



“Gabriel India Limited
Q2 FY26 Earnings Conference Call”
November 13, 2025

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Moderator: Ladies and gentlemen, good day, and welcome to Gabriel India Limited Q2 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company that are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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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: Yes. Thank you. Thank you so much. Good morning, everyone. A warm welcome to everybody present on the call. And joining me today, we have Mr. Goyal, the Group CEO; Mohit, our CFO; Mr. Nilesh Jain, our Company Secretary; and SGA, our Investor Relation Advisor.

We have uploaded our results and investor presentation for the quarter ended 30th September 2025 on the stock exchange and on the company's website. I hope each one of you had a chance to go through the same.

The company entered into a joint venture with SK Enmove Co., Ltd, a leading Korean corporation to undertake the business of engineering, manufacturing and marketing of comprehensive range of automotive and industrial lubricants, including engine oils, e-fluids, shock absorber oils, greases and thermal management fluids.

With Gabriel India holding a 49% stake in the new joint venture, this partnership marks a strategic step towards expanding our presence into newer product segments that complement our core business and support the evolving need of sustainable mobility. This joint venture is in line with our ambition to transition from a suspension-centric company to a diversified and innovation-driven mobility solution provider.

Additionally, I would like to share an update on the revised joint venture agreement between Gabriel India and Inalfa Roof Systems. The earlier proposal, which had a shareholding of 49% by Gabriel India Limited and 51% by Inalfa was subject to PN3 approval. However, the application for PN3 approval filed by Inalfa was rejected by the Ministry of Heavy Industries, Government of India in the year 2024.

Following this, both parties have agreed to revise the proposed shareholding structure to 65% by Gabriel India and 35% by Inalfa, subject to fresh PN3 approval. A revised joint venture agreement reflecting this structure will be installed in due course and its execution and implementation will proceed only after obtaining the necessary regulatory approval.

Now let me start with providing a brief overview of the company's operation and key highlights in the automotive industry. In Q2 FY '26, our standalone operating revenue grew by 15.4% year-on-year, reaching to Rs. 1,066 crores, supported by higher volume and strong sales performance in all our segments with the 2, 3-wheeler growing by 15%, passenger vehicle segment growing by 13% and commercial vehicle railway division growing by 35% year-on-year.

EBITDA grew by 19% Y-o-Y, reaching Rs. 96 crores with margin improving from 8.7% to 9%. This improvement in margins is attributable to higher volumes and the continued impact of our operational excellence initiative under the CORE 90 program. In the quarter gone by, Inalfa Gabriel Sunroof Systems Private Limited reported revenues from operations of Rs. 114 crores and EBITDA margins at 16.5%. The sunroof business continues to experience strong demand fueled by rising volumes and new vehicle launches.

On a consolidated basis, our quarterly revenue stood at Rs. 1,180 crores, showcasing a growth of 15% on a Y-o-Y basis. And for the half year, revenue stood at Rs. 2,279 crores, reflecting a growth of 15.5% as compared to H1 FY '25. EBITDA for the quarter stood at Rs. 116 crores, reflecting growth of 18% on a Y-o-Y basis with margins standing at 9.8%.

And for the H1 FY '26, EBITDA stood at Rs. 225 crores, marking a growth of 19% on a year-on-year basis with margins standing at 9.9%. PBT for the quarter was Rs. 91 crores, showing an 11% growth year-on-year. And for the half year, our PBT stood at Rs. 172 crores, marking a notable growth of 9%.

Quickly coming to the industry highlights. For the Q2 FY '26, the automobile industry delivered a healthy performance, growing by 9.5% Y-o-Y with volumes reaching 8.8 million units. This was supported by steady domestic demand and strong export growth, particularly for Africa, Latin America and Middle East. The early part of September saw some softness as the customers awaited clarity on GST 2.0, but demand rebounded sharply once the uncertainty lifted. Overall, Q2 FY '26 closed on a positive note. As we enter the second half of the fiscal year, we see this demand momentum continuing with a positive consumer sentiment.

Coming to the 2-wheeler. The 2-wheeler segment delivered a 10% year-on-year growth, reaching 6.8 million units, supported by very good rural demand and revised GST structure. Scooters led with 12% growth, while motorcycle growth was 10%. Export was really good. It hit a wonderful 1.3 million units, rising 25% year-on-year. Overall, the segment remains a key driver for the industry recovery.

3-wheeler, again, the segment continued to post a healthy growth, 21% year-on-year growth in this particular quarter. This was driven by easier financing and rising adoption of last-mile mobility solution. Export in 3-wheelers reached to 1.23 lakh units, up by 51% on a Y-o-Y basis.

On the passenger vehicle side, in the Q2 FY '26, the passenger vehicle segment demonstrated a gradual recovery with volumes rising by 2.4% Y-o-Y, reaching 1.3 million units. The quarter started on a softer note, but gained traction towards the end, supported by the GST 2.0 rate reduction, improving customer sentiment and the onset of the festival season. A key highlight

for the quarter was the sharp rebound in exports. EV export shipment rose to 2.4 lakh units, marking a 23% year-on-year increase.

On the CV side, the commercial vehicle this quarter delivered a healthy 9.4% Y-o-Y growth with sales reaching approximately 2.6 lakh units. The growth was 10.1% in the M&HCV segment and while the LCV segment grew by 9%. Exports also grew by 22%, reaching 2.24 lakh units.

Quickly on the EV side, the electric vehicle segment recorded a strong Y-o-Y growth of 13% with volumes now reaching 5.8 lakh units. This is being driven by expanding product portfolio across the segment and improving charging infrastructure, showing a shift in the consumer preference towards cleaner and more cost-efficient solution.

Looking ahead, the Indian automotive industry enters the second half of FY '26 on a strong footing, supported by festive momentum, stable macroeconomic conditions and the positive impact of GST 2.0. On that note, I come to the end of my opening remarks.

I'll now request the moderator to begin the Q&A session. Over to you.

Moderator: Thank you very much. We take the first question from the line of Jay Kale from Elara Securities. Please go ahead.

Jay Kale: Sir, my first question is on SK Enmove. If you could just outline some of the details of the transaction in terms of what is the size of revenues that you're expecting initially, when could we start seeing this? And also, as SK Group has many products globally. So, is there any thought process of eventually localizing some of these products or getting those products over here? If you can just elaborate a little bit of this transaction and your outlook on this?

Atul Jaggi: Thank you, Jay, for the question. We have our Group CEO, Mr. Goyal. Sir, if you are there, you can answer, give your perspective.

Mahendra Goyal: It is a very large group which you have seen probably on the press note also and whatever social media information was available. So, they are in the different product line. But for business which we have entered into a joint venture with SK Group, it is for the lubricant, which Mr. Jaggi already covered in his initial briefing. So that is what our initial joint venture with SK Group. And we have not discussed anything about any other products so far. So let us restrict our discussion with respect to the lubricant business only.

And from the business point of view, I think we made a business plan, and we expect this company to grow. It's a highly competitive market. It is a big market. Again, it is a very, very big market. So there is a lot of scope to put our business as one of the better player in the market, and we expect to grow this business I mean, based on our business plan, whatever we have made, I think our aim is that Rs. 500 crores business in the next 5 to 6 years' time basically.

Jay Kale: Okay. Rs. 500 crores in the next 5 to 6 years' time. Understood. And this will largely be in the replacement market business, right? So is it fair to -- sorry, aftermarket. So, is it fair to assume that this would fetch higher margins than the current company average margins?

- Mahendra Goyal:** So, it is -- of course, our idea is not to have a different margins. Of course, it is the initial period. So initial period will start with maybe 1 or 2 years with a slightly negative numbers. But of course, the margin will gradually will go up actually. That is what we have to see because any business will take time to go. And it is not only replacement market, it is also an OE market business basically.
- Jay Kale:** Understood. Understood. And my second question is on your reported numbers. If we see our margin profile, while it has been healthy above 9% on a consol basis and on a consistent basis. But last couple of quarters, maybe this kind of plateauing out despite you seeing strong traction on the revenue side on a quarter-on-quarter basis also. So just wanted to pick your thoughts on how are you seeing the pulls and pushes on the margin side? And what should happen going forward for this to further move on?
- Atul Jaggi:** So maybe, Jay, I'll take this question. So as I think we discussed even in the last call also, with the MMAS acquisition, I had mentioned earlier that even in this quarter, now we have realized a full quarter sale, coming from MMAS. But yes, the margins there, as discussed earlier, have been under stress, where we shared that we are looking at a positive PBT by the end of the year.
- So definitely, I think a little bit of impact in pulling down the overall margins is coming from there. But there's a clear plan which is available to sort of breakeven and then take the margins to a similar level as the overall Gabriel number. But yes, that impact is definitely coming in the last quarter also and this quarter also.
- Jay Kale:** Understood. And that's around Rs. 50 crores, Rs. 60 crores revenues, that's on a quarterly run rate basis?
- Atul Jaggi:** A little less, little less than that.
- Jay Kale:** Okay. Okay. And just on your market share on 2-wheelers and passenger vehicle suspension side. While we see the 2-wheeler suspension market share is pretty steady at 30%, 32% since the last many quarters. Passenger vehicles, if you could just highlight how are you seeing the market? There has been some plateauing out or margin reduction in market share that we've seen. How are you seeing the competitive pressures over there?
- Atul Jaggi:** See, again, maybe I'll speak about the new businesses here for, say, both the segments. On the passenger car side, as you rightly said, I think the market share has been hovering around this number. But in this last quarter, we have been able to secure 3 new platforms all coming from Maruti. So definitely, and we have just launched one model with Maruti Suzuki Victoris. So with this business acquisitions, we are now looking at improving the market share.
- So by next year, we are looking at another model which coming into SOP and then in the next further 2 years, another 2, 3 models coming into SOP. This is all secured business. So we can easily expect a 4% to 5% increase in the market share in the PC side also starting from the next year. So this is one.

Even on the 2-wheeler side also, I think the market share has been growing steadily. I have one good news to share that there also, we have secured a couple of good businesses, one of them with Yamaha for the inverted front forks, upside down front forks, which will come into production by the end of next year. So there also, we are expecting to see a slight improvement there.

Jay Kale:

Understood. And just last couple of questions. One is on your EV 2-wheeler market share as well. How are you seeing that evolve? Earlier used to be 100% share of business in most of the new models, except Bajaj, but now with the market settling down, how are you seeing the split of business between various players incrementally? And where do you see this market share settling? Of course, it's at very elevated levels currently.

And last one is on export side. It's currently 2%, 3% of your revenues. Now with this restructuring, et cetera, taking place, reorganization, how are you seeing export opportunities? Are you seeing green shoots over there to increase that share?

Atul Jaggi:

Yes. So on the EV side, Jay, again, I think we -- while the market share has been historically high because we all -- we got that first-mover advantage working with most of the EV players. We continue to enjoy a healthy market share there. But with all the competition around in the long run, continuing to enjoy a 65%, 70% market share in such a competitive industry may not be possible. But we would still like to continue to be a dominant player there. As of now, we have not lost any platform. The new businesses continue to flow like the recent River model which is basically branded for Yamaha, which was just launched showcased, again, it has a Gabriel suspension in it.

The latest launches of Ultraviolette has the Gabriel suspension. But we are looking at the target is to continue to have more than 50% share in this particular segment. So we continue to put our efforts towards that. Even the last launch of TVS Orbiter has a Gabriel suspension. So we have maintained that we'll continue to target more than 50% share, and I think the actions are aligned with that.

Your second question was on the exports. Yes, exports, I think while we have always been targeting new businesses towards the export side. And as I shared, I think, a couple of calls back, we have sort of added some resources also in the organization, put up a structure to start working on the exports. We have not got any significant success. There are 1 or 2 discussions at an advanced stage, one on the commercial vehicle side, one on the PC side, which is going on.

But yes, definitely, I think I hope something will materialize from there. But just to add to that, the efforts on the e-bike and the solar side also will support our export journey. So overall, maybe I think another year or so, we may look at a better number once these 2 products also come into regular production, I would say.

Moderator:

We take the next question from the line of Viraj from SiMPL.

Viraj:

Congratulations on good set of numbers. I just have a couple of questions. First is, if you can give sales, EBITDA, PAT of the 4 group companies for H1 and the similar trend for last year? And any broader mix you can give in terms of and sector exposure like CV, PV? That is one.

- Atul Jaggi:** Yes, Viraj. Maybe just to share with you, I think the presentation that we had shared had very clearly has all the numbers, the distribution of the top line, bottom line of all these 3 companies. The 4 companies that I think what you are mentioning is basically the part of the restructuring. I presume you are talking about the Dana, Henkel, Anchemco and ACYM numbers. So they are all part of the presentation that was uploaded. All the business distribution segment-wise also was shared earlier. Maybe any specific query is there we may explain.
- Viraj:** Any H1 numbers you can share, sir?
- Atul Jaggi:** This year, we will not be able because we're still going through all the regulatory approvals. We will not be able to share the latest numbers for that. But as we had mentioned, I think all the 4 entities continue to grow, continue to do very well in line with what we had discussed in the previous calls post the 30th June approval. So nothing has changed there. They continue to sort of outperform the market. They continue to do really well.
- Viraj:** Okay. Two, 3 questions on that. See, if you look at the management fee and the royalty, especially in the 3 JV, post the transfer of ownership to Gabriel, the management fee or royalty, does that also get transferred to Gabriel? Or how will the distribution be like? And the same applies for the sunroof business post the shareholding structure we have arrived at. So that is one. If you can give some more clarity, how will that be distributed? And will that also flow to Gabriel, so that is one.
- Atul Jaggi:** Maybe you can just ask. Okay. We have noted, Viraj, you can ask if you have other question also.
- Viraj:** Yes. Second is on the Dana JV. See, if you look at Dana play in India, they have multiple entities. I think there are 3, 4 different entities. And if you look at the portfolio globally, they have a wide set of products other than drivetrain products. So what will be the part of this JV and what will not? And they recently also set up this Dana India CV, which is a 100% subsidiary, which is also cater to axle and driveshafts to the CV sector. So how will that affect the JV?
- Mahendra Goyal:** You want me to answer, Atul?
- Atul Jaggi:** Yes. Mr. Goyal you can go ahead.
- Mahendra Goyal:** Okay. So I think one, I'll take the latest first question on the Dana side. So Dana, overall, so let's not confuse with our joint venture, which is part of restructuring with Gabriel. So that has not changed anything with respect to the joint venture. That continues. The way it has been continuing and it is growing the way it has been growing ahead of market. And as Atul mentioned, all companies are part of the restructuring, they are maintaining the way they have been performing in the past in the same way actually basically.
- And Dana has reduced its presence in India. They have sold the off-highway business. So accordingly, whatever business they left out, there's nothing new, which they started and they were having this businesses already, which was 100% for Dana. So that continues. It means our JV has not changed anything. It is continuing so our JV is for 100% for the driveshaft business.

And for axles, we are for up to, say, small commercial vehicle axle actually business, but driveshafts for car and terrain, whether it is car or it is SUV or it is commercial vehicle, any kind of a commercial vehicle or trailer or tractor, anything actually. And whatever they're doing axle business, it is already there for the last 15 years, which is primarily in a segment, which is not - is with joint venture actually. Nothing has changed. In fact, Dana has reduced its size in India actually.

Viraj: Yes. On the management fee royalty post the ownership transfer to Gabriel, that will also get transferred? Or how will the distribution be like?

Mahendra Goyal: Gabriel is a manufacturing company. Gabriel is a business company, so nothing is changing for the Gabriel. And ANAND has a separate wing for providing services. That continues to provide services to Gabriel or to its entire companies, whether they are part of the restructuring or otherwise actually. Nothing is changing for Gabriel as such at present.

Viraj: Okay. Last query. See, for the Dana business JV, they have a very sizable exports to U.S. So post this tariff, which is there, how does it affect their business? So who bears the tariff? And how does it affect the relatively competitive position? Because most of the exports are to the group entities globally.

Mahendra Goyal: Yes. So nothing has impacted tariff actually. We continue to do same, which means that any tariff impact, partially it is applicable, partially it is not applicable, 25% was applicable, other 25% was not applicable. On exports, Dana, we are exporting back to Dana. So Dana is in fact recovering -- Dana Global, I'm saying. Dana Global is recovering from its customer.

Viraj: Okay. And in terms of incremental competitive position, does it affect in terms of new business pipeline given the tariff which is there?

Mahendra Goyal: So far, it is not impacted. In fact, we continue to do well. Our business line is growing as well basically. So we have not seen any impact on the new business also.

Viraj: Okay. Last question. See, next 2 to 3 years, focus for us will largely be on consolidating these 4 entities and the 2 JVs, which we announced? Or you think there's enough pipeline in terms of new product additions? How should we understand next 2, 3 years focus for us?

Mahendra Goyal: I think initially earlier also, we made a statement and we continue to maintain the same statement that Gabriel is a growth future for the ANAND Group, and that strategy continue basically.

Atul Jaggi: So Viraj, just to add to it, I think with the -- you have seen that even post the 30th June sort of restructuring discussion that we had, I think there have been 2 more sort of entities that have been created now. So the growth journey continues basis the -- we continue to explore opportunities. And whenever the right comes, I think we go and take the next step.

Viraj: Okay. But is there a pipeline in place for I mean, do you still have...

- Atul Jaggi:** Yes. So while not possible to share anything there, but I think at any time, we continue to explore multiple opportunities whenever it fits into our sort of strategy into our aspiration, into our direction, we take the next step.
- Moderator:** We take the next question from the line of Aditya Khetan from SMIFS Institutional Equities.
- Aditya Khetan:** Yes, sir. Sir, my question was on to the Inalfa restructuring. So they are getting a lower shareholding compared to Gabriel. And since they were the technology provider, what are your initial discussions with them suggesting?
- Atul Jaggi:** Regarding the lower shareholding? Aditya, the question is discussions related to the lower shareholding?
- Aditya Khetan:** Sir, the question is regarding the restructuring, which is happening right now. So what is the discussion with them suggesting?
- Atul Jaggi:** So the discussion is exactly what we just shared. Obviously, when we are looking at the PN3 initially was not approved. So I think subsequent to that, there have been continuous discussions between both the organizations. And the current structure that we just shared with the 65-35 has been sort of approved by the Inalfa Board also and has been approved by the Gabriel Board also. So every discussion has been in line with what we had just shared with them. Post the approval of both the Board, it has been shared by us.
- Aditya Khetan:** Sir, this H1 capex of Rs. 108 crores, if you can share what would be the full year capex and divide it into segments like your second phase of sunroof and other businesses?
- Mohit Srivastava** The H1 capex had MMAS asset acquisition and that was disclosed also. So that was the major number. And I think we anticipate about Rs. 150-odd crores as we've been doing regularly. And in case of any -- there are some upgradation of assets. So maybe we might hit Rs. 180-odd crores of capex this year.
- Aditya Khetan:** Okay. Sir, our Phase 1 of sunroof has been operating at full utilization level. So this Phase 2 would be largely catering to the Kia model?
- Atul Jaggi:** No, you said -- can you repeat the last line? Phase 2 would be catering to?
- Aditya Khetan:** Catering to newer models like Kia and other players.
- Atul Jaggi:** So I think while we have already shared that we had installed additional capacity, so in the sunroof business, but I think the current Kia model unfortunately continues to not do so well. So that is why even you have been seeing sort of a more, I would say, a flatter trajectory in the overall sales of Inalfa. So I think the capacity is available there for any future model coming in. But the current trend looks to continue even for the next year also.
- Moderator:** We take the next question from the line of Shubham Sehgal from SiMPL. Mr. Shubham your voice is not audible. It is breaking. Could you please fix that?
- Shubham Sehgal:** Yes, is it better?

- Atul Jaggi:** Much better, Shubham.
- Shubham Sehgal:** Yes. My first question was, so our railway business grew by almost 57% in H1. So could you give some more color? And is sustainable?
- Atul Jaggi:** Yes. So see, I think one, the overall number is both CV and railways put together, okay? So the growth that you see is basically in the CVR side, so it is CV and railway put together. The railway, yes, the growth has been quite good, but the -- you know the railway -- the top line is generally very small contributor there. So it basically depends upon the number of coaches that are planned to be added per year.
- So basis that, yes, we continue to enjoy a good market share there. It is mostly a distributed business, a tender-based business, but we continue to enjoy a good share especially on the Vande Bharat coaches and the Train 18 coaches, which are the latest ones. So with focus of the government continuing on the railways, we believe that I think this trend should continue. It may not be at that level. Again, it will purely depend upon the plan for the next year and the plan for the years ahead. But yes, we anticipate a continued growth in this segment.
- Shubham Sehgal:** Okay. Okay. Got it. My next question was that our 2 JVs with JINOS and SK Enmove. Firstly, what would be -- when would the commercialization begin for both of them? And in our SK Enmove JV, so we are into lubricating and functional fluid. So, I just wanted to know, does it in any way conflict with our Liqui Moly agreement?
- Mahendra Goyal:** Shall I answer...
- Atul Jaggi:** Yes. So maybe I think yes, you can answer, sir.
- Mahendra Goyal:** Liqui Moly is no more any arrangements actually. That was already finished almost 3 years back. So, there's no conflict because of that.
- Shubham Sehgal:** And the commercialization for the 2 JV?
- Mahendra Goyal:** Go ahead.
- Atul Jaggi:** FY '27 is when we are expecting. And obviously, something will start because for JINHAP, we need to set up a sort of a manufacturing location. So, we are expecting that to happen by somewhere, I think the second half of the next year. And post that, it will start.
- Shubham Sehgal:** Okay. So, for both JVs, we can expect the commercialization to start in FY '27 then?
- Atul Jaggi:** Yes so some -- see significant numbers would start flowing in by, say, start of '28 kind of a number, but something will say, start at the end of '27, but we can practically assume that in FY '28, I think we'll start seeing some reasonable numbers coming.
- Shubham Sehgal:** Okay. Got it. Just a question from my side. So, in our Anchemco, so we have a major aftermarket products, which we are selling in India. So, what would be the export scale up for this? Would we be eligible to sell these products in global aftermarket? Could you just provide some color?

- Atul Jaggi:** This question is related to Anchemco?
- Shubham Sehgal:** Yes.
- Atul Jaggi:** Anchemco. So Anchemco, there is no sort of restriction on selling anything for exports. Yes, the business is a mix of OE, OES and aftermarket business, and there's no restriction to sort of move out and start the supply on both...
- Shubham Sehgal:** So, we would be eligible to sell those products in the global aftermarket as well as well?
- Atul Jaggi:** Yes, we can, we can. The only thing is like a product like the diesel exhaust fluid now the transportation because you know it is a water-based product. So it is a very competitive product. So, the transportation plays a very, very important role in that. But theoretically, there's no stoppage on that.
- But yes, generally, you have to be closer to the sort of usage point. That is why in this particular case, for this product, you see smaller plants, but much closer to the customer locations and distributed across the country. So, because this cost plays a very important role. On the coolant and the other PU or the PVC kind of products, there's no restriction. We can do any export.
- Moderator:** We take the next question from the line of Amit Hiranandani from PhillipCapital.
- Amit Hiranandani:** Sir, my question is related to the sunroof business. So, I wanted to understand how is the traction present in the sunroof business? Any new order wins from key clients? Also, now the capacity is ramped up to around 400,000 units annually. So, what is the present utilization level?
- Atul Jaggi:** Yes. Okay. So, thank you, Amit. So, on the sunroof, I'll give you a little update now. In terms of the current capacity utilization, I think, as I said earlier, because the Kia Syros and the Alcazar have not sort of performed up to the desired level, while they are -- obviously Kia is now planning some updates, some exports for that particular model. We'll have to see how they pan out in the second half of the year or the start of next year.
- The capacity utilization continues to be exactly at the same level, and we have practically sort of idle capacity available, almost, I would say, a line, the second line is not utilized currently because of these 2 models not doing so well. So currently, we are at a much lesser utilization.
- In terms of new businesses, I think we have got a few RFQs, a few additional RFQs, which we are working on now, both with the local customers and the other customers, the Japanese customers there. One challenge that we have is that the current Creta business, which is the main business there, we have not been able to win the new platform that will come into the production in 2027.
- So now it becomes all the more important for us to sort of work and work on the new RFQs and win certain new businesses to fill up the gaps that may come the second half of 2027, assuming the model starts as per the timelines there. So, we are expecting sort of a flatter trajectory for the next couple of years, and we need to fill the pipeline moving forward.

- Amit Hiranandani:** Right. Sir so is it any kind of -- you have some Rs. 1,000 crores target revenue, right, by FY '30. So, any changes here?
- Atul Jaggi:** I think looking at the current situation, I think we may not be able to achieve that number by 2030. While as I said, I think there are multiple RFQs in the pipeline under discussion. But I think a more realistic number is that -- the aspiration continues to be the same, but I think we may see a year or a two -year delay into achieving that number. We are reworking those numbers, but maybe the 2030 number of Rs. 1,000 crores may not happen in 2030. There can be a delay of one or two years.
- Amit Hiranandani:** Just a follow-up question that's it...
- Atul Jaggi:** Amit, if you asked something after I spoke, we could not hear you.
- Amit Hiranandani:** Sorry, I was just saying that any kind of margin pressure you are seeing here, in the sunroof business?
- Atul Jaggi:** Not on the current products that are there, okay, because some work on the localization, et cetera, is also happening. So not in the immediate term. But yes, obviously, with multiple players now competing for the sunroof business with many new players getting added, yes, the business finally would -- any new business would come at a competitive price. So that we will have to wait and watch to see once we get the new businesses, but nothing on the current.
- Moderator:** We'll proceed with the next question. The next question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited.
- Sucrit Patil:** I have 2 forward-looking questions. You have given good guidance about the margins and everything. I just want to understand, looking beyond this quarter's strong numbers, what is the bigger plan for Gabriel as the auto industry shifts towards electrification and premium suspension module and global supply chain integration. How are you planning to build the lasting edge for the company? Beyond just segment growth or joint ventures, is there something deeper planned in like IT tech platforms or any innovation pipeline? Something that gives you the edge over your competitors?
- Atul Jaggi:** Yes. There's a lot of background noise, Sucrit.
- Sucrit Patil:** I will just mute myself, one second.
- Atul Jaggi:** Thank you so much. So yes, so I'll come to technology. On the premium models, yes, we see a clear market shift towards premiumization, while the overall numbers are increasing. So, the market is moving towards premiumization. And so is sort of our product portfolio also moving towards that because I just also shared, I will share an example of 2-wheeler, I think the market is clearly moving towards the inverted front forks, the upside down front forks, mono shocks, where the products are far superior in terms of performance.
- Obviously, the realization is also much better there. So, the market is moving towards that. Gabriel has also been significantly moving towards that. As I said, we recently won another

order from Yamaha for one of the platforms of inverted front forks. Our new business acquisitions with the other customers, including TVS being the largest customer for us continues there. And there are multiple discussions going on for that.

Now especially on the technology piece, as I think most of you are aware that 3 years back, we had set up a tech center in Europe. We have been investing a significant amount of money towards the technology upgradation, whether it is the next-generation products on the passive side or whether the -- on the electronic suspension side, I'm also happy to share that today, we are working on multiple POCs with customers, both on the 2-wheeler side, also on the passenger car side, on the technologies that I have shared.

And there's a clear tech road map available there. And we have been filing continuous patents on the new technologies that we have been developing, as I said, whether on the passive side, also on the active side there. So that journey continues. The investment continues. We have been continuously strengthening the team in Europe, both in Europe and India, especially with a focus on being ready for the future also in India, but also for the global market. So, I hope I have been able to answer. If any specific point is there, I can.

Sucrit Patil:

My second question to Mr. Mohit is again, a forward-looking one. When costs rise, whether it's raw materials, logistics or compliance issues, how do you make sure the margins stay steady without putting any pressure on the profits? Is there any system that you have built or you have put into place that quietly helps you keep the profits up even when things are getting sometimes out of control or something -- so yes, I just want to hear your view on this?

Atul Jaggi:

I think you have asked this question to Mohit, so I'll allow Mohit to answer. But before that, I'll just add 2 points, and then Mohit would add on to it. See, one is on the compliance part of it. So, on the compliance part, there is no -- it has nothing to do with the profitability per se. Compliance is something which is sacrosanct, which is mandatory. It has to happen, okay? So that is one.

Second, I think we have been mentioning about the Core 90 program where we look at all the aspects of the cost, and we continue to -- obviously, we continue to face various challenges. We continue to find some solutions to sort of handle those challenge and continue our journey. Rest, I think Mohit can add.

Mohit Srivastava

I think you have already covered compliance, no negotiations. And this is something which is being talked about in the town halls, in the induction program, in the very periodic reviews which we have. That is a very essential part of doing business within Gabriel. In terms of the profitability and of course, the couple of jerks which we face, we talked about MMAS turnaround strategy and the program which we have is CORE 90.

There, I think all the Gabriel leadership participates in terms of taking a certain target, factoring in the contingencies which might land during the way and then track the progress on a periodic basis.

And that has been the key in terms of sustaining the margins over the period of time, despite having now putting up a significant money in MMAS and also the kind of restructuring we are

doing also leads to certain expenses, but we are ensuring that through a very sustainable structured Core 90 program, we should be able to meet the expectations of the investors.

- Atul Jaggi:** See like any business, some expected, unexpected challenges keep coming, right? Like if you see -- take an example of Maharashtra, suddenly, there's a lot of pressure on the power tariff, which for a short term would be seen in the sort of variable cost because now the banking is not allowed for the renewable energy. So automatically, the tariffs go up, your electricity bills go up. But then you through the Core 90 program, you come up with certain more ideas and initiatives to sort of bring this back to a normal thing. So I think there's a good systematic approach that is available in the organization.
- Moderator:** We take the next question from the line of Suraj Chheda from 3P Investment Managers.
- Suraj Chheda:** Am I audible?
- Atul Jaggi:** Yes.
- Suraj Chheda:** Sure. Sir, my question is on the new Creta platform, which you mentioned, right? What is the timeline for this? Is it second half of CY '27 or FY '27?
- Atul Jaggi:** This is FY '27 -- '28. The second half of...
- Suraj Chheda:** 2H of FY '28?
- Atul Jaggi:** FY '28, yes.
- Suraj Chheda:** Okay. And so, this will be a 100% share of business for competition? Or how does it work in...
- Atul Jaggi:** So, there are 2 variants to it. One is the EV variant and second is the ICE variant. We continue on the EV variant, but we lost the ICE variant of this. Now EV numbers as of now are not as strong as the ICE variants. Let us see how it pans out in the next couple of years.
- Suraj Chheda:** Understood. And what is the key rationale for OEMs to switch because you are a very strong existing supplier for them. Is there pricing a key rationale for them? If you can highlight some color on those?
- Atul Jaggi:** It's very difficult to say because in a lot of these cases, sometimes the decisions happen more looking at the global businesses. Sometimes the decision happens at a very local level. So, it is not only -- sometimes it can be only competitiveness. Sometimes it is a combination of multiple other things there. So very, very difficult to pinpoint exactly what happens. But again, case-to-case basis, it may vary.
- Suraj Chheda:** Understood. And how is -- are you close to a breakthrough with any Japanese OEMs for sunroof business? So, if you can give some color in terms of over next 2, 3 years, are you expecting any good new high-volume models in terms of your sunroof business?
- Atul Jaggi:** No, definitely, as I said, I think there are multiple RFQs that are there. We have also made a sort of a separate team to work on the new business acquisition to create a business pipeline for this

business. Definitely, I think we expect to fill up. Now when it happens, which is the first customer that happens, we will have to wait and watch, whether it is the Indian customer or Japanese customer or any other customer. But we'll keep sharing the updates on a quarterly basis.

Suraj Chheda:

Sure, sure. The second question was on your stand-alone margin, right? So, before MMAS acquisition, you are targeting a double-digit margin, say, over a span of 1 or 2 years, right? I understand that with integration of MMAS, the margin profile has come off. So, what is the realistic target for you, say, by FY '28 in terms of stand-alone margin? Any ballpark range which you can give, maybe somewhere between 9% to 9.5% or you still hold on to that 10% target for you over the next 2, 3 years?

Atul Jaggi:

See, again, as we always have said that the aspiration, the target has been to go to a double-digit margin. We continue the journey towards that, on and off, some challenges would come, maybe some time needed for the growth of the organization because with MMAS, obviously, we add some customers, we add capacities, we add a new product there. And as we mentioned on it, the target is to sort of make it to a positive profitability by the end of the year. But looking at the next couple of years, there's no change in the target that we have set for ourselves.

Moderator:

Ladies and gentlemen, due to time constraints, which was the last question for the day. I would now like to hand the conference over to Mr. Atul Jaggi for closing comments. Over to you, sir.

Atul Jaggi:

Yes. Thank you. Thank you. So, I take this opportunity to thank everyone for joining on the call. I hope we have been able to address all your queries. For any further information, kindly get in touch with any of us or our Strategic Growth Advisors, our IR advisors. Thank you so much.

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.