“Gabriel India Limited
Q1 FY '26 Earnings Conference Call”
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MANAGEMENT: **MR. ATUL JAGGI – MANAGING DIRECTOR – GABRIEL INDIA LIMITED**
MR. MAHENDRA GOYAL – CHIEF EXECUTIVE OFFICER – ANAND GROUP
MR. MOHIT SRIVASTAVA – CHIEF FINANCIAL OFFICER – GABRIEL INDIA LIMITED
MR. NILESH JAIN – COMPANY SECRETARY – GABRIEL INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Gabriel India Limited Q1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Atul Jaggi, Managing Director from Gabriel India Limited. Thank you, and over to you, sir.

Atul Jaggi: Thank you. Good morning, everyone, and a very warm welcome to all of you present on the call. Joining me today, we have Mr. Mahendra Goyal, CEO of Anand Group; Mr. Mohit Srivastava, our CFO; Nilesh Jain, our Company Secretary; and SGA, our Investor Relations Advisor.

We have uploaded our results and investor presentation for the quarter ended 30th of June 2025 on the Stock Exchanges and on the company's website. Hope you all had a chance to go through the same.

As you all know, we recently announced a significant milestone in Gabriel India's growth trajectory. The Board has approved a composite scheme of arrangement ushering in a new chapter in our strategic evolution. This move goes beyond restructuring. It is a transformative step aligned with Anand Group's broader vision to integrate capabilities, scale up operations and establish Gabriel as a central pillar of its automotive component business. Our ambition is to transition from a suspension-centric company to a diversified and innovation-driven mobility solution provider.

As part of this effort, we have recently identified four entities; Anchemco, Dana Anand, Henkel Anand and Anand CY Myutec for potential acquisition under this scheme. This initiative builds on the momentum set in 2023 through our strategic partnership with Inalfa Roof Systems. This proposed arrangement will further diversify our product offering, reduce dependence on a single category, strengthen our technology collaboration and enhance our presence across both OEMs and the aftermarket segment.

Continuing this diversification strategy, Gabriel India is also entering into a joint venture with Jinhap, an affiliate of Jinos, a South Korea-based company. The JV will operate under Jinhap Automotive India Private Limited with Gabriel holding a 51% stake and Jinos 49% stake. The JV will focus on design, development, manufacturing and distribution of fasteners for automotive and industrial use.

In addition, JAIPL will enter into a technology license agreement with Jinhap Corporation Limited, a leading specialty fastener manufacturer and affiliate of Jinos, granting access to proprietary technology and technical expertise essential for producing a broad range of fasteners.

Now let me provide a brief overview of company's operations and key highlights in the automobile industry. In Q1 FY '26, our standalone operating revenue grew by 14% year-on-year, reaching Rs.985 crores, supported by strong performance in all our segments with 2, 3-wheeler growing by 12%, passenger vehicle growing by 11% and CV plus railway division and aftermarket combined growing by 29% year-on-year.

EBITDA grew by 16% Y-o-Y, reaching Rs.91 crores with margins improving from 9% to 9.2%. We achieved EBITDA margin of 9.9% in our consolidated business compared to 9.6% in Q1 FY '25. This improvement was primarily driven by strong performance from Gabriel stand-alone and Inalfa. In the quarter gone by IGSS reported revenue from operations of Rs.114 crores and EBITDA margin of 14.4%. To reiterate, we will double our sunroof capacity by second half of CY '25 to meet the growing demand.

On a consolidated basis, our quarterly revenues stood at Rs.1,098 crores with showcasing a strong growth of 16% on Y-o-Y basis. EBITDA for the quarter stood at Rs.108 crores, reflecting a strong growth of 19% on a Y-o-Y basis with EBITDA margin standing at 9.9%. PAT stood at Rs.62 crores, marking 8% Y-o-Y growth.

Now coming to a brief on the industry. 2-wheeler and 3-wheeler saw a flattish quarter, reaching 6.1 million units. This reflects a combination of OEM-led inventory correction and subdued demand for the entry-level fuel-efficient commuter bikes, which still continues to be the major part of the volume. The scooters were up by 6% and motorcycles overall was down by minus 1%.

Coming to the passenger vehicles, the segment delivered a modest 1% Y-o-Y growth, reaching 1.2 million units during the quarter. This performance was primarily constrained by a limited pipeline of new launches. The entry-level models remained under pressure, impacting the car sales by minus 6%. SUV continued the growth trajectory with a 9% uptake.

Coming to the commercial vehicle, the segment posted a mixed performance, while the total sales reached 2.4 lakh units, reflecting 1% Y-o-Y growth. While M&HCV segment was up by 9%, LCV, which is a major chunk of the segment, was down by 1%. The bus segment remained stable, driven by consistent demand for school and staff transport. On the EV side, especially in the 2-wheelers, we saw a good 30% jump as compared to the Q1 last year.

With the near-term outlook remains cautious, a sustained recovery will hinge on the rural demand revival, fuel price stability and overall economic conditions. Notably, the RBI's cumulative 100 basis point repo rate cut over the last 6 months in anticipation to gradually ease borrowing cost potentially may improve the vehicle affordability and strengthen customer sentiments over time.

On this note, I come to an end of my opening remarks. I now request the moderator to begin the question-and-answer session.

Moderator: The first question comes from the line of Jay Kale from Elara Securities.

Jay Kale: So my first question is regarding your existing business. We had spoken of trying to get a lot of new orders or new customers and likelihood of gaining market share in 2-wheelers suspension. So I just wanted to check where are we in that trajectory in terms of approvals, in terms of incremental growth over the industry?

And a similar question on the sunroof business as well, while you all have spoken of Hyundai, Kia as customers, but where are we in the discussions of getting orders from the other players as well?

Atul Jaggi: So thank you, Jay. The first part of the question is related to 2-wheeler. Now definitely, as you have seen, the growth that we had in the first quarter was 12% against the market, which was relatively flat. Now there are two aspects to this. One is the new models, new model launches. And second aspect is where the customers where we are predominantly present like TVS, Suzuki, Honda, these customers have shown a far better growth than the overall industry growth.

While you know that Hero was significantly down this quarter, whereas the TVS, Honda and Suzuki have been continuously growing. So that is definitely helping our cause. The transition into a few multiple models in terms of the premiumization, the inverted front forks also helped in better price realization with the market because the upside down front fork production has been continuously increasing quarter-on-quarter as compared to -- like last year, if I compare with the first quarter, the numbers were, say, around 2,000, 3,000 a month, which has now gone up to 15,000, give and take a month. So that also is helping the overall 2-wheeler story.

Now coming to sunroof, with the other customers, beyond Hyundai and Kia, right now, again, the status remains the same. We are in the discussion stages. We have received the RFQs. We are responding to the RFQs there, but we don't still have a firm LOI from any domestic or any other customer beyond Hyundai and Kia. While with the Hyundai and Kia, the journey continues. But till now, we don't have a formal LOI from this customer.

Jay Kale: And just in continuation to that, this capacity increase of 200,000 to 400,000 does kind of factor in some bit of orders ex of Hyundai, Kia as well, right, to utilize those? Or these can be largely met by a ramp-up of Hyundai, Kia as well?

Atul Jaggi: No. So the second line utilization also considers the other customers. So it is not only 100% Hyundai, Kia, but some capacity consideration is there for customers and orders, models beyond what we have today.

Jay Kale: Understood. And just one more on the fasteners JV that you've recently announced. If you could just help us some flavor on where are we in terms of orders over there, key customers? And how do you see that ramp-up going forward? What should be initial revenue run rate maybe in the first or second year?

Atul Jaggi: You are talking of the Jinhap, the Korean JV, the question is?

Jay Kale: Yes, yes, the Korean JV for fasteners.

Atul Jaggi: So currently, on that, we have to construct a sort of plant there. So we are at that stage where we will start the construction of the plant. And in terms of -- in the first phase, again, it will start with the localization of the products which are being imported. The total import would be of the tune of around, say, Rs.100 crores, Rs.120 crores, which will be in the first phase.

And then parallelly, while we are doing this, we will continue the engagement with the other customers beyond the anchor customers to sort of start filling up the order books. You would like to add something on this? Okay.

Jay Kale: And just one last question. Your margin trajectory, I mean, it has been impressive and trending towards 10%. But you had mentioned that this 8% to 10% journey…

Moderator: Mr. Jay, may we request you to return to the question queue as there are several participants waiting for the questions. The next question comes from the line of Mumuksh Mandlesha from Anand Rathi Institute Equities.

Mumuksh Mandlesha: Congrats on the healthy results. Just firstly on the results side, what was this MMAS, the Chakan, Chakan 2 plant revenue and profits for the Q1? How that business is doing, sir? And in suspension side, we saw very good on CV railway segment growth. Can you just explain what led to the strong growth there? And on the sunroof side, can also share the PAT margin for this quarter, sir?

Atul Jaggi: Sorry, on the sunroof, I could not understand.

Mumuksh Mandlesha: PAT margin. You have shared the EBITDA margin. Can you also share the PAT margin for the sunroof business for this quarter?

Atul Jaggi: Okay. So yes, first question, Mumuksh thanks a lot. The first question is on the MMAS. As I mentioned earlier also, we are expecting around the MMAS is contributing around 4% to the total top line of the Gabriel stand-alone. Now in the first quarter, we booked around Rs.30-odd crores of sales. We are looking at a better second quarter. But overall, the projections remain what I had mentioned in the past also, Rs.150-odd crores, which will be close to 4% addition into that.

In terms of the profitability, again, as you know, again, plant to plant, it has now become another plant of Gabriel. So plant to plant, we generally don't share the profitability. But yes, we all -- we know there are certain challenges in the MMAS business. We are working on 2 aspects of it. One is to reduce the losses by sort of optimizing the cost part of it.

And secondly, we are also looking at how do we sort of improve the order book, which will take definitely some time because it cannot happen in 1 day. So I'll not be able to share the exact plant-by-plant profitability of this, but what we are anticipating from that business, that part of the business is being positive in Q4 and PBT positive.

Mahendra Goyal: **Inalfa** PAT margin would be around 5.5%.

Mumuksh Mandlesha: Got it. And sir, on the sunroof side, sir, any further new orders win, sir or the last update remains same? And for this upcoming Hyundai Bc4 order, what kind utilization levels for this new plant we see with this order, which is flowing next year, sir?

Atul Jaggi: So for the new plant, I believe you are talking of the Talegaon plant, we are in discussion with the customer. The final decision is expected to happen in the coming weeks. So we will come to know about that. But yes, we are in advanced stage of discussions post the quotations that have been submitted. But we will come to know in a few weeks' time once the decision is done by Hyundai on the acquisition.

Mumuksh Mandlesha: Got it, sir. Sir, on recent group acquisitions, any guidance you want to share how do you see the growth for each of these businesses over the medium term? And any data available, what could be the PVC revenue mix, ICE revenue mix for this company, sir?

Atul Jaggi: See, on the fastener business, what we have shared is we are looking at -- obviously, this year, we will be starting the plant construction and then the operations of the plant. We are looking at Rs180 crores to Rs.200 crores of revenue coming by 2030 is what we had projected and with a double-digit EBITDA is what we had already shared. The business primarily would contribute will be coming from the passenger car side.

Mahendra Goyal: Yes. So I think this business is with a concept of Make in India. And of course, all of us know that there are many players in India, but there are certain parts which are being imported by customers actually. And it's a customer-driven program where we will have opportunity to localize parts for customers that help Make in India basically overall.

Mumuksh Mandlesha: Got it, sir. And just lastly, sir, can you update on the capex side for this year? Because I think first quarter has seen a larger number for the suspension? Or can you just share the capex outlook for FY '26 for suspension, sunroof business, sir?

Atul Jaggi: So just to again clarify, Mumuksh, the first quarter where we see capex that also includes the MMAS acquisition part, which is around Rs.40 crores have been contributed there. The rest has been the regular capex, our expansion capex. And for the year, on the suspension business, we are looking at Rs.150 crores of capex. And IGSS, we are anticipating around Rs.50 crores, but that would all depend upon the acquisition and the Pune location. So that number may still change, but we are looking at Rs.150 crores on the suspension side.

Moderator: The next question comes from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Sir, first question is on to the front fork production. Sir, you had mentioned like this has ramped up to around 15,000 a month from earlier 3,000 a month. Sir, this has been particularly from which quarter, if you can highlight because we look at the margin trajectory compared to last quarter has been on the lower side only. So just wanted to know this change has been from which quarter? And has that flown to the bottom line?

Atul Jaggi: So there are two aspects. Thank you, Aditya. There are 2 aspects to the question. One is the numbers that I mentioned were against for Q1 this year with respect to the quarter 1 last year, okay? So on the -- especially on the inverted front forks were the number.

Secondly, on the margins, yes, while definitely the margins from all the ramp-up and the new products have flown in, the certain challenge on the MMAS also has sort of has been there for the first quarter, which we have already discussed in the past also for which we are working on. And that is what I said in the previous question that we are anticipating that part of the business turning out to be positive by the end of the year, quarter 4.

Aditya Khetan: Got it, sir. Sir, on to the Chakan 2 plant, which we have stated that, that plant has been completed. Just want to know, sir, what was the capex figure? And what is the incremental revenues we are expecting from this plant?

Atul Jaggi: I just mentioned this. We are looking at around Rs.150-odd crores as an incremental business coming in for this year.

Aditya Khetan: Got it. And sir, on the sunroof side...

Atul Jaggi: Capex has already been earlier shared. They are all in the public domain.

Aditya Khetan: Got it. Sir, on to the sunroof side, sir, I just wanted to clarify the capex for H2 is around Rs.70 crores to Rs.80?

Atul Jaggi: See, for the sunroof, one of the key -- because we have already invested in the second line. Now the next capex would be coming primarily from a next plant coming in what we have been discussing. Now that will depend upon primarily the decision that happens on the business acquisition for the Talegaon plant of Hyundai and other customer RFQs that we are addressing. So once that happens, then the capex will come into the play for the second plant.

Moderator: The next question comes from the line of Param Vora from Trinetra Asset Managers.

Param Vora: So what I wanted to ask was that the company is already making sales to the railways. So can we see any growth expectations regarding financial year '26 and financial year '27?

Atul Jaggi: On the railways is the question?

Param Vora: Yes, yes.

Atul Jaggi: So definitely, again, railway, it is always linked with the number of bogies and the number of coaches that the government is planning for the new trains. We are present across all the product segments, including the Vande Bharat and Train 18 and the locos. So definitely, there's a lot of trust from the government on improving the railway connectivity.

So we will see a growth. Now how much of -- what is the number of coaches that they are planning for '27, we will have to wait and watch, but we are anticipating a reasonable growth coming this year also and the next year also.

Param Vora: Okay. And next question is that while the domestic dominance is a key driver, are there any plans to elevate company's global presence and increase the share of export revenues?

Atul Jaggi: So there are definite plans to improve the exports, not only in the shock absorbers part where we are in discussion with some of the customers. We are also looking at improving the exports through 2 product subsegments, I would say. One is the solar dampers and second is the e-bikes, which is primarily for the European market.

The solar damper is, again, a global product that is being done. We have already won a couple of orders where -- for the exports, where I'm expecting the production to start in the quarter 1 next year for the exports, while the solar damper production will start this year, but in this quarter rather. But it will be first for the domestic market and then it will be for the export market.

Similarly, on the bike part, we are expecting the production to start by the end of the year or Q4 '25, '26, which will definitely add on to the export in addition to what we are in discussion with some couple of customers on the shock absorber side, the automotive shock absorber side.

Moderator: The next question comes from the line of Abhishek Kumar Jain from Alfa Accurate.

Abhishek Kumar Jain: Sir, in this quarter, we have seen that employee cost and other expenditure is high. Is it because of the integration of your numbers of the MMAS or is there any one-offs in this quarter?

Atul Jaggi: Yes. Thanks, Abhishek. So there are two aspects to it. One is the integration cost of MMAS has also been factored in and the -- some part of the Project Rise cost also has been factored in. The restructuring cost has been factored in for the activities that we have completed till now. So both have been factored in.

Abhishek Kumar Jain: Okay. So there's no one-offs apart from the integration?

Atul Jaggi: So yes, these are all sort of costs that we have incurred, obviously, for all the growth activities that we are doing, there is no abnormal expenses that we have booked into beyond this.

Abhishek Kumar Jain: Okay. And as you are targeting around Rs.150 crores revenue from the MMAS in FY '26, so what is your expected EBITDA on this Rs.150 crores revenue?

Atul Jaggi: So see, exactly, I will not be able to share. As I said, it is a plant of -- it is a separate one of the plant of Gabriel. So we will not be able to share the expected EBITDA. The only thing that, as I shared was we are looking at it being PBT positive by quarter 4 of this year. But again, just to clarify, it will have a lesser EBITDA than the standalone business.

Moderator: The next question comes from the line of Pritesh from Lucky Trading.

Pritesh: Yes. Sir, just one question. Now considering the consolidation of your group entities and addition of a number of product lines, if you have to call out the revenue growth rate combined entity, what should be the range of the revenue growth rate that you would look at considering the new -- the addition of product line and the product expansions -- capacity expansions that you are doing for '26 and '27? Any ballpark revenue growth you want to give out.

Mahendra Goyal: So I think from the consolidation point of view, of course, there will be -- something will be totally consolidated from the sales point of view and some of them will be not part of the sales, but we have to do the consolidation of whatever is as per the accounting standards. So I think we will have around 20% growth in the sales of Gabriel, which is the size of 2 businesses, which we have already shared on the invested portfolio when we have presented or also reflected company-wide results. So those were available on those sites also basically. But this is what we expect around 20% growth in the Gabriel's sales.

Pritesh: Okay. This is in addition to Gabriel's normal growth?

Mahendra Goyal: Yes.

Pritesh: Okay. Now on that base, if you have to look at your expansions, what kind of top line growth we should look at a year from now, let's say, in FY '27?

Atul Jaggi: Sorry, you will have to repeat the question. I think Mr. Goyal already answered.

Pritesh: I said on that base of FY '26, which is -- which we called out based on 20% addition to Gabriel's growth rate of FY '26, there is a revised base for FY '27 for FY '26, which are all the companies put together and all the businesses put together, which are announced as of now, what kind of growth we should look at 12 months from now based on whatever expansions that we have taken up?

Mahendra Goyal: FY '26, we should not be able to consolidate actually. It may take time from the regulatory approval point of view. So this will be the way it is Gabriel today, I think in FY '27, which will be the following year from FY '26, I have already answered the growth, which we are expecting around 20% growth of the combined entity.

Pritesh: Okay. My last question is, other than this, what size of business still stays out of the Gabriel listed as a group? How much business still stays out of Gabriel listed?

Mahendra Goyal: I think I already -- we covered it last time also when we have an investor call. But I think it's still to answer. We are fairly covered by 40% of the total group size with this consolidation exercise, which we did and rest remains with Anand Group actually.

Moderator: The next question comes from the line of Jay Kale from Elara Securities.

Jay Kale: Just in continuation to my earlier question, on the margin side, we had a target of 8% going to 10% for the standalone business ex of any of these acquisitions being done. Where are we in that? Of course, we traversed half of it. Any updated targets that you would like to share, whether those targets will be met in the next 1 or 2 years? And how are we looking at margins from here for the core business?

Atul Jaggi: So I think as we have been discussing, we are looking at the standalone core business as a double-digit EBITDA. The continuous progress is there over the past maybe 2 to 3 years. I think we have been improving the profitability in a very stable -- in a very systematic manner. As I mentioned that we don't want to do anything which is ad hoc by just cutting down some cost or something because we are also a growing organization.

We need to factor in a lot of other aspects of the business to make sure that the business remains healthy. Our Core 90 program has been a great support in this journey, and we continue to do.

So the effort towards double-digit EBITDA remains there. And as we have already mentioned that we are looking at next few quarters, I think, crossing that number.

Jay Kale: Understood. Great. That's good to hear. Just one more question, sir, from your group entities getting integrated. Now of course, one is the financial impact. But from a business standpoint, where are you more excited about in terms of synergies?

Is it that you will get more access to the global markets because some of the global -- because of the group entities exposure to the global market? So any cross-selling of products of the existing entity that is possible or any cost structure benefits that are possible? Where is the management most excited about leveraging the strength of these group companies going forward?

Atul Jaggi: See, again, these are all, I would say, the 4 entities that I think we spoke about earlier, they are all sort of in different part of business. They're all in different kind of business. There will be different synergies with them like the forging business that we discussed. Now definitely, we see a lot of opportunities looking at our strength in 2-wheeler there.

Aluminum forging is something where the market demand is very high. There are not too many players or rather, I would say, good players in the market today. People are looking at various alloys for lightweighting, and we see a fantastic opportunity there for growth.

On the other business, similarly, on the Anchemco business, the network that Gabriel has today in terms of our aftermarket presence and the brand that we have, we can leverage that brand, we can leverage the network and we can definitely -- in addition to the OE relationships, we can grow it in the aftermarket significantly.

With the other two, it is primarily, I think it is more global relationships. It is more technology coming in. It is more -- so we will have to, over a period of time, see and build more synergies there. So some of them are, I would say, immediate short term, some of them we are looking at more medium to long term.

Jay Kale: Great. And just one last clarification on how do you see this PN3 approval for the sunroof business? Where are we in that? Of course, it's been rejected once, but you had mentioned that there is still effort going on. Any time line whether what eventually it will be? It will be 100%, 49%, 51%, 60%, anything on that? Any clarity on that?

Mahendra Goyal: See, as you know that the government of India is not permitting anything right now. I think all what we expect that I think the original understanding was that the Gabriel should be the minority. That is the original plan, which was even -- find another thing, but we see that, that is not happening. And we foresee that when we look at the Indian government conditions, I think it's still -- I think the approval should only happen for minority shareholding for the Inalfa globally actually. Otherwise, PN3 application will not be approved.

Jay Kale: Okay. So fair to assume that it will be a majority or how much of majority for Gabriel, still not known, but most likely, it should be a majority for Gabriel eventually?

Atul Jaggi: Those discussions are going on. It will depend upon two factors. One is the approval again. And the second is obviously the discussions with the partner. So once we file for it, we will definitely be able to share more details on that.

Moderator: The next question comes from the line of Mitul Shah from DAM Capital.

Mitul Shah: Sir, I have one question on your sunroof business, as we got decent traction in last 1, 1.5 years. But after, still we are catering to Hyundai, Kia Group only. And as you also mentioned in your initial remarks that other OEM-related discussion is going on, but nothing concrete.

So what would be the competitive landscape after considering other few players also entering in the same business with the global tie-ups and all these are like a global technologically superior companies. So what would be our advantage over others? And how do you see the situation and our market share ambition in next 2, 3 years?

Atul Jaggi: Yes. So as you rightly mentioned, I think when we started or when we had the agreement with Inalfa to manufacture the sunroofs, the competitive landscape was very different. Post that, today, the competitive landscape has dramatically changed with, I think, almost every key global player having some tie-up in India. And many of them have their own parent association globally with different customers. So that also has to be sort of factored in.

And this is a product where -- which takes time for the OEM also because obviously, there's a long development time. There's also a long development cost that is engaged there. So it is unlike some of the other components where every model, every platform, this component keeps changing, the process here is a little longish. So considering all this, I think we are quite optimistic about the growth beyond the anchor customers.

But we have -- again, I would say we are also fortunate to have 2 good anchor customers where we see a good growth path. But hopefully, I think in a quarter or maybe 2 quarters, we will definitely see some outcome coming in. The market will remain distributed. Yes, in terms of share of business, while it is today difficult to foresee how it pans out with different customers, but it will be quite distributed market the way it is seen.

Mitul Shah: So based on this, any minor changes in the strategy or possible slower ramp-up going ahead, considering wait and watch situation initially and then we'll ramp up at a later stage or something like that on the slower capex or anything?

Atul Jaggi: So the only point is because all the investments that we had planned for the Chennai plant, we have already done. So the capex has already been executed there. Some of the businesses are there, some of the businesses in anticipation. Now the only point here is on the second plant, this is a product which cannot be comfortably and easily transported. So you need to be closer to the customer just because of the, one, the sheer size of the product and the logistic cost and secondly, the criticality in terms of aesthetics and handling.

So this is what happens on the certain platforms that we are discussing both with Hyundai as well as the other customers. The only slowdown that may be possible, again, it all depends upon the decision that happens. If the decision goes in our favor, we may have to actually expedite the whole thing. If unfortunately, the decision is not in our favor, then we will have to sort of wait and watch on the future investment for the time being. But whatever has to be done in Chennai is already implemented.

Moderator: The next question comes from the line of Shubham Sehgal from SiMPL.

Shubham Sehgal: Yes. So my question was on the new JV we just had. So like you mentioned that our main reason to get into the JV was customer-driven itself. But I wanted to ask, so will this be only a local play or a global play and also the JV partner, what are the key strengths and their position in both fasteners and precision forged products globally?

Mahendra Goyal: Yes. I think, as we said, this joint venture we started now and the primary purpose is make in India for most of the customers. And of course, we will be looking global opportunities. That is definitely is part of the game actually. That is not factored in our business plan, but that is something which we will be exploring with a partner as we have done in other businesses. And similarly, this will also include the precision forging parts as part of the business plan.

Shubham Sehgal: So I wanted to ask what are the key strengths and position of our JV partner in the fasteners and precision forged products globally?

Mahendra Goyal: You are saying like what is the global presence of the JV partner?

Shubham Sehgal: Specific JV partner, yes.

Mahendra Goyal: Yes. I think the JV partner is primarily focusing in Korea, and that is what the plan is actually overall. So there are many players in this segment and the category of fastener is different in many varieties. In nutshell, around, I would say, $500 million partner actually basically.

Shubham Sehgal: And like what would be the key strengths of our partner?

Atul Jaggi: So again, as Mr. Goyal mentioned, the key strength is on 2 aspects. One is the specialized fasteners, specialized coatings, there are fasteners which are needed with very special coatings for specific applications and obviously, the precision forging. So these are the 2 areas where this company works. The top line he has already mentioned around $500 million is the scale of operations for them. And in addition they have presence in U.S. market.

Shubham Sehgal: Okay. All right. The next question was on the merger of the group companies. Could you let us know what would be the share of aftermarket for each of the JVs? And also what kind of synergies are we seeing?

Atul Jaggi: On the synergies, I just answered this question. So we are seeing some short-term midterm synergies with two of the entities. We are seeing some long-term synergies on technology on the global market with the other two, which is Dana and Henkel. And aftermarket presence, again, it is very sort of different across all the entities, the percentage…

Mahendra Goyal: It differs from the product portfolio point of view, from the segment point of view, 2-wheeler, 3-wheeler, 4-wheeler and not only the commercial segment, when we talk about the 4-wheeler -- but if I understand your question precisely, Henkel doesn't do much of the aftermarket. But from the Dana point of view, we have almost, I would say, around 25% of the market share in the aftermarket.

And similarly, on the synchronizer rings side, there is no much of the aftermarket this segment. But similarly, on the other side, the Anchemco related business. So it's a very, very vast market actually from the different point of view like it's DAF, it is coolant, it is brake fluids, there are different products. So I think it's very difficult to calculate the market size as this market is also evolving basically.

Moderator: The next question comes from the line of Aditya from Securities Investment Management.

Aditya: Yes. So sir, what would be the capex for the fastener plant which we are building?

Mahendra Goyal: So the overall capex is -- I think we intend to have almost incurring in the project implementation around Rs.60 crores to Rs.70 crores altogether. That is for the entire project. Partly, it will be contributed through equity, partly it will be contributed through the term loans basically.

Aditya: Understood. And when will this plant start commercialization?

Mahendra Goyal: I think it should take a year from now.

Aditya: Understood. And sir, you mentioned that you are looking at Rs.180 crores to Rs.200 crores in this business by financial year '30. But sir, just wanted to understand what would be the total market for these imported kind of fasteners in India.

Mahendra Goyal: Okay. Let me try to give you this. Imported market should be, in my view, around Rs.1,500 crores.

Moderator: The next question comes from the line of Soham from RV Investments.

Soham: Sir, what was the revenue in rooftop segment -- sunroof segment this quarter?

Atul Jaggi: Rs.114 crores.

Soham: And sir, at what margin it was like EBITDA margins?

Atul Jaggi: 14.4%, I think.

Soham: And what are we expecting for FY '26, like around Rs.400 crores?

Atul Jaggi: See, again, we will not be able to share the projections for the future quarters on per se. The EBITDA margin, as we have already mentioned, we have been having this kind of a margin for quite some time. We have always maintained that the competition is increasing. In the long run, we are expecting it to stabilize around anywhere, while the effort will be to have a better margin, but we are looking at a long-term 12%, 13% EBITDA stabilizing there.

There have been some challenges in the first quarter with one of the models of Kia not performing the new launch, the Syros not performing up to March. Practically, June was almost nil production. So that has impacted the top line a little bit. We are not very hopeful even for the second quarter, but the projections after that have been sort of at least positive from Kia. So that would impact some of the top line growth as compared to the -- our projections -- earlier projections.

Soham: And on the Gabriel standalone side, like what volume increase we should expect for FY '26 compared to the industry?

Atul Jaggi: We will not be -- as I said, the first quarter has been good. We have outperformed the market significantly in all the segments. We just gave you a brief on that. For the full year revenue projections, we will not be able to share any forward-looking guidance, please.

Moderator: The next question comes from the line of Vishnu Selvam from UTI AMC.

Vishnu Selvam: Congratulations on a good set of results. I just wanted to get some clarity on the utilization levels for the second line once it becomes operational in '25. What kind of utilization levels are you looking at for the sunroof post operation?

Atul Jaggi: On the second line, we would be looking at say next year, we would be looking at around maybe 50% utilization is my estimate. We will have to sort of map the numbers. Just a second. I think we are looking at around 40% to 50% utilization on the current capacity for the next year.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Atul Jaggi: Yes. Thank you. So I take this opportunity to thank everyone for joining the call. I hope we have been able to address all your queries. For any further information, please get in touch with any of us or SGA or our Investor Relations Advisor. Thank you so much for joining the call. Thank you.

Moderator: Thank you. On behalf of Gabriel India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.