February 7, 2026

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

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001

BSE Scrip code : 544344

Sub: Transcripts of the "Earnings Conference Call" - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Dear Madam/Sir,

With reference to the captioned matter and in furtherance to our earlier intimation letters dated January 27, 2026, February 2, 2026 and February 3, 2026 regarding the schedule, investor presentation, press release and Audio Recordings of the "Earnings Conference Call" of Shriram Pistons & Rings Limited ('Company') and in compliance with Regulation 30(6) read with Schedule III and other applicable provisions of the SEBI Listing Regulations, please find enclosed the transcripts of the "Earnings Conference Call" on the Un-Audited Financial Results for the quarter and nine months ended December 31, 2025, held on Tuesday, February 3, 2026 at 4:00 p.m. (IST).

The above information is also available on the Company's website and can be accessed at https://shrirampistons.com.

Kindly take the above information on record and treat this as compliance with SEBI Listing Regulations.

Thanking you.

Yours faithfully,

For **Shriram Pistons & Rings Limited**

Pankaj Gupta
Digitally signed by Pankaj Gupta
Date: 2026.02.07 15:02:27 +05'30'

(Pankaj Gupta)
Company Secretary & Compliance Officer

SHRIRAM PISTONS & RINGS LTD.

"Shriram Pistons & Rings Limited

Q3 & 9M FY '26 Earnings Conference Call"

February 03, 2026

SHRIRAM PISTONS & RINGS LTD.

MANAGEMENT: **MR. KRISHNAKUMAR SRINIVASAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. PREM RATHI – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER
MR. PANKAJ GUPTA – DEPUTY EXECUTIVE DIRECTOR, HEAD LEGAL AND COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day, and welcome to Shriram Pistons & Rings Limited Q3 and 9 Months FY '26 Earnings 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.

Today, from the management, we have with us: Mr. Krishnakumar Srinivasan, Managing Director and Chief Executive Officer; Mr. Prem Rathi, Executive Director and Chief Financial Officer; and Mr. Pankaj Gupta, Deputy Executive Director, Head, Legal and Company Secretary.

Before we begin, let me remind you that this discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It may be viewed in conjunction with the business risks that could cause future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

I now hand the conference over to Mr. Krishnakumar for his opening remarks, post which we will open the floor for an interactive Q&A session. Thank you, and over to you, sir.

Krishnakumar Srinivasan: Thank you, Bhumi. Good evening, everyone, and thank you for joining us on this earnings call. I appreciate the time taken by you all to be with us today, and I'm pleased to walk you through our Q3 & 9M FY '26 performance, progress on our strategic initiatives and the overall direction of the company.

Q3 FY '26 has been an eventful quarter for the company as we delivered the highest ever total income in a quarter, along with the successful completion of SPRL's 100% acquisition of Grupo Antolin's three Indian entities and many other important milestones.

SPRL reported a 21% year-on-year growth in consolidated total income during Q3 FY '26, supported by a strong broad-based demand across all segments as the auto industry witnessed a very strong operating environment and reported record production and sales volumes during the quarter.

Sales in passenger vehicle and commercial vehicle segments grew by more than 20% year-on-year, while 2-wheeler segments grew by almost 17% and 3-wheeler segments grew by 14% year-on-year.

This growth has been driven by various macroeconomic factors like the implementation of GST 2.0 reforms, which improved affordability for end customers, along with successful repo rate cuts by RBI, which eased the financing costs, along with one of the strongest festive seasons this year. This broad-based growth was also observed in the production volumes as the total production grew by 17% year-on-year in Q3 FY '26.

Consolidated EBITDA also witnessed a very strong growth of 21% year-on-year in Q3 FY '26. This growth in profitability was driven by improved operating leverage and the company's continuous focus on productivity, cost optimization and operational efficiency.

Over the past few quarters, we have made steady progress in strengthening our manufacturing systems, enhancing automation and improving throughput, all of which are now contributing positively to our profitability. The actions taken in all the subsidiaries have also given very good results with all of them performing exceedingly well.

The consolidated PBT before exceptional items grew by 22% year-on-year. During the quarter, of course, there was a nonrecurring exceptional expense of Rs. 252 million pertaining to the statutory impact of the new Labour Codes introduced by the government in November 2025. Still, our PBT after exceptional items, grew by 6.4% year-on-year in Q3 FY '26.

During the 9M FY '26 period also, we reported a robust performance as our consolidated total income grew by 16.8% year-on-year. And despite the onetime exceptional expense, we were able to achieve a strong 10.6% year-on-year growth in the bottom line.

A key strategic milestone and an important highlight for the company is the 100% acquisition of the Grupo Antolin's three Indian entities, namely: Antolin Lighting India Private Limited, Grupo Antolin India Private Limited and Grupo Antolin Chakan Private Limited, which are the leading providers of automotive interior and electronic lighting solutions in India.

This acquisition marks a significant step in our long-term growth strategy and represents a meaningful diversification beyond the legacy business. With the successful closure of this acquisition, SPRL has become a well-diversified and a multiproduct organization, thereby derisking its business model.

Antolin manufactures products such as headliner substrates, modular headliners, sunvisors, door panels, door trims, central floor consoles, dome lamps, ambient lighting, touch panels and electronic capacitive pads for major OEMs across the country, including Tata Motors, Mahindra & Mahindra, Volkswagen India, Toyota, Hyundai, Renault and others.

By entering the automotive interiors and lighting space, we significantly expand our addressable market and enhance our ability to offer diversified and integrated product solutions to our customers. The transaction was completed in the first week of January 2026 at an enterprise value of EUR159 million or INR16,700 million approximately on a debt-free cash-free basis.

We believe this acquisition positions SPRL on a strong growth trajectory by complementing our existing strengths with new capabilities, technologies and customer touchpoints. The integration of these companies will enhance SPRL's financial performance and strengthen its position in the overall market.

Post the consolidation of Antolin India operations within SPRL, the overall sales revenue of the powertrain-agnostic products would increase to over 35% of the consolidated revenue, including previous acquisitions of TGPEL, Takahata and EMFI.

Alongside this strategic expansion, we continue to invest in the legacy business of pistons, piston pins, piston rings and engine valves through capacity expansion, asset modernization and automation.

This includes the signing of an asset purchase agreement with Sunbeam Lightweighting Solutions Private Limited, a wholly-owned subsidiary of Craftsman Automation Limited, to acquire piston manufacturing lines and related machinery and assets for a total consideration of INR280 million. The first tranche of this agreement was concluded during the quarter.

To further strengthen our supply chain, we inaugurated our state-of-the-art assembly center at Bhora Kalan, Gurugram in November 2025. I'm also very happy to state that in November 2025, as committed earlier, we have inaugurated the state-of-the-art world-class facility at Coimbatore for manufacturing of motors and controllers, and the manufacturing has already started from there.

These initiatives are focused on improving efficiency, ensuring consistent quality and strengthening delivery performance to all our customers. Our diversified customer base across geographies and vehicle segments continues to provide resilience and stability to our business model.

I would now like to take a moment to highlight a significant milestone for our company. As many of you are aware, I have been discussing our strategy to diversify our business, and I'm proud to say that we have been consistently making significant strides in this direction. Being a multiproduct organization, it has also become necessary for the name of the organization to represent the multiproduct domain that it works in.

We believe that we are now at a pivotal inflection point in our journey; and as a part of this evolution, we have proposed a change of name of the company from Shriram Pistons & Rings Limited to SPR Auto Technologies Limited, subject to receipt of all necessary approvals from shareholders and government authorities.

This change clearly reflects our commitment to enhancing our business activities in the automotive domain and expanding our operations while staying true to our focus for newer technologies. This name change will also ensure that while we diversify into different areas, we will continue to stay focused on our legacy products and also grow our business in the other powertrain-agnostic products. I'm sure that this move will be very highly value-accretive to all our stakeholders.

While the company is consistently growing, it has also followed a policy of rewarding its shareholders throughout the years by the way of dividends. In line with this, the Board has approved an interim dividend at 50% of face value, that is INR 5 per equity share, during the meeting held yesterday. Going forward, we expect the overall atmosphere in the auto industry to be very buoyant, thanks to the GST reforms, and the recently announced trade agreements with Europe and US.

The Union Budget '26-'27 also strikes a very constructive and forward-looking note for India's automotive manufacturing and electric mobility ecosystem, balancing the near-term demand supports with long-term supply chain reforms. The focus on rare earth mining and building infrastructure is going to further strengthen the demands in the auto industry.

Looking forward, we'll continue to maintain a strategic and growth-oriented approach. We are focused on diversifying our business model and expanding our portfolio and have a clear strategic roadmap to ensure sustained growth momentum for the company. This will be well supported by strong tailwinds in the Indian automotive industry with macroeconomic factors showing positive outlook for the industry.

From a financial standpoint, we, of course, remain focused on maintaining a strong balance sheet, prudent working capital management and healthy cash flows. We remain confident in our strategy and execution capabilities and are excited with the opportunities that lay ahead of us.

I once again extend my heartfelt appreciation to all our employees for their dedication and commitment, to our customers for their continued trust, and to all our shareholders for their unwavering support. Together, we will continue to build a strong, innovative and sustainable SPR.

Thank you once again for joining us today. We'll now be very happy to take your questions. Thank you once again.

Moderator: The first question comes from the line of Chirag Jain from Emkay Global.

Chirag Jain: Congratulations once again for a very strong quarter. Sir, just wanted your thoughts in terms of outlook for fourth quarter and probably next financial year. We have seen a sustained demand momentum and wholesale numbers in the automotive industry across categories for January, and even the outlook seems to be quite strong, based on the OEM commentary. So just your thoughts in terms of the stand-alone operations for the core business?

And also, maybe if you can touch upon the individual subsidiaries. So, now they are almost 35% of our overall revenues. How do we see those individual subsidiaries in terms of their growth outlook for, let's say, 2, 3 years' standpoint? That also would be very helpful.

Krishnakumar Srinivasan: Yes. Thanks, Chirag. First and foremost, as I said in my address just now that the overall automotive segment is seeing a very good growth last quarter, and we expect this growth momentum to continue this coming quarter. And this quarter also, all the indications are quite buoyant, and we expect that we should be breaking records month after month.

And the same thing is there continuing in all the subsidiaries also because most of the subsidiaries are all linked to the automotive business. And so obviously, they also have excellent outlook for the next quarter. We expect that the precision plastics business, both at Takahata as well as with TGPEL should be doing extremely well.

We have, by the way, also moved our production to the new locations in Coimbatore for our electric motor and controller manufacturing. And I'm very happy to state that we are hitting records almost every month in terms of our output there and increasing our overall sales. And if everything goes well, we expect to continue this in the coming quarter. And in the long-term also, we expect it to be really doing well.

And also, happy to state that post closure of the Antolin M&A takeover, we have had our initial meetings and all the figures look extremely positive. And we are seeing that they also are breaking all various records that they have done earlier to be beating the numbers in this quarter. And hopefully, this will continue this quarter.

And we are also, in the long-term, also seeing many new programs on which they're working with their customers, which is a very, very healthy sign in terms of the overall growth that we see for this business. So overall, I must say that our plastics business will do extremely well.

Our Interiors business will do well, the Electronics Lighting division, the capacitive touch panels doing extremely well. And lastly, of course, our legacy business doing extremely well in the coming year. So hopefully, fingers crossed, I'm hoping that - this run will continue for some time.

Chirag Jain: Thank you, sir. Sir, if you can elaborate in terms of the actions undertaken in various subsidiaries, I think you did touch upon. Just to understand as to what kind of initiatives we typically take when we acquire a company.

And also, with this reference to Antolin, while obviously it's still a bit early days, but still maybe a few plans that you plan to undertake in terms of accelerating growth and probably improving profitability, that would be quite helpful.

Krishnakumar Srinivasan: Yes. Chirag, frankly, we do a number of initiatives, thanks to the number of M&As that we have done over the last 5 years. We have a set kind of a rule book by means of which we ensure that not only we focus on the core areas; we also bring in a lot of agility in the organization in terms of execution capabilities and also build on various growth programs that most of these companies are working on.

We have continued this style with all our subsidiaries so far, and we plan to continue this also for Antolin. And frankly, all the Antolin group companies, the kind of growth initiatives that they are working on looks extremely exciting. What it needs is speed of execution with all our customers, and that is what we are going to focus on.

While focusing, of course, on technological and digitization and other areas that we want to improve with regards to bringing in more focus in terms of improving the output and improving the agility in the organization.

Chirag Jain: Okay. Sir, just last thing and then I'll come back in the queue. In terms of the current capacity across businesses, and any expansion plans or capex plans, probably if you can share?

Krishnakumar Srinivasan: Frankly, that was one of the major reasons, looking at the kind of volumes that we were growing and looking at all the schedules that we are getting from our customers, we thought that we might be a little bit stretched on our piston manufacturing.

And hence, one of the very important initiatives that we took was to do this asset purchase agreement with Sunbeam, and thereby getting their piston manufacturing lines. And thanks to that, we have now fairly good capacities available, and we can scale up very fast.

And most of the other places, we have put in all required capacity expansion to be able to take care of all the requirements of expansion that we see in the coming at least 2 quarters plus more.

Moderator: Our next question comes from the line of Radha from B&K Securities.

Radha: Sir, the FY '25 annual report mentions that the company has taken steps to phase out low-margin and nonstrategic product lines, reallocating resources to high-margin value-added product lines. Sir, please help us understand which products are we talking about? What changes have we made? And what kind of delta in margins was achieved through this?

Krishnakumar Srinivasan: Yes. So thank you, Radha, for this question. And frankly, I must say that this exercise we started almost 5 years back. And we started screening all our and leakers and bleeders, as we call it, in the company. And we ensured that we work on 2 ways.

One is, of course, going back to the customers to see if we can get some improved prices. And for areas where we were getting priced out because of our competition being on a much lower price targets, we decided to actually exit those businesses.

And a number of businesses we have actually done that in the past to be able to ensure that we are meeting our targets on profitability. And I'm very happy to state that all the improvements that you see over the last 5 years in terms of the margin improvements have actually come that way.

Now this is not something that we'll continue to look at leakers and bleeders. But frankly, we have, more or less, now covered most of that. And you'll see that there is some kind of consistency that is coming in our profitability achievements.

And that is what is extremely good that even with all the new expansion areas that we are working on with extra efforts that we are putting on the new expansion areas, including some of the money that we are spending for due diligence and others, we are still able to maintain all our margin targets in terms of maintaining the margins. And that's a very healthy sign, and we expect to continue that way.

Radha: Sir, since you mentioned that this exercise was started 5 years back, so I believe that you're talking about the legacy business where all these exercise was taken. So there, how do you differentiate between low-margin products and high-margin products?

Krishnakumar Srinivasan: So it's a very detailed exercise that we do in terms of overall part profitability. And we have very detailed internal benchmarks. And based on that, there is a profitability working for all the SKU sizes that we manufacture. And when we compare that, we are able to easily make out which are the ones which are the bleeders for us and probably take required actions.

Radha: And so, is it fair to understand that 2-wheelers would be considered lower margin as compared to PVs for the legacy products? Or this is not a correct understanding?

Krishnakumar Srinivasan: No, no, no, not at all. It is on the product line basis. It has got nothing to do with the 2-wheeler industry or 3-wheeler. There are some 2-wheeler industry where we probably get some of the best margins. So, there is no such this thing, distinction coming out of industry segmentation. It is coming purely from a product segmentation. So what happens normally is you have to focus on the product manufacturing strategies and be able to meet the requirements of the products.

There are also some products, and believe me, in 2-wheelers, some of the best technologies we have to give today to the 2-wheeler industry in terms of meeting not only the Euro 6 norms, but also meeting the required targets in terms of fuel efficiency and others, like some of the coatings on the rings, some of the coatings on both the top and the middle ring as well as the bottom ring. So there are multiple technologies which goes into this. So, we work on all those technologies.

Radha: So sir, within the legacy business, in case there is a product mix change towards 4-wheelers compared to 2-wheelers, that would have no impact on the margins?

Krishnakumar Srinivasan: Frankly, we were thinking that this is what will happen because of the introduction of EVs and 2-wheelers. But frankly, I must say that both the 2-wheeler legacy business as well as the 4-wheeler legacy business have actually grown in numbers. And even though the penetration is going on, on the EV side, we find that there is also a huge requirement in terms of the CNG vehicles and new vehicles that are coming in even in the legacy business. So legacy business is actually also growing very fantastically.

Radha: Yes, sir, I understand the growth part. But what I want to understand is, in case there is a change in product mix, within the legacy business, will there be any fluctuation in margins because of that?

Krishnakumar Srinivasan: Well, the product margins could vary, but I don't expect any major change to happen at a company level because we expect that we have brought in a lot of fungibility on our lines, and we are very confident that we can still meet all the demands based on the actions that we have taken in terms of making the 2-wheeler, 4-wheeler pistons on multiple lines.

Radha: Sir, fungibility you mean the within the same product lines, 2-wheeler?

Krishnakumar Srinivasan: Yes, yes.

Moderator: Our next question comes from the line of Anubhav from Prescient Capital.

Anubhav: Sir, my first question is that if we look at your stand-alone revenue growth, it is slightly lower than what you shared for the overall auto industry production or sales volume. So can you share some colour on that?

Krishnakumar Srinivasan: Yes. Basically, see, you must realize this that on the legacy business, on the stand-alone numbers, the actual industry started picking up only post mid-October. In fact, I would put it only from November and December, actually. October was more or less remaining almost at the levels of August and September, primarily because there was too much of capacity build-up or there was too much of volume build-up that was done by the OEMs.

As a result, what happened was, all the sale points, the volumes were quite high. So the production was still kept at a lower level, thinking that people wanted to really understand what will happen with regards to the volumes, how it will go up.

Once it started picking up in November, that is the time when actually the OEMs actually started and October also had Diwali holidays and all that. So mid-November is what the volumes actually picked up and December also the volumes were there. But still, in December, some of the OEMs also take what is called as their annual shutdown to do all various preventive maintenance on the machines.

So as a result, what happens is, normally November and December , if you see all our previous quarters, November and December are always the lowest production, primarily because of Diwali is normally peaking and then November, December goes down. And then December, you have this thing.

But fortunately, for us, this time, that has not happened. Actually, quarter-on-quarter, we are seeing a growth and a healthy growth. And so on the production volume, the volumes have started picking up only in December. So if you take that entire effect for the quarter, we see that the effect is only slightly on a lower side as compared to the other actions being taken on all the other subsidiaries, where it is more of Tier 1 supplies.

Anubhav: Okay, sir. And sir, for the subsidiaries in the consolidated revenue, did we see any contribution from the Grupo Antolin entities?

Krishnakumar Srinivasan: No, no, no. The Grupo Antolin entity, the whole this thing was completed only on the 8th of Jan. So nothing from Grupo Antolin is added in these numbers.

Anubhav: Okay, sir. And sir, it seems like the combined revenue of the subsidiaries has shown a very strong growth, like doubled year-on-year. So for each of these two businesses, like the electric motors and controllers and for the precision plastic molded parts, can you share some colour on what's driving such strong growth, like whether it is new client addition or increasing wallet share? That will be very helpful.

Krishnakumar Srinivasan: Yes. For our plastics business, we have had, number one, increase in volumes coming out of the OEMs. Number two, we have been able to win some new businesses in both Takahata and TGPEL, which has really helped us to increase the sales.

Number three, the overall Tier 1 requirements have actually gone up because of the requirements from the customers. So that has really helped us to increase the volumes in both these companies. In electric motors and controllers, we have won new businesses. We have increased volumes with our existing customers, and we have done massive improvements in terms of the number of motors that we are manufacturing.

Moving on to the new plant has really helped us to scale up our output, and we achieved some of the best outputs both in November and December. So it has been a good story in electric motors and controllers also. So all these three companies put together really helped us on the subsidiary side.

Anubhav: Get that. And sir, for electric motors and controllers, are we catering to all EV segments like 2-wheelers, 3-wheelers and cars?

Krishnakumar Srinivasan: Yes. We make motors right from 1.5 kilowatts right up to 250 kilowatts. And we are also now venturing to another 300-kilowatt platform that we have recently won. So there are a number of programs on which we are working. So we make all kinds of motors. We make hub motors as well as mid-drive motors. We have both the motor lines, we have multiple motor lines now in the new plant.

And we have multiple lines for making the controllers, including a fair amount of localization has happened in the controllers side also, thereby helping us to maintain our margins as well as bring in the localization level that is required for getting the ICAT approvals.

Anubhav: Good. And sir, last question from my side is like can you share some colour on how exports have done for us in this quarter as well as for the 9 months?

Krishnakumar Srinivasan: Yes. Exports also have done quite well, even with a very tough and a very difficult geopolitical situation that was existing till around a week back. I think, up to December, it was a very, very tough kind of a market situation. But our teams have done well to get newer markets, work on newer programs, work on newer areas, thereby helping us to actually improve our sales. And frankly, we have actually increased our sales as compared to last year.

Anubhav: Okay. And sir, just a follow-up question. So North America is a small contributor to our exports compared to Europe and all. So are we focusing especially on increasing that share, especially given now? I understand it's a very temporary phenomena, but the tariffs are also conducive now.

Krishnakumar Srinivasan: In fact, in North America, we have won some very good businesses, new businesses that we have won recently. And with the tariff situation now, I think it should only help us to further go up. So the quantities will certainly increase to America.

Moderator: Our next question comes from the line of Divyansh Gupta from Latent PMS.

Divyansh Gupta: Sir, first question on the Craftsman acquisition. Does it only bring us capacity? Or does it also brings us some products or business that we were not catering earlier?

Krishnakumar Srinivasan: Yes, it does both.

Divyansh Gupta: It does both. Got it. Understood. And sir, only from a top line perspective, is the following understanding correct that December '24 didn't include revenue contribution from TGPEL?

Krishnakumar Srinivasan: Yes, a small part was included, but majorly, it was not included.

Divyansh Gupta: Got it. So if I build on this and - whatever has been covered in the call, so TGPEL, a very small number was done. EMFI was operating on a small base. Now this quarter, we have scaled it up and we have also increased export sales. So if I combine all these 3 points.

Krishnakumar Srinivasan: And increased sales in Takahata.

Divyansh Gupta: And Takahata as well. No, Takahata is still in December '24 base, right? So therefore, I'm trying to see that what has?

Krishnakumar Srinivasan: All of them except the TGPEL was there in the December base of last year.

Divyansh Gupta: Yes. So I'm saying that we showed a 20% revenue growth. But if I remove the EMFI scale-up, export scale-up and TGPEL, which is now in December '25, then a 20% revenue growth against a 17% production volume growth. That number seems that we might have lost some business. Am I missing something or, let's say, lower specification start to hold on it?

Krishnakumar Srinivasan: No. That's not the way to be done. In overall, even for the auto numbers, when we say the overall 17% , the 17% was primarily for the 2-wheeler and the 4-wheeler segment. If I include commercial vehicles and all, it comes down to as low as around 12% to 13%. So if we look at the overall business that we do, it is still very accretive. I don't think we have lost any business.

Moderator: Our next question comes from the line of Harsh Shah from Seven Rivers Holding.

Harsh Shah: Sir, can you give us the breakup in terms of what was the growth in OEM aftermarket and export business?

Krishnakumar Srinivasan: Yes. So, all segments of our business have actually really grown well. So we don't give individual segment-wise detail, obviously, because our competition is tracking us very, very closely and very, very diligently. So, we have to be very careful. But at the same time, I want to highlight that our aftermarket business has done some record sales in some of the months, and it has actually done very well. Exports have grown quite well. Our domestic markets have grown quite well. And product-wise, all product segments have grown very well.

Harsh Shah: So sir, if I only have to look at your stand-alone business, the legacy business, say, for next 4 to 5 years, then should we take your growth at par with the industry growth? Whatever the OEM industry growth would be there, our growth would be similar to that?

Krishnakumar Srinivasan: Yes, we have a sizable share in the market. So there is no reason why we should not take that we will grow at the level of the market growth.

Harsh Shah: So sir, in stand-alone business, what can bring in the incremental growth? Because I mean, if we look at the industry report, the OEM industry is expected to grow at 6% to 7% for next 5 years. Then what can get us that incremental 4% or 5% growth to reach 10%, 12% growth for our legacy business?

Krishnakumar Srinivasan: Harsh, there are multiple areas on which we can actually grow. Number one is newer products, newer product range in the exports market. We are having newer segments of the market on which we are working. As I said I think, last couple of calls, I have said that we have entered into marine applications, snowmobile applications, et cetera, et cetera, so which has really helped us get new business.

Then we have also been very successful in penetrating the Indian aftermarket. And as I said, we are catering to hardly though we are amongst the biggest as far as the aftermarket is concerned in our category of products that we make, but we still cater to a fairly, I should say, good amount of segments which we can increase, thereby increasing our market share. So there's a huge scope for us to improve the market share there.

Harsh Shah: Okay. And sir, how do you look at this recent FTA signed by India with Europe and U.S. I mean, because export is a significant chunk of our stand-alone business, almost 18%, 20%? I think in few of your last calls, you had explicitly mentioned that while your competitions want to shy away from the ICE business, you want to double down into this segment. So with this FTA signed now or almost on the verge of being signed and tariff being conducive for us, do you look at export as a key driver for your growth?

Krishnakumar Srinivasan: Well, I didn't last time say that I will double down on this legacy business, but I did say that I will be the last man standing. So I want to continue that, and in fact, I'm happy to state that, with all the new businesses that we are winning, and you can see that we are investing into our legacy business also.

So as a result, our investments into both our legacy business as well as the new business plus the new takeovers will continue so that we can grow the franchise. Now coming to the effect of the free trade agreement between India and Europe, I think there are a lot of possibilities where we can actually support the requirements in Europe.

And this really positions us quite well with some of the Chinese manufacturers who are exporting into Europe and thereby helping us to actually win some of the businesses there. And overall, looking at the geopolitical situation, India is certainly preferred.

Harsh Shah: Okay. And sir, just one last bookkeeping question on the INR1,000 crores NCD raise, if you can clarify on that. I mean what would be the tenure of these NCDs, when you would be planning to repay it?

Krishnakumar Srinivasan: The tenure is for 2 years, and we plan to take it in 2 tranches. And we plan to pay off as soon as possible.

Moderator: Our next question comes from the line of Viraj from SIMPL.

Viraj: Just a couple of questions. First is, sir, just wanted to understand on the stand-alone piece a little bit better. You said the aftermarket, we have seen a record sales. Export also seen a healthy growth. So if I deduct that 12%, if I take a qualitative view, then somewhere the growth in the standalone seems to have lagged compared to the production run rate we've seen across segments in the industry. So just trying to understand, has there been any loss of share or any colour you can give?

Krishnakumar Srinivasan: No, I think, I answered this question. Number one, let me reemphasize and state it very clearly, we have lost not a single share, not even 1% share, to any of our competitors. Number two, we have, in fact, grown our market share in almost all segments of the business. Number three is, the production volumes as compared to the sales volumes are lower.

The sales volumes were higher because the stock positions were extremely high as of beginning of October for the finished vehicles, both in the 2-wheeler as well as in the 4-wheeler industry. As a result, the OEMs have not produced at the manner at which they would have produced if the stocks were not there. Number four is, as far as we are concerned, all segments of our business, whether it is OEM, whether it is aftermarket, whether it is exports, everything has grown as compared to the previous quarter.

Viraj: Okay. I mean, I was referring to the production numbers only for the industry, which we get from SIAM.

Krishnakumar Srinivasan: One minute. You must also keep in mind one thing that even within the segmentation of the OEM business, while the numbers will look on the higher side, you must also keep in mind that it is actually the small cars which are doing well. And the small cars, the value is certainly going to be lower than the mix that we had earlier for the big cars.

So actually, the GST advantage is seen more on the small cars and most of the OEMs have actually shifted to making more of small cars and selling it. And as a result, the numbers are looking like this. But overall, if you see the value of the product that goes into the small car is also lower as compared to the value that goes in the big car.

Viraj: Okay. Can you give a growth trend which you have seen either for the quarter or 9 months in each of the segment in standalone?

Krishnakumar Srinivasan: No, we don't give that. Overall, you have to see that even with the change in the product mix, we have been able to maintain our margins.

Viraj: Right, which is what I was coming to. Second question was, on the gross margin in the stand-alone business, we've seen a trend. I think in this quarter, you've seen that it's moderating from 61% last year to around 58%. So I think in last quarter, we alluded that the aftermarket and the export piece was weak and hence, the margins moderated year-on-year basis. So even this quarter, we have seen something similar despite the aftermarket and export recovering and growing at a good rate?

Krishnakumar Srinivasan: No, we have more or less maintained the overall mix, as I stated. And if you really see some of the businesses in aftermarket as well as in exports have actually grown. So, it is the effect of the gross margin that you see is primarily because of the mix, which I stated earlier.

Moderator: Our next question comes from the line of Raman KV from Sequent Investments.

Raman KV: Sir, my first question is on the piston side. Pistons, including piston rings and piston pins. Can you give us a ballpark figure of what percentage of the total sale is pistons? One is that. And the follow-up on that is post-acquisition of Craftsman's piston business, how much on a percentage-wise is your piston capacity increased?

Krishnakumar Srinivasan: First and foremost, we normally do not give these percentages, but what is important to state here is that we have now sufficient capacities to meet the increased demand.

Raman KV: Understood. And second question on the Grupo Antolin business, what was the integration cost with respect to this? And how much of that has been taken during this quarter?

Krishnakumar Srinivasan: No. So again, we don't give sub-elements of our cost parametric anywhere, but whatever was there has been considered, and we have already cleared it. So the overall integration has already happened, and we have already taken over management control. And we have started working in our style, the way we normally do with all the other takeovers that we have done so far.

Raman KV: Understood, sir. And sir, last question on the part of NCDs, we have raised INR1,000 crores. I mean, is this for the working capital? Or is it for an acquisition-related fund raise?

Krishnakumar Srinivasan: It's primarily acquisition-related. We don't require any capital. The company is self-sufficient to stand on its own leg. Company is doing extremely well. There is no reason for us to raise any more capital required for working capital, et cetera, in that company.

Raman KV: And the tenure of NCD is 2 years, right?

Krishnakumar Srinivasan: Yes, the NCD is for 2 years.

Raman KV: And at what rate have we raised these NCDs?

Krishnakumar Srinivasan: See, we have raised it at very competitive rates, and we don't normally give the percentage here.

Moderator: The next question comes from the line of Mehul Panjuani from 40 Cents.

Mehul Panjuani: Congratulations on a great set of numbers. Sir, I'm referring to Slide #22 in your presentation. I can see the subsidiaries are listed for our company. So can you throw some light on how have we classified the subsidiaries? I mean, is it based on business products or is it like the size of the subsidiary or? And also if you can? Yes, go ahead.

Krishnakumar Srinivasan: Yes, as you can see, it is based on the shareholding and there is no such any other specificity with which we have listed that, whether it's a 100% subsidiary on SPRL, whether it's 100% subsidiary on SEL.

Mehul Panjuani: Sir, what would be the revenue contribution from each of these subsidiaries?

Krishnakumar Srinivasan: As I said, we don't give those breakups. And you can see the annual accounts, yes.

Mehul Panjuani: And sir, so I can see Antolin those are two new subsidiaries. But apart from that, we have SPR Engenious. So Engenious is completely dedicated to electric vehicles?

Krishnakumar Srinivasan: No. SPR Engenious Limited has got three companies under its fold. One is the SPR Takahata, we have a 62% stake there, and SPR EMFI with a 73% stake, and SPR TGPEL with a 100% stake. And apart from that, SEL in itself has its own production centre, which is at Pithampur.

Mehul Panjuani: I just want to know about the legacy business. So when we say legacy business, which are the products which come in legacy because I'm new to this company. Yes.

Krishnakumar Srinivasan: Okay. So you're new to this. Okay. It is basically our pistons, rings. If you go to our core product picture, all the pictures that we put in. See Slide number 28, we have written very clearly what is the legacy product, like pistons, piston rings, piston pins, engines, engine valves and piston rings. Now mostly, when I say legacy product, it doesn't mean the product is an old product or a design is an old design. It only means that just to give a clear classification, we call it as legacy product because those were the legacy business with which Shriram Pistons actually started.

Now frankly, technologies that we have on these products are unbelievable technologies, which are the most recent ones like the thin-walled pistons, pistons with very special coating. We do multiple coating on our pins also.

We do multiple coatings on the rings to enable that we get the least friction in the vehicle, and thereby giving the best performance for our customers, both for needs of the Euro 6 requirements as well as also for the needs of improving fuel efficiency.

Moderator: Our next question comes from the line of Ronak from Awriga Capital Advisors LLP.

Ronak: This is Ronak. Sir, my question was on exports. You really have been talking about what is happening globally in terms of capacities being getting tipped. Sir, just to know your views in the opportunity, do you see for SPR to tattoo some of these new programs, which are starting or probably are starting now? And which are the sub segments you would be most excited within that? If you could talk about that?

Krishnakumar Srinivasan: Yes. Actually, in exports, we are finding that some of the legacy players are actually vacating capacities, which is helping us. But there are many of the OE customers have to actually go through the overall validation cycles are quite long, and it takes some time. But our exports have been growing quite well.

And all the programs that we are actually working on is also quite good in terms of the number of programs and the number of new programs. So most of our program managers are really very busy managing those new programs. So that's point number one.

Point number two, as far as the kind of products that are getting interested in the market, I think we have fairly good inquiries, including inquiries for our electric motors and controllers, which we are working on. There are some export requirements, which we have already given samples, and they are under validation and testing. So it's a very interesting phase now. We are quite excited with all the opportunities that are in front of us.

Ronak: Sir, can you just quantify the amount of depreciation, which the company will take in an absolute amount for next year, given that you've made a large acquisition this year?

Krishnakumar Srinivasan: The large acquisition that we have done does not stop us from making more acquisitions. So please be clear. I think we are still fairly underleveraged, and I think we can do much more. And there is no reason for us to assume that we'll stop here.

Ronak: Understood, sir. But could you quantify the depreciation amount, sir?

Krishnakumar Srinivasan: We normally do not do that. But you can easily take that all the depreciation amounts that have been going on so far, more or less will have to be maintained to maintain the kind of growth trajectories that we are seeing ahead of us.

Moderator: Our next question comes from the line of Karan Gupta from ACMIIL.

Karan Gupta: Yes. So subsidiary part, as you mentioned, 35% contributing. So that we are assuming all since you've mentioned, Takahata, TGPEL and EMFI, right, contributing 35%?

Krishnakumar Srinivasan: And Antolin also.

Karan Gupta: Antolin also. So can you share some bit on growth part that these 35% of piece over the next 1 or 2 years, any growth guidance on that? How much it is growing and what's the margin of this piece? Currently, 20 to 25 range.

Krishnakumar Srinivasan: Yes, Karan. No, no. Karan, you can easily see that all our segments are in the automotive domain, okay? So every segment will be more or less growing with regards to the kind of automotive market that we see. And the automotive market growth is now clearly seen by most of the people. There are also good forecasts available through IHS and others, which you can take those numbers.

And what is important is, apart from that, we are also working on a number of areas to actually penetrate sales deeper into the aftermarket as well as increase our sales in the exports, which will continue. So that's going to be more accretive to the kind of growth targets that we have. Most of the times, if you have seen earlier, we have actually outgrown the segment.

Karan Gupta: Okay. So the margin expansion we have seen is largely, as of now, because of aftermarket and export side? And so, going forward, these subsidiaries will contribute?

Krishnakumar Srinivasan: No, no, no. I think this assumption is completely not correct. And the margin expansion is there across all our segments of business.

Karan Gupta: I'm saying, except ICE business

Krishnakumar Srinivasan: No. See, we have actually grown in all segments of the business.

Moderator: Our next question is from the line of Harsh, an Individual Investor.

Harsh: So I just wanted to clarify something. In terms of our raw material prices, you mentioned that we have back-ended contracts with our customers. So the pass-through, what is the transmission of the raw material increased pass-through? Is it with a lag? Or does it happen automatically?

Krishnakumar Srinivasan: No, it has normally a lag because we also carry inventories in the pipeline. So in most of the cases, it is a lag which is of 1 quarter.

Harsh: Okay. The lag on 1 quarter? Okay. That's it. Thank you.

Moderator: Next, we have a follow-up question from Radha from B&K Securities.

Radha: Sir, in your legacy business, if we consider only the 2-wheeler and 4-wheeler market, that is excluding the marine and snowmobile, etcetera, if your current base of market share is X percentage, then how much can this be increased in your opinion in the next few years from India?

Krishnakumar Srinivasan: Yes. But in our legacy business, we have 2-wheelers, we have 4-wheelers, we have CV business, we have industrial engines, that is all the industrial gensets. Then we have snowmobiles, we have marine engines, we have railway engines, all of them. And what happens is some segment of the business, if it goes down, the other segment is going up.

So we have seen, over the last 5 years, even when the market was growing at around 3%, 4%, 5%, we were actually growing at around 10%. And we have more or less maintained the trajectory, even if you see this year, I expect at least 12% and above growth and even though the industry will end up with something like around 8%. So we are outgrowing the market in all segments, including the 2-wheeler as well as the 4-wheeler.

Radha: So how much is non-auto in the legacy business?

Krishnakumar Srinivasan: Yes, it's a fairly big number, but I don't normally give those percentages, Radha.

Radha: Okay, sir. All the best to you.

Krishnakumar Srinivasan: As I said, the non-auto business consists of all the engines that I said just now, marine engines, then we are supplying to railway engines. We are supplying to gensets. We are, in fact, even supplying to compressors.

Radha: And there is a potential to increase market share everywhere in all the domains?

Krishnakumar Srinivasan: Yes, why not? Because in all segments of the business, we are only looking at not only the Indian business, but also the international business. And with people vacating capacities, we do find that there is a good possibility for us to keep increasing the business.

Moderator: Next, we have a follow-up question from Anubhav from Prescient Capital.

Anubhav: Sir, in the aftermarket, like, what will be our market share and how large is the unorganized part? And with this GST cut, like, has that driven a large shift towards organized players like us?

Krishnakumar Srinivasan: When we say unorganized and organized, this market, as far as the aftermarket is concerned, I would put it overall as a fairly unorganized market in the sense that the market is free to buy from various areas. It can even import some of the pistons from China, which are at very throwaway prices.

But people, over a period of time, have tried all this and have tested and seen that the quality and other parameters, don't work that way. And they come back to either the original manufacturers, those who supply to OEMs or to some of the known names that are existing in the industry

So we have found that many of the people have already come back, mainly because of the quality and the requirements on the product because piston is not a product which is very easy to just make and sell in the market, even in the aftermarket, because it has a huge amount of design parametric as well as coating parametric.

So what actually happens in the aftermarket, when you have to actually rebore the engine, you have to also have different sizes of the piston. We call it as oversize, undersize and all that. So all those segments will have to be catered to. It's not very easy. And so both in terms of manufacturing and supplying and at the same time, also in terms of fitment. So you require specialized players to work on this, to do that.

Anubhav: Get that. And sir, what I understand is that this GST rate would have been cut from 28% to 18% in the aftermarket. So is that like a big driver for us to gain market share in the aftermarket?

Krishnakumar Srinivasan: Well, see, it is not happening to one particular producer, it's happening all across. So what normally happens is the industry carries some inventory. And there is always an issue of the inventory getting liquidated and then the new product coming in. All the new products that are coming in are at the lower GST rate, which thereby helps to give the price advantage to the end customer.

So there has been a good amount of time lag, post the GST introduction, after which the aftermarket has started picking up. If you remember in our previous quarter call, we had stated that our aftermarket, to some extent, was affected because of the stocks that were lying and people wanted to actually get rid of those stocks which were sold at higher GST rates.

So those kind of issues we always have in business, and we have to see how we overcome that and start ensuring that we are still able to grow. And that's what we have done as a team. And I think, overall, quarter-on-quarter, with all those troubles, we have been able to grow the business.

Moderator: Our next question is from the line of Viraj from SIMPL.

Viraj: Just two questions. Can you give some colour in terms of customer concentration and segment concentration for each of the subsidiaries? Any colour on an annual basis?

Krishnakumar Srinivasan: Yes. So frankly, Viraj, actually, our customer concentration has come down drastically. Because of all the mix that we have and the product segmentation that we have now, we are fairly well represented in almost all the OEMs. Name any OEM and we are there. Name any customer, we are there in some form or the other. So I think we are present with all of them, and we have a fairly good relationship with every one of them.

Viraj: No. So my question was specific for the subsidiaries. So say, top 5, top 10 customers or the largest customer, if you can just briefly talk about each of the subsidiaries?

Krishnakumar Srinivasan: If you really see our investor presentation, there is a clear this thing given in terms of all the customers that we have for each of the subsidiaries. If you see there, we have given all the names of all the customers.

Viraj: No, no, I understand, sir. I was just trying to understand, you have a single customer who is more than 10% or 20% of the sales in each of the subsidiaries or is the concentration or is it more diversified? Any colour you can give on the subsidiaries, sir?

Krishnakumar Srinivasan: No, which I said, there is no concentration of any one customer in any of our businesses.

Viraj: Okay. Second question was on the EV subsidiary. Any colour you can give in terms of the order book and the pipeline? So which segments you are seeing the highest traction in terms of order book and scale-up?

Krishnakumar Srinivasan: With the amount of validations that are going on with all the customers, order book will be very huge. So let us go step by step. We are growing very well. I think from last year to this year, we would grow almost like 5x to 7x. And I think, since the base is small, that growth will continue. So we expect our growth in the motor and controller segment to really grow well.

Viraj: Okay. Last question. What is the cash and debt, post the payment towards the acquisition?

Krishnakumar Srinivasan: Yes. Total, we have paid 159 million. I have,

Viraj: Yes. I'm just trying to understand what will be the cash and the debt level now, post the acquisitions?

Krishnakumar Srinivasan: Just go to our figure of what cash we had in the previous P&L to what debt we have taken now. It gives a very clear picture of what is the cash and debt we have.

Moderator: Next question comes from the line of Divyansh Gupta from Latent PMS.

Divyansh Gupta: Just one question. What would be the maintenance capex for us either last year or, let's say, going forward, what -- how should we understand maintenance capex?

Krishnakumar Srinivasan: No, normally, what happens is we don't give any percentages. But as I said, it is well within limits. And there is no such thing as we are spending anything extra for our maintenance capex.

Divyansh Gupta: No, I was trying to understand that, example-wise, let's say, last year, we did about INR170-odd crores of capex. How much was, let's say, growth capex versus just for maintenance?

Krishnakumar Srinivasan: No, no, no. We don't give those breakups. But as I said, it's within the industry norms and within our planning parameters.

Moderator: Next question comes from the line of Ravi Purohit from Securities Investment Management Private Limited.

Ravi Purohit: Congratulations on a good set of numbers. Sir, just one question. Historically, we've seen running off this company at very, very good and strong ROCE levels, right? Even the acquisitions that we have made in the past like Takahata have ended up giving us reasonably good ROCEs. So how would you judge this new acquisition of the Grupo Antolin assets?

Would you aspire to bring this asset also to be at the same ROCE level at the company? I'm not talking of margin, but essentially, is it going to be ROCE dilutive? Or do you think we can, over the next 2-3-year period, bring them at par with the company-level ROCEs?

Krishnakumar Srinivasan: Well, all our initial working shows that we can make it at par.

Moderator: The next question comes from the line of Harsh, an Individual Investor.

Harsh: Obviously, now the company is different from, you know, 2 years ago or so. So what is our management structure like with respect to our subsidiaries? Is it the same core team that manages all verticals? Or do we have vertical-wise or client-wise, etcetera?

Krishnakumar Srinivasan: Yes. So the structure that we have followed and we find that, that is really working very well for us is to ensure that the existing management structures in the subsidiaries are able to work along with a core group of the central management team, which is able to give all the support that it requires in terms of all the growth requirements and everything, thereby ensuring that we are able to be very agile and be able to make quick decisions in terms of all the requirements.

Moderator: We take that as the last question for today. I would now like to hand the conference over to Mr. Krishnakumar for closing comments.

Krishnakumar Srinivasan: Yes. Thank you. I think really a good set of questions. The kind of questions really shows the kind of interest you have in our company. And I would like to assure you that we'll do everything to grow the organization and the franchise.

I would once again like to thank everyone who joined today's earnings call. Your active participation has greatly enriched our discussion today. Our focus remains on achieving our strategic goals, and we are committed to driving the sustained positive results that we have seen.

If you have any further queries or any additional information that you need, please do contact our Investor Relations partners at Ernst & Young. On behalf of the company, we deeply appreciate your time and engagement. Do take care, and goodbye. Thank you.

Moderator: On behalf of Shriram Pistons & Rings Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
