our balance



sheet remains strong with a consolidated debt-to-equity ratio of only 0.03x as on 31st March 2026, providing us adequate financial flexibility to pursue future growth opportunities. We remain committed to disciplined capital allocation, sustainable profitability, and long-term value creation for all stakeholders.

With this, we conclude the opening remarks and would now be happy to take your questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

**Keshav Garg:** So, Mr. Tolin, the only thing more pathetic than your numbers is your guidance. And I think investing in your company has been the biggest mistake of my life till now. And I have no words to express myself, how bad the performance of the company is.

I mean, if you see, our gross current asset is INR309 crores, and our, say, net sales is INR327 crores. So you need INR309 crores of gross current asset to do INR327 crores of revenues. I mean, I don't understand what is happening with the company. What happened to the 20% growth that you told us to expect last year? Can you tell us?

**K.V. Tolin:** The 20% growth what we projected, see, always we are optimistic on the scalability what we can do. So that is –always our projection. But due to a lot of other factors, we could do at least 12%. That is the growth what we could attain. But if you look at the numbers closely, see our tyre production, we could -- the number of tyres, factory is not running only just on the top lines.

The number what we produce, we have a, if you look at the '25 volume of tyres what we have manufactured is 3,93,253 tyres, but '26 we could do 5,35,870 tyres. That is a 36% growth. In PCTR also, there is a 10% growth and other bonding gum and flaps, both items we have 56% growth.

So it is not that the factory is not producing, factory is there doing 36% growth in tyres. It's not totally against what we have projected. But the top lines depend upon the final selling price and Yes, that is the numbers what we have. In tyres, we could achieve that sales.

**Moderator:** Thank you. Next question is -- Yes, go ahead, sir.

**K.V. Tolin:** Thank you. Nothing. Thanks. That's all.

**Moderator:** We will take our next question from the line of Anboli, an Individual Investor. Please go ahead.

**Anboli:** Hello. Good evening, sir. Hello.

**K.V. Tolin:** Good evening. Yes.

**Anboli:** Sir, my question is, when our OCF will be positive? And also, what is our marketing -- sales and marketing strategy, and can you talk us a bit about your sales and marketing team? Thank you, sir.



- K.V. Tolin:** See, our marketing strategy, what we are at present doing, we are not heavily branding like the tyre majors. What we are doing in the marketing side, we are having a very strong team of marketing managers across the country. They are doing a wonderful job, and the branding what we are doing for the tyre is the last point, where the sale is happening.
- So that point, the shops, the branding inside the shops, branding the shop boards, like that, our total spend also is very less as far as the branding is concerned. So when we need branding heavily, that time only we will plan for a marketing branding and all.
- Anboli:** So aren't we not concentrating much on marketing? So that is what your -- right?
- K.V. Tolin:** At present, we are doing it very small, not heavy -- heavy spend is not required.
- Anboli:** Okay, okay. Then what about OCF, operating cash flows?
- Sojan C. S.:** The operating cash flows, this credit period is slightly higher in the industry. This is a traditional industry we are operating for the last 30, 40 years. And we used to offer three to four months credit period to our dealer community in the normal period.
- Anboli:** So when we can expect it to turn into positive, kind of thing?
- Sojan C. S.:** Yes, so gradually -- now due to this uncertainty in the market and that GST revision and a lot of uncertainty happened during the last year. So we slightly extended the credit period now. It's another one month, just like that. So in short-term thing only. Gradually the overall plan is to reduce this to a comfortable level in another few quarters.
- Anboli:** What is this year's growth and capex? Can you tell about that?
- Sojan C. S.:** There is no much capex planned this year. But again, it is not predictable. This market is not predictable. As you are also aware, due to these geopolitical issues and total uncertainty over this market movement, people are delaying their purchases. So a lot of things are happening. People are spending on automation. So due to that, we hope at least a similar level of FY '25-'26 we will be able to maintain. Depending upon if it is -- everything is -- all these issues are over by Q2, then we will have a better performance in Q3 and Q4. So currently...
- Anboli:** Can you talk a bit about your strategy behind that and how you are going to increase the sales, because that is what concerning me as an investor.
- K.V. Tolin:** Can you once again, the first part was not audible.
- Anboli:** Sir, can you talk us a bit about the strategy, so that what is your strategy behind growth because just how we are going to increase our sales as well as with bottom line? That's what concerning...
- K.V. Tolin:** Yes. See basically, the factory is having a capex to produce more tyres. So we don't have to invest anything on the capex as of now, in the capacity. So that way we are safe. But what we are doing at present is we are trying to reduce cost by doing automation in various areas. That's ongoing.



That we could achieve that also and in this financial year also, there will be a lot of saving through the automations what we are doing. Also, we are implementing a lot of AI tools in the floor so that those kind of planning and inventory, where we have unwanted inventories, we are trying to reduce. All those things are being handled.

**Anboli:** Okay. Sir, my only one suggestion is why we aren't concentrating much on marketing? Because even in case of two-wheeler tyres, mostly nowadays it is not slowing down as if now when compared to agricultural tyres. So if we concentrate that on -- if we concentrate much on marketing at least so that sales will be increasing, no?

**K.V. Tolin:** Correct, correct. No, this year see, last year if you see the numbers, we have even the top line is only 10%, the number of tyres there was a -- the number of tyres what we have produced has grown considerably.

**Anboli:** Okay. Okay, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.

**Aniket Madhwani:** Hello, am I audible?

**K.V. Tolin:** Yes.

**Moderator:** Yes.

**Aniket Madhwani:** Hello. So, sir, actually, at the time of the IPO and post-IPO, during the con call we have been told that the significant revenue and the margin improvement would come from the UAE plant, right? Ras Al Khaimah plant. So, please throw some light on the operation and margin status of this Ras Al Khaimah plant. Please throw some light on the capacity and what capacity that you have expanded from the last one or two years?

**Sojan C. S.:** Our capacity is 1,200 metric tons in the Ras Al Khaimah plant. And currently, less than 50% is being utilized in this Ras Al Khaimah plant. In the last quarter, from the last quarter onwards, due to all these geopolitical issues and all, the market is totally down in the GCC area. So on an overall strategy basis, we are planning to improve the capacity utilization to gradually improve capacity utilization considerably, but due to this current situation there is a short-term uncertainty and unpredictable situation. We are hopeful that this will be over at least by end of next quarter and things will come back to normal. So we'll be able to show better performance in UAE operations. The margins are better than India operations.

**Aniket Madhwani:** Okay. So sir, if we look at Q4 number or FY26 number, margin shows a de-growth, right? So can you give us the post-mortem analysis, which geography has contributed most for this negative growth?

**Sojan C. S.:** Basically India operations, both India and UAE operations. And there is an PCTR see our business is mainly into the retread industry rather than into tyre industry. In PCTR or retread



segment what happened is due to this GST revision in last September where the GST rate of tyre reduced to 18% and retread materials again tax rate same 18%.

So due to this there is a pressure on the retread business margin, margin of the retread business. And even agricultural tyre GST reduced to 5% while the retreading material still taxed at 18%. So due to all this there is a margin pressure on the retread business and there is a, the off-take by dealers reduced considerably. And we now this association of retread manufacturers have approached the ministry or Government of India to reduce GST on retread segment to 5%. That is under consideration by Government of India.

**Aniket Madhwani:** Okay. But sir, at this point of time you mean to say the GST rate on the retread as well as new tyre both are same at 18%, correct?

**Sojan C. S.:** Yes, both are same at 18%. For agricultural tyre it is 5% only, new tyre. If you want to do retreading on this agricultural tyre we have to pay 18% GST. On buying a new agricultural tyre GST is only 5%.

**Aniket Madhwani:** Okay, okay. So sir, what was the change? So if we look at the previous, pre-tax regime and post, so what is the change in terms of this retread rubber in terms of GST?

**K.V. Tolin:** Can you just repeat the question?

**Aniket Madhwani:** Sir, if we look at the GST rate for this retread rubber, right? So you mean to say earlier it was higher rate and then it was reduced to 18, right? Is it the correct? Right now it is 18 right?

**K.V. Tolin:** The tyre was 28%. Tyre was brought down to 18% for the commercial vehicles and the 28% of agricultural tyre is brought down to 5% for the new tyres. Whereas retreading is still at 18%, always at 18%. There was no change in the retreading material GST rate. That is the problem. That is now I think ministry has taken it up in a very serious way because this is affecting the sustainability what we all talk about because too much if the retreading is not promoted in that way there is a serious issue on the sustainability issue. So government is also considering that.

**Aniket Madhwani:** Okay, okay. Understood, understood. Okay, but sir, actually you mentioned that the 5%, 5% rate is for the essential commodity, right? So I think in case of the auto, uniform rate is applicable is 18%. So I think it will be very less.

**K.V. Tolin:** Yes, but now at present agricultural tyre is GST is 5% only.

**Aniket Madhwani:** Okay, okay. Noted. Thank you.

**Sojan C. S.:** Thank you.

**Moderator:** Thank you. Next question is from the line of Yash Parkar an Individual Investor. Please go ahead.

**Yash Parkar:** Hello? Am I audible?

**K.V. Tolin:** Yes.



**Moderator:** Yes, please go ahead.

**Yash Parkar:** Hi. Thank you for the opportunity. So, my question is regarding over the past few years, we have expanded our product portfolio, using geographical reach and customer base. So beyond FY27, what are the three biggest drivers that could help us increase the top line, just like the double digits that we have been growing? So what are the three biggest drivers according to you that will drive the growth in top line?

**K.V. Tolin:** Basically, the number of tyres is going to be the first vertical what we will be increasing the number of the tyre production. Current level we have more capacity to produce that we will be utilizing the tyre capacity. Next is the precured, we are now exploring the Europe market as well. So that also, in America, we have started in the last financial year, we started the US business. And people are now slowly placing the repeat orders.

So that will start widening in the coming months maybe in this financial year. So in precured and tyres we are very confident about growing the volumes. Whereas we have a slight issue in the logistics issue. You know the war happening in the Middle East. So that is going to, we have to wait and watch how the things are going in that area.

**Yash Parkar:** Okay. And, sir, regarding the integration for Terra Rubber, so could you throw some light on what meaningful synergies can it help us with? Would it be in terms of procurement? Would it be in manufacturing, product development, distribution, or maybe even customer cross-selling, something like that?

**K.V. Tolin:** Terra Rubber started manufacturing its products. Now what we are trying to do is, what we are developing the products what we can use at Tolins Tyres itself. So that we can save a lot on the cost of the material. What we are trying to do, whatever scrap or waste generated out of Tolins Tyres operation, we know the quality of the scrap.

So that material we are processing, started processing in Terra Rubber and started integrating into our products. So that trials are the road trials, field trials, we cannot totally take it on a single stroke just like that. So we are now putting those materials on the road trials and we are getting very positive results. So we will be taking those off-take initially for our Tolins Tyres requirements itself. And going forward, we are looking at some acquisitions in of some facility in this area. That is what we have in mind in Terra Rubber.

**Yash Parkar:** Correct. And so, when should we start seeing the synergies in the numbers like, when can we expect this coming in?

**K.V. Tolin:** I think there will be, this financial, it's a very highly profitable business vertical. So you can start seeing, but we are not counting too much because initially our plan is to make the profitability of Tolins Tyres better by integrating those products into our Tolins Tyres products itself. So this year itself, in financial year itself, we can see the numbers coming in.

**Yash Parkar:** Correct. Also sir, another question is, historically like we have seen that replacement segments tend to offer better margins compared to serving to OEMs. They provide scale and visibility, of



course, but over the next three to five years, how are you seeing the balance between the two segments and which has a greater growth opportunity for us?

**K.V. Tolin:** We are not taking, not considering any of these options as a priority or low priority, because we are moving in both the verticals because in case there is a loss of demand in the domestic market we should not be affected. So we don't want to lay all eggs in one basket. So we are positioning in both the verticals and I think both options are open. And that strategy has always paid us because when there is a slowdown in the OEM, then our replacement will support. Like that we will continue operating in both the segments.

**Yash Parkar:** Okay. And sir, you mentioned about some inorganic acquisitions as well in order to increase our capacity and technology. So could you throw some more light on that, please?

**K.V. Tolin:** Nothing has been finalized. We are looking for those kind of facility or availability of those kind of facilities. So we are scouting, the scout is on. I don't have any numbers right now to share, but that is what we have in mind about Terra Rubber to have some kind of inorganic growth in that area.

**Yash Parkar:** Correct. And sir, last question from my end, this industry is getting a good amount of competition right now, particularly with all the imports and changing preferences of customers. So how do you see the competition today versus a few years ago? And maybe even how do you see and are evaluating for the future as well?

**K.V. Tolin:** The competition in this industry is always there. You can see even in our business where we are working is 60% is a retreading material manufacturing. If we talk about retreading material manufacturers, we have all the tyre majors also in this field. But we are competing with these tyre majors and we have been very successful over the last 40 years in this business.

So we know the terrain, the road conditions, those kind of things, and we have the products which is applicable for even for carts, planes, all those areas. So like that our confidence in tyre retreading material manufacturing is built. It's not a short-term one, it's a last 40 years plus we know the Indian roads, worldwide what is happening, the road conditions, the load conditions, the casing qualities. So this way we are having an upper hand in that area, so we can beat the competition with our expertise. That is what our confidence is.

**Yash Parkar:** Correct, correct, sir. Again sorry, I'll just add one more question to it. You mentioned that with the acquisition you'll be getting some sort of margin improvement with the raw material as well. Apart from that, are there any changes in product mix or maybe better margins in exports, something like that that is going to help us with the confidence that we will be increasing our margins.

**K.V. Tolin:** Definitely, there are a lot of trials and innovations happening at the floor. We were positioned in a much better way, but this war has taken back, because the volatility in the raw material prices are too much. What is happening around the world. So that has given a short-time set, not a setback, it has slowed down the way what we were planning to improve our profitability, but we are waiting and watching, and definitely we will be succeeding on this lowering reducing the cost of operations.



- Yash Parkar:** Okay. Thank you, thank you so much.
- Moderator:** Thank you. Next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sure. Thank you for the opportunity. Sir, I wanted to understand, why did our tyre volumes decline based quarter on quarter?
- Sojan C. S.:** Quarter to quarter basis there is decline because Q4, there was a lot of uncertainties in the market and all, especially in March and all. The volumes reduced considerably. On a year-on-year basis, there is a growth. Quarter-to-quarter basis, compared to Q3, there is a dip in Q4. If you look at the total volumes in the year-on-year basis, because March since the war started, there was total uncertainty from the dealer community in their off-take and all.
- Madhur Rathi:** Got it. Now, sir, I read somewhere that because of these fuel prices increasing, commercial vehicle manufacturers are moving towards increased adoption of these retread tyres. So are we seeing and historically have we seen such demand for our products whenever fuel prices go up, is that a trend that is visible on ground, if you could help us understand?
- K.V. Tolin:** What you read is very true. Historically, there is always when the people don't have money to buy new tyres, they will always opt for a retreading , which is a much cheaper option. So this retreading material also price has gone up, but now we have a serious problem here with the government that the GST rate of tyres and new tyres are same or in certain cases the GST rate of tyres are less, much less than the retreading GST. So we have addressed this situation to the ministry. I think the ministry will take a favorable step in the immediate possible meeting next GST council meeting...
- Madhur Rathi:** Sir, so issue is with -- sorry, sir, please go ahead.
- K.V. Tolin:** Yes, Yes, please.
- Madhur Rathi:** Sir, so the issue is with that the manufacturers who are non-GST compliant, are they selling their products, like localized unorganized players fragmented who are selling these retread rubber kind of products in the regional markets? Is that the major issue right now, or because I would expect sir, if prices for the end tyre would, so prices for the retread would always be cheaper versus buying a new end tyre. So even then we are not expecting a demand improvement, that's what I am trying to understand.
- K.V. Tolin:** Sir, always there is a 30% to 40% cheaper, retreading will be 30% to 40% cheaper than the new tyres. So that attraction has narrowed down a little bit. So now there may be a 20% cheaper, but people will be more happy to buy a new tyre when the retread rate is high. Coming to the unorganized players, we are not counting that kind of unorganized market where we have a very there is a market has several layers. We are working in the top layer where unorganized people and with the GST kind of that kind of business is happening.
- Madhur Rathi:** Got it. Now, sir, one worry was on our working capital. Sir, if I look at our working capital, it has grown from like INR230 crores, it has moved to closer to INR300 crores. So that is a very



big jump. So why is that, sir? And if I look at our trade receivables, whatever incremental revenue we did was it seems that whatever INR30 crores, INR40 crores incremental revenue that we did, all of that flowed to our trade receivables. So if you could help us understand why is this so high?

**Sojan C. S.:** Traditionally, we used to offer 3 to 4 months, this is an industry practice. 3 to 4 months, minimum three months credit is there in the retreat, especially in the retread industry and all. Normally from our side, Tolins side, it is a 40-year old company operating in the market, and we have around 3,000 dealer network.

So for this community, we normally offer even the previous years, we normally offer 3 to 4 months credit period to retain the business. Now, currently, in last, for last few quarters, especially from this GST reforms and all, and this war and all, this credit period slightly increased by at least by another 1 month. But this is not a long-term thing. We also want to reduce it to a comfortable level. But three to four months is generally we are offering to the dealers.

**Madhur Rathi:** Sir, but if I consider -- sorry, sir.

**Sojan C. S.:** And there is a retention by all these government supplies and all there will be retention against performance guarantee retention and all, that is also is there. But as a strategy on a long-term basis, we also want to reduce this considerably. To around 4 months level or between 3 to 4 months level. But during this tough time, a lot of uncertainty in the market, we cannot heavily pressure the dealer to make payment originally. We don't want to create issue with the dealer network. They are also facing issues.

**Madhur Rathi:** Got it. Sir, so even if I consider FY25 as a normalized year, sir we had a working capital investment of closer to INR230 crores on a revenue of INR290 crores. So I don't think that is a 3, 4 month credit period that we provide. So it's much more. Not credit period, but working capital investment. So why is this so high? So do we need to -- is this the nature of industry where we need to have that cash collection cycle of closer to like 7, 8 months?

**Sojan C. S.:** No, we are holding good amount of inventory also. That's also we have to keep because 4 to 5 months inventory we are holding because rubber is a seasonal product. So there is a lot of price variations happening in between the seasons and there is rubber tapping off-season is there in June, July the rainy season and all.

So and we have around more than 1,200 SKUs of different sizes of these retread rubber and different tires and we have to keep sufficient stock across all depots and all business places and all. Due to this it's inventory we have to keep around five months inventory 4 to 5 months inventory.

And current during this current year we have infused this IPO fund also to the working capital for procuring additional materials and all to keep the inventory levels good at the centers. That has helped us to keep the maintain the inventory even in this now this supply is affected due to the various geopolitical issues and all there is availability shipping issues a lot of issues are there, but we were able to manage this with our inventory holding.



**Madhur Rathi:** Got it. Sir, just a final question...

**Moderator:** Madhur, I request you to join back the queue please as we have other participants waiting for their turn.

**Madhur Rathi:** Yes. I'll do that, sir. Thank you so much.

**Moderator:** Thank you. Next question is from the line of Diwakar Rana from Prudent Equity. Please go ahead.

**Diwakar Rana:** Hello, am I audible?

**Moderator:** Yes Diwakar, please go ahead.

**Diwakar Rana:** Yes, hi sir. Sir as far as I remember we used to face receivable issue in our UAE market, not in India. So how's the situation in UAE considering the West Asia war?

**Sojan C. S.:** UAE also this is increased considerably because of this ongoing issues and all. Even otherwise China is dumping materials in the GCC countries and all with a lot of extra credit period extending up to 1 year and all. That is not in our control, but in India, this is a temporary issue. Hopefully we'll manage this by end of these issues, once the market is recovered, we can bring down this to an extent.

**Diwakar Rana:** Okay, but overall you will not face any cash flow issue, right? Because...

**Sojan C. S.:** The operations are, no, the operations are not affected.

**Diwakar Rana:** Okay. And on the capacity utilization front, the Ras Al Khaimah unit is around 50% you said right?

**Sojan C. S.:** Yes, less than 50%.

**Diwakar Rana:** Less than 50%, okay. So, I mean what is stopping you to scale this unit? I believe when did you start this business, I mean this facility around before the IPO right?

**Sojan C. S.:** It has been there since last 10 years.

**Diwakar Rana:** This Ras Al Khaimah unit you started 10 years ago you said.

**Sojan C. S.:** Yes, Yes.

**Diwakar Rana:** Okay. So, I mean the utilization is quite low, what was the peak utilization of this unit before the war?

**Sojan C. S.:** Can you come back? Question.

**Diwakar Rana:** So, what was the peak utilization of this unit, maybe in some prior years?



- Sojan C. S.:** It is less than 50% only. We have enough scope to expand in the UAE market, digital countries. We can increase the production considerably, but utilization is less than 50% as of now, because of this more credit and all, market-related issues, we are also very cautious on aggressive expansion and all.
- Diwakar Rana:** Okay, what is the optimal utilization I mean -- Let's say the war ends in next three months. So what will be the optimal utilization of this unit going forward let's say in FY27, '28?
- Sojan C. S.:** In next three months, this will be low only. Come down to say around less than 40% or 30%. We cannot predict at this situation. If war ends fast in next month, then Q2 onwards we will increase the production and things will be back to normal.
- Diwakar Rana:** Normal means what will be the utilization?
- Sojan C. S.:** Around 40% and 50%.
- K.V. Tolin:** It will continue like that only. We are not very aggressive in the UAE at present, because after the war you don't know what will be the financial status of the customers also, so we will closely monitor those things and then only we will jump into more business.
- Diwakar Rana:** Okay, and for Indian operations what is our utilization?
- Sojan C. S.:** For Indian operations?
- Diwakar Rana:** Indian business.
- Sojan C. S.:** Indian operations, it's around 45% to 55% for this different for tyre and the retread segment. Retread segment it is around 55% and tyre segment it is around 45%.
- K.V. Tolin:** But that will be scaled up. That utilization will be scaled up in the maximum possible way.
- Moderator:** Diwakar, I request you to join back the queue, please.
- Diwakar Rana:** Yes, so I was just asking one thing from Mr. Tolin. So, in earlier con-calls, Mr. Ramalingam used to join us, right? So, he has stopped from the last two con-calls. So why is that?
- K.V. Tolin:** He is still there. There is nothing, he's a little busy today, otherwise he would have joined.
- Diwakar Rana:** Okay, alright, that was from my side. Thank you.
- Moderator:** Thank you. Due to paucity of time we'll take our one last question from the line of Aniket Madhwani from Steptrade Capital. Please go ahead.
- Aniket Madhwani:** Hello, am I audible?
- Moderator:** Yes, Aniket, please go ahead.



**Aniket Madhwani:** So, as you mentioned you will be scaling up the utilization rate in Indian operations. So where do you see the sales going forward in two, three years and the margins deteriorated in this quarter. So, can we see the improvement in coming quarters or will it be remaining the same?

**K.V. Tolin:** See, 60% of our sales is the business is of tread rubber, the tread rubber sales. What has happened, we clearly mentioned that because of there is a policy change of the in the GST tax matter, 28% GST of new tyres have brought down to 18%, which is at par with the retreading, which the charm of retreading has been little reduced.

And for the new tyres in agricultural segment, it has been 5% and GST for the retreading of the agricultural tyres is 18%. So, you can very well imagine there is a 13% additional cost is in the GST front itself. Which has diminished the feasibility a little bit. But I think government is taking a corrective action soon. So that we will be back on track in the profitability that has taken a small hit on the profitability of the company.

**Aniket Madhwani:** Okay, sir. So, what exact margins we will be maintaining going forward?

**K.V. Tolin:** We always try to keep minimum 10% margin, that is a fact, but then due to our efficiency, otherwise our pricing will not be feasible in the market. So, and again we try hard in our in-house to reduce the waste and scrap and all those additional elements and the operational efficiency to get another 2%, 3% margin. So, -- 10% to 13% will be an acceptable margin level what we are foreseeing.

**Aniket Madhwani:** Still a drop of 1%. You are currently maintaining about 11% and you are saying you will be maintaining around 10%...

**K.V. Tolin:** 10% to 13%.

**Aniket Madhwani:** And previously you have mentioned that you will be focusing on your UAE plant and on export business, and now you are saying that you will be more focused on the domestic operations. So, I just want to understand what is the future roadmap of the company? I mean, are you facing any difficulties in the UAE plant? It still operates around 50% utilization even before the war started. The utilization you mentioned was around 50% to 60%?

**K.V. Tolin:** See, the UAE factory we had a very good opportunity when the US government put a big tariff on India and UAE was less. That time we started some operations in US from the UAE factory. But it didn't last long because US has reduced the India tariff again. So that way, this kind of opportunities when there is something is there we can immediately encash out of the UAE unit.

At present the problem with the UAE unit, we have only problem with the UAE unit is that there is a big market available, but if we do more volumes then our receivables will also go high. So, we are controlling the credit in that market. And you know the business in Dubai is by and large controlled by expats in UAE.

So, we have to be very careful in doing business over there, because when we do more credit, so we are controlling to control those credit we are not very aggressive on sales. That's all.



- Aniket Madhwani:** Okay, okay. And my final question is, can I have the guidance for FY27 in terms of top line?
- Sojan C. S.:** It is a tough time to give a clear guidance now, as you also understand. But we expect we'll at least we will maintain FY25-'26 levels of performance as of now. But we will be reviewing this opportunity in say by next quarter or after second quarter, once the situation is improved.
- We are very positive that by end of Q2 these problems, currently what going on in India and West Asia, everything will be resolved. And all the market will come back to normal, pricing, all raw material or shipment, all issues will be come to a normal level, at least by Q2. So currently we expect similar performance of FY25-'26. So, we believe that it is better to commit less and perform better.
- Moderator:** Aniket, does that answer your question?
- Aniket Madhwani:** Yes. Thank you.
- Moderator:** Thank you. I now hand over the conference to management for closing comments. Over to you, sir.
- K.V. Tolin:** Good evening again. Thank you, Adfactors team for organizing this conference call. Also thanking all our investors, analysts and stakeholders who has attended the calls and who are looking forward for our company's growth jointly we will work together for the betterment of the company and of stakeholders. Thank you.
- Moderator:** Thank you. On behalf of Tolins Tyres Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.