“Gabriel India Limited

Q2 FY27 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day, and welcome to Gabriel India Limited Q2 FY27 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 do not guarantee the future performance of the company, and it may 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 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.

I now hand the conference over to Mr. Mahendra Goyal, Group CEO and Managing Director, for opening remarks. Thank you, and over to you, sir.

Mahendra Goyal: Good morning, everyone. A very warm welcome to all of you and thank you for joining the call today. And we'll take this opportunity to begin with an important strategic development for Gabriel India before we get into the operational review.

As a strategic initiative, on 6th October 2026, we signed a joint venture agreement with a company named Faurecia Automotive Seating India Limited, part of FORVIA, the global automotive technology group to establish Faurecia Anand Seating India Private Limited, which was subsequently incorporated on 19th October 2026. This represents another important step in Gabriel India's transformation into a diversified technology-led mobility solution enterprise.

The joint venture will focus on developing, manufacturing, supplying seat frames and complete seating systems for passenger vehicle, where Gabriel India will be holding 50% less 1 share and FORVIA will be holding 50% plus 1 share.

With this joint venture, we bring here FORVIA's global seating technology, product engineering, complete seat capabilities and manufacturing expertise with ANAND Group's strong relationship with Indian OEMs, extensive local operating footprint and deep understanding of the domestic automotive market.

Importantly, this partnership builds on the trusted relationship between FORVIA and ANAND Group in an emission control business that was going on before 2000. And with FORVIA, I think they acquired a partnership, this business globally sometime in 2009-'10. So while the business of emission control has been before 2000, but partnership with FORVIA is almost 2009 and 2010 onwards actually.

The venture is expected to benefit from access to FORVIA's wider seating products, engineering portfolio and to strengthen manufacturing supply chain and talent capabilities in India. The partnership is fully aligned with FORVIA's seating ambition to reach approximately 10% market share in India over the next 5 years as its first growth milestone.

For Gabriel India, entry into the passenger vehicle seating system is strategically important because it further broadens our product offering into a powertrain-agnostic category, strengthens our participation across the automotive value chain and provides a platform for long-term

technology-led growth. The JV reaffirms our stand that Gabriel would be the principal growth engine of ANAND Group's automotive business. So that continues.

Moving to our consolidated performance. Revenue from operation for Q2FY27Q2 stood at INR1,608 crores, reflecting a year-on-year growth of 23%. For half year, consolidated revenue stood at INR3,034 crores, registering a growth of 19%.

Consolidated EBITDA for Q2FY27 stood at INR141 crores, reflecting a year-on-year growth of 12% with an EBITDA margin of 8.8%. And half year consolidated EBITDA stood at INR265 crores, registering growth of 9% year-on-year with an EBITDA margin of 8.7%.

Coming to our equity-accounted investee companies, which includes Dana Anand India Private Limited, Henkel Anand India Private Limited, SK Enmove Gabriel India Private Limited, along with our new strategic investments in HL Mando Anand India Private Limited and HL Klemove India Private Limited, our share of profit before tax stood at INR48 crores in Q2FY27, reflecting a year-on-year change of 39%. For H1FY27, this stood at INR91 crores, which grew almost 24% year-on-year.

Importantly, the contribution from HL Mando Anand reflects only for a few days as the transaction took place on 11th September 2026. So result only includes very, very few numbers in the current quarter, those will start reflecting on the full quarter basis from the next quarter.

Consolidated PBT before exceptional item for Q2FY27 stood at INR148 crores, reflecting a year-on-year growth of 14% with a PBT margin of 9.2 % and half year PBT before exceptional items stood at INR281 crores, registering a growth of 10% year-on-year with a margin of 9.3%.

Overall, our consolidated performance reflects the contribution from operating subsidiaries, together with the share of earnings from our joint venture and associates under the expanded business structure. So it means that now onwards, actually, that our results are stand-alone Gabriel, of course, subsidiaries companies of Gabriel and also profit coming from associate companies, especially HL Mando Anand and HL Klemove.

Those will start reflecting from the following quarters on a full quarter basis. But this quarter, we had results from Henkel, Dana Anand and other subsidiaries basically. With the strategic investment undertaken through Project Rise and Project Jupiter, we continue to strengthen our presence across a wider range of automotive component and technology business. So those results will keep on moving now into our business.

I'm also pleased to announce that Board of Directors have declared an interim dividend of INR2.15 per share, having the face value of INR1 each.

With this, I would now request Mr. Jaggi to update you on the stand-alone Gabriel and also about the industry performance. And before Mr. Jaggi starts, I take this opportunity to wish you all a Happy Diwali. Thank you.

Atul Jaggi: Thank you, Mr. Goyal. Good morning, everyone and a warm welcome to all the participants on the call. Coming to the automotive industry, manufacturing activity remained quite strong during

the Q2Q2FY27. This was supported by the GST-led affordability, improving financing conditions and resilient rural demand supported with the festive season momentum.

Coming to the 2-wheeler segment, the production grew by 16.5% Y-o-Y in Q2 FY27, while overall production growth for H1FY27 stood at 19.5%. Scooters continued to outperform the industry, recording strong growth of 31% during the H1FY27, while motorcycle production increased by 14%.

Coming to passenger vehicles. Industry production increased by 25% year-on-year in Q2 FY27, while growth for H1FY27 stood at 21%. Utility vehicles continue to lead the segment, recording growth of 25% during H1FY27, reflecting sustained customer preferences for SUVs. Commercial vehicle production registered a very strong growth of 34% year-on-year in the Q2 FY27, taking the overall growth for the first half of the year to 25%. During the first half, LCV production increased by 27%, while the M&HCV production grew by 21%.

3-wheeler production also remained healthy, growing by 24% in Q2 and 30.5% during the first half of the year, supported by strong last-mile mobility and cargo transportation demand. Overall, the industry performance reflects resilient domestic demand and improving customer sentiment, although geopolitical uncertainties and volatility in crude oil and commodity prices remain important factors to monitor.

Coming to our Q2FY27 performance, as explained in the previous quarter, following the completion of restructuring, our financial results now reflect the expanded business portfolio of Gabriel India. During September '26, we successfully completed the allotment of INR1,000 crores of unsecured rated listed and redeemable NCDs through private replacement carrying an annual coupon of 8.15% with tenure for 3 years. This form part of our financing arrangements to support the company's strategic growth and expansion initiatives.

Coming to the stand-alone performance, revenue from operations stood at INR1,399 crores in Q2 FY27, reflecting a Y-o-Y growth of 23%. The performance was supported by demand across our core suspension business, aftermarket operations and contribution from the Anchemco business added to the restructuring, called as the fluid business.

For H1FY27, standalone revenue stood at INR2,673 crores, registering a Y-o-Y growth of 21%. Standalone adjusted EBITDA for Q2 stood at INR115 crores, reflecting a Y-o-Y growth of 15% with an EBITDA margin of 8.2%. For H1FY27, adjusted EBITDA stood at INR222 crores, registering a growth of 13% Y-o-Y with an EBITDA margin of 8.3%.

Stand-alone PBT before exceptional items for Q2 stood at INR89 crores, representing a Y-o-Y growth of 7% with PBT margin of 6.3%. For H1FY27, PBT before exceptional items stood at INR188 crores, registering a growth of 17% year-on-year with a margin of 7%.

I also take this opportunity to wish everybody a very Happy Diwali. And with this, I come to an end of my opening remarks. Now request the moderator to begin the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jay Kale from Elara Capital.

Jay Kale: Congratulations on your JV with FORVIA, the addition of new product. Sir, my first question is in terms of your Vision 2030 of INR50,000 crores. You seem to have multiple paths to reach there apart from organic and group consolidation, like new JVs, buying out companies, expanding product portfolio and existing group JVs as well. Which of these, according to you, is likely to be a bigger opportunity in the next 2 to 3 years, as per your discussions currently?

And also, any threshold the management has for these actions in terms of what return profile, margin profile, technology client access you would want from your addition of new products? How should we think about these likely opportunities?

Mahendra Goyal: Okay. So, I think considering our vision statement of INR50,000 crores in 2030, the current initiative which we have taken, especially in the current year, where we have added a couple of new joint ventures. Of course, one is HL Klemove India, another very recently on the seating side with the FORVIA Group. So I think these are the very, very important joint ventures with our journey of INR50,000 crores in 2030.

It's very difficult to share the numbers. As I said, it's a very, very important business aspects from these two businesses. Simply that they are high-value items. That is one. Generally, their product value could be, I would say, in the range of, for the passenger car, INR30,000 to INR50,000 per car set when it comes to the product value.

So that way, I think these businesses will have a good prospectus. And especially on ADAS side, as you will know that ADAS regulations are expanding in the industry, with the passenger car, with the 2-wheeler, 3-wheeler and of course, in the commercial vehicle. And I think that will give us more and more opportunities to grow our market in this segment.

And also the seating side, I think if you look at from the car perspective, it's very important that interior of the car is going to play a very key role in the growth from the product contribution side. So the seating is one thing that is -- primarily will add a lot of value from the technological changes point of view within the interior setup in the car.

So I think with these two joint ventures and of course, the way the Indian market has grown in the current year, I mean, for 2026, the growth which we have seen, it is taking us closer to our target of 2030. Of course, we are not there yet and for which we have a good time and good preparation to visit or achieve our strategic objective.

And from the technology point of view, I think we continue, as I said, that with the global players, so for ADAS, one of the global players, HL Group, Mando, which is dealing with the brakes and steering system and providing an integrated solution from the technology point of view, while the product will come from the different companies.

But from the technology point of view, it helps to integrate the technology in the HL system. And of course, FORVIA is one of the leading players in technology when we talk about the

seating. So as usual, we continue to work with the global players who are their market leaders in their field and that is what our vision, to bring technology or focus technology in the future.

Jay Kale: Next question is regarding the FORVIA Seating JV. You mentioned that the mechanisms portion is out of the JV and it will be supplied directly by FORVIA. If you could just give a broad sense of what is the content per vehicle and how much of that is in the JV and how much is not in the scope of the JV?

Mahendra Goyal: Yes. So I think when we talk from the customer perspective, we are going to quote for the entire seating system, which will include the mechanism part also. So roughly, if I have to share any number, maybe mechanism will contribute around, I would say, 15% to 20% of the car seat overall. And as far as the joint venture is concerned, we are the single face to the customer for providing entire solution.

And while in turn, we will be procuring mechanism from FORVIA's 100% owned company in India. . So as far as the business is there, we are 100% seating arrangement business. So FORVIA mechanism company will be the integrated supplier for the mechanism to the joint venture.

Jay Kale: Understood. Also, there are a few questions on your JVs, on your subsidiaries. If you've seen that PAT margins of some of the subsidiaries have been a little volatile, especially if you see Henkel. If you can just throw some light, is it got to do with some of the commodity pressures that we are seeing? Because while Dana performance has been good, Henkel has been a little subdued in PAT margins. Any seasonality over there? If you can just throw some light over there.

Mahendra Goyal: So there's no seasonality. It's only -- I think the business globally are impacted across India, all because of the commodity changes. And of course, there is the logistic increase. And of course, everybody is running behind the demand and trying to meet the customer demand very regularly . So that, of course, putting a lot of pressure on the logistic costs as well.

So it's not a seasonal kind of a thing. It is just a situation where there is a gap between the price recovery from the customer and the price cost, which we are incurring right now. So that is the only thing. So which is true to every business. The only difference in Dana is, Dana has a lot of exports. So we continue to take advantage of the exchange benefit, which is offsetting even the commodity impact.So otherwise, the challenges for the businesses are same, whether it is Henkel or Dana or Gabriel. But yes, there are certain advantages in certain businesses with respect to the exports that is benefiting and equating or offsetting the extra cost.

Jay Kale: Understood. Just one last from my side. As the...

Moderator: I'm sorry to interrupt. We may request that you return to the question queue for follow-up questions. The next question comes from the line of Amit Hiranandani from Phillip Capital India Private Limited.

Amit Hiranandani: Just following up from the previous participant on the seating business. Can you just explain basically more on the seating business because the competitive scenario looks to be very tough? And generally, each OEM has at least one core supplier in the seating business.

And secondly, also wanted to understand is the existing FORVIA business in India, whether it will be part of this JV? And is there any kind of royalty or a technical fee involved here?

Mahendra Goyal: Yes. Thanks for your questions. So again, as I said, it's a market where already players are there. And same way, I think this automotive industry market is growing as well. So that is one part of the business aspect.

Second part of the business aspect is that I don't want to say that somebody is having the technology or not in India, but we feel that company like FORVIA, the organization like FORVIA, which is a global leader for many, many years in this industry, while they were not in India, but they have been global players for many, many years.

I think we can differentiate in India with respect to the technology, which we should be able to take advantage vis-a-vis competition. . And I think when it comes to the complete seating management, we should be able to take good lead and also grab some market share in the growing market actually.

So we are confident because of the current technology available and the technology which company can provide in future. So that's what our confidence level of -- is still relevant in the business despite being so many players already in the market.

Now as far as I think technology is concerned, again, there is an R&D center in India. So most of the technology will be coming from India only. And there is, of course, a royalty fee payment for that. That is not unusual. That is very much in line with the business.

And as far as FORVIA is concerned, the FORVIA entire business related to the seating will be part of the joint venture, except the mechanism actually. So mechanism will continue to be separate as an entity. But from the customer point of view, it is an integrated solution which will be provided, including the mechanism.

So instead of buying -- having this part of the joint venture, mechanism will be bought from FORVIA 100% company and will be supplied to customers in India. Otherwise, all business related to the seating is part of the joint venture actually.

Amit Hiranandani: Just one clarification, sir. Are we going to set up a new plant for this JV?

Mahendra Goyal: Yes. We will have to set up the new plant for the joint venture. I think we are already starting this. We will be having plant in Chennai. And of course, we have plant in Pune as well.

Amit Hiranandani: Okay. Sir, second question to Atul sir. Sir, we have noticed basically there is a market share loss in the passenger vehicle shock absorber in the H1. And similarly, the growth in the commercial vehicles revenue is slightly lower than the industry growth. So can you please throw some light here?

Atul Jaggi: Yes. So I think this commercial vehicle, there is no degrowth. The growth purely on the CV side is exactly matching the industry growth because obviously, with the --more than 85% market share, that is bound to be in line with the market.

The numbers that you see, they also include the aftermarket and railway and I think other numbers are clubbed with the CV numbers. That is why you are seeing a change because last year, I think in this quarter, the aftermarket numbers were much higher, but because of a lot of pressure from the OEM this time, the aftermarket number, you don't see a similar growth there. So on the CV side, the numbers purely are matching exactly as per the market.

On the PV side, yes, you are right. I think the lack of growth is primarily on account of the passenger car, the smaller cars, because post the GST last year, the new norms, the small car growth has been much higher.

And I think there, the models where we are present, unfortunately, have not done so well as compared to the models where I think we have not been there. So it is more of a mix issue there in the PV side. But yes, we are lagging behind on the PV side in this quarter vis-a-vis the market side. On the CV, there's nothing to worry about.

Amit Hiranandani: And just last one question, sir. Anchemco is basically a better margin business and is still now a part of stand-alone entity. But we have noticed a drop in the EBITDA margin for last 3 quarters consistently. So…

Atul Jaggi: So, Amit, two things. One, Anchemco is a very small part of the business. Obviously, when you look at the overall numbers, the contribution is relatively smaller. Secondly, Anchemco also is not sort of immune to the changes there because their raw material is different where I think, say, urea, as an example, is a big raw material consumption for them. And obviously, the prices there also have fluctuated. The recovery is happening.

But as Mr. Goyal mentioned, that I think customer to customer, sometimes there is a delay. Unfortunately, in Q2, while everybody expected that the prices may soften up and obviously, the number would look much better, but the prices in Q2 also has shot up. So if there was a lag in the recovery, it continues even in the Q2 also there. So yes, otherwise, I think the fluid business is doing quite well.

Moderator: The next question comes from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equities.

Mumuksh Mandlesha: Yes. Happy Diwali and congrats on the healthy results and the recent seating JV announcement. Sir, firstly, just want -- we were reading like FORVIA has won some order on the PV side. Just want to understand for this JV, do you have some anchor order supporting this JV?

Mahendra Goyal: Yes. We have this business. This JV is formed with the existing business, which are there already won by the company, actually.

Mumuksh Mandlesha: Possible to quantify, sir, how big the order book would be there, sir?

Mahendra Goyal: I think it's difficult, but I think we look at -- it's a Volkswagen business, which will be coming along with the joint venture. So I think once the closing is done, we should be able to share the information rightly basically.

Mumuksh Mandlesha: Got it, sir. And secondly, sir, on the PV ADAS regulation draft, which has announced, just want to understand how one should look at the potential for the ADAS market and for the Klemove, sir.

Mahendra Goyal: See, that is what I was talking generally in our opening remarks. If you look at the ADAS technology, I think it's going to have increased enhancement from the existing regulation point of view, including the segments. I think the draft regulation is talking about not only passenger car, but also commercial vehicle and 2, 3-wheeler.

So it's a general way to answer that this market will grow. The ADAS business will definitely continue to grow in India. And our business will take advantage of this for sure because while our products are coming from the different companies, but it's technology is integrated within Mando Group. As you know, that ADAS products deal with the steering and the brake, both are part of Mando, globally a leader in these products. So I think that way, we should be able to also have an integrated solutions.

And yes, based on the current regulations, we are doing the complete product mapping in all segments, whether it is commercial vehicle and passenger car and of course, on the 2-wheeler and 3-wheeler side so that we can take more advantage in this revised notifications actually, basically. But in general, I think this market will continue to grow and we will continue to take advantage of it.

Mumuksh Mandlesha: Got it, sir. Lastly, sir, on the sunroofs side...

Moderator: I'm sorry to interrupt. We may request that you return to the question queue for follow-up questions. The next question comes from the line of Aditya Khetan from SMIFS Institutional Equities.

Aditya Khetan: Just a couple of questions. Sir, again, onto the ADAS market. Sir, when we look -- so before this draft also came out for ADAS, the market was already growing at 15%, 20%. And sir, how are we positioned in terms of growth, like 15%, 20% growth and considering our clientele profile, are we ready to tap and grow in line with the industry, or because we have a limited set of clientele, we might grow slightly lower?

And post this notification, like implemented by 2032, the growth would actually be higher of some 30%, 40%. So how well are we ready to tap this opportunity, sir? Just wanted to know.

Mahendra Goyal: So it's difficult to share any numbers specifically, but as we generally covered in our opening statement also that we see high prospective from this business in our target of INR50,000 crores at the group level. So that is some of the things which can answer that what is our expectation from this business.

And I think ADAS penetration is increasing overall. It has gone very, very significantly up in last 4, 5 years and which will continue to grow. I think we see this business definitely growing much more than what is the industry growing, as I think the more and more penetration will help. And we are already there in this market. I think this company, the joint venture which we

have, while we have participated now, but that has been in business for last 7, 8 years, especially in ADAS business.

So it's not a new start. It is a business which is already there, a company already growing, already manufacturing setups are there. So we will take advantage of all these existing facilities which are there, the technology which is available and the market which is already growing. I think, as I mentioned, even the size of the business -- product size is very, very large compared to our products which we normally have in other car. So all put together, I mean, we see high prospective from this business.

Aditya Khetan: Got it. Sir, my second question is on to the sunroofs. Sir, sunroof we have witnessed, like since last quarter, we have seen profitability has also ramped up, that one-off loss in volumes could have been recouped. So where are we standing today, sir, in terms of the volumes, like Phase 1 where it is operating, Phase 2?

And are we set to look out for new clients because some models also were not working on to the Hyundai side in our favor? Where are we standing right now and what is the outlook for the next 2 years?

Mahendra Goyal: I think from the business perspective, if we look at, nothing has changed for us right now, the performance is going on, except the market situation. So we continue to supply for the business, which we started this business 2 to 3 years back.

And of course, there are certain models which did not pick up, especially the AYI. So that did not pick up. But yes, after that, we have added a few of the new businesses, which are continuing. BC4 has already started, BC4i and BC4T. So that is already in the commercial production now and we started the supply.

And of course, we have another business, which is already in hand, AI4. So that will come up in next year. So I think the business is growing as of today. Yes, last quarter was slightly difficult because of -- there was a fire in one of the plant of Hyundai supplier, which derailed the complete business for Hyundai on which our sunroof is going on. So that is one to deal with Hyundai and Kia.

And of course, we continue to bid for other businesses, especially for other customers like Tata and Mahindra. And as soon as they materialize, we will think about the capacity expansion basically. It could be, depending on the customer, we will have this capex incurred on this basically, or the capacity relocation may also happen basically.

Aditya Khetan: Okay. Sir, one last question…

Moderator: I'm sorry to interrupt. We may request that you return to the question queue for follow-up questions. The next question comes from the line of Radha Agarwalla from Motilal Oswal Financial Services.

Radha: In the FORVIA Seating business press release, it was highlighted that Gabriel will be acquiring the Faurecia India seating business on a slump sale basis. So that business is currently doing a

revenue run rate of INR250 crores with margins of 10%. So out of this, as the seat mechanism will be excluded, sir, how much revenue and margins will be included in the Gabriel India business and from which quarter should we do that?

Mahendra Goyal: So right now, the closing is going on. As I said, I think the exact number we will be able to share once the closing is done. I think we are targeting to complete the closing by December end. But I think as a business, the agreements are already in place. So whatever business is there other than the mechanism, all will be transferred to Gabriel India.

And I think it will be transferred the way it is. If the margin is 10%, it will be transferred at 10%. But we are not talking anything with respect to the mechanism. We are talking primarily with respect to the frame business, and that will be transferred to Gabriel India. So that could be a business size of around INR150 crores or so basically.

Radha: Understood, sir. Sir, secondly, could you give us some color on the new order wins in the HL Mando and Klemove businesses? And what kind of growth rates are you expecting for these 2 businesses separately for the next 2 years?

Mahendra Goyal: Okay. So HL Mando is expanding its activities actually. So definitely, they will be growing ahead of market or better than market, I'm sure. It's difficult to say how much better. But yes, as you know, that primarily the company, of course, almost 60%, 65% is related to the Hyundai and Kia.

So that is going on completely. We are expanding our reach. With Tata Motors, we are extremely doing good. And we started our entry with Maruti Suzuki also. We are already in with Mahindra & Mahindra.

So as far as the company base is concerned for the HL Mando, we are there with everyone now. While the company started with Hyundai, Kia only, but now we are with everyone. So that is -- definitely will start reflecting in the growth number. And of course, from the HL Klemove point of view, HL Klemove was already present, as I said, in the market. So we are already there with Hyundai.

We are already there with Tata Motors. We are already there with Mahindra & Mahindra. And of course, now we'll start expanding our penetration with other customers like Maruti Suzuki actually. So that will give us some entry. So I think in a nutshell, we should be doing definitely better than the market in both these businesses.

Moderator: The next question comes from the line of Amit Hiranandani from Phillip Capital India Private Limited.

Amit Hiranandani: Sir, just need the capex outlook for the consolidated business for FY27 and annual run rate one can expect for coming 3 years.

Mahendra Goyal: I think generally, the capex is again capacity driven and many, many things are there. But we feel that we should be able to at least continue spending on capacity and also many things to deal with the new plant, and also, I think with respect to a lot of improvement in the plant. So

we expect that our capex should be always running between INR1,000 crores to INR1,500 crores on a consolidation basis.

Amit Hiranandani: Okay. And sir, any concerns on the sunroof businesses so far because the margins look to be very depressed in H1?

Mahendra Goyal: So I think I just shared it. Nothing has changed as such. From the sunroof business point of view, the situation has been better as compared to the last year. As I said, that we have new business already in place. And -- so nothing has changed.

And margins are impacting. I mean you know that everybody is expecting in today's time because of the commodity change and of course, the forex, they are not favorable. And we continue to work with the customer and try to get recovery, but I don't see any other impact on the business actually.

Amit Hiranandani: Just last one, sir, on the sunroof, sir. On the Creta side, till what time we have Creta with us? And from FY28, what models we will be supplying to Hyundai, Kia?

Mahendra Goyal: So I think as Creta seems to be phasing out next year by Hyundai, but we will continue to supply the EV model of the Creta. So that will continue. And other than we continue to supply on AYI PS7i, BC4i and of course, the new program's, which will also come up in future on AI4 side.

Moderator: The next question comes from the line of Nishant Jain from Anand Rathi.

Nishant Jain: So my question will be regarding sunroof. So can you update on the recent BAYON model and how are you expecting as it is a mix of both panoramic and half sunroof? And also on the exports to other Hyundai plants globally.

Mahendra Goyal: So BAYON model, I think if we look at overall, it is just launched actually. So as far as the customer is concerned, customer is right now, of course, building their stock. So therefore, the current offtake will be high. But of course, once it is launched, generally the monthly rate reduces.

But when we look at from the customer perspective, most of the business is with respect to the panoramic sunroof, which is around 75% to 80%. So that will be supplied by us. And so they are talking from the customer perspective, we understand they are talking almost 100,000 number of car per annum, which will include around 60% for India and 40% for out of India actually.

Nishant Jain: Okay. And any new update on new order wins and any new model ?

Mahendra Goyal: So as I said that next year, we will have Ai4, which will be coming for the production. So that will have significant volume and we are currently in the bidding position with other customers.

Nishant Jain: Okay, sir. And sir, one more question.

Moderator: I'm sorry to interrupt. We may request that you return to the question queue for follow-up questions. The next question comes from the line of Jay Kale from Elara Capital.

Jay Kale: Just one question. Like, if I see actually in HL Klemove financials, the ROE, ROCEs currently are around sub-10%. How do you see this shaping up going forward with the expansion of new customers and growth in this segment? Where should we expect this to settle?

Mahendra Goyal: I think generally, our businesses are making good ROI actually. So obviously, it is the initial phase. As you said, that capital investment are in place. We have invested heavily in last couple of years. So once we are able to utilize this capacity, I think, as again, it comes to the future number, which is difficult to share, which I said that this company will have a significant growth that will help us to improve the ROI as they utilize the capacity basically.

Jay Kale: Okay. So is it fair to assume it will at least be at the current company average at a steady-state basis?

Mahendra Goyal: Sorry, I didn't get your question.

Jay Kale: Is it fair to assume that it will at least trend towards the company average on a steady-state basis?

Mahendra Goyal: Yes, of course. As I said, generally, these are -- we don't compromise on the ROI. It is a temporary phase because of the investment already done. Definitely, they will be on the company average side for sure.

Moderator: The next question comes from the line of Vayun Jain from Bajaj Alts.

Vayun Jain: So, most of my questions are answered. So a very quick question on the highest growth segment, specifically on the sunroof and electric 2-wheelers. So historically, we have held a high market share in these. So given the evolving subsidy landscapes and some competitive dynamics in the EV space, are we seeing any pressures on our realization or order books in this?

Atul Jaggi: On the 2-wheeler space, no, I think the order book is quite strong. We continue to win more orders. Just to share with you, I think last month we started the supplies for the Bajaj Chetak model, which was missing in our portfolio, or the Bajaj EV portfolio was missing. We have started the supplies there also.

We have a good business pipeline with most of the customers and, especially, I think a lot of them are getting into new models and ramp-up phases. So I think we are quite well placed on the EV side, so on the 2-wheeler side.

Vayun Jain: And sir, on the sunroof side?

Atul Jaggi: On the sunroof, I think Mr. Goyal has already mentioned that in addition to the old models, the BAYON, the start of production is just happening. Our last quarter was a challenge, as I think everybody knows that because of the unfortunate incident in one of the suppliers. Can happen in the industry. But I think the BAYON, the initial booking, initial feedback is quite good.

Let us -- we have to wait and watch. And as I think a couple of times, Mr. Goyal mentioned, next year, we are seeing -- we are looking for one more SOP. So, I had shared earlier that there is a business pipeline with Hyundai and Kia and obviously, they will come into the different phases of production in the next year also.

Moderator: Ladies and gentlemen, we will take this as the last question for today. I now hand over to Mr. Mahendra Goyal for closing comments. Over to you, sir.

Mahendra Goyal: Thanks, everyone, for participating. Hope we are able to provide answers to all of your questions. And in case, of course, if anything is missing or any more clarification is required, please connect with our investor cell, and I'm sure that we should be able to take up your questions and provide all the clarification as may be needed by all of you.

So, there is nothing special to add. I think we are in the festive mode. The auto industry continues to do very, very well. And we are all, today's time, having a lot of pressure on the supply. So we continue to fulfill customer requirements. And on this festive note, again, take this opportunity to wish you Happy Diwali and maybe see you -- some of you soon in the near future. 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.