



Emerald Tyre Manufacturers Limited
(Formerly known as Emerald Resilient Tyre
Manufacturers Private Limited)

REGISTERED OFFICE :
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11th December 2025

National Stock Exchange of India Limited
Exchange Plaza,
5th Floor, Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (East), Mumbai - 400051.

Company Symbol – ETML (NSE Emerge)
Series – EQ

ISIN: INE0RHD01013

Dear Sir / Madam,

Sub: Submission of Transcript of the Earnings Conference call held on Thursday, December 04, 2025 at 02:00 P.M.

In continuation of our intimation with the exchange dated December 04, 2025, informing with respect to the recording link of the Earnings Conference Call and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst / investor conference call which was held on Thursday, December 04, 2025 at 02.00 P.M. IST discussed the (Un-Audited Standalone & Consolidated) Financial Results of the Company for the Half Year ended 30th September, 2025.

Kindly acknowledge and take the same on records.

Thanking You,
for **Emerald Tyre Manufacturers Limited,**

H.Narayanarao
Company Secretary & Compliance Officer
ACS - A47309

CIN: L25111TN2002PLC048665

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Emerald Tyre Manufacturers Limited
H1 FY26 Earnings Conference Call

04th December, 2025



MANAGEMENT: MR. CHANDHRASEKHARAN THIRUPATHI
VENKATACHALAM - CHAIRMAN & MANAGING
DIRECTOR.

MR. VARADARAJAN KRISHNARAM - CHIEF EXECUTIVE
OFFICER.

MR. NARAYANARAO H. - COMPANY SECRETARY

HOST: MS. VAISHNAVI VAITY – AKMIL STRATEGIC
ADVISORS



Vaishnavi Vaity: Good afternoon and thank you. I'm Vaishnavi Vaity. On behalf of AKMIL Strategic Advisors and welcome you all to the H1 FY26 Earnings Conference Call of Emerald Tyre Manufacturers Limited. Today we are joined by Mr. Chandrasekharan Thirupathi Venkatachalam - Chairman and Managing Director, Mr. Varadarajan Krishnam - Chief Executive Officer and Mr. H. Narayana - Company Secretary. I welcome you all. Good afternoon, Sir.

Krishnam V: Good afternoon to all of you. Good afternoon.

Chandrasekharan VT: Good afternoon, good afternoon.

Vaishnavi Vaity: With this now I would like to hand over the call to Mr. Chandrasekharan to share insights on the company's performance, key operational highlights, key operation, highlights and strategic outlook. Over to you, Sir. Thank you.

Chandrasekharan VT: Very good afternoon to one and all. I thank you all for joining us for this meet. It's been some time since we have had a meet with our prospective investors and existing investors. I'm happy to have you all with us today.

I'll quickly give you a background about the Emerald Tyres. Emerald Tyres has been in the business of manufacturing industrial tyres. We came with an IPO last year in December. Basically, we were involved, we looked at an expansion of the existing facility we have, we took money from the market to set up a world class mixing plant. This is in addition to the existing mixing plant which we had and other than that we have increased our capacities in, the Solid Tyre plant for manufacturing solid tyres. We have also I know had some balancing equipments in the pneumatic plant. Some automatic tyre building machines which will improve the productivity and the quality of the tyres.

So, this is what we have done with the you know what has happened with the money, which has been raised from the IPO. Almost everything is ready. We know the solid tyre plant has already started producing tyres using the machines and the mixing plant is in the final verge of -- we have had a soft start to the Fixing facility but we are on the final verge of putting interlocks to the system so that the whole process works automatically. This is what has happened in the last few months. Other than that, if you want me to talk about what the company is about. I will talk about it, otherwise I'll hand it over to Mr. Krishnam.

Mr. Krishnam, you can start the discussions and then subsequently if there are questions, we will take the questions on.

Krishnam V: Yeah. Thank you, CMD. Thanks for giving a brief introduction about the operations and the present status of the expansion of the project. I would like to inform, glad to inform that the money has been that was raised, has been put to deployment and the production has already started, both on the mixing unit as well as on the solid tyre unit. The last six months, the results have been quite gratifying in the sense on a consolidated basis. We were able to clock from 98.53 crores to 105.21 crores in terms of top line. In terms of profitability,



I think the net profit increased to 7.56%. As again 6.38 the same period last year and the EBITDA margins also have jumped from 16.51 to 17.75 in the six months. And I think overall we're glad to inform you that in spite of the difficult market situation in US and other markets, I think Emerald is one company which has registered an increase in the US business. This is purely because we have been able to provide products as solutions rather than mere tyres. So, the customers have also invested in the moulds and other facilities and all products were jointly developed. So, in the first six months the US market business has slightly grown over the last year and the Europe has shown significant increase in performance. And I think there are two, three other markets which are in the cusp of major improvement in volume which are Australia, Latin America and Saudi Arabia and southern Africa. All these three markets we have taken as a strategy to focus. Because of the US situation, and while there is no reprieve on the US situation as far as the Emerald is concerned, almost all the customers have reposed to faith on us.

Some customers ask for the price reduction. We have done some very marginal decrease where the profitability was much better and wherever we were not, we have you know we had sufficient margin to justify the investment, we have resisted any increase and they have also accepted. Basic reason is that #1 because the products quality, stability #2 the consistency of delivery and the market appreciation of the product. All these three things have ordered well for the company. While I we find competitors really apprehensive of the US market. And falling revenues and falling top line, Emerald is one company which has not witnessed any such negativity in the market. And again, I think we have tried to increase our focus in other markets. So even if there is a backlash from the US market, we were well prepared or we are well prepared to handle even that changes. So, I think as against we were originally supposed to implement and complete the project by October end. It has taken one more month because of various reasons.

#1.

Due to the power being sanctioned by the electricity department, there were so many things to be handled and again the rains were disrupting us almost for 15 - 20 days where we couldn't complete certain areas. But already the, as expressed by our MD, the soft start has started and by this weekend we will be completely going ahead with that mixing unit which will ensure that we don't mix outside and the entire requirement of the company will be mixed inside which will bring substantial savings in terms of cost as well as in terms of quality, the improvement in quality, which is becoming very critical and again on the solid tyre side, we have introduced the Super premium version which is called AXIMO: axis and portion and this product has already proved to be a game changer in the market in the Middle East and other areas, the trials have given exceptionally good performance and the market is eagerly awaiting the supply of these tyres. In our recent visit to Europe, almost all the customers have welcomed this product, so we expect a good spot in volume for the next 3 to 3 1/2 months, as far as the performance is concerned.

So overall the outlook of the market is fortunately for Emerald has not been very grim and the Emerald internally is taking a lot of efforts to the keep trend going on, and in fact the proof of



the pudding is that there is overall increase in EBITDA levels and profitability of the consolidated level and this trend will continue for the rest of the year also. So, I think with this. We would like to leave the forum for any questions on the financials, on the market outlook on any of these things. And we are here to respond to you. Thank you very much.

Vaishnavi Vaity: Thank you so much, Sir. Investors. The floor is open for Q&A session. You can raise your hand, drop your questions in the chat box. Thank you. So, first question is from Mr. Madhur Rath. Mr. Madhur, you can unmute your mic and ask the question.

Krishnaram V: Yes.

Madhur Rath: Sir, so I'm trying to understand that you have mentioned that this year FY26, we should be expecting somewhere around 25 to 30% top line growth. So, which comes to around roughly 250 to 260 crore and our peak capacity post CapEx is around 350 crore, which we hope to reach by FY28. So firstly, if you can confirm whether we are on track to achieve this guidance for this year as well as peak revenue by FY28. And secondly, how much of the total CapEx out of the 65 crore has already been incurred and how much is left to be incurred?

Madhur Rath: And what will be the total net debt on the balance sheet post this CapEx is completed?

Chandrasekharan VT: OK.

Krishnaram V: OK, so I just to give you a small you know heads up on this matter, as far as the the turnover is concerned, last year our consolidate turnover was 200 crores and current year we are well on course to achieve 250 crores. As we mentioned as standard performance of 228 crores and a consolidated performance of 250 crores. So, we are well on course. Again, as far as the project implementation is concerned, as I told you, the result of this expansion will accrual to the company for 3 months. And the next full financial year, we'll have the full advantage of the, you know, the expansion capacity and we are well on course to achieve 350 crores, as you have mentioned, as we have also informed you. So, there are no two different thoughts about it. As far as the project implementation is concerned, we would like to tell you that just before this meeting we gave a small introduction on which we said the solid tyre installation is almost over and production has started. There will always be some little bit of changes and things happening. Some of the moulds are almost 80% moulds have come another that 20% moulds are under testing and as far as the mixing unit is concerned, the basic final mixing has first started. Now the master mixing it's a sequential equipment. Where you need to start from 1 by 1 gets a completely automated plant. The dry run and the wet runs are going on so probably I think in about 15 - 20 days it will be fully running.

So overall this is the status and as far as the completion of the project is concerned, there will always be some amounts which are paid only on performance. For example, if you take the press, we have always retained 10 to 15% till the press totally gets commission and the production becomes 100% perfect. Similarly, even in the mixing unit majority of the



equipments, they are all very costly equipments. So always 15 - 20% retention will be there once it completely runs, there is a period of one month which we will go through all the process then only we will release. Otherwise in terms of you know completion of the project except for one tyre building machine which is expected to come by month end almost all the projects are nearing completion and the substantial amounts have been released. Balance are retained for the completion of the project.

OK, so with this completion of this, the company's overall debt is likely to go to 110 crores, will be the total debt that the company will have. And I think the most important thing is in this whole project, the capital expenditure withdrawal from the bank, there is some more, some amount. But I'm telling you even after completion it will be about 110 crores.

Madhur Rathi: Sir. And what about the working capital to reach 300 crore, 350 crore of peak capacity? How much more working capital loans will we have to take over and above this 110 crore net debt?

Vaishnavi Vaity: I guess Krishnaraman Sir's screen has been freezed. Chandrasekharan, Sir, are you able to hear him?

Chandrasekharan VT: Hi are you able to hear me? Hello.

Vaishnavi Vaity: No, Sir. Yeah. Now, I can't hear you.

Chandrasekharan VT: Hello.
Yeah, I there's some problem with the net connection. Yeah, because it's raining. So, just give me a moment.

Vaishnavi Vaity: Yes, yes.

Chandrasekharan VT: Yeah. So, I think can that question be put up. Once again, I'm sorry we missed it a bit.

Madhur Rathi: So, Mr. Chandrasekharan, the question was that beyond these 110 crores of net debt which we require to complete our CapEx, how much further working capital loans will we required to reach our peak utilisation of 350 crores?

Chandrasekharan VT: That that will be only a marginal increase in the working capital. We are self-sufficient as far as the working capital is concerned. And I don't think though we have approached State Bank of India for another you know packing credit loan that is on use as much as we use we'll be having the packing credit loan. Other than that, I don't think we may need a huge working -- there'll be a huge working capital requirement.

Madhur Rathi: And also, what is our cost of debt, our interest rate?



Chandrasekharan VT: Hi. Yeah, Mr. Krishnaraman Sir. And go ahead.

Krishnaram V: Yeah. See our? Excuse me, our, sorry. I think there was some issue in the phone. So overall the rate of interest is as far as the EPC is concerned, you know export tracking credit stands at about 6.35%. On the term loans, it's about 9% and working capital varies somewhere, as I told you, the export packing credit is 6% whereas the others are around 9 to 10%.

Madhur Rathi: Right. So now since our 25 to 40% of our revenues coming from US and you mentioned that we have taken some marginal hit and it doesn't seem that any trade deal is happening in a hurry. So, assuming that this 50% tariff remains. So, then what do you in the worst-case scenario that is? So what feedback are you getting from your customers? I mean, for the alternate geographies, where your competitors are based? What is the net differential in the import duty that we are having to face being based out of India?

Chandrasekharan VT: See, I'll quickly tell you as far as the tyres are concerned, it's a safety.

Chandrasekharan VT: Sir, can I reply as far as in a in the short term, in the near short-term period, you know tyres are a safety product. You cannot, you know, even if US wanted to, you know, develop a parallel, a secondary source, it is going to take a lot of time, money and effort to come up with this, which is not going to happen even for us in the last so many years with every customer, the time taken to get an approval is one 1 - 1/2 years. It doesn't happen overnight. So, for them to change the supply chain is going to take them as much time you know they are not going to, you know, switch over tomorrow morning because there is a 50% tariff coming in. So that way you know none of our customers are pulled out of us. Initially the first one week when this announcement was made, they said that let us wait and watch because they didn't want to start paying the tariffs tomorrow morning, but then when they realised that you know it is going to remain for some time, they said don't stop the production. You go ahead and keep producing. We will see how much can be passed on to the customer, so it is our customer who has taken the hit and not us. So wherever little bit, you know that we were we are fairly comfortable and the customer said can you work on it. We have given them a certain bit of a discount and that's it. None of them have reduced any supplies, any orders to us. So that is as far as that is concerned.

As far as you know, backup plan is concerned, the next 1 - 1/2 years, even if they want to change the supply chain, we are working on different markets. It is not that we are only confined to one market. Europe in the in this year itself, Europe has started in you know increasing the demand. We are not present everywhere you see you know we are a small company; we are a growing company. So, for us to approach you know, the European market itself is you know large enough to cater to, to absorb the entire manufacturing which we are doing, it's just not enough that we manufacture the capacity, the needs are much higher and we are just you know on the tip of the iceberg.



So, you know, Europe is 1 market. We are trying to get into the Australian market there. We have supplied our new AXIMO tyres. We have supplied an improved version of the existing tyres, so there also the customers have started placing orders. The orders have started enough flowing in, trickling in. So, these are the areas. South Africa is another market. Latin America is a market where we are working. So, these are areas where we are taking efforts and it is not that we have like I told you, it is not an effort which are taken only after this and our tariff has come. We have been working on this market for the last 1 - 1/2 years we are expecting it to close in the near future and that is why we are fairly confident that you know the tariff situation should not dent our prospects in the long run.

Madhur Rathi:

Sir. So last question from my side, Sir. So now our mixing plant should increase our margins whereas the tariff hit that we have taken especially in the US market should have the reverse impact Sir. So, net at least for the second-half of this financial year, what should shareholders expect. The 17% operating margin that we did in the first half? Can we sustain that or we should expect a lower margin?

Krishnaram V:

Yeah. No, no. I think we can expect the same margin. I think when you talk about reduction in margin on the export front in US customers, it was very marginal. As far as the mixing -- the cost savings that comes out of the mixing unit will accrual only for three months, because almost nine months have gone by, so there won't be any major impact in the profitability that you would expect. We'll continue the same trend.

Madhur Rathi:

Sir, actually our operating margins are 13 - 14%. If we remove the other income. So, I mean...

Krishnaram V:

It is. See other income. What does other income consist of? It consists of exchange of fluctuations. Exchange fluctuation, whenever you do a casting, you do it based on the exchange rate only. So, it is another form of compensation for the price realisation. It is not as if it has come from somewhere outside.

There are only two things: other income is majority due to export benefits. Export benefits are always priced in into the cost of the product. Again, dollar fluctuations are again priced into the product, so it is not as if it is other income. It is part of the sales revenue which contributes the bottom line. 83% export-oriented company will need to derive its margins from all the aspects. Accordingly, customers also know what are the benefits that this company. If you ask a US customer, he has a pre emphasise understanding of what are all the benefits that will accrual to a company like us. That's how they start working at margins. So, it is not other income, it is actually bottom line that should come for the sales that we do.

Madhur Rathi:

Sir. So, with the rupee hitting 90 Rupees to dollar and government also announcing some export package, Sir, are you including that in your 70% margin guidance or that is over and above?



Krishnaram V: No. Sir, in fact I do not, till today we have not come across any benefits the government has given. There are that in fact even yesterday I looked into the RBI, you know notification there is nothing significant as far as export companies are concerned. While there are a lot of talk being spoken about, banks are mulling over, maybe they will give some additional loan to overcome the strain on cash flow, but we are not. That is only going to increase the cost. We are not interested in that. If there is whatever shops are required are all already provided. We are working on that. If anything comes naturally that'll add to the bottom line. Till today we have not come up there as any additional benefit that has come from the government.

Madhur Rathi: Thank you, Sir.

Krishnaram V: Thanks a lot.

Vaishnavi Vaity: Investors, I request you to raise your hands or drop your questions in the chat box. Thank you.

Krishnaram V: Yeah.

Madhur Rathi: Sir. So meanwhile, Sir, so are we exporting to Russia?

Krishnaram V: Thank you. Yes, Sir, we do. We do. We do.

Madhur Rathi: And Sir, is the Emerald brand, owned by the company.

Krishnaram V: Yes, Sir. Everything Emerald is the name of the company. Brand name is Gregster, M Power, AXIMO. And all these -- solid Gregster Gold. These are the brands in Russia. We sell Gregster Gold as the major brand in the market.

Madhur Rathi: Sir. So, are we looking at retrading of aircraft tyres for example? Because I understand we make tyres for aircrafts also.

Chandhrasekharan VT: No, no.

Krishnaram V: No, Sir, we don't make for aircraft. We make for ground support. For the logistics in the airports, we make tyres and retrading of aircrafts is not something that is within our domain. It's a high-end tyre which big majors like Michelin and others do. So, we are basically into ground support. For example, the tow tractors, the arrow bridges, then the push back tractor, trailers and the GPU's, all the tyres other than the tyre on which the aircraft lands are all our domains, Sir.

Madhur Rathi: Sir, the rim also? we are making the iron rim? Sir, so 100% of the tyre sales that we are doing is inclusive of rims also?

Krishnaram V: Yes. Yes, Sir, we are making.



- Chandhrasekharan VT:** No, no, not 100%. Whenever it goes to the OEM, it will have a tyre and wheel as an assembly. Very rarely you come across a prospect for supplying rims in the replacement market. The life of a forklift is expected to be between 7 - 8 years, in 7 - 8 years because if you even consider a change of, you know tyres every year, you're looking at 7 or 8 sets of tyres being replaced, during which these are all mild sealed rims and are not less than four mil thickness the damages to such, you know, forklifts, see, forklift is a counterbalance equipment. So, what is the weight on the backside is what is going to be on the front side. So, it you know you cannot overload an equipment and run it. It will tip to the front if you overload. Instead of 2 tonnes. If you're going to lift 3 tonnes, it is going to tip. So, you know misuse in terms of an overloading is not an issue for us. Misuse in terms of, you know, the work environment, the atmosphere where it is working in: a steel mill probably near a furnace. These are the areas where our tyres will have an impact. So as such wheels are not something which we supply much into the replacement market is more for the OEMs.
- Madhur Rathi:** So, Sir, is that capacity fungible between the different types of tyres we make?
- Krishnaram V:** Can you come back once again?
- Madhur Rathi:** So, is our capacity fungible between the pneumatic tyres and the other kind of tyres that?
- Chandhrasekharan VT:** No cap. No, no, no. Pneumatic tyres has a different manufacturing process. Solid tyres have a different manufacturing process, so you can't. In a pneumatic process -- so the mixing remains the same but when it comes to downstream in a building of tyres, curing of tyres, these are 2 different methods by which we do. So, a pneumatic tyre plant cannot manufacture solid tyres.
- Madhur Rathi:** Great. So, thank you very much. I'll join the queue.
- Chandhrasekharan VT:** Thank you. Thank you.
- Krishnaram V:** Thank you.
- Vaishnavi Vaity:** Thank you. Next question is from Mr. Kailash Joshi. Mr. Kailash, you can go ahead and ask the question.
- Kailash Joshi:** I'm Kailash Joshi, individual investor here, speaking from Chennai. I'd just like to thank you for the opportunity to attend this conference. I'll heard your presentation, as well as gone through the presentation.
- Chandhrasekharan VT:** Yes.
- Kailash Joshi:** It's a good set of members or numbers that you have posted for this first half of this current financial year. In spite of increase in the manpower cost, as well as the interest cost, the



EBITDA margin has not only been maintained, it has been increased also. Great set of numbers. I have got a few queries if you please.

Chandhrasekharan VT: Thank you. Thank you.

Kailash Joshi: Permit me to say so, Sir, with reference to the capital work in progress as for the financial year ended 2025 March and it was 3,040 lakhs in the current first current financial years first off results as I go through the current assertion, there has been a capital work in progress of 5,009 lakhs. Just my query was whether the expansion programme of the rubber mixing plant has less solid tyre and pneumatic tyre plants, are they as per time schedule? Is there any cost over? That is my personal.

Chandhrasekharan VT: Uh. No, Sir. There's no cost overrun as such. But you know in terms of implementation we were expecting the entire process to go on steam by end of October. You know, there was some delay in getting power connections from the government of Tamil Nadu and also you know like we told you, we are in the final stages of implementing the mixing plan. As far as the solid tyre plant is concerned the process have been installed. All the moulds which we were supposed to receive have been received. We are doing the final checks on some of the moulds, about 80% of the moulds have been released. Some of the moulds, final checks are going on to look at the dimensions, we have to look at the inscriptions on the tyre also so that you know there's no mistake in the whole process. So, all these things are going on. But overall, we would have, you know, the mixing plant that will be you know, by this month end we should have everything in place. So, the last quarter we will have full production capacity available. So, what was going out for mixing a fair bit of you know process has been brought in house. So that's where we're talking about you know reduction in cost and you know some accrual of profit because of the logistics and also improvement and quality of the product.

Kailash Joshi: Thank you, Sir. So, I understand from your answer that things are in place and they are as per schedule and there has not been any past overrun also. I got the next query for you that is like is it possible for you to give the revenue split, that is the revenue that is coming from India as well as revenue that are originating other than India. Is it possible for you to tell me?

Chandhrasekharan VT: Yeah, 83% of the revenue has come from export, Sir.

Kailash Joshi: OK. Can you just give a split up in terms of the OEs and as well as the replacement in India as well as elsewhere?

Krishnaram V: I think as far as the domestic market is concerned.

Krishnaram V: Is it? Is it OK? Is it audible?

Kailash Joshi: Yeah, it's audible.



Chandhrasekharan VT: Narayanan, can you put yourself on a mute? Yes, Sir. Krishan, Sir. Go ahead.

Krishnaram V: So, as far as the domestic market is concerned, the majority of the you know revenue, you can equally you can split between both domestic and export, which is 50/50 in the domestic market. As far as the export is concerned, it is 20% OEM and 80% replacement market. Where we hand, we in the global market, we support medium sized and small sized OEMs. We don't take on the big OEMs like Toyota outside the country. Within India we are major suppliers to Toyota, Keyon JCB, you know ACE, Godrej and Dusan and all those companies.

Kailash Joshi: Yes.

Krishnaram V: Because we can handle the logistics being within India. When you take globally, I think you need to start at multiple locations and supply which at this point of time we are not prepared to take on such a huge impact. So, we are taking small OEMs and medium sized OEMs. And that accounts for 20% of that global revenue.

Kailash Joshi: So, it's as per my understanding, great to have a replacement market which is of a relatively smaller orders and in in that event you need to have a higher number of inventory also.

Krishnaram V: Yes, Sir. Better margins, yeah. That's right, Sir. That's right, Sir.

Kailash Joshi: One needs to forecast also and your marketing team is doing a great job. And I mean there should be really agile that way. Good job.

Krishnaram V: Thank you. Thank you, Sir. Thanks a lot.

Kailash Joshi: Part One is with reference to the solid tyres and the pneumatic tyres. Am I? Is my understanding correct in stating that the solid tyre part realisation is more compared to the pneumatic tyres? Please correct me and which sector should be giving more margins?

Krishnaram V: I think you're you're 100% right. Solid tyres gives better margin purely because in solid tyres the majority of the applications are application oriented. For example, a solid tyre can be used in a scrap yard. It can be used in a foundry, it can be used in a 24-hour application. It can be used in sub-zero conditions. It can be used in higher temperature conditions. All those areas makes the solid tyre more like an engineering piece. It's an application-oriented product, whereas in pneumatic generally I think they are used in places where a solid tyre doesn't work. Probably pneumatic is ideal for such application. For example, you take agree implements, they are going to go in mud and other areas that you cannot use a solid tyre because it will get stuck inside the mud. So, the pneumatic has a very different application and solid tyre has a different application.

Kailash Joshi: Yeah.



Krishnaram V:

But as an organisation we are trying to optimise the margins on both sides because we don't just supply even in pneumatic, the run-of-the-mill tyres. We supply winter tyres to Europe for the fortnight application which very few companies do it. We also supply high end applications like the mobile homes, you know the recreational homes. They move from one place to another. We make tyres for that. We also give tyres to implements which are used 24 by 7 in very tough advanced markets. But as a policy, if you have as a product, if you see solid tyre always has an edge over the pneumatic tires in terms of profitability. Also, in terms of competition and technology edge, we are far, far ahead in solid tyre, and that also accounts for a certain premium on the Solid tyre product. Again, in solid tyre, you can have the standard, premium and super premium. If you sell more super premium, your margins will be higher, whereas in pneumatics, there's always a standard quality, maybe a premium quality in some applications. So that way, I think Solid tyre will certainly provide better margin, but also the product has lot of technicalities. The lot of research that has to go into making a tyre better, in fact on an average we spend about 203 crores on R&D every year. In order to find new challenging formulations for certain tough applications and that is where your margin keeps improving. If you do the run-of-the-mill tyres, solid tyres will also be in the same level as pneumatic because the Emerald is working on the high end and constantly innovating on products, we are able to derive better margin on solid tyres.

Chandhrasekharan VT:

See from a customer's perspective, what happens is he needs a basket of products. You know there are certain areas. If you are a forklift service provider, he may have certain customers who will want solid tyres. He may have certain customers depending on the application, who would want pneumatic tyres so if you know, you got to serve both these customers, enough of what they need. So that is why we are in solid and also in pneumatics and pneumatics gives us the company a scope to expand future products. You know today we are doing industrial tyres tomorrow, we could do mining, tyres, construction equipment's. We could go to agricultural implements. There are a lot of areas where you can grow. Solids are predominantly industrial applications. So, it gives us the flexibility to keep moving forward to you know you know provide more products to the customers.

Kailash Joshi:

So, Sir, now I understand the reason for expanding the pneumatic tyres from 12 tonnes per day to 30 tonnes per day as given in the prospectus, and I was wondering as to why solid tyres are only adjusted.

Chandhrasekharan VT:

Yes.

Kailash Joshi:

May be approximately double dash for the prospectus because the as your shareholder, they with a very limited understanding, just wondering as to why, when solid tyres are going to be giving a better margin or why the company is more or less tripling its pneumatic tyres. Now you are the statement now, to an extent brings clarity to my thought process.

Krishnaram V:

Correct, you're right, you're right.



Kailash Joshi: So finally, if I may ask you just to get up to this increase in solid and less pneumatic tyre in terms of volumes with reference to the raw material as less. With reference to the finished goods, the moment to the destinations, wherever it is, I mean you have got two subjects, there is one is in Dubai as less and another is in Belgium.

Krishnaram V: Belgium. Yeah.

Kailash Joshi: Do you foresee any I mean difficulties or challenges with reference to this moment of these finished goods or are you are you working on anything else? That is, if I if my understanding is correct, the tyres are moved only by the containers and to by the C route, but to an extent the geopolitical tensions maybe taking a longer route. Do you foresee any trouble or you are confident of handling the situation like?

Krishnaram V: Containers. Containers. You're right.

Krishnaram V: All right. So, you know in between when there was the how this problem was happening in Saudi Arabia and when Iran and the Israel were fighting, the ships were taking about 10 to 15 days' time more. And now that has stopped and now the normalcy has been restored. Also, a case in point is that the Emerald always provides FOB shipments. We hand over the consignment at the port in Chennai and then the customer nominates the ship and takes it. So, the fluctuation in terms of freight rates or any other disruptions happening, normally we leave it to the customer because I think he's he may have a higher volume, he can demand a better rate and if there is delay, he knows how to handle it.

Generally, we don't take CIF shipments. We always and that was one reason during COVID when the freight rates post COVID the freight rates went to Sky High, Emerald was one company which never had an impact on its profitability or supply chain purely because we thought our core focus is to make a product. Shipping and all those things should not affect our bottom line. So, we always left it to the customer. We'll give a freight your rate up to the port from that. They should take it. So, both Europe and Dubai, we don't face any problem. Even in US. I think ships are fairly going all right now and there are no major disruptions in any place unless otherwise any new geographical tension happens in future.

Kailash Joshi: Okay. So, thank you for eliminating me with reference to this supply chain management also and prior to me calling it, it's the just to thank all the team members and associates and the Executives and the Directors And as well as the employees for putting a very good show.

Krishnaram V: Thank you, Sir.

Vaishnavi Vaity: Yeah.



Kailash Joshi: I wish and trust that you keep up this and achieve the goals as per the prospectus in the process the individual shareholders like us also are taken in and we are also benefited. Thank you very much. Thank you.

Krishnaram V: Thank you, Sir.

Chandhrasekharan VT: Thank you. Sure. Thank you so much. Thank you. Thank you.

Krishnaram V: Sure, Sir. Sure.

Krishnaram V: Thank you, Sir. Thank you. Thank you. Thank you.

Vaishnavi Vaity: Thank you. Before we move forward to the next question, I request all the participants to limit their questions to two each. Next question is from Mr. Ankur Gulati. Ankur Sir, you can go ahead and ask the question.

Krishnaram V: Hello, Sir. Hello. How are you?

Chandhrasekharan VT: Hello. Hello.

Mr. Ankur Gulati: I'm good, hope you also good.

Krishnaram V: Fine Sir.

Mr. Ankur Gulati: So just if you can give me a revenue for solid tyres, Persson's and pneumatics, for H1 segment, we have this split handy.

Krishnaram V: So, your voice is not clear.

Mr. Ankur Gulati: Do you have the split of pneumatic, solid tyres segment wise. yeah pneumatic, solid tyres and Press on bands for this first half.

Chandhrasekharan VT: The revenues from the solid tyres.

Krishnaram V: Sir, if you take pneumatic and solid is 50-50 and within solid tyre you will have 10% Press on bands, pneumatics balance, solid tyres, tyres alone.

Mr. Ankur Gulati: OK. And anything from wheel rims?

Krishnaram V: So, wheel rim actually comes as a composite product in the solid tyres. Now when you say Press on bands it's a totally different category of tyres. In solid tyres always we'll have 10 to 12% of wheels going as an assembly to the customer. So, I think if you again further one further split up, you can say it's 10% Press on band, another 12%-wheel rims and the balance solid



tyres. As far as pneumatic is concerned, we do supply with assemblies also that'll again form about another 8 to 10% so 40% will be tyre alone, another 10% will be tyre plus wheel.

Mr. Ankur Gulati: For it and realisations have been flat. Or is there an impact of rubber price movements at all?

Krishnaram V: Sir, I think as we told you that may in fact 6 months results show that they it has been better and in fact over the last year the consolidated results have been better. So, we are able to fairly sustain the margins and wherever there has been increases, we have been able to pass on and wherever improvements could be done on the product by cost, I think that is also augmented for the bottom line. So, I think the trend seems to be fairly good as of today and even.

Chandhrasekharan VT: Yeah, raw material if you're looking at raw material prices, it has been fairly steady.

Mr. Ankur Gulati: Got it. So, one request and I think we requested it last time as well that in your result presentations if you can add number of tyres sold, it helps us track capacity utilisation and realisation.

Krishnaram V: I'll get that.

Mr. Ankur Gulati: I mean we have data I think in March 25 or September 24, right? So

Krishnaram V: Yes, yes, yes, yes, Sir. Actually, yeah. Number of tyres sold, you know on 1/2 yearly basis how much it has improved in each category you want to know, am I right? OK Sir, we'll provide it.

Mr. Ankur Gulati: Yes, I mean, I go to prospectus, there was given just.

Krishnaram V: Yeah. Yeah, we will. We will share it to you, Sir, and we'll include it in our presentation also. It's a good idea. We'll do that.

Mr. Ankur Gulati: Ok. Second, the mixing plant, I guess. Will there be certain higher depreciation initially till the time you reach certain capacity utilisation and that can be a slight drag on your profit after tax. Is that fair for FY27?

Krishnaram V: No, Sir, no. I think it's going. I, in fact it's going to be a flat depreciation percentage only. Now this year it's 3 months for which you know the utilisation is going to be 3 months, next year we'll have a full year realisation. Now I don't think there should be any differential depreciation year on year.

Mr. Ankur Gulati: So, this 60 crore CapEx, which you have done, the depreciation on this will start showing up right in H2 or H1 of next year?



- Krishnaram V:** That's right. That's right. That's right. You are right. In the current year, majority of them will come for a depreciation.
- Mr. Ankur Gulati:** But your capacity exactly, but your capacity utilisation will gradually go up. So that means at least below vector margin pressure non.
- Krishnaram V:** That's right. See 3 months the next November, December, January, February 4 months, we will have the impact of this CapEx expansion. To be more precise from January, February, March the additional, that is why we have projected an improved sale. If you could see last year stand alone was 180, this year we have projected 229. You the 3 months and incremental volume only has pushed our estimation to 228 to 229 crores. On a console level we are looking at 240 to 250 crores. It's purely because of these 3 months addition of the capacity only.
- Mr. Ankur Gulati:** So, Sir, this 45 CR of additional sales standalone this year. Is this because of new capacity?
- Krishnaram V:** Absolutely. I think the majority because of the 3 months impact on the improved capacity as well as I think some capacity, higher utilisation in solid tyre also because anticipating this CapEx people have started placing orders. So, wherever the moles arrived we started producing. So also, others are an improvement on the. Current utilisation in solid tyre as well as pneumatics. That's the reason why you are able to see that increase.
- Chandhrasekharan VT:** The operational efficiency has also been a reason for increase in the output.
- Mr. Ankur Gulati:** Yeah, I mean, Chandrashekar said, just tell the layman what I'm trying to understand. Let's assume this year you get 30 crores of revenue from new capacity or enhance capacity for 3-4 months. So, if it's for 3 months, then next year you get 120 crores.
- Chandhrasekharan VT:** Yes. Yes.
- Mr. Ankur Gulati:** Your earlier capacity is 180, so FY27 alone should be 300 crores plus minus.
- Krishnaram V:** I think you're. You're right. You're right. That's what current year 26. And that's what we are projected. Also, if you could see.
- Chandhrasekharan VT:** You are right, but no, we are conservative in terms of telling you that we will do 250 crores and then you know but you know achieving it is you have to you know.
- Krishnaram V:** Market headwinds are very you know... we are working towards that.
- Mr. Ankur Gulati:** Yeah, I've been fair enough.
- Chandhrasekharan VT:** We are working towards and achieving targets and not taking numbers conservatively and achieving them rather than, you know, giving huge stories and then, you know, running behind



numbers. We are confident of what we are declaring and we will you know be there. If it happens here, we are able to achieve 300 in the next year, 27 so be it. We will do that.

Mr. Ankur Gulati: Yep. No thanks, Sir. Just to just to finish my thought process, let's assume standalone is 300. And in 2025 comes from the two subsidiaries, right? So theoretically, FY27 alone should be 320 crores, if this linear equation holds.

Krishnaram V: No, no, no, no. I think you know to be very clear to you as far as the wholly owned subsidies are concerned. They are not meant for improving profitability at their end. They are made for improving profitability at the India level.

OK, so basically what we need to understand is from 180 we are going to 220, from 220 we'll go to another 280 because that that is how because orders the new brand and all those things have to kick into the market and things should happen, it should start contributing more and more to the market. And again, the US is another which is standing. We are working on other markets. So, to be very conservative, a console level of 300 to 310 crores will be a fairly reasonable estimation of the next year's overall performance.

Mr. Ankur Gulati: That's fair. And Krishnaram Sir, I was at least in last one or two calls, I've been probing you if you can give us more granular details on how the whole margin expansion plan is? So, if you guys believe this is the right type, what is your internal strategy to expand the margins right, especially now that the mixing plant above up and run?

Krishnaram V: How that? How that, Sir? Tell me Sir.

Krishnaram V: Oh. OK, OK, OK. You. But we did explain. No, Sir, we did explain that the mixing plant will, once it is internalised that transportation cost, the logistics cost, the supervisory cost will all accrue to this and that's how we are projecting a better improved performance. In the in the in the next year and the years to come. So, you want what sort of a detail you want, Sir?

Mr. Ankur Gulati: But if you can quantify this, because as far as my understanding from plant visit, the older mixing plant was also there, it's just that the technology was old, right?

Krishnaram V: Hmm. Correct, you're right.

Chandhrasekharan VT: Yes, yes.

Krishnaram V: OK.

Mr. Ankur Gulati: So, the when you're saying logistic cost and everything else if you can quantify in terms of either EBITDA margins or absolute, is it 100 basis point improvement in next 12 months or is it more than that? What is it?



Krishnaram V: We will, we will, we will work out and let you know, Sir, I think you're it's a question you asked last time also we'll do it. We'll send it to you.

Mr. Ankur Gulati: Yeah. And the last thing, I guess this was last concall or the interim calls, there were some discussions happening for more Indian airport related products and some sort I don't know if you want a joint venture or a technical tie up. So, any progress on those discussions? Where you were talking about OEMs for Indian markets?

Krishnaram V: I think you know we, we have become a major supplier through TLD which is the world's number one GSE company. And I think we are giving them complete end to end solutions and I think I do not know what you know tie up you are referring to? Can you be more specific?

Mr. Ankur Gulati: Yeah, there was some discussion right that you want to supply tyres to some of these MNCs for their India business or I don't something of that sort you mentioned?

Chandrasekharan VT: Yeah, TLD is the company.

Krishnaram V: OK, JCB, JCB, I think we had told a few global entities, Chandra, he was talking about JCB and other entities and also a company called Sani for which we were working on development of products for them.

Mr. Ankur Gulati: No. Got it. Yeah.

Krishnaram V: I think post to US impact the results are yet to kick in because they too are eagerly looking forward to some change of tariffs because it's a huge volume and the factory in India has completed the testing and we are very happy with the product waiting for signals from their US bosses to start manufacturing. In fact, the trial production has been done. We sent samples both to India and China and both the places they are happy. The trial run is still going on while they are waiting for some good news from us, so I think these are new projects which are purely depend upon they are depending upon the US market to improve. So that's why even their own production has come down. They are waiting for good news from US. But I think as an organisation we, we.

Mr. Ankur Gulati: Thank you.

Krishnaram V: We work on about 10 to 15 projects like this in various markets, not just US alone. We are working on a project in Brazil. We are working for a project in Italy in a very major way. There are about 7 OEMs we are talking to them to create a regional stocking point and supply to them. We are also working on a few things in the African market to expand, to create one more logistic centre to reduce the cost of freight as well as to reduce the tariff. There are a lot of projects in pipeline. We are working on. We'll let you know the appropriate time.



Mr. Ankur Gulati: OK, Sir. Again, going back to the previous call notes, there was some discussion that the pricing on new product and I think you mentioned this the new product which you have launched is 10% higher on per annuity basis hypothesis.

Krishnaram V: You're right, you're right, you're right.

Mr. Ankur Gulati: So, does that mean your your EBITDA margin on the other 120 -130 crore revenue which will come will have be 6-7% higher?

Krishnaram V: Sir, I think you know, whenever there is an increase in the cost, there will also be a cost increase also. But what will happen is yeah raw material cost. But overall if you see if the volume of these tyres' premium, super-premium tyres start going up.

Chandhrasekharan VT: Raw material cost

Krishnaram V: They will add marginally to the profitability. Also, it's not always direct. You have 7% immediately. It'll go on a total volume; this will be 20%. The increase in margin will add to the overall margin. It may not be proportionate, but it could be a percentage of the overall profitability. That's all. Even now if you see the current year itself, our EBITDA margins have almost jumped 1.25% and even the PAT is improved. See point is I think the more and more you start improving your super premium and higher in sales, the profits will start increasing. This is the simple logic and I think the focus is also towards that, so I I I think the effort is to go to an area where the competition is less and the competence required is more. So, this is what we constantly want because on the run-of-the-mill product market already fixes the price. When it comes to exceptional performance only, we are willing to consider the extra margin and that's precise the area the company is also working.

Ankur Gulati: Oh, Got it. So, and last question, you referred to some discussion for mining tyres last time around, so any movement on that sort? Any any discussion?

Krishnaram V: So, your voice is breaking, your voice is breaking.

Chandhrasekharan VT: Yeah.

Krishnaram V: Sir, your voice is breaking.

Ankur Gulati: You refer to some discussion for mining tyre production. Mining equipment tyres.

Krishnaram V: That's right. That's right, I think. I think that that that's a project in pipeline we are working on that that there are a lot of composite things which are required for that. It's in the drawing board and you will hear from us soon.

Ankur Gulati: Fair enough, all right. All the best. Always a pleasure.



Krishnaram V: Thank you, Sir. Thanks a lot, Sir. Thank you.

Chandhrasekharan VT: Thank you.

Vaishnavi Vaity: Next question is from Mr. Raj. I would like to request the investors to limit their questions to two each thank you, Mr. Raj, you can go ahead and ask the question.

Mr. Raj Macwan: Hello. Am I audible?

Vaishnavi Vaity: Yes.

Chandhrasekharan VT: Yes, Sir.

Krishnaram V: Yes, Sir. You are very much audible.

Raj Macwan: Yeah, so Sir. You said the peak sales of the company will be achieved in FY27 of around 350 crores, right? So how about FY28 like... How do you see growth coming in FY 28 like?

Krishnaram V: See, I think. See, as far as we told in this project, as far as this project is concerned, the capacity, the maximum sales that we can achieve is about 350 crores. I think whether it will happen in 2027 or the second-half of 2028 is for anybody to see, given the global headwinds, but one thing we will we should remember is not all the improvements will happen will happen overnight because there is a time period required to escalate the volume. We are fairly confident we will touch 300 crores by 2027. And whereafter I think if the market trends America also comes with a positive note in terms of tariff, things could be better. Things could be better, but as it is, we are looking at implement the full capacity to be available for the next financial year wherein we are counting on certain markets for improvement and also U.S. market to improvement. So overall based on the market trend, we are confident of touching 300 crores. But of course, if the market performs better, we can even go to 350 crores.

Raj Macwan: Sir, what I'm trying to understand is to achieve a sale of beyond 350 crores, the company would need to incur a further CapEx, right?

Krishnaram V: That's right, that's right.

Chandhrasekharan VT: Yes.

Raj Macwan: Alright, so that should be in FY28 or so.

Krishnaram V: Yeah, that's right. By 2027 middle or towards the second-half, we are working, we we have already started working on that. What should be the improvement we should do post 2027, we will inform you at the right time. There are lot of areas where we are looking at expansion, we will let you know.



Raj Macwan: Understood.
Understood. And Sir, what will be your expansion plans for South Africa?

Krishnaram V: See, I think that you're right today that you know we don't have any such plan as such. We are looking at the studying the market, what we could do and how we could do improvement on that market. We will come back to you with the response at the right time.

Raj Macwan: Thanks. All right, yeah.

Chandhrasekharan VT: See South Africa does not have an OE manufacturing unit there. So, we are only looking at the African market generally has replacement market. They have importers who can buy large volumes of tyres from us, but as such there there's no manufacturing plant in South Africa which would want tyres but having said that, what happens in Europe or in the US is what the South African market also needs. You have to understand that we are in a product where in a country where there's less of manpower, more of logistics happening is a country where our tyres are needed. So, it is an equally evolved market. If we took a look at Africa because of the lower population, it is an equally evolved market like in Europe or in the US. So, in terms of quality of products, in terms of applications, demand of applications, this is a market which is quite you know, mature. So, so we're looking at supplying these supply chains and not OEMs over there. So that's where you the African market we look at it more like a European market or a US market and not simply like an Indian company.

Chandhrasekharan VT: Am am I audible? Hello.

Raj Macwan: Yes, yes.

Krishnaram V: Yeah, you're audible. You're audible.

Vaishnavi Vaity: Yes, Sir.

Chandhrasekharan VT: Yeah, yeah. Sorry. OK.

Raj Macwan: Understood. And Sir, Post the CapEx. Yeah, and Sir, post the CapEx, you said that our EBITDA will improve. So, Sir, how much room do we have for EBITDA improvement? I think in H126 we closed at around 17% EBITDA, right? So how much incremental EBITDA we can get in full year FY27?

Chandhrasekharan VT: Yeah.

Krishnaram V: See. No, no, no, no.

Chandhrasekharan VT: Yes.



Krishnaram V: See, already we have achieved already. We have achieved an incremental EBITDA 1.25% in the first half, OK. So, when with the increase in implementation of the project, other cost also come, R&D cost come. New talents are being recruited for that I t's not going to be a strait jacket you improve then it's going to come. It's going to come with a composite cost also. So overall I think even the first half of EBITDA has touched already 17.75% at a consolidated level. So, the same trend will continue for the rest of the year also.

Raj Macwan: Understood. And Sir, I just keep the point on Africa. So beyond 350 crores of sales, is there a chance we do an expansion in Africa?

Krishnaram V: I think -- why are you so particular with expansion in Africa sir?

Raj Macwan: No, no. I just heard on the earlier calls that that's why I'm asking, yeah.

Krishnaram V: OK. OK, OK. See, basically the African market is, yeah, mining market. It's a it's a blue ocean. Today, Europe, US and all are already developed. The major mining happens in the African market, so one of the targets that of Emerald, is to work in unexplored area. That's why we were suggesting to you that we could have some opportunities in Africa. And I think there's a lot of work going on into that. We will come back to you at the appropriate time, Sir.

Raj Macwan: All right, Sir. OK. Thanks all the best.

Krishnaram V: Thank yourself. Thanks a lot. Thank you.

Chandhrasekharan VT: Thank you. Thank you.

Vaishnavi Vaity: Thank you. Next question is from Mr. Himanshu Basani, Himanshu Sir, you can go ahead and ask the question.

Krishnaram V: Hello, Sir. Mr. Himanshu. Hello. You're on mute Sir.

Vaishnavi Vaity: Himanshu, Sir, you can unmute yourself and ask the question. OK. We'll move forward to the next question. Mr. Madhur, if you have more questions can continue.

Madhur Rathi: Sir. So, I wanted to understand, post this CapEx and post reaching 350 crore in our existing plant. Is there enough capacity for further brownfield expansion or will we have to go for Greenfield plant?

Krishnaram V: No Sir, we have to go for a Greenfield one.

Chandhrasekharan VT: We'll have to go for a green field expansion.

Madhur Rathi: OK, Sir and Sir. What? What? What's the business of both our subsidiaries?



Chandhrasekharan VT: Europe and Middle East are subsidiaries, yes.

Madhur Rathi: OK. So, do we have to give costing disclosure to our customers, especially the OEM customers? Do we have to give our costing to them?

Krishnaram V: Yes, Sir. I think we they know normally we don't give costing but there we price ourselves based on the cost of the raw materials. We follow what is called the CM Index. Society of Indian Automobile Association releases a price for all the rubber components for making a tyre every month, on the 15th of every month. So, when there is a price increase happening on the raw material, we always pit it to the CM index. Otherwise, we are under no compulsion to release our costing, profitable to any OEMs, no, not at all. But for getting a price increase, we need to pit it to something where everybody will agree. I cannot say that this is like this and he will not agree. So, we put it to CM index.

Vaishnavi Vaity: OK.

Madhur Rathi: Sir, are we the single source supplier to any OEM customer?

Chandhrasekharan VT: No.

Chandhrasekharan VT: Larger supplier.

Krishnaram V: Sir, no OEM has one single supplier at any point of time. Normally we will be, yeah, we'll be one of the major share, a major share we'll have in the OEM. We also don't want to be an exclusive full supplier to OEM because pricing is always under pressure with the OEM. We would like to have a judicious mix of both after sales and OEM. The OEM gives you visibility. When the forklift rolls out or the equipment rolls out, it comes with your tyres. That gives a popularity but that but.

Vaishnavi Vaity: Yeah. OK.

Krishnaram V: Excuse me.

Chandhrasekharan VT: Yeah. I I guess Mr. Himanshu was able to unmute himself, but you finish your answer and then we can.

Madhur Rathi: Yes, Sir. Sir, very quickly, Sir. Very quickly, Sir. Both are subsidiaries. Was the business of the subsidiaries only marketing?

Krishnaram V: Only marketing, Sir. Only marketing. Marketing and support support service to our partners in various countries, yeah.

Chandhrasekharan VT: For the customers.



Chandhrasekharan VT: Only marketing.

Madhur Rathi: So great. Sir, now I'm. I would just broadly comparing our our parameters with BKT Balkrishna Tyres. Sir so, our inventory days is 120 days, theirs is 60 days. Our debtor days is 83 days, theirs is 45 days. Our employee cost is 13% of top line days is 5%. Sir, so basically, I'm trying to understand that. I mean I understand they are further backward integrated than us, Sir, but where do we exactly score? They have economies of scale. They are more established than us. Sir So what is our USP?

Chandhrasekharan VT: So basically the product line itself is different. You know they are catering more to the agricultural market. We we we talk about off Highway tyres but their area of interest, their their presence is quite different from where we are so that that's one of the major areas and the rest of things. Mr. Krishnam you can explain.

Krishnaram V: Mm-hmm.
Thank you. Yeah, yeah. See, I I think that well said, the most important thing is as far as the solid tyre industry and the penetration in the market and better understanding of the market, the Emerald far is far, far you know well, well entrenched than, yeah, BKT. BKT has its strength in tyres, where Emerald has already, we are not. We are not forayed into many of the areas where they are doing. Each company chooses one-one area as their area of specialisation and Emerald has chosen industrial tyre as the specialisation and we are slowly getting into construction, agriculture and all. Whereas BKT just start entered into industrial tyres and I think it will take by the time they get into the type of composite advantages. Small is beautiful. Emerald is able to handle customers the way they want, whereas BKT is very inflexible and therefore I think both have two different, you know, methods of comparison and Emerald as a company is more into application engineering tyres. We make 28 formulations depending upon the application of the tyre and this has been over a period of 23 years and even before that, the team has almost 100 years of experience in industrial tyre background. So, our mark.

Chandhrasekharan VT: See. You're talking about stock also. The stock holding is higher because of the fact that you know every industrial application is different from from another. you know like we've always been insisting that what works for us in Russia or in Europe is not the same product which will work in the Middle East. So, these are some areas where, you know, there are inherent disadvantages of being in the industrial tyre market, but that is also the advantage, you know that. You can look at it both ways. If it's a you know we we modelled ourself in a way if you look at my real competition you know the solid deals and the trellogs of the world who are know specifically focus into industrial tyres. They will also have a large stocking because it is application oriented, so that's that's something which you will have to understand that in this business you will have to stock and sell.

Madhur Rathi: Sir. And what would be the approximate replacement cost of our infrastructure now if we are going to if someone hypothetically is going to recreate our whole infrastructure today, then what would be the approximate cost of that?



Krishnaram V:

See first of all, you're talking about creating the infrastructure. You can create an infrastructure, where will you sell? How will you understand the product complexities? How will you understand what customer requires? How much time will it take to develop the market confidence on the product? So, if machines are only required to produce something and scale up then that's a very -- everybody will be in this business. The reason is not -- the infrastructure is just an aid to create a product that will ultimately satisfy the customer and also make him happy with the product. So, I think merely replicating the engineering part of it or the construction part of it won't -- is not the critical matter as far as tyre manufacturing is concerned.

Chandrasekharan VT:

See our subsidiaries also because we won't have our ears on the ground. You know, we got to understand, you know, in in our initial days, our dealers who used to import tyres from us directly, they would not put our product into a tough application. They will say tough application, we will buy from you know a competition, if it's a standard application, we'll buy from Emerald. They were not willing to experiment or they were not willing to look at our capabilities. Now that we have an office, now that we have our Sales Manager sitting over there, we're talking to people directly. We we understand where the application is, what is needed. So, we are able to deliver products. So, like Mr. Krishnaram, I was telling it is just not about creating an infrastructure. You know everyone can create an infrastructure. You know everyone thinks that you know the way Emerald started small and has grown up, we can grow up. But you know it's a combination of the right kind of manufacturing facility, the the, the, the, the, the right kind of sales team. Even compounding plays a very important role you know of courses. So, you have to have a compound to you know deliver a product and now we are talking to some aluminium and steel companies in the Middle East where, you know, getting an entry for an appointment itself is difficult. There we have now given we have come to the extent of giving them products for trial. So, it just doesn't happen. They are, they are working with molten metals and it is a risky proposition for them to change an an existing supplier so you got to be confident of giving a product which does not fail so. That is when the customer will come to you.

Madhur Rathi:

Now, Sir, lastly, Sir, we made a sales to some related party S.A. Rubber Engineering Pty. limited of of around 2 crores cumulatively in FY25 and FY24 combined and the receivable from this entity is 8 crores. Sir, so I don't understand that how come for sales of 1.33 crore in FY25. and 73 Lakhs in FY24 Our recievable is 8 crores. So, it doesn't add up basically.

Krishnaram V:

See. Basically, I think this S.A Rubber has been by run by one of our partner for the last about six years. During COVID the partner died. OK, so that there was huge stock left in South Africa as well as money to be collected from customers, now we need to create a chain of events to make the supplies come and the delivery to happen.



Emerald Tyre Manufacturers Limited

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Today, I think in the South African market we are becoming a major dominant player because we are supplying to all the mining companies and other places, some of these it's not fully outstanding. It's also in the form of stock and the receivables and the some of these entities, we

have given a long credit because that's a trend in that marketing mining companies. And almost, yeah, I think in the last six months we have almost recovered about three times from them and in the coming two months, I think we there is a major bid we have done across Africa to sell these tyres and that's why we were telling the African market is a blue ocean and that there has been a huge spot in sales from the stock that they were holding to the markets in South Africa. So the continuous flow of tyres have to happen because newer and new application starts coming. This process is going on and we are very confident this market is going to be a game changer for Emerald tyres. We are starting at 7-8 locations across Africa to supply to customers which are high potential markets and I think the market trend is so good that we are looking at furthermore, expansion in the African market.

Of course, the receivables are almost coming in, and they've already 3 and a half, 4 crores are coming. The balance is almost in. There is no delay at all, but moving forward that's going to be a market we will stock and sell a lot because the competition is also not much. The challenges of the product we have understood in a mining application, the tyre has to be extremely good. We have got some special formulations for the mining market, which we are expanding very much, so it's going to be a future driver of business.

Madhur Rath:

Sir. Now our receivable outstanding for over 6 months overall, where 19 crores last year. Now out of these 4 crores was outstanding more than 3 years around 5 crores was for more than two years and around 4 crore more than one year. Sir, so I mean I hope we are able to get that money back because money that is outstanding for 3 years. Then, Sir, I mean, what is the possibility of getting it back?

Krishnaram V:

Sir, if you take for example, which are the markets you are selling more, it is only South Africa, all other markets we are within 180 days, there is no change at all because of that partner was a very let's say we were having 40% market share in that market. So, we had to understand, because once he died without succession, we have done a lot of improvements there. We have sent a Team there and that market is going to be a future trend. Now if you see by the end of 2026 March. That outstanding will almost be nil. So much money has been, so much of efforts have been taken to develop that market and stocking at different points of time. These are not outstanding unreceivable. These are tyres physically available in these places for marketing to the customers.

Chandrasekharan VT:

Efforts.

Madhur Rath:

Great Sir. Sir, Thank you very much for answering all the questions and Sir, very encouraging and best of luck to you, Sir.

Krishnaram V:

Thank you, Sir. Thanks a lot, Sir. Thank you very much.



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Chandhrasekharan VT: Thank you. Thank you.

Vaishnavi Vaity: Sir, I think we have covered all the questions. We can conclude the call. I would like to thank the management for providing valuable insights and guidance and thank you to all the participants for joining the call of Emerald Tyre Manufacturers Limited.

Krishnaram V: Thank you, Sir. Thank you so much. Thank you. Thank you. Thanks a lot.

Chandhrasekharan VT: Thank you. Thank you.

Vaishnavi Vaity: We truly appreciate your time and contribution. For any further queries or clarifications, please feel free to reach out to us at info@akmiladvisors.com. Thank you, Chandhrasekaran Sir. Thank you, Krishnaram Sir.

Krishnaram V: Yeah.
Thank you, Madam. Thank you, Madam. Thank you, Madam. Thanks a lot. Thank you, thank you, thank you.

Vaishnavi Vaity: Thank you.

Chandhrasekharan VT: Thank you. Thank you. Thank you so much.