APOLLO TYRES LTD
7 Institutional Area
Sector 32
Gurgaon 122001, India

T: +91 124 2383002
F: +91 124 2383021
apollotyres.com

GST No.: 06AAACA6990Q1Z2

ONLINE FILING

ATL/SEC-21

February 26, 2020

The Secretary, National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E), **Mumbai - 400 051**	The Secretary, BSE Ltd. PhirozeJeejeebhoy Towers, Dalal Street, **Mumbai – 400001.**

Sub: Transcript of Analyst/ Investor Conference call

Dear Sirs,

Pursuant to Regulation 30(6) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that a Conference Call for the analysts and investors to discuss the financial and operational performance of the Company was held on February 5,2020.

Please find attached herewith the transcript of the aforesaid call.The same has also been placed on the website of the Company i.e.www.apollotyres.com.

This is for your information and records.

Thanking You

Yours Sincerely
FOR APOLLO TYRES LTD

Seema Thapar

(SEEMA THAPAR)
Company Secretary

India, Feb 5, 2020

Q3 FY20 Earnings Call

Joseph George: Good afternoon everyone. On behalf of IIFL, I welcome you all to the post results conference call of Apollo Tyres. I also take this opportunity to welcome Gaurav Kumar, Chief Financial Officer and other senior management personnel including the Investor Relations team. I request Gaurav to make the opening remarks, which would be followed by Q&A. Over to you Gaurav!

Gaurav Kumar: Thank you Joseph. Good afternoon everyone. Let us begin with our usual sequence of the opening remarks. For the consolidated operations, the net sales for the quarter stood at Rs 43.5 billion, a decline of 6% year-on-year, though it was growth of almost 11% on a sequential basis. This comprised of India revenues, which declined by 12% whereas our Europe manufacturing operations registered a growth of 4%.

The EBITDA for the quarter at Rs 5.3 billion showed an improvement against the same quarter last year and also against the preceding quarter. In terms of our debt number, it was flattish to slightly lower vis-à-vis the number at the end of last quarter. Both the operations took significant measures on working capital management which help us improve on the debt position even while our capex program in India went on.

Moving on to the Indian Operations; the Sales for the quarter were at Rs 27 billion, a decline of 11.5% over the same period last year and almost flattish on a sequential basis. Much of this decline is coming from a volume basis. Prices and mix have been positive, but given the significant slowdown in the OEM segment the overall sales number were under pressure. The sales volume, given the situation with OEMs, is down nearly 50%.

On the other hand, in the replacement segment we continue to gain ground. We have had an overall revenue increase of 6%, which is driven by significant increases vis-à-vis the market in the passenger car segment, volume gains of nearly 30%; light truck radial segment, volume gains of about 40%; 2-wheeler

volumes up 30%. The OE demand showed signs of some pickup vis-à-vis the last quarter are there, and it will come back in its due course of time. So overall, with the gains made in the replacement market, and as and when the OE demand comes back, the operations are in a good place.

The EBITDA in the operations at Rs 3.6 billion were at 13% compared to 11% for the same period last year and at 11.7% in the preceding quarter. The raw material basket went down by 3.5% and inspite of no operating leverage coming through, the margin still improved and the raw material scenario continues to be benign, given the outlook for next quarter is further down, which would further be a tailwind in terms of the margins.

Moving on to the Europe Operation, the Europe market was sluggish. In the passenger car segment, the market is down by about 3% to 4%. Yet the Apollo Tyres' Operations on the passenger car segment are up 3%; so we have gained ground in the market and this is also combined with mix enrichment. Even on the truck where the market is flattish we have made significant improvement in our volumes and we are continuing to make inroads.

The operations have continued to grow in a difficult market. The situation on profitability is still not at a desired level. There are actions being taken on various fronts to improve the cost of manufacturing, mix enrichment, etc., which will drive the European profitability going forward. The EBITDA for this quarter was at 9.5% as compared to a similar percentage for the same quarter last year.

For Reifen, the sales for the quarter were at €69 million, up 4% vis-à-vis last year. The EBITDA for this quarter was significantly higher at 8% vis-à-vis 6.5% for the same period last year given that this is the peak seasonally.

That is all from my side. We would be happy to take your questions.

Ashutosh Tiwari

(Equirus): What is the revenue in European manufacturing operations?

Gaurav Kumar: €142 million.

Ashutosh Tiwari: Versus last year how much it was?

Gaurav Kumar: Last year was €136 million.

Ashutosh Tiwari: Also if you look at European Operations, depreciation charges have been increasing every quarter. I thought the plant was already commissioned so how should we look at this going ahead, is there still some commissioning remaining?

Gaurav Kumar: There is now only a small bit remaining. The depreciation charges have been going up as the entire capacity does not come on stream in one go and hence while you see that the plant has started operations, the capacity was ramping up. Also, there was an impact on account of lease accounting. Post FY2020 you should not see an increase in depreciation.

Ashutosh Tiwari: Lastly can you share the volume growth in India replacement segment like you shared for PCR and the 2-wheelers, but for TBR and TBB and all?

Gaurav Kumar: Truck the volumes were down 18% year-on-year basis, for passenger car it is up slightly about 1%, this quarter over same quarter last year.

Ashutosh Tiwari: This is I think total volume. I am just talking about replacement volumes.

Gaurav Kumar: Truck replacement was up 2%, passenger car as I mentioned 30%, light truck radial was up 40%, light truck bias again a similarly high number of close to 20%.

Ashutosh Tiwari: In truck, TBR and TBB separately?

Gaurav Kumar: It was same 2%.

Ashutosh Tiwari: Are we seeing some deceleration in the TBR segment demand or competition intensity has become higher?

Gaurav Kumar: Competition intensity has not increased in the truck area and this is just maybe a marginally off on our year-to-date number. So, the fact is that in the truck side, the OEM demand fall has been much higher than the other side, and even on the replacement side the market has not grown that much. So, while the market has performed better on the passenger car, etc., we have not lost market share if that is what you want to know.

Ashutosh Tiwari: Thank you.

Pramod Amthe

(CGS CIMB): One on the European Operations' profitability, do you attribute that to the seasonality and the underlying new plant, how should that behave as we go into the next quarters, any improvement purely on the new plant side?

Gaurav Kumar: Yes, so the seasonal part, Pramod, is what it is. For example, the sales and the margins of this quarter are higher vis-à-vis the previous quarters that is the seasonal impact. Going forward, yes, the Hungary plant will continue to ramp up and stabilise, and we will see that in its cost of production coming down every quarter and that would be one big driver of improvement in profitability.

Pramod Amthe: Where does Hungary plant stand as of now in terms of EBITDA or EBIT per se?

Gaurav Kumar: We would not be able to share Hungary plant EBITDA and also it would not make sense, Pramod, because if you were to take the same question and say what is Chennai plant's profitability or Baroda plant, the fact is that there is a common infrastructure or head office of European Operations, which is another legal entity. So the Hungary entity or the Hungary plant's P&L since it is a manufacturing P&L will follow transfer pricing norms. That in itself does not give you the true picture of European Operations' profitability.

Pramod Amthe: Coming to the India business where you have seen a consistent improvement in margins and there seems to be some uptick in terms of volume growth, in the context of the competition setting up a new plant, do you see the

competitive intensity going up in the coming months or quarters, and then can this trend be challenging in terms of margin and volume recovery for you?

Gaurav Kumar: All the competitors, including us, were surprised with the drop in OEMs and particularly the extent of drop in OE business and because of that, from the announced plans, the capexes have been slowed down by everybody like we have. Based on the market information that we get; all the players have slowed down the capexes. So is there specifically some capacity coming up, which will alter the demand-supply economics in near term - no.

Pramod Amthe: What will be your capex for this year and next year, any changes there?

Gaurav Kumar: No changes there. As we mentioned, we had cut back our capex by about Rs 300 Crores. We had started the year with an estimate of Rs 2700 Crores that has been scaled back to Rs 2400 Crores. For the next year, the number should be in the range of Rs 1400 Crores to Rs 1500 Crores from an earlier plan of Rs 1700 Crores - Rs 1800 Crores.

Abhishek Jain

(Dolat Capital): Congrats for a good set of numbers in such a challenging environment. My first question is related to the volume growth in last 9 months, what was the volume growth we have seen in replacement segment and what sort of degrowth we have seen in the OEM segment?

Gaurav Kumar: So, in the replacement segment, for the 9-month period, truck volumes are up by 5%, passenger car was up by about 25% for us; on the OE side the volumes are down 50% for truck and about 35% for passenger cars.

Abhishek Jain: Just wanted to know the growth or degrowth in the revenue from CVs, passenger vehicle, LCV and OHT segment in the last 9 months?

Gaurav Kumar: I would not have those numbers readily, Abhishek.

Abhishek Jain: What is the current capacity utilisation of the Chennai TBR and PCR facility?

Gaurav Kumar: Current utilisation, given the demand scenario, are low; in Chennai we are at a utilisation level of 70%.

Abhishek Jain: In TBR and PCR both?

Gaurav Kumar Maybe marginally different. On passenger car side overall, because it is across multiple plants, will be closer to 90% whereas on the truck radial side we are below 70%.

Abhishek Jain: On your Andhra Pradesh Greenfield plant, that will be commissioned in 4Q, what is the peak revenue from this plant?

Gaurav Kumar: Abhishek, that will depend on how the demand situation is, the ramping up would happen over 2 years; so in terms of the full capacity being available, you are looking at FY2023.

Abhishek Jain: What can be the peak revenue if we assumed 100% utilisation on that front?

Gaurav Kumar: Should be Rs 4000 Crores plus.

Abhishek Jain: Thanks. That is all from my side.

Mayur Milak

(IndiaNivesh): Just trying to understand the mathematics of volume; so you mentioned for the quarter the PCR, LCV, everything is up by about 30% in the replacement, correct?

Gaurav Kumar: That is correct.

Mayur Milak: This replacement is typically about 75% of the total volume?

Gaurav Kumar: Not in every segment in passenger car it is closer to 50-50, 75-25 equation is more in truck category.

Mayur Milak: Alright. Even then, so if your 25% volume of the OE is down by about 50% and your 75% volume is still up by about 2%, have you seen a realisation degrowth

by any chance, because our revenues are down 6% Y-o-Y, right? So, I still do not understand that how come the equation does not set right?

Gaurav Kumar: No. The realisations are not down. The volume or the prices have held up. There are other product categories, Farm for example, where the volume growth in replacement is a single digit. We talked of primarily the two big segments, which comprise 80% and then there is the export part of the revenue, which is also negative.

Mayur Milak: Because you mentioned PCR replacement is up 30%, and overall PCR is up 1% for the quarter including OEM?

Gaurav Kumar: That is correct.

Mayur Milak: So which means that your PCR OEM would be declining by about 25%?

Gaurav Kumar: That is correct.

Mayur Milak: Alright thanks.

Priya Ranjan

(Antique Stock): One is on overall volume, in the domestic business what was the overall volume growth or decline?

Gaurav Kumar: At an aggregate level?

Priya Ranjan: Yes, at an aggregate level.

Gaurav Kumar: At an aggregate level the volumes were down 13%.

Priya Ranjan: I just missed what was the 2-wheeler growth in terms of OE and replacement?

Gaurav Kumar: We do not do OE business in 2-wheelers currently, the replacement volumes were up 30% for the quarter.

Priya Ranjan: Any thought on this tractor off-highway and tractor side?

Gaurav Kumar: The replacement side was up 5%.

Priya Ranjan: You used to give the raw material breakup how is the basket moving up in terms of?

Gaurav Kumar: The raw material basket, as I mentioned, was down 3.5% vis-à-vis the previous quarter. The average price for natural rubber was Rs 145 a kg; synthetic rubber Rs 115; carbon black Rs 85.

Priya Ranjan: In terms of RM prices, you said that prices are benign, even in fourth quarter. So which segment you see that happening, I mean, you see more price correction in carbon black or even synthetic rubber and carbon, because natural rubber I think it is roughly in the same range?

Gaurav Kumar: I do not have the breakup as to which one is going down by how much, but the expectation is about 1.5% to 2% decline in raw material in Q4 vis-à-vis the December quarter.

Priya Ranjan: In terms of total European Operation, when can we see an EBIT level breakeven and what is your thought on that?

Gaurav Kumar: Based on the measures that are being taken, and it is not a situation we ourselves are happy with, we think FY2022 is when we would start realising all the benefits, including a fully scaled up Hungary plant and an improvement shown.

Priya Ranjan: Thanks. That is all from my side.

Siddharth Bera

(Nomura): Sir, on the Europe side, again, I mean, over the last one year, in the domestic, what we have seen is around 200 bps of margin improvement because of lower commodity; we have basically not seen any margin improvement in Europe over the year probably because our Hungary plant is ramping up; so any thought that despite growing what will be the key driver of margin

improvement in Hungary and where is it in terms of utilisation levels currently?

Gaurav Kumar: One factor, which has influenced the overall European market and our operations, is market being in a negative zone. If the same market goes up 1% to 2%, and we were outperforming by the same quantum, then our volumes would be up at 7% or 8%, instead of the 4% and that itself brings a significant amount of operating leverage. So one of the biggest factors influencing the current level of profitability is the overall market situation and a lack of operating leverage coming through. In terms of the Hungary operations utilisation that would still be around 70%, as that goes up the cost of production, the cost competitiveness improves significantly, so it is essentially driving these two factors and then the operating leverage kicking through for an improvement in margins.

Siddharth Bera: Got it Sir, but any thoughts you have on FY2021 based on current trends, how is that you expected to pan out for you in Europe?

Gaurav Kumar: I cannot give out margin guidance Siddharth.

Siddharth Bera: Sir, on the volume growth side.

Gaurav Kumar: Where the overall market growth will go is a difficult thing to predict. The general mid- to long-term expectation of the European market, which is also borne out by the past trend and what is being predicted is a 1% to 2% growth.

Siddharth Bera: So around 4% to 5% is the steady state growth we should expect in the Europe business for the next medium term, at least.

Gaurav Kumar: Volume growth for passenger cars, overall in a revenue term, with mix enrichment that is constantly happening, with truck business coming in, etc., the topline growth would be high single digits is what is a reasonable expectation.

Siddharth Bera: When are the OE sales expected to meaningfully ramp up in Europe?

Gaurav Kumar: Currently the business is small, just about 200,000 tyres. That ramping up is happening. Apart from VW and Ford, to whom we are supplying, we are in final stages of beginning supplies to some of the premium OEs. We think that over a 5-year horizon this number should go 3 to 4 times from the current level, so it would still be a smaller chunk of the overall business. Even 3 to 4 years down the line it would still be 10% of our overall volume.

Siddhartha Bera: Got it. Thanks a lot Sir.

Amyn Pirani

(Yes Securities): My question is, and pardon me if I am repeating the question, because I joined in a bit late. In your passenger vehicle replacement side, you grew volumes by around, I think, 30%, as you mentioned, in India. So are you gaining market share or is the market suddenly growing by that much because this does not seem to be a normal market growth for replacement?

Gaurav Kumar: Yes. Amyn, it is still too early to get the market data from the association. We do not have that recent number, but we believe we have gained market share in the replacement segment. Our internal estimates is that, yes, the market is bullish on the replacement side but not of this quantum.

Amyn Pirani: This does not include any like volumes being exported to Europe, right; there is no contribution or a meaningful contribution coming from there?

Gaurav Kumar: No, this is domestic replacement that I am talking about, exports is separate.

Amyn Pirani: In Europe, I think one of the KRAs you were tracking and obviously it should be a driver of margin improvement is the share of high-performance tyres and I think you had mentioned that there is a gap between you and the big guys, which is narrowing, so where would you be today and what are the targets, say, 2 or 3 years down the line?

Gaurav Kumar: Amyn I do not have that figure readily, but if I recall correctly, over the last 2 - 3 years, our proportion of UHP, as we call it, has gone up by about 4 - 5 percentage points. We should be now in the high 20s vis-à-vis the early 20s

that we were at, and the target over the next 3 - 4 years would be to take it up to a 35% plus, which would then be aligned with the market. Even in the current quarter, for example, our growth in the UHP segment is much higher than the market.

Amyn Pirani: That is great. Thank you. That is all from my side.

Ashutosh Tiwari

(Equirus): What was the CWIP number, capital work in progress as of December in standalone and how should we look at depreciation moving into next year?

Gaurav Kumar: The CWIP number, Ashutosh, I would suggest you get from the Investor Relations team. I do not have it readily with me. Going forward the depreciation would increase as the AP plant kicks in, so the depreciation in the Indian Operations would go up next year. In terms of specifics on CWIP, etc., and how you see that going forward please interact with the Investor Relations team.

Ashutosh Tiwari: The AP plant will ramp up from which quarter?

Gaurav Kumar: It was start producing by the end of this year and then it will ramp up to its capacity of 15,000 car tyres and 3,000 truck radials over a 2-year timeframe, so by the end of FY2022.

Ashutosh Tiwari: You mentioned about improvement in working capital can you share to what extent we have cut working capital during the quarter and how should we look at it going ahead?

Gaurav Kumar: I think we have released about Rs 100 Crores plus finished goods inventory and raw material. It is not that the numbers were inefficient. It was a call, given the tough time, so is it something that could continue quarter after quarter, no, but the operations, given still that the environment is challenging, is looking to maintain at these levels. So there may be small improvements but not the kind of improvements that we have done in this quarter.

Ashutosh Tiwari: How much capex we did in the last quarter and 9 months also?

Gaurav Kumar: So over 9 months the capex is about Rs 2000 Crores.

Ashutosh Tiwari: Last quarter only?

Gaurav Kumar: I do not have the number for last quarter right now.

Shyam Sundar S

(Sundaram MF): Sir, on TBR, we did mention that on the replacement side there has been a growth of about 2% year-on-year. Is there any improvement in the buoyancy over the last 2 - 3 quarters or are the volumes nearly the same because in the last year base we did have a pretty good double digit growth in the TBR replacement side, if I recall correctly. So compared to that, is it more of a base impact or are we seeing any pickup in terms of the TBR replacement from last quarter as we move forward?

Gaurav Kumar: Current year across quarters it is fairly the same. In terms of overall for the 9 months, our TBR volumes are up by a high single digit.

Shyam Sundar S: Sir, on the passenger car radial, was there any deferment of purchases from the second quarter to third quarter, is that what is leading to a very strong growth there or are there any market actions that we have taken that has helped this kind of a growth because you also alluded that the underlying market may not be as bullish as the growth that we have displayed this quarter, so just wanted your thoughts on that?

Gaurav Kumar: To our knowledge, there has been nothing like a deferment by people from second quarter to third quarter; there may be a rush in fourth quarter for buying vehicles given the switch that is coming, but in terms of replacement market or OE, there has been no significant sort of jump from second quarter to third quarter.

Shyam Sundar S: On the raw material cost side, given the China market has been very weak in the last month or so, we are hearing that major rubber manufacturing

countries are looking to other nations to offload the rubber, are we seeing any imported natural rubber prices coming off sharply this quarter, are there any indications of that sort?

Gaurav Kumar: Yes. So there is a decline in rubber prices, and that is contributing to our expectation of fourth quarter raw material prices being lower than the December quarter.

Shyam Sundar S: Thank you very much Sir.

Bharat Gianani

(Sharekhan): My question is more related to the truck replacement segment outlook for the next year. So what I am trying to understand is that was there an excess capacity created in the system this year because of the axle load norms and despite that I think, in 9 months, you mentioned that you have still seen a buoyancy of, like, 5% to 6% growth in 9 months of FY2020. So my question is what is your outlook for FY2021, with the absorption of capacity of the high axle load norms, do you expect the replacement sales in the truck segment to pick up in FY2021 or directionally what is your view on that, any comments on that would be helpful?

Gaurav Kumar: So the axle load norm came in last year, so it has been absorbed and settled for quite a long time. Fundamental driver of truck replacement is always economy. As I mentioned earlier, we may not have gained market share, but we maintained our market share on the replacement side. Going forward as the economy picks up, one would expect that the truck replacement demand would only be better next year vis-à-vis the current year.

Bharat Gianani: Do you expect a double-digit kind of growth in truck replacement in FY2021 at the industry level?

Gaurav Kumar: Difficult for me to give an estimate.

Bharat Gianani: Yes, a bit tough to predict. Fair enough. What is the overall European Operations EBITDA margin in 9 months FY2020 compared to 9 months FY2019?

Gaurav Kumar: Over 9 months the EBITDA margin for the European Operations is 8% vis-à-vis 9% last year.

Bharat Gianani: This includes manufacturing and Reifen, both?

Gaurav Kumar: No. This is only the manufacturing and sales.

Bharat Gianani: If you can give the number for Reifen please?

Gaurav Kumar: It is a little below 6% vis-à-vis 3% last year.

Bharat Gianani: You pointed out that there is an expectation of high single-digit growth for the European Operations because we are gaining market share and the mix is actually improving, but this is based on the assumption of a flat growth or the current market scenario of turning negative?

Gaurav Kumar: This is based on a European market situation of anywhere from flat to 2% growth; so you could say this builds in an average market growth of about 1%.

Bharat Gianani: Thank you Sir and all the best.

Chirag Shah

(Edelweiss): Given the strong replacement sales that you have recorded across categories, I presume your profitability should have been slightly better, the kind of contribution we have received so is there any other offsetting cost pressures, which has come in the quarter?

Gaurav Kumar: There are no one-off costs, Chirag. Over time the differential between OE and replacement profitability has reduced significantly. Particularly on the truck side, the differential is fairly marginal.

Chirag Shah: Any particular reason why this is changing I previously thought it is changing for industry in general and not just for you?

Gaurav Kumar: For the others, how the profitability stacks up across different categories, we would not have a preview to that; so it is difficult for me to say what our competitors makes across OE and replacement for different product categories.

Chirag Shah: Is there any specific reason why the differentials or it is a concise choice you have made or is it more pressure on bias side or radial side if you can just help us understand, it would be helpful?

Gaurav Kumar: It is a journey, which has been traveled over several years also vis-à-vis the mix improvement as to which business we go after. In case of some of the OE business, if it is that prices drove margins, which does not make sense for us, then we do not go in for that. So there have been times when we have let go of certain businesses from a margin profile perspective. So it is a journey which has been done over years and years to narrow down the gap between the two.

Chirag Shah: How do you look at the mix in Europe from near-term perspective, say next 12 to 18 months can there be a shift in mix, which would help you have a better realisation as compared to volumes?

Gaurav Kumar: So the market mix itself is changing in Europe. That is the case in India also, but in Europe even more sharply. The proportion of UHP as we discussed earlier, in an earlier question, is increasing. Even in the current year when the overall market is negative, the UHP proportion has had a growth. So the market itself continues to move up. Even within an overall category, the all-season tyres, which have higher realization vis-à-vis a summer tyre, are growing much faster. So the market mix continues to improve, but we are further attempting to bridge the gap that we have vis-à-vis the bigger players on the UHP proportion.

Chirag Shah: This is helpful. You had indicated that commodity cost would be largely benign, at least for Q4 , is it the right statement that I heard?

Gaurav Kumar: Yes.

Chirag Shah: It is for both India as well as Europe?

Gaurav Kumar: That is true because we are talking of the fundamental prices so it will be benign for both the operations.

Chirag Shah: This is helpful. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Aditya Pai from IndiaNivesh Securities. Please go ahead.

Aditya Pai

(IndiaNivesh): Just needed some check. Could there be any impact of the corona virus on the Chinese tyre imports into Europe, just wanted to understand what could be the typical tyre size for the Chinese imports out there?

Gaurav Kumar: The Chinese imports are fairly significant in Europe, and it is a question which presently is too early in the day to answer, but yes, given some of the restrictions and how it pans out, there could be an impact on Chinese tyres coming into Europe or for that matter any geography.

Aditya Pai: Would that mean that it would be a direct benefit to the Tier-2 tyre suppliers like us also?

Gaurav Kumar: It would be a benefit across the segment and yes there is a potential upside on account of that, but how different supply chains are getting impacted on account of the corona virus is still to be seen given that China's presence across different supply chains is significant; so there could be a potential upside if the Chinese imports comes down to different players including us.

Aditya Pai: So in case if we believe that we do get this advantage, would we be in a position to really take advantage, looking at the capacity utilisation and will

this go out of India or we will have the capacity available in the European plants to really cater to these additional demands, if at all, it comes our way?

Gaurav Kumar: No. We currently, as I mentioned, have enough capacity. The capacity utilisations are not at their end, and so, if that potential upside was to come we have capacity in Europe also. We do not need to be sending tyres out of India because that capacity is not there or for that matter if that benefit comes into in India we have capacity here also.

Aditya Pai: Thank you.

Priya Ranjan

(Antique): One is on the overall export what was the growth in domestic export number?

Gaurav Kumar: Overall for the 9 months, exports were up 3%.

Priya Ranjan: For this quarter?

Gaurav Kumar: For this quarter, they were down 6%.

Priya Ranjan: Given the pricing of commodity and raw material being benign, how do you see the pricing behavior in domestic market? do you see some pass-through to OEM plus some price correction in the replacement as well?

Gaurav Kumar: With many OEMs there is already a pricing formula. So the raw material movement gets passed on, on a quarterly basis. Otherwise, we have not seen any pricing action in spite of the market conditions being what they are.

Priya Ranjan: So even in OEM side because the volume is low, you are not able to pass-through the price correction, right?

Gaurav Kumar: Wherever there is a formula-linked price it gets passed up or down the way raw material moves.

Priya Ranjan: Replacement side you do not see any pricing action by any competitor or so in recent times?

Gaurav Kumar: There has been nothing in recent times.

Priya Ranjan: That is all from my side.

Hiten Boricha

(Sequent Inv.): Sir, what was the overall volume growth for this quarter vis-à-vis last quarter and last year?

Gaurav Kumar: Overall, the volumes were down 13% YoY in the India Operations as I mentioned earlier.

Hiten Boricha: What about quarter-on-quarter?

Gaurav Kumar: Quarter-on-quarter, they were down 2%.

Hiten Boricha: Sir, any volume outlook for FY2021-2022?

Gaurav Kumar: That is a very difficult one, with various categories to give you an overall volume outlook. We expect things to recover and growth to be back. What will be that quantum is a very difficult thing to say, still depends on a significant manner on the OE demand coming back. Replacement continues to be very good. There are no signs that, it should be impacted, but there is a largish OE component and that recovery is needed for growth to come back to a good level.

Hiten Boricha: That is all from my side.

Joseph George: On behalf of IIFL Securities, I thank the management of Apollo Tyres for taking out time for this call. I also thank everyone for dialing in. Have a good day.