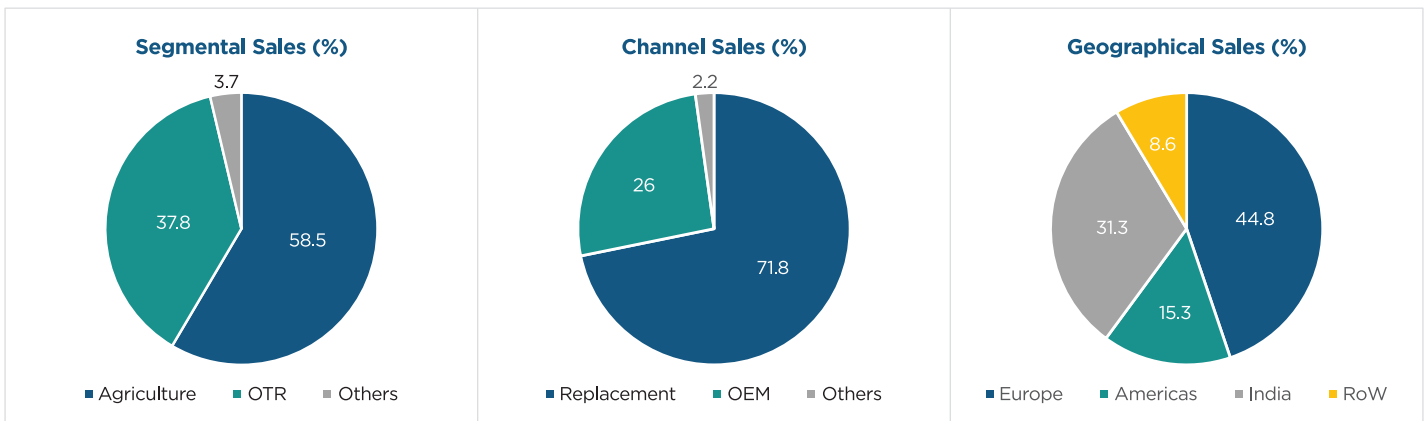


## Dear Investor,

In continuation with our last newsletter in which we discussed the Auto sector exposure in Indian context, we are sharing the prospects of the OHT – Off Highway Tire segment and how Balkrishna Industries (BKT) is positioned to capture the OHT demand globally.

BKT manufactures OHT tires finding applications in agricultural, industrial and OTR (off the road) segment – port, mining, earth moving, etc. The global OEM's have a stringent vendor approval procedure spanning more than 2 years, making it a high-entry-barrier business. BKT is an approved vendor for all the major global OEM's offering an extensive product range of over 3,200 high-performance specialist tires. Being an approved vendor, BKT can leverage the huge replacement market, which offers better margins and brand stickiness. With a single digit market share globally and cost competitiveness, there is significant headroom for growth for BKT.

BKT derives more than two-thirds of its revenues from exports and has five state-of-the-art production sites in Waluj, Bhiwadi, Chopanki, Dombivali and Bhuj. BKT has three subsidiaries – one each in Europe, USA, and Canada. BKT sells its products in 160 countries worldwide through a network of national distributors.



Source: BKT Investor Presentation

## Monthly Updates:

GST collection for September 2023 is at INR 1.59 Tn, making it the fourth highest monthly collection with a 10% YoY growth. According to the finance ministry, the GST revenue receipts in H1FY24 have grown by 11% on a YoY basis to INR 9.92 Tn with an average monthly gross collection of INR 1.65 Tn. The growth has been aided by micro enterprises taking GST registration, broadening the tax base, and increasing the formalization of the tax economy.

## Portfolio Changes:

There are no changes in the portfolio as we believe that the portfolio is well placed to benefit from the current environment.

**Priyank Chandra**  
Portfolio Manager  
[@priyanschandra](https://twitter.com/priyanschandra)

## Thematic Opportunities Portfolio Snapshot

Characteristic	Return on Capital	Expected Earnings Growth (FY23-FY25)	Avg. Market Cap (INR Bn)	Price Earnings Ratio (FY25)
TOP	16.42	29.41	1,076	29.48

Data Source: Bloomberg & Ace Equity; Data as of 30<sup>th</sup> September 2023.

## Performance as on 30<sup>th</sup> September 2023

Period	TOP	BSE 500 TRI
1 Month	0.67	2.11
3 Months	4.23	5.49
6 Months	20.57	19.39
Since Inception (16/11/2022)	12.63	10.83

Benchmark is BSE 500 TRI. The portfolio is spread across different market capitalization; hence BSE 500 TRI is chosen as benchmark.  
Source: Internal & BSE

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