

No. BIL/SE/2026-27

14th May, 2026

To,

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai – 400 001

National Stock Exchange of India Ltd

5th Floor, Exchange Plaza

Bandra Kurla Complex

Bandra (E), Mumbai 400 051

Equity Scrip Code: 502355 (Equity)

Scrip Code : 977667 (Debt) (INE787D 08047)

Scrip Code : 977668 (Debt) (INE787D 08039)

Scrip Code : 977669 (Debt) (INE787D 08054)

Trading Symbol: BALKRISIND

Dear Sir/Madam,

Subject: Transcript of Conference call with Investors/Analysts conducted on Saturday, 9th May 2026 at 11:00 AM, IST to discuss the Q4 & FY26 Results.

In continuation of our letter dated 2nd May, 2026 and 9th May, 2026 intimating about the earnings conference call and audio recording of conference call respectively with Investors/Analysts and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of conference call with Investors/Analysts related to Q4 & FY26 Results of the Company held on Saturday, 9th May 2026. This information will also be hosted on the Company's website at <https://www.bkt-tires.com/ww/us/investors-desk>.

You are requested to kindly take the above information on record and disseminate.

Thanking you,

Yours faithfully,

For **Balkrishna Industries Limited**

Vipul Shah

Director & Company Secretary

and Compliance Officer

DIN: 05199526

Balkrishna Industries Ltd.

CIN No.: L99999MH1961PLC012185

Corporate Office : BKT House, C / 15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.

Tel: +91 22 6666 3800 Fax: +91 22 6666 3898/99 www.bkt-tires.com

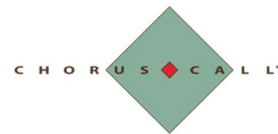
Registered Office: B-66, Waluj MIDC, Waluj Industrial Area, Chhatrapati Sambhaji Nagar– 431 136, Maharashtra, India



“Balkrishna Industries Limited
Q4 and FY26 Earnings Conference Call”

May 09, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 9th May 2026 will prevail.



**MANAGEMENT: MR. RAJIV PODDAR – JOINT MANAGING DIRECTOR –
BALKRISHNA INDUSTRIES LIMITED
MR. MADHUSUDAN BAJAJ – SENIOR PRESIDENT,
DIRECTOR, COMMERCIAL AND CHIEF FINANCIAL
OFFICER–BALKRISHNA INDUSTRIES LIMITED
MR. SATISH SHARMA – SENIOR PRESIDENT AND
DIRECTOR, STRATEGY AND BUSINESS DEVELOPMENT –
BALKRISHNA INDUSTRIES LIMITED
MR. RAVI JOSHI – DEPUTY CHIEF FINANCIAL OFFICER
– BALKRISHNA INDUSTRIES LIMITED
MR. SUSHIL MISHRA – HEAD, ACCOUNTS –
BALKRISHNA INDUSTRIES LIMITED
SGA, INVESTOR RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to the Balkrishna Industries Limited Q4 and FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Rajiv Poddar, Joint Managing Director. Thank you and over to you, sir.

Rajiv Poddar:

Thank you, Yousuf. Good morning, everyone, and thank you for joining us today. Along with me, I have Mr. Bajaj, Senior President and Director, Commercial, and our CFO; Mr. Satish Sharma, Senior President and Director of Strategy and Business Development; Mr. Ravi Joshi, our Deputy CFO; Mr. Sushil Mishra, Head of Accounts; and SGA, our IR Advisors.

At the onset, let me start by saying we have been resilient in a challenging external environment. While macroeconomic uncertainties continue to persist, at BKT, we remain confident in our ability to deliver sustainable and profitable growth over the medium to long term. Our financial performance has remained stable, reflecting the strength of our integrated business model and disciplined cost management. We are now witnessing raw material price upticks due to supply chain disruptions and are closely monitoring the situation, while maintaining a steady balance between superior product mix and price hikes to partially offset this impact.

I shall now discuss the performance updates of each of our businesses.

Let me first begin with our OHT business. We are pleased to report a quarter marked by continued sequential improvements in volumes, supported by gradual normalization across key markets. H2 performance was significantly better than H1. -Which resulted in a strong operational year for the company, where we delivered our highest ever quarterly volumes in Q4, and also the highest ever volumes annually in FY 2026.

From an end market perspective, in Europe, H2 showed good recovery over H1, driven by easing in channel inventories. Similarly, in the Americas market, we are witnessing improving traction supported by higher channel activity. We have created a sharper focus in our go-to-market strategy for Americas in order to realize the true potential of the BKT product range. -. India continues to outperform all markets and witnessed a sustained momentum. We are cautiously optimistic for this geography given the weather forecast of IMD for the upcoming monsoon season.

I shall now share some insights of our carbon black business.

For the financial year '26, our carbon black business recorded marginal revenue growth on year-on-year basis with third-party sales at ~9% of overall business.

In December '25, we commissioned our new line for carbon black, taking the total capacity available to us at 265,000 MTPA. I'm pleased to share that we have witnessed full utilization levels for the new lines, supported by a mix of internal consumption and external third-party sales.

To ensure energy circularity model, company increased the captive power plant capacity at Bhuj to 64 MW during February '26. We are now targeting the balance part of carbon black capacity to come on stream in Q1 of financial year '27. In specialty carbon black, we have already secured approvals for select grades across plastics, pressure pipes, and power cables and inks.

Moving to our On-Highway business.

During the quarter, we continued to make progress on our long-term growth road map with a strong focus on product diversification and market expansion. We have entered the truck bus radial segment with the new product launches in February '26. This segment is aligned with infrastructure growth, increasing radialization trends, thereby helping us to tap in the replacement market opportunities -.

Further, we have re-launched the 2-wheeler tyres where we have introduced select products targeting domestic market.

The distribution network and channel infrastructure for the On-Highway segment is being built with products being placed in the market starting April '26, along with focused marketing campaigns with Ranveer Singh, our brand ambassador, to popularize our entry in these newer segments. The early response from the market has been encouraging, reflecting acceptance of our product quality and performance.

Building on this momentum, the company plans to introduce the passenger car radial or PCR tyres by the end of the current calendar year following a phased and calibrated approach. At BKT, we see our entry in these newer segments as a strategic adjacency that complements our existing strengths.

At overall level, while macroeconomic uncertainties persist, we remain focused on the following:

- a. volume growth with margin discipline
- b. leverage our carbon black capabilities to improve efficiency and quality and lastly
- c. To scale up progressively our On-Highway business.

Let me now share an update on the BKT brand.

During the year, we undertook a repositioning of the BKT brand architecture by differentiating the corporate and the regular lines by adding Tyres and Carbon to product branding aimed at making it more contemporary and emotional engaging while retaining its core attributes of

performance and reliability. The same must have been noticed by all of you during the ongoing T20 League in India.

Integrated product and brand-building initiatives across major digital and print platforms under the campaign "Elevate Your Drive" with our brand ambassador, Ranveer Singh, has received strong engagement and positive customer response. These initiatives have enhanced brand recall, supported new product launches and strengthened BKT's positioning across domestic and international markets.

Now let me quickly share insights on sustainability as highlighted in our FY '25 report.

As part of our long-term strategy, sustainability continues to remain a core focus area at Balkrishna Industries. During the financial year '25, we have made steady progress across our ESG priorities. During the year, our S&P Global Corporate Sustainability Assessment or the CSA score improved to 58, reflecting the steady progress of sustainability initiatives taken by us and reinforcing BKT's position among the leading Indian tyre manufacturers on sustainability performance.

As a part of our CSR activities, we have entered into a partnership for establishing Narsee Monjee Skilltech University in Mumbai through a committed contribution of INR25 crores staggered over the next few years. As a part of this initiative, a dedicated "BKT School of Engineering and Technology" will be set up, reinforcing the company's focus on promoting skill-based higher education aligned with our industry needs.

Lastly, an important development. As a part of commitment to robust governance, transparency and global best practices, the Board has approved the appointment of Deloitte Haskins & Sells Chartered Accountants LLP as joint statutory auditor on the recommendation of the Audit Committee and subject to approval shareholders at the ensuing AGM.

Moving on to our ongoing and new capex programs.

As a part of our ongoing capex plans, we have completed the following:

1. A new line of carbon black facility in Bhuj, taking our capacity to 265,000 MTPA,
2. Increased the power plant capacity in Bhuj from 40 megawatts to 64 megawatts.
3. In February '26, we completed Phase 1 of the commercial vehicle radial tyre project with a capex of INR750 crores, adding fungible capacity of 800 tyres per day for CVR and OHT.

We are now working on the completion of the balance carbon black project, which will take our overall capacity to 360,000 MTPA and Phase 2 of the commercial radial vehicle tyre project and also the PCR tyre project, which is scheduled to launch in FY '27. These projects are expected to be completed as per schedule.

The Board of Directors has approved an additional capex of INR2,000 crores, which will support capacity expansion and infrastructure development across both OHT and on-Highway tyre categories. AI enabled automation across on-highway tyre category, and also the company's sustainability initiatives. This spend is intended to drive long-term cost efficiency, enhance

operational resilience, improve sustainable performance and create scalable platform for future growth.

With this, I now move on to operational highlights.

For the quarter, our OHT sales volume stood at 85,820 metric tons, a growth of 5% year-on-year. For the financial year '26, our volumes stood at 317,356 metric tons.

Our stand-alone revenue for the quarter stood at INR2,894 crores, registering a growth of 2% year-on-year. This, however, includes a realized loss on foreign exchange pertaining to INR47 crores. For the financial year '26, stand-alone revenue stood at INR10,656 crores, registering flattish performance on a year-on-year basis. This, however, includes realized loss on foreign exchange pertaining to sales of INR164 crores.

The stand-alone EBITDA for the quarter was at INR663 crores with a margin of 22.9%. The margin was particularly impacted towards the end of the quarter on account of headwinds faced due to geopolitical scenario and its impact on supply chain. For the financial year '26, the stand-alone EBITDA was at INR2,423 crores, registering a degrowth of 10% on a year-on-year basis. The margin, however, stood at 22.7%.

Profit after tax for the quarter was recorded at INR295 crores, while for financial year, we have recorded a PAT of INR1,222 crores.

Our capex spend for the year was INR2,800 crores approximately.

As on 31st March, the gross debt and cash and cash equivalents were INR4,049 crores and INR3,154 crores, respectively. Accordingly, we have a net debt of INR895 crores.

The Board of Directors has recommended a final dividend of INR4 per equity share, subject to shareholder approval at the upcoming AGM. This is in addition to the INR12 that we have paid per share for the previous 3 quarters.

With this, I now conclude my opening remarks and leave the floor open to Q&A. Thank you.

Moderator: Thank you very much, sir. We will now begin the question and answer session. First question is from the line of Raghunandhan from Nuvama Research. Please go ahead.

Raghunandhan: Thank you very much for the opportunity. For FY '26, how much was the contribution of U.S. to volume? And considering that now the tariff is 10%, will we see U.S. going back to 10% of volume in FY '27?

Rajiv Poddar: That is our ambition, and that is what we are targeting for the year.

Raghunandhan: And how much was it in FY '26, sir, broad approximately, if you can indicate?

Rajiv Poddar: It was just short of 10%, but close to that number.

- Raghunandhan:** Understood. On the commodity basket, how much was the impact in Q4 and the expectation for Q1? And if you can also indicate how much price hike has been taken so far?
- Rajiv Poddar:** So price hike, we have taken between 3% to 5% already across various geographies, and we are targeting around 2% in this very month, towards the end of this month. And we'll continue to watch this, and maybe we may have to take further price hikes. Regarding the impact, I'll hand over to Mr. Bajaj.
- Madhusudan Bajaj:** Raw material prices has gone up by approximately 4%, 5% for the last quarter, the quarter which we ended.
- Raghunandhan:** And what would be the expectation for this quarter, sir, that is June quarter?
- Madhusudan Bajaj:** This quarter, approximately, it may go up around 7% to 8% more.
- Raghunandhan:** Understood, sir. And when you say 7% to 8%, it is as a percentage of revenue, or the raw material basket increasing by 7% to 8%?
- Madhusudan Bajaj:** This is on raw material prices.
- Moderator:** Sir, does that answer your question?
- Raghunandhan:** Yes. On the freight cost, how much was the freight cost in Q4 as a percentage of revenue given the geopolitics? And how do you see it for the future?
- Rajiv Poddar:** It was about 4.5% to 5%, and we expect it to go up marginally, the way things are, subject to no further disruption.
- Raghunandhan:** Got it, sir. One question...
- Moderator:** Sorry to interrupt Mr. Raghunandhan, may we please request you to rejoin the queue, sir, for the follow-up question.
- Raghunandhan:** Sure.
- Moderator:** Next question is from the line of Siddhartha Bera from Nuvama. Please go ahead.
- Siddhartha Bera:** Thanks for the opportunity. Sir, first question is on this outlook. You said that in the second half, you have seen a pickup in Europe, as well as North America is also improving. Given this backdrop for the next year, would it be possible to give some volume guidance, how much are we expecting for the OHT business? And on that, I mean, given that we have now started CV radial tyres also, some color there, how much are we expecting to sort of sell in FY '27?
- Rajiv Poddar:** So we stopped giving guidance due to the geopolitical scenarios and uncertainties. But we are, of course, expecting growth, but we don't give guidance on that.
- Siddhartha Bera:** And about the CV radial tyres?

- Rajiv Poddar:** The business has just begun, and we are hopeful to reach our stated vision by 2030, and we are working towards that.
- Siddhartha Bera:** Understood. Sir, on the capex side, so you said additional INR2,000 crores capex, which has been announced now. So with that, how much are we expecting the total capex for FY '27?
- Rajiv Poddar:** In this financial year, between INR1,500 crores to INR1,800 crores.
- Siddhartha Bera:** Okay, understood. I will come back in the queue.
- Moderator:** Next question is from the line of Pramod Amthe from InCred Capital. Please go ahead.
- Pramod Amthe:** Thanks for taking my question. So if I have to look at your presentation, Slide 16, you are talking about overall capex till FY '29 of INR6,800 crores. This includes the recent announcement of INR2,000 crores?
- Rajiv Poddar:** Yes.
- Pramod Amthe:** And where is this incremental INR2,000 crores going into? Because your vision was anyway put out for FY '30. Is it going into existing capex cost, or you are adding more molds? What is that revision of almost 30% in capex?
- Rajiv Poddar:** I'll read my commentary again, the Board has approved additional capex of INR2,000 crores, which will create capacity expansion and infrastructure development across both OHT and on-highway tyre categories, AI-enabled automation across on-highway tyre categories, and the company's sustainability initiatives. This spend is intended to drive long-term cost efficiency, enhance operational resilience, improve sustainability performance across the company, and also create a scalable platform for the future growth.
- Pramod Amthe:** So it's a combination of both capex and the productivity improvement, if I heard you right?
- Rajiv Poddar:** Yes. Yes, sir.
- Pramod Amthe:** Okay. And second one, since the capacity is coming on stream now for CV almost ready and car should be end of the year, what is your current distribution network? How much you plan to increase by end of the year? Can you give some sense?
- Satish Sharma:** I'm Satish Sharma this side. The primary distribution in the form of distributors is nearly complete for both the categories, and the number of dealerships will be added as per the ramp-up of sales.
- Pramod Amthe:** But it needs to be significant, if I'm not wrong?
- Satish Sharma:** It will be in line with the sales ramp-up.
- Pramod Amthe:** Okay. Sure. Thanks and all the best.
- Moderator:** Next question is from the line of Arjun Khanna from Kotak Mutual Fund. Please go ahead.

- Arjun Khanna:** Thank you for taking my question. Sir, the first question is on the American piece. So there is a refund of the reciprocal tariffs. Just want to understand, have we filed for the refund? Will we get part of it or will the importer distributor get? If you could throw some color on this matter, sir?
- Ravi Joshi:** So in U.S., we are importer on record. So whatever process is required, we have already filed. But as of now, we have not received anything.
- Arjun Khanna:** Fair. And what is the quantum that we would have filed, sir?
- Ravi Joshi :** Quantum, as of now, I'm not handy with the number.
- Arjun Khanna:** Sure. And since you're importer of the record, ideally it should come back to us. That's the fair understanding? Or do we need to pass part of it to our dealer distribution?
- Ravi Joshi :** So as a fair practice, obviously, we are supposed to pass back part of it, what was recovered from the customers.
- Arjun Khanna:** The second query is regarding the 2-wheeler tyres segment, which we have done a lot of marketing also on. What would our capacities be at this point in time?
- Satish Sharma :** Presently, we are having a capacity of about 100,000 tyres a month. And again, it will go up as per the market response.
- Arjun Khanna:** Sure. And in terms of our outsourcing arrangements, what is the peak scale-up that we can do on this front?
- Rajiv Poddar :** At the moment, we don't see it as a limiting factor.
- Arjun Khanna:** Okay. Perfect. Sir, just the last query is on the PCR side, which we have endeavored to launch by the end of this calendar year, as mentioned in the opening remarks. In the presentation, you've talked of premium positioning. Could you help us understand what does this mean? Are we planning only on certain inch rim sizes? Are we looking at a premium to the market leader, which I understand is Bridgestone? Or if you could just explain a little bit on the product positioning?
- Satish Sharma :** Yes. What it implies is that we are not discounting our products. We'll be in line with the market leaders. That's what it means.
- Moderator:** Next question is from the line of Sagar Parekh from Renaissance Investment Managers.
- Sagar Parekh:** My question is on the on-highway tyre strategy. So just wanted to make some sense. Could you firstly give us a qualitative aspect of how you are planning to scale up your on-highway overall? What would be the peak revenue between TBR, PCR and 2-wheelers? And currently, how many distributors are on board? If something on the qualitative side would be helpful.

- Satish Sharma:** So our stated vision is INR5,000 crores revenue by 2030. We are holding on to that position. The distribution, like I said, the primary distributors are all complete. We are about 90 in all for these categories. And the dealerships will be expanded as per the sales ramp.
- Sagar Parekh:** Right. And how would be the margins in this versus our off-highway?
- Rajiv Poddar :** As we have mentioned in the past, we are, as a company, looking to keep sustained EBITDA levels, which we will continue to do.
- Sagar Parekh:** So 23% to 25% is sustainable in your view, in spite of the on-highway scale up?
- Rajiv Poddar :** That is, the company as a whole, yes, it is. That is we are yet maintaining our position.
- Sagar Parekh:** Right. And in terms of like near term, if I have to look at FY '27, because of the raw material cost pressures, is it fair to say that near term, there could be some margin pressure? Or do you think that the price increases would fully mitigate the impact of the RM pressure?
- Rajiv Poddar :** So at this moment, we are seeing the pressure to come. We are evaluating the situation and see how much we can pass on. But at this moment, we may have some price pressures, margin pressures.
- Sagar Parekh:** Thanks for taking my question. That's it.
- Moderator:** Next question is from the line of Vijay Kumar Pandey from Axis Capital. Please go ahead.
- Vijay Pandey:** So sir, I wanted to check on the TBR tyres, so do you expect this segment to start generating revenue from this quarter? Or will it be only in the later part of this year or later part of FY '27? If you can just let us know this.
- Satish Sharma:** The impact will be very insignificant in the first quarter, but thereafter, it will start gaining in prominence.
- Vijay Pandey:** Okay. And secondly, sir, in terms of the export demands of Europe. In Europe, certain overseas players, they are guiding for flattish to mid-single-digit growth. So is our expectation also around that level to grow for FY '27? Or will it be lower? Because I just want to understand the dynamics in play there.
- Rajiv Poddar:** So Vijay ji, as I mentioned earlier, it's too volatile to give any guidance, and we'll continue to monitor. All we can say is that we are geared up to support the market as and when required. We are doing everything that we need to do to make sure we are in the best position to get market share whenever the market is there. And this was firmly demonstrated in H2 of this last financial year.
- Vijay Pandey:** And sir, this INR2,000 crores capex, which we plan to do, this will be entirely for FY '27, or it will be segregated between next two years?
- Rajiv Poddar :** It will be staggered over the next few years.

- Moderator:** Next question is from the line of Joseph George from IIFL Capital. Please go ahead.
- Joseph George:** Yes. So my question is in relation to the capex guidance that you have put out, INR6,800 crores. So two questions on that. One is, does this amount, INR6,800 crores, include anything that you have already spent? Or is that the number that we should think of from FY '27 to '29? That is the first question.
- Rajiv Poddar:** So to answer the first question first, yes, this is including what we have already spent.
- Joseph George:** So how much of the INR6,800 crores have you already spent?
- Rajiv Poddar:** Around INR3,000 crores.
- Joseph George:** Okay. So only INR3,800 crores is left for the remaining three years, which is '27, '28, '29?
- Rajiv Poddar:** Yes.
- Joseph George:** Okay. And the second part of the question is, this is entirely project capex? Or does it include maintenance as well? And if it doesn't include maintenance, how much should we think of maintenance per year?
- Rajiv Poddar:** This is only project. And maintenance is about INR200-odd crores every year, which will be extra, which is also in the past has been always mentioned extra.
- Joseph George:** Understood, sir. Thank you.
- Moderator:** Next question is from the line of Yash Agarwal from Nirmal Bang Securities. Please proceed.
- Yash Agarwal:** I just wanted to understand in the carbon black business, if you could share the split between captive consumption and the external sales. Additionally, what are the expected revenue contribution and EBITDA margin for this business?
- Madhusudan Bajaj:** 30% we are consuming locally from the current capacity, around 70% is sold in the market, and margins are as per industry average.
- Yash Agarwal:** And also, the second on your revenue growth guidance by 2030. As we have mentioned in the PPT, like the five-year CAGR is 17%. And since in FY '26 versus last year sales was flat. So can you assume that the four-year CAGR would be above 20% to reach our revenue growth expectation?
- Rajiv Poddar:** As the projects and capacities come on board, you'll see the jumps coming up. So that is why it would be closer to the second part of the stated five-year vision.
- Yash Agarwal:** Okay, sir. Thank you. That's all from my side.
- Moderator:** Next question is from the line of Sidharth from ithought Wealth Analytics LLP. Please proceed.
- Sidharth:** My first question is, like what is the company's thought on the on-highway tyres segment, like long-term thought process behind entering this segment?

- Satish Sharma :** Long-term thought is that -- I mean, we are entering into an adjacent business, which we see as a growth intensive, which provides sufficient growth levers to the company.
- Sidharth:** Okay. So like you will be able to make the same kind of return on capital in the off-highway and on-road...
- Rajiv Poddar:** As we have mentioned, we look at it as a company as a whole, and we have maintained we will be able to keep our sustained levels of EBITDA between 23% and 25%. That is our endeavor.
- Sidharth:** Okay. My second question is, like what is BKT's positioning in U.S. and Europe in the VF tyre category?
- Rajiv Poddar:** In what ways are you asking?
- Sidharth:** Like what is BKT's market position? Who is the number 1? Who is the number 2, like that? Where does BKT stand there?
- Rajiv Poddar:** We have positioned ourselves as a premium player in that category. That's what we can answer for that.
- Moderator:** Next follow-up question is from the line of Raghunandhan from Nuvama Research. Please go ahead.
- Raghunandhan:** Sir, on the EUR/INR, what was the realization for Q4? And what is the hedge rate for FY '27?
- Madhusudan Bajaj:** ~INR99 for this quarter for euro.
- Raghunandhan:** And how do you see the hedge rate for FY '27, given that current price is about INR111?
- Madhusudan Bajaj:** It will be higher than this year, but it is not full year, so we are unable to comment.
- Raghunandhan:** But we should get a better realization compared to INR99. Hopefully, that will act as a support.
- Madhusudan Bajaj:** Definitely better.
- Raghunandhan:** Understood, sir. And just a clarification. The TBR capacity you mentioned was 800 tyres per day. Would that be right, sir?
- Rajiv Poddar:** That is for the Phase 1.
- Raghunandhan:** How much will it increase to?
- Rajiv Poddar :** To about 3,800.
- Raghunandhan:** So 800 tyres per day now, and it will increase to 3,800 tyres per day. Is that understanding, correct?
- Rajiv Poddar:** Yes, yes.

- Raghunandhan:** Got it. And on the PCR tyres, how much capacity you will be starting with in this year?
- Satish Sharma:** So we will start around the end of the year, calendar year, as Rajiv mentioned. And in the first phase, we should be getting to 6,700 tyres.
- Raghunandhan:** 6,700 tyres per day capacity, correct?
- Satish Sharma:** Yes.
- Raghunandhan:** Thank you, sir. On the channel inventory, would the channel inventory be at normal levels currently? Or do you see that there was destocking which happened in FY '26 and that would be an opportunity to do some restocking this year?
- Rajiv Poddar:** No, we see it at normal levels.
- Raghunandhan:** Last question. In your opening remarks, you alluded to improving product mix and price hikes as your efforts to support the margins. If you can elaborate on that, how is the product mix improving for us?
- Rajiv Poddar:** So we are moving more towards the high-end radialized products, the specialized products like IF/VF technology products. So we are working on those as a product mix.
- Raghunandhan:** And what would be the share, sir, of radial tyres in our mix?
- Rajiv Poddar:** I don't have that handy with me.
- Raghunandhan:** Okay, sir. Thank you for all the inputs. Very helpful.
- Moderator:** Next question is from the line of Hardik Sharda from Mavira AMC. Please go ahead.
- Hardik Sharda:** Yes. So my question is from a recycle point of view. So as a total raw material cost or content, how much is the percentage of recycled content?
- Rajiv Poddar:** We are as per industry norms.
- Hardik Sharda:** So from a government policy point of view, is it stringent? Or how is the on-ground replication of the policy?
- Ravi Joshi :** See, government doesn't mandate anything on the recycled product to be used in the tyres. Whatever mandate is there related to, it is EPR when the producer is supposed to buy the certificate from the recycler, which is we are buying as per the norms. Hope that helps.
- Hardik Sharda:** Okay. Yes, yes. And does it affect the performance of the tyres?
- Rajiv Poddar:** No.
- Satish Sharma :** Why should it? Otherwise, why would we use it?
- Hardik Sharda:** Yes. No, I thought from a circular economy point of view. So that clears my question.

- Ravi Joshi :** Sorry to interject. Again, I'm repeating, government doesn't mandate any recycled product to be used in the tyre. Hope I'm clear. Government only mandate to buy certificate, not the material. And those certificates are being bought as per the norms. If I'm not using any recycled product or there is no mandate, then how it will affect the performance, right?
- Hardik Sharda:** Okay. Got it. Understood. Sir, you just have to buy the credits and not the recycled product. Understood. That was my question.
- Moderator:** Next question is from the line of Sriram R. from Sampada Capital. Please go ahead.
- Sriram R:** Thank you for the opportunity. So what will be the value proposition for us in the on-highway business? Like in terms of retail pricing, what will be the average cost advantage versus the other players?
- Satish Sharma:** I mean, it will be at par with the industry. What do you expect me to tell you on this?
- Sriram R:** No, no. In terms of retail pricing, whether we will be like 15% cheaper than the market leader, something on those lines. I mean, what are your thoughts on that?
- Satish Sharma:** Our price positioning is at par with the market leaders.
- Sriram R:** On par with the market leaders. Okay. So then how do you expect to gain market share over there? What is your route to entry?
- Satish Sharma:** We have faith on our product quality and the value proposition that the product and the other operations excellence points, which are embedded in our strategy. I mean, in this earnings call, possibly we can't be explaining all those points to you.
- Sriram R:** Okay. And you did mention that we need to incur about INR3,800 crores of capex. So what will be the source of funding for the same, sir?
- Rajiv Poddar:** It will be a mix of both. We are yet working on it.
- Sriram R:** Okay. So then in that case, like we have about INR4,000 crores of debt in the books. So can we assume that its peak debt that we have in the books today?
- Rajiv Poddar:** Sorry?
- Sriram R:** Can we assume that INR4,000 crores is our peak level of debt? Or will it go...
- Rajiv Poddar:** We can't assume anything. It's a volatile world. It's a moving world. Projects are being announced. So we can't assume anything. We'll keep on making announcements as and when we make changes to it.
- Sriram R:** Thank you.
- Moderator:** Next question is from the line of Vijay Kumar Pandey from Axis Capital. Please go ahead.

- Vijay Pandey:** Sir, just a follow-up. I wanted to understand about the other expenses. So the other expenses have moved significantly in this quarter and also for full year. So if you can just highlight what is driving that? And how do you see that going forward?
- Rajiv Poddar:** So as I mentioned in my opening remarks, this was our highest ever quarter and best number. So it is in line with that increased production, the other expenses to make those conversion costs, etcetera, which has been accounted for. So there is no theoretical jump. It is just the increased numbers because of the increased production.
- Moderator:** Next question is from the line of Sidharth from ithought Wealth Analytics LLP. Please go ahead.
- Sidharth:** My question is answered.
- Moderator:** Thank you, sir. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management for the closing comments.
- Rajiv Poddar:** Thank you, everyone, for taking time out and joining us. We look forward to meeting you next quarter. Thank you.
- Moderator:** Thank you so much, sir. On behalf of Balkrishna Industries Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines. Thank you.