



No. BIL/SE/2026-27

27th October. 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

Trading Symbol: BALKRISIND

Scrip Code	977667 (Debt) (INE787D08047)
Scrip Code	977669 (Debt) (INE787D08054)
Scrip Code	978123 (Debt) (INE787D08070)
Scrip Code	732679(Debt) (INE787D14235)

977668 (Debt) (INE787D08039)
978121(Debt) (INE787D08062)
978122 (Debt) (INE787D08088)

Dear Sir/Madam.

Subject: Transcript of Business update call conducted on Thursday, 22nd October, 2026 at 4:00 PM (IST)

In continuation of our letter dated 22nd October, 2026 intimating about the business update call and audio recording of the call respectively and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the call related to business update of the Company held on Thursday, 22nd October, 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

Digitally signed by Vipul Shah
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Vipul Shah
Director & Company Secretary
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Balkrishna Industries Ltd.

CIN No.: L99999MH1961PLC012185

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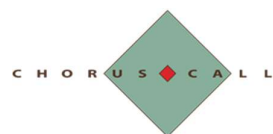
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**“Balkrishna Industries Limited
Business Update Call”
October 22, 2026**

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 22nd October 2026 will prevail.



**MANAGEMENT: MR. RAJIV PODDAR – JOINT MANAGING DIRECTOR –
BALKRISHNA INDUSTRIES LIMITED
MR. SATISH SHARMA – SENIOR PRESIDENT AND
DIRECTOR, STRATEGY AND BUSINESS DEVELOPMENT –
BALKRISHNA INDUSTRIES LIMITED
MR. SAROJ KHUNTIA – CHIEF FINANCIAL OFFICER–
BALKRISHNA INDUSTRIES LIMITED
SGA, INVESTOR RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to Balkrishna Industries Limited Business Update 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shogun Jain from SGA. Thank you, and over to you, sir.

Shogun Jain:

Thank you, Danish. Good evening, everyone.

I hope everyone has had a chance to read the press release issued to the stock exchanges earlier today. On the call today, we are joined by Mr. Rajiv Poddar, Joint Managing Director; Mr. Satish Sharma, Senior President and Director of Strategy and Business Development; along with Mr. Saroj Khuntia, CFO of the company.

We will begin the call with opening remarks from Mr. Poddar, followed by an open forum for questions and answers. Before we begin the call, I would like to point out that some of the statements made during today's call may be forward-looking, based on the beliefs, opinions, and expectations of the company as of this event. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

Further, all participants are requested to restrict the discussion to the Pirelli-BKT announcement made today morning. We will not discuss any matter related to Q2 performance or business in general, owing to the silent period policy of the company.

With that, I hand over the call to Mr. Poddar for opening remarks.

Rajiv Poddar:

Thank you, Shogun. Good evening, everyone, and thank you for joining us today at such short notice.

BKT and Pirelli have today signed a strategic offtake agreement for production in India of Pirelli-branded premium car tires. This partnership combines the technological and innovation prowess of Pirelli, along with the industrial capabilities of BKT, to create a strong foundation to serve one of the fastest-moving and growing auto markets of the globe.

In the first phase of this agreement, which is the offtake agreement, BKT will produce in its newly-constructed PCR plant at Bhuj, equipped with the most modern and advanced technology, Pirelli-branded tires with Pirelli-specific technology and quality standards.

We expect the offtake from this partnership to commence in 2027. And this will scale up to supply 800,000 Pirelli-branded tires per year by the year of 2030.

The agreement paves the way for the second phase in which there is an envisagement, at certain conditions, the creation of a 50-50 joint venture and the construction of a production plant dedicated to high-value passenger car tires, both with the Pirelli brand, as well as the BKT brand, to serve India and other international markets.

India is a fast-growing passenger car market, which is growing at 6% to 7% annually. The premium car market is expected to grow at a faster pace in India over the next few years. For

BKT, this agreement supports its expansion in the passenger tire segment and acknowledges its manufacturing capabilities to produce world-class standard tires.

This agreement and partnership is a landmark moment in BKT's history, especially at a time when we are at an early stage in our on-highway tire journey. Our partnership with Pirelli is a testimonial to BKT's capabilities, BKT's quality standards, and the strength of the BKT brand, and also the values that we have created to drive the growth of our businesses across the verticals.

We expect this partnership to not only further accelerate our positioning in the Indian tire market, but also help in the faster ramp-up of the investments we have put in the last 18 months, in the on-road tyre segment. This strategic announcement further enhances our conviction of achieving our stated vision of 2030. This partnership brings together complementary strengths to capture the opportunities of growing market while creating value for both the companies.

With this, I conclude my opening remarks and leave the floor open for Q&A.

- Moderator:** Ladies and gentlemen, we'll now begin with the question-and-answer session. First question comes from the line of Raghunandhan N. L. with Nuvama Research. Please go ahead.
- Raghunandhan N. L.:** Good afternoon, sir. Thank you for the opportunity. Congratulations on the collaboration. First question was, with the capacity which is being set up in Bhuj and with the thought process of 8 lakh tire supply to Pirelli, what is the kind of investment you envisage, and how do you see the ramp-up of supplies which will happen, which will start from 2027 onwards?
- Rajiv Poddar:** So, I think as I mentioned in my opening remarks, the ramp-up will be gradual year-on-year, reaching an ultimate goal of 8 lakh tires per year by the year 2030. Regarding the investment, that this would be a part of the ongoing expansion program that we have already taken onboard about in the last year when we stated our vision. And it will be helping us, ramp up our capacities, to utilize our capacities during that period.
- Raghunandhan N. L.:** Understood, sir. Just to clarify, if it's part of your existing investment program and you don't envisage any additional investment for the offtake agreement, only for the joint venture, there could be additional investments. Would that be right understanding?
- Rajiv Poddar:** Absolutely right.
- Raghunandhan N. L.:** And a follow-up, sir, that by 2030, assuming you reach your indication of 8 lakh tires per annum, what is the kind of revenue potential and margin potential you see? And also, would the margin be closer to the company's blended margin of 21% to 23%, which you had earlier indicated?
- Rajiv Poddar:** I think at this stage, we would like to stay away from those numbers. We are yet working on those, and we'll come back at a later. Once we start the business, we'll have more clarity on that.
- Raghunandhan N. L.:** Understood, sir. Just a last question. If you can also indicate how do you see this sales to Pirelli be structured in terms of domestic and overseas mix?
- Rajiv Poddar:** Yes, there would be some component which may be used by them for their global markets, but majorly it will be for them to serve the Indian market.

- Raghunandhan N. L.:** Got it, sir. Thank you, sir. Thank you so much. Congratulations once again. I'll fall back to the queue.
- Rajiv Poddar:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Siddhartha Bera with Nomura. Please go ahead.
- Siddhartha Bera:** Yes, hi, sir. Thanks for the opportunity. Sir, first, a question on this Pirelli plans. Can you indicate what type of or size of tires we will be manufacturing in this, because Pirelli globally does mostly the 18-inch and above tires. So, how will the manufacturing for them work here? And as we go ahead -- can we supply BKT-branded tires also in parallelly to the markets where they will be...
- Rajiv Poddar:** Your voice is—can you be a little louder, Siddharth-ji?
- Siddhartha Bera:** Yes, sir. Sure, sir. Is it better now, sir?
- Rajiv Poddar:** Yes, yes
- Siddhartha Bera:** Yes. So, I was talking about, first is, what range of tires in terms of sizes will we be manufacturing under this arrangement? And...
- Moderator:** Siddhartha, just to confirm, are we done with the question? Because we can't hear you.
- Siddhartha Bera:** No, no, I was just highlighting that can we also supply the BKT range of tires to their markets as well in parallel?
- Rajiv Poddar:** So, I'll answer the questions in two parts. First is the range. It will be 17-inch and above, which we will be giving them. And regarding the, there is no restriction on either party on supplying their own respective branded tires to whichever part of the world that respective company would like to sell to.
- Siddhartha Bera:** Got it. We also have our own plan of expansion in the PCR segment. So, how for a user, how does one sort of segregate or understand BKT's positioning with what is coming from this tie-up and what we are doing on our own? How will the differentiation be visible for a user?
- Satish Sharma:** Yes, Siddhartha, it's fairly simple because the segments that the two brands operate in are, as your earlier question asked, they are only in the very super-premium segment of the market, Pirelli. Whereas BKT will be addressing the full end-to-end market, the Indian market. So, even the price positions are different, and the Pirelli brand will be produced by Pirelli technology. Whereas the BKT brand will be produced using BKT technology, while the facility is common, the two products are as different today as they will be tomorrow.
- Siddhartha Bera:** Okay. But for BKT, will we be also addressing the lower-size tires like 13, 14-inch onwards, or we will also focus on the bigger 17-inch and above segment only?

- Satish Sharma:** So, since it's our first step in the car market in India, we will be addressing the full portfolio of the Indian market. We start from 13-inch upwards. But the whole market is premiumizing, and we would like to do better than the market rate of growth of premiumization. So, of course, the effort would be to stay ahead of the market curve. But the overall objective for the BKT brand is to address the full length, width, breadth, and depth of the market.
- Siddhartha Bera:** Understood, sir. Thanks a lot, sir. I'll come back in the queue.
- Satish Sharma:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Vijay Pandey with Axis Capital. Please go ahead.
- Vijay Pandey:** Hi, sir. Thank you for taking my questions, and congratulations on the deal. Sir, a couple of questions. Firstly, within the offtake agreement, we will be also be able to supply to global market or will we cater /focus only on the domestic India business?
- Rajiv Poddar:** So, the offtake is for them in their brand, and , they may use the tires for India as well as some part of it for wherever they, whichever the market they want. That said, there is no restriction on BKT, for BKT-branded tires to be distributed by us anywhere in the world.
- Vijay Pandey:** Any particular region you're targeting with the JV, because Pirelli had a good presence in the Europe and North America market, so just wanted to understand if we are targeting Eastern Europe or South America side of the market with the Pirelli-branded tires from the JV?
- Satish Sharma:** Simply hearing, the obviously the arrangement is to have a strategy by Pirelli for the India market. Having said that, there are no restrictions like Rajiv has explained, that they could also take these tires for either Europe or North America or any other market, for that matter.
- Vijay Pandey:** In terms of the royalty cost, what have we decided on the royalty cost within the JV, or that will come later?
- Rajiv Poddar:** No, there is no royalty. We have never spoken about any royalty. I don't know from where you've picked that up.
- Vijay Pandey:** No, no, with the JV. With the JV. Because we will be using Pirelli technology.
- Rajiv Poddar:** We have never spoken about any royalty. None of our press releases also states any royalty. So, there is no discussion of royalty, sir.
- Vijay Pandey:** Okay. And sir, just to finally, the total PCR capacity, so 6,800 tires per day, 6,700 tires per day, that will be currently largely be for the Pirelli offtake, and then additional or are we looking to expand this capacity further?
- Satish Sharma:** No. See, the Pirelli, again just to put it into perspective, they are looking to address the very high end of the Indian market, which is not a very big market to start with. It's about 10% of the market is what you can classify loosely as the very high end of the market. That's what they are

looking at. And they're already global brands addressing that. So, Pirelli will have to get its own share of that market.

So, the 6,700 capacity that we have in phase one, maybe 80% of that would be still for the BKT brand. Only the remaining will be for the Pirelli offtake.

Vijay Pandey: Okay. Okay, sir. Thank you.

Moderator: Thank you. Next question comes from the line of Joseph George with IIFL Capital. Please go ahead.

Joseph George: Hi. Thank you for the opportunity. Just one question. When you had put out your mid-term target for FY30, you had indicated that your target is to have about 20% of revenues coming in from the non-OHT segment. Now with this, agreement with Pirelli, does that target stand revised, or will the incremental revenues from the Pirelli agreement be part of the 20% target that you had set?

Rajiv Poddar: No, it will be part of that same 20%.

Satish Sharma: Yes. Having said that, obviously our conviction goes up further on the vision that we have stated, and we are more confident than ever before to reach the stated vision.

Joseph George: Understood. Thank you. That's all I had.

Moderator: Thank you. Next question comes from the line of Rishi Vora with Kotak Securities. Please go ahead.

Rishi Vora: Yes. Thank you for the opportunity and congratulations for the agreement. Just first wanted to get a sense on what would be Pirelli's presence in India today, like across the OEM and the replacement market, any ballpark numbers which you could share?

Rajiv Poddar: No, we would not like to comment on their market share.

Rishi Vora: But today, they would be present in the Indian market, and maybe they would be importing, so now incrementally they would source it from this agreement is how we should think about it?

Rajiv Poddar: Yes, that's how. Once we start manufacturing for them, they will substitute their imports and take from us. And the numbers, we have already displayed, I mean, I've already mentioned about the numbers that we're talking about, and by and large, they are mentioned that these numbers would be for the Indian market, majority of these numbers.

Rishi Vora: And when you say 800,000, and in the agreement you have mentioned that there is a minimum offtake commitment which Pirelli has given it to you, so that number is like 800,000 and offtake commitment over the years is how we should think about it, that there is a commitment from the company that they will source 800,000 at the end of FY30? Or that number is different from 800,000 units?

- Rajiv Poddar:** No, no. So, it is a, as I mentioned, I'll repeat my statement, it is a, we will scale it up to 800,000 tires for them in their brand by 2030, starting from the year 2027. And by calendar year 2030, we will reach these numbers because we will take time to ramp up.
- Rishi Vora:** Understood. And just last thing on the agreement side, you had also said that the pricing would be based on raw material actuals plus the conversion cost on the domestic supplies. So, at least in this, the way we should think about it is what BKT would be making would be the conversion margins, is how we should think about it?
- Rajiv Poddar:** Yes, that's right.
- Rishi Vora:** Understood. Okay. Thank you so much.
- Moderator:** Thank you. Next question comes from the line of Arvind Sharma with Citi Group. Please go ahead.
- Arvind Sharma:** Hi. Good evening, sir. Thank you for taking my question. So, in the deal, it is clear for Pirelli they get access to high-quality manufacturing at relatively a frugal cost structure. But for BKT, apart from the revenue from the offtake, what else is there in the deal? Do you get any access to Pirelli's technology or do you get any access to IPR, using their technology, their tire design for your own brand, at least in initial phase? Or is it that for BKT, right now, it's only the offtake revenue that comes in from contract manufacturing?
- Satish Sharma:** So, at the broad level, what we can state is that all our plans get accelerated. Our go-to-market acceleration happens. But if you see the rub-off of intangible benefits, there are plenty of intangible benefits in the sense when you are associated with a brand like Pirelli, you obviously have a rub-off on the distribution, on the manufacturing, on the technology.
- And as these are early steps for us as we enter the on-road segments. And association like this with an iconic brand like Pirelli works on multiple dimensions. So, you don't have to just see it in black and white, but the overall spirit of the association.
- Arvind Sharma:** Got it. Sir, I was referring to a possibility where say there is a specific SKU from Pirelli. Pirelli uses BKT's manufacturing to sell that SKU probably in India or global markets, but could BKT also have access to that SKU rebranded as, whatever, a new brand that you want and use it in India? The front-end looks very different, very different branding, very different positioning, but at least, do you have access to those designs from Pirelli?
- Rajiv Poddar:** See, as I have mentioned, BKT has always stuck to its own technology for its own products. We want to -- have a desire to continue to do the same, even in our legacy of off-highway business, where we have attained leadership position in agri and getting to a leadership position in mining. We have not relied on anybody else's technology.
- Going forward in on-road, when we had started our journey, we had our own vision. We had our own roadmap, which we will continue. We do not want to rely on any third-party partner for their own technology or designs. We will make everything on our own. There will be a clear partition between what we produce for them and what we produce for us and using our own

technology. So, that is a very clear understanding. And that is where, even from a governance point of view, we have always done that in the past.

Satish Sharma: Yes. But what it validates of course is that it stamps that BKT is a high-quality manufacturer. That's obvious.

But we will use our technology for our own products, Yes.

Arvind Sharma: For sure, sir. It does validate the technology and quality. Just one similar question, sir, I know I'm exceeding the 2 questions limit, but do you get any synergies in terms of procurement?

Satish Sharma: No stated, I mean, there's no stated synergy, but as the 2 organizations work together, with the scale of the 2 organizations, obviously we'll work to procure the raw material as the most cost-efficient way. And in that pursuit, we will exchange notes and see what can be done. But there's no stated agreement as such at the moment, the stated thing is they rely on us to procure the raw material.

Arvind Sharma: Got it. That's all from my side, sir. Thank you so much for taking my questions.

Rajiv Poddar: Also, Arvind-ji, one more thing is that the carbon black business of ours will also benefit, because for these tires that we will be making for them, we will be using BKT-branded carbon black only. So, in that sense, that synergy would definitely come in.

Arvind Sharma: Got it, sir. This is very helpful, sir. Thank you so much.

Moderator: Thank you. Next question comes from the line of Gaurav Khandelwal with Mirae Asset Sharekhan Limited. Please go ahead. Participant has left the queue. We can move to the next participant. Next question comes from the line of Basudeb Banerjee with CLSA. Please go ahead.

Basudeb Banerjee: Yes. Thanks. Poddar-ji, just wanted to understand that, as you said, around 80% of Bhuj PCR capacity anyways will be used for your own BKT PCR products. So, for this 20% capacity usage, as a run-up till for next 3, 4 years, the machinery, as per specification of Pirelli tires, will they be completely different and ask for some extra capex, or your existing plant machinery and system is all ready to make the Pirelli spec products?

Satish Sharma: One of the things this strategic partnership has gone ahead is because BKT has put a state-of-the-art manufacturing facility. It's the best in the country, to the best of my knowledge, and our progress in technology, industrial capability, in whatsoever we have done in our 40 years of existence.

So, the equipment technology and everything that we have put into place is capable of, I mean, these are almost the same equipments that Pirelli has in their plants. So, nothing much is needed. It's just the technology and the specifications, etcetera, which will be different.

Rajiv Poddar: Yes, also one more thing that we'd like to highlight here is that, also BKT's always had its own vision of creating world-class facilities. And when we say that, we actually bring in the best

equipment possible to make even in our own tires, because at the end of the day, that brand is ours. We always thrive to make world-class products.

By virtue of that, Pirelli has approached us, and we have gone ahead with this deal. And as Satish-ji mentioned, that's why there is no need of any further capex, because our machinery is equipped to make any kind of tires within that range of segments for that particular range.

Basudeb Banerjee: Sure, sir. That's great to hear. And from a timeline perspective, I missed out. So, when this offtake agreement, that is going to start immediately?

Rajiv Poddar: As I mentioned in my opening remarks, and I'll read it again. This partnership is set to commence in Calendar Year 2027 and will scale up to supplying the full 800,000 or 8 lakhs tires of Pirelli-branded premium car tires by the year 2030. Both the years are calendar years.

Basudeb Banerjee: And the timing of the JV?

Rajiv Poddar: We have till 2030 to announce the work on the JV, and then once we have that ready, we will probably come up with an announcement when we already. That's the deadline. So, within that period, we are now going to start working on that possibility.

Basudeb Banerjee: Sure, sir. Thanks.

Rajiv Poddar: There are some preset conditions which both parties have to reach. If we reach there, then that will sort of trigger the discussion for a JV.

Basudeb Banerjee: Sure.

Moderator: Thank you. Next question comes from the line of Gaurav Khandelwal with Mirae Asset Management. Please go ahead.

Gaurav Khandelwal: Sir, thank you for the opportunity and congratulations on the partnership. Sir, to earlier participant, you mentioned that with this partnership and JV, your go-to-market plans in the passenger car tire gets accelerated. So, does that also mean that you will get access to Pirelli's distribution network that is established in India right now?

Satish Sharma: Let me explain this point. It is like, you know, as far as car tires are concerned, there's a lot of fence-sitters in the market. In the sense that when we launch the truck-bus tires, it was still closer to what BKT produces, in the sense of off-highway, but when you go to car, it's a still a very strong consumer product.

Now while we are doing our branding exercise and all, but there are some people who believe in us, when I say people, I mean channel partners. And some channel partners who would say, okay, let me look, see how the product is. and then we'll decide. So, they are the fence-sitters, right? And there could be some which will say, no, no, I'm not interested in BKT, for whatever reasons, right?

Now with an association like this, many of these question marks, people who are the fence-sitters or people who had the question marks in their mind, those get dissipated. So, what we

anticipate, and since morning we are flooded with the congratulatory messages from the trade, which is to say that, I think more doors will open to us of the channel. So, the reception of our brand into the market will become a little bit more easier than before. That's the way to read this.

Gaurav Khandelwal: Great, sir. Understood. Understood. Thank you so much.

Moderator: Thank you. Next question comes from the line of Yash Agarwal with Nirmal Bang Securities. Please go ahead.

Yash Agarwal: Yes, sir. Sir, just wanted to confirm that post this agreement, like you mentioned that 20% of new tire categories from total revenue, 20% would be from the new tire categories, but the margins would remain at similar. Post this agreement also, we are confident that our margins would not be diluted, and like we will be able to maintain the similar level of margins?

Rajiv Poddar: That, I think, is our stated policy, so this will not change that.

Yash Agarwal: Okay, sir. That's it from my side. Best of luck.

Moderator: Thank you. Next question comes from the line of Dishant Jain with Anand Rathi. Please go ahead.

Dishant Jain: Hello. Am I audible?

Rajiv Poddar: Yes.

Dishant Jain: Yes. Thanks for the opportunity. So, my first question is regarding the JV. So, anything on the timeline of the plant construction and the amount of capex that will be used in that?

Rajiv Poddar: So, as I mentioned earlier to one of your colleagues, we have some preset conditions in the Phase 1. Once we meet that, we -- both of companies will sit together and draw up the guidelines for the JV. And once that is done, then we will have more clarity on the timelines. And as and when that comes up, we will share with you. But at this stage, it's too early to give you any more details on the same.

Dishant Jain: Okay. and by what time would be, any idea, by CY29, '30, will this JV will be done?

Rajiv Poddar: No, I cannot comment at this stage.

Dishant Jain: Okay. And regarding that service agreement, so what is the structure that will be used for paying that fees to Pirelli for using their technology?

Satish Sharma: I'll take it. See, the service agreement is largely in the field of testing, simulation, sort of technical things, where the infrastructure in India is poor and currently poor. And we will -- as a partner, they will extend willing support to us for rendering those services by opening up their infrastructure for our BKT-branded products, where we can use their infrastructure to test, simulate, etcetera, and thereby again accelerate our go-to-market strategy. And of course, for a consideration. And that's what the service agreement is all about.

Dishant Jain: Okay. Thank you.

Moderator: Thank you. Next question comes from the line of Aditya Agarwal with Old Bridge Mutual Fund. Please go ahead.

Aditya Agarwal: Yes. Hi. Thank you for the opportunity. My only question is on the capacity part. So, when we will reach that 8 lakhs supply to Pirelli by 2030, what kind of capacity will we have, or what percentage of our capacity will be used towards servicing that agreement?

Satish Sharma: Yes. See, the 8 lakhs figure that you have, that's a 2030 figure, right?

Aditya Agarwal: Yes.

Satish Sharma: And obviously, therefore, the '27 figure is much lower. The '28 figure will get scaled up, and so on and so forth. And it's unfair to compare it with the current capacity that we have put into place, which is 6,700 tires a day. As we see the traction for both the brands, we'll modularly keep on increasing our capacity.

So, the infrastructure that we have in our plant -- so this 6,700 is just the Phase 1, but the infrastructure that we have put into place can expand our capacity multifold in a modular fashion. So, as we see the response, so to give therefore a defined percentage of what is 8 lakhs going to be as a percentage of the capacity which will be there in 2030 is difficult to say.

But the bulk of our capacity is going to be used for the BKT brand. That's what we are in here for. And they are, like I said repeatedly, Pirelli is looking at India at the super high-value segment, which by definition is a very small market currently. So, it will never be the case that a huge percentage of our capacity is going into servicing Pirelli's capacity. But if that happens, then of course, other things, other good things may unfold.

Aditya Agarwal: Okay. Just a follow-up on this. So, when we say 6,700 tires per day capacity in Phase 1, so for the full year, how many days do we assume of production? Is it 300, 320? What should we take?

Rajiv Poddar: Roughly 350 days to 355 days.

Aditya Agarwal: 350 days to 355 days.

Rajiv Poddar: Yes.

Aditya Agarwal: Okay. Thank you.

Moderator: Thank you. Our next question comes from the line of Puneet with Zaveri & Company. Please go ahead.

Puneet: Yes. Hi. I hope I am audible.

Moderator: Yes, you are.

- Puneet:** Yes, sir. Thank you so much, sir, for the opportunity. I think most of the things you've answered, sir. Just wanted to understand a little bit about distribution. I think you've alluded to it a little bit, but how is the distribution of the said products expected to happen? Is it going to be through your network, with Pirelli's network, or is it going to be with both of them?
- Satish Sharma:** So, it's a manufacturing arrangement, and the distribution of the two brands are done by the two respective companies and their respective teams.
- Puneet:** Okay. And just in terms of -- because, you know, as you mentioned, it's in the super-premium category as well, and of course, there are some well-known names in that category, but do you feel that there will be an advantage of cost? Will it be meaningful at this point of time in terms of production? Anything if you can put some light on it?
- Satish Sharma:** Yes. Competitive cost procurement does not mean that the cost gets passed. I mean, they will be positioned with the competitive set that they look at. And that will be the only consideration for deciding, so I can't speak for what they will do, but my understanding is that it will be benchmarked to the players that compete with that position.
- Puneet:** Got it. And just if you take a step back, of course, you mentioned that with an association with a brand like this, this will also put out a message and open a lot of doors for you, as you mentioned, with trade. But just apart from that, is there anything else that you're looking to achieve with this kind of partnership? Of course, you've spoken a little bit about what it will do in the near to medium term, but anything apart from that, that you're targeting from this kind of a partnership, sir?
- Satish Sharma:** As on today, let's digest this. And tomorrow, of course, is another day. And when we have something more to share, we will definitely, you guys will be the first to know.
- Puneet:** Okay. Sure. Thank you so much for the opportunity.
- Moderator:** Our next question comes from the line of Raghunandhan with Nuvama Research. Please go ahead.
- Raghunandhan:** Thank you, sir, for the opportunity again. Just one question. Can you give any details about what would be the minimum offtake of Pirelli under the offtake agreement over the years?
- Rajiv Poddar:** Those are confidential numbers, so we may not be able to disclose it.
- Raghunandhan:** Noted, sir. Noted. Thank you, sir. That's all from my end.
- Moderator:** Thank you. Next question comes from the line of Vijay Pandey with Axis Capital. Please go ahead.
- Vijay Pandey:** Sir, just to follow up on the previous question of one of the participants. So, we should get benefit. Is this a good way to look that once we start producing tires for Pirelli, we should be getting at least some technical know-how and able to see how that premium tire segment has been produced, and that should benefit in the longer run for the JV? That's the correct way to look forward or...

Satish Sharma:

Yes. Let me try and answer this with an analogy, which is like, you know, in Indian culture, normally we say, ki achhe dost rakhna, you know, associate with good people. And when you do that, you imbibe good values. So, by osmosis. So, that's the way to look at it, you know.

So, while we have confidentiality agreement, there's their IP is their IP, our IP is our IP, but, you know, when you are in the company of good, obviously, there's learning by osmosis, and which will rub off in the way we work. And it's a continuous learning journey for everyone. That's the way I think we should look at it.

Vijay Pandey:

Okay, sir. Thank you, and all the best.

Moderator:

Thank you so much. As there are no further questions from the participant, I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Rajiv Poddar:

Thank you once again to everybody for taking the time out. just before I close, I'd like to once again reiterate that we believe, at BKT, this will accelerate our go-to-market. It – has validated our strategy, which we had put in place last year. And we are very confident of achieving our Vision 2030.

And the new vertical seems to have got, you know, new boost of energy, because this will put a lot of things into what we've been talking about, into play. So, with that, I'd like to close this remark. Thank you to all once again.

Moderator:

Thank you so much, sir. Ladies and gentlemen, on behalf of Balkrishna Industries Limited, that concludes today's call. Thank you for joining us and you may now disconnect your lines.