



November 3, 2024

Listing Department

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor

Plot No. C/1, G Block,

Bandra Kurla Complex, Bandra (East),

Mumbai – 400 051

ISIN No. INE526E01018

Company Symbol: SHRIPISTON

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

Dear Madam/Sir,

With reference to the captioned matter and in furtherance to our earlier intimation letters dated October 23, 2024, and October 28, 2024, regarding the schedule, investor presentation, press release and Audio Recordings of the “Earnings Conference Call” of Shriram Pistons & Rings Limited (Company) and in compliance with Regulation 30(6) read with Schedule III and other applicable provisions of the SEBI Listing Regulations, please find enclosed the transcripts of the “Earnings Conference Call” on Unaudited Financial Results for the quarter and half year ended September 30, 2024, held on Monday, October 28, 2024 at 6:00 p.m. (IST).

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

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

Thanking you.

Yours faithfully,

For **Shriram Pistons & Rings Limited**

(Pankaj Gupta)

Company Secretary & Compliance Officer

ICSI M. No.: F4647



SHRIRAM PISTONS & RINGS LTD.

**“Shriram Pistons & Rings Limited
Q2 & H1 FY25 Earnings Conference Call”**

October 28, 2024



SHRIRAM PISTONS & RINGS LTD.

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



Moderator: Ladies and gentlemen, good day and welcome to the Shriram Pistons & Rings Limited Q2 & H1 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

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

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

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

Krishnakumar Srinivasan: Thank you, Siddhant. A very good evening everyone. On behalf of the Company, I would like to express our sincere gratitude to each one of you joining our Q2 and H1 FY25 Earnings Call today. Our “Investor Presentation” and the “Press Release” have been uploaded on the Company's website and the stock exchanges, and we hope you all had an opportunity to go through the same.

I am very happy to state that we have continued to deliver a strong overall, consolidated performance, as our total income recorded at 17% year-on-year quarterly growth with EBITDA and PAT growing by 15% and 11% respectively. This growth is a testament to the robust demand for our high quality products and our relentless pursuit of operational excellence. The first half of the financial year has also been very positive for us, marked by growth in the top line as well as the bottom line. Here again, the year-on-year growth is around 17% on the total income and 16% on the EBITDA. We have also delivered a strong sequential performance, with consolidated top line growing by 5% quarter-on-quarter, and EBITDA and PAT growing by 9% and 7% respectively.

We have been able to deliver growth in the business despite the challenging market conditions that the entire automotive industry has been facing for the past few quarters. While the passenger vehicle and commercial vehicle segments faced pressure during this quarter, posting a low single digit growth, the three and two-wheeler segments continue to grow amid strong rural demand as well as a steady replacement demand. The global automotive market has also reported muted numbers driven by a significant downturn in EU production volumes. The continuing war



situation in Ukraine and Israel is still making the situation quite non conducive for the business growth in Europe. Due to the geopolitical situation, while we see pressures on our export sales, the Company has really done well to identify newer markets and service it so as to offset the drop in the export volumes.

We are also actively pursuing a range of strategic initiatives aimed at broadening our product offerings to include technology backed components suitable for internal combustion engine (ICE) and alternate fuel solutions such as hybrid, hydrogen, compressed natural gas, the HCNG, LNG, flex fuels and biofuel systems. This approach is designed to ensure sustained long-term growth and to mitigate risks arising out of the changing business landscape.

As part of our diversification strategy, we have expanded into electric vehicles mobility solutions and the production of high precision injection molded parts, through our acquisition of SPR Takahata and SPR EMFi. Which have both started making significant progress within their respective domains and sectors. The construction of our plant at Coimbatore for SPR EMFi is going on in full swing, and I am very happy to state that the plant will be operational by April 2025.

Going ahead, we anticipate that our business segments, including aftermarkets segment, will sustain a decent performance in the coming quarters. We also expect the industry demand to recoup driven by the festival season currently underway. We intend to capitalize on our extensive industry expertise and our distinguished position as a leading manufacturer of our products in India. We will continue to remain focused on adeptly steering through the challenging market dynamics while trying to deliver a sustained positive performance.

Now let me quickly take you through the key “Financial Highlights” for the Quarter:

Beginning with the consolidated performance:

Our Company registered a year-on-year growth of 17.1% culminating in a total income of Rs. 9,069 million for the quarter and increased from Rs. 7,746 million reported in Q2 FY24. Our EBITDA witnessed a growth of 15.3% year-on-year reaching Rs. 2,083 million in Q2 FY25. EBITDA margin stood at 23.0% levels even with the changing market dynamics. The profit after tax for the quarter saw an 11.4% year-on-year increase amounting to Rs. 1,259 million during Q2 FY25 compared to Rs. 1,130 million in Q2 FY24.

We also delivered a strong sequential performance, with total income increasing by 5.0% quarter-on-quarter, EBIDTA up by 8.6% and PAT growing by 7.4%.

For the H1 period in the consolidated performance, our total income grew by 17.2% to Rs. 17,703 million from Rs. 15,101 million in the same period of last year. EBITDA for the period was at Rs. 4,001 million, up 15.7% year-on-year from Rs. 3,458 million in H1 of FY24. Our EBITA margin for H1 FY25 was at 22.6% and PAT was reported at Rs. 2,430 million in H1 of



FY25 as against Rs. 2,145 million in H1 of FY24. This again has registered at 13.3% growth year-on-year.

Now coming to the standalone performance of SPRL.

Our Company registered a year-on-year growth of 6.5% culminating in the total income of Rs. 8,230 million for the quarter, an increase from Rs. 7,728 million reported in Q2 of FY24. The EBITA witnessed a growth of 8.0% year-on-year reaching Rs. 1,958 million in Q2 FY25. EBITDA margin stood at 23.8% slightly higher than 23.5% in the corresponding quarter of the previous year. The profit after tax for the quarter saw an 8.7% year-on-year increase amounting to Rs. 1,246 million during Q2 of FY25 as compared to Rs. 1,147 million in Q2 of FY24. The PAT margin also stood at a 15.1% as compared to 14.8% in the same quarter of the previous fiscal, a slight improvement of 31 basis points.

Just to highlight, even with the tough market situation, our Company has registered a very positive growth quarter-on-quarter with Q2 total income growing by 4.8%, EBITDA growing by 8.4% and PAT growing by 9.0%.

For the H1 period, the total income grew by 6.9% to Rs. 16,085 million from Rs. 15,050 million in the same period of last year. EBITDA for the period was at Rs. 3,765 million, up 8.4% year-on-year from Rs. 3,472 million in H1 of FY24. EBITDA margin for H1 FY25 was at 23.4% as against 23.1% of H1 FY24. PAT was reported at Rs. 2,390 million in H1 of FY25 as against Rs. 2,181 million in H1 of FY24 registering a growth of 9.6% year-on-year. PAT margin in H1 FY25 was at 14.9% as compared to 14.5% in H1 of FY24.

All this was on a backdrop of a very, very tough market situation and a very tough export market situation due to the current geopolitical situation in the export market. So, under these circumstances, overall our Company has continued to register a very robust performance in all respects.

So, with this, I end my initial talk, and I request the moderator, Mr. Siddhant, to open the floor for questions. We will be happy to answer your questions.

Moderator:

Thank you very much, sir. We will now begin the question-and-answer session. Our first question is front line of Nandan Pradhan from Emkay Global Financial Services. Please go ahead.

Nandan Pradhan:

So, my question is around the second half expectations that we have put out in the press release. So, from the channel checks, we understand that the retail as on date have been flat for the PVs, for the two-wheelers as well, they are doing relatively better, but not so great. So, going forward, there are a lot of comments around the OEMs also cutting down the production. So, I just wanted to understand, how do you see that panning out for you as a Company in the second half of the year. Thank you.



Krishnakumar Srinivasan: So, Nandan what you said is absolutely right. We do see our OEMs a little concerned on their overall numbers, but they are still projecting at least low single digit growth numbers. We have been also quite successful in improving at least in some cases with our constant strategy of supporting the ICE segment markets, we have been able to also get some new businesses, which is really helping us out. And at the same time, we expect a slight improvement to happen in the export business, coming primarily out of into newer domains that we have been trying to develop the markets, which is going to help us in the second quarter. So, we still expect to do better than the market, we want to outgrow the market. This time also, if you really see while the markets have been roughly in the region of around the weighted average growth is over 3%, 3.5%. The Company has actually delivered a 7% improvement in its numbers, which is outgrowing the market by almost 100%. So, we want to continue to do that, and that will be done by different, penetration levels, number one and number two doing a lot of outreach programs that we have for our aftermarket business.

Nandan Pradhan: So, if I may squeeze in another question.

Krishnakumar Srinivasan: Yes, go ahead Nandan.

Nandan Pradhan: So, the Bajaj two-wheeler CNG, if I am not wrong, we would be the suppliers right for the Bajaj Freedom 125?

Krishnakumar Srinivasan: Yes, we have the single source.

Nandan Pradhan: You are the sole supplier, correct. So, I just wanted to understand how has the response been to that product particularly, because from what we see, the retails have not been picking up as much as probably the Company wanted to. So, how is the outlook for that in the second half again?

Krishnakumar Srinivasan: No, the outlook is extremely good. In fact, you might have seen the commentary from Bajaj, where they are saying that their sales, the growth of sales in the Freedom 125 has been quite good, and they expect it to continue. So, our schedules have been quite good, and the offtake has been quite impressive.

Moderator: Thank you. Our next question is from the line of Priyam from IND Value Capital. Please go ahead.

Priyam: So, this is something related to the industry. Where we see passenger vehicles and commercial vehicles, these two segments have been facing a bit of pressure while we are seeing on the other hand, two-wheelers and three wheelers are doing good. So, what are your views, how the industry would be shaping up in the coming quarters?

Krishnakumar Srinivasan: Yes, Priyam. See, basically it's a lot of crystal ball gazing that is going on around the overall situation now. But to tell you frankly, as you rightly said, the passenger vehicles and the commercial vehicles have low single digit numbers growth as far as what we see now in terms of volumes and with the current situation of the stocks and other things across the country, we



don't expect it to drastically change over the coming months. But the good part is that the two-wheelers are growing quite well, and we are present in all segments. As you already know, the tractors are doing well. And we are also seeing some increased numbers coming for commercial vehicles, the medium commercial vehicles, and the small commercial vehicles are showing some improvement. So, we are getting some improved numbers from our customers now, which is going to really help us to perform better in our coming quarters. And at the same time, we are also focusing heavily to improve our sales in the aftermarket segment, which is also growing quite heavily for us. And we are also quite hopeful that some of the export markets, which had slowed down in the last two quarters, have actually exhausted most of their stock, and they are coming back to us for improved stocking. So, we are sure that that market is also going to help us in the coming quarters.

Priyam: So, on a, just to add it up, as you mentioned the export one also. So, the quarterly run rate, what we are doing is +800. So, do you feel that that, that run rate would be able to be maintained for the coming quarters?

Krishnakumar Srinivasan: Yes, we are hoping to maintain that.

Priyam: Okay. And if I am allowed, can I take one more question with regards to the industry again?

Krishnakumar Srinivasan: Yes, fine. Priyam go ahead.

Priyam: Sure. And this is with regards to the current shift what we are seeing in the passenger vehicles. So, earlier we were seeing electric EVs, picking up. But now there is a concept of hybrid engines. So, just wanted to understand whether we are present in that segment also hybrid, and we have made some investment towards that segment also?

Krishnakumar Srinivasan: See hybrid actually, what happens with hybrid is that, most of the customers downsize the engine a little bit and also add the electric motors. So, for us, since we are present in both the ICE as well as the electric motor industry, is the best of both the worlds, so for us, it's like getting the business for hybrids also, and for electric motors also. And luckily for us, with major hybrid engines that are being manufactured today in the country we are already present. And we are also talking and doing multiple validations with multiple customers. Unfortunately, I can't give the names, but we are very well present in the hybrid engines all across the country and also globally. And I am happy to state that even on the motors, we are getting a very good traction. So, that's how we are actually trying to grow the business.

Priyam: Okay. So, would it be a safer assumption that in the coming quarters, or in the coming period, let not define quarters, in the coming period that we may see that the hybrid share also inching up?

Krishnakumar Srinivasan: What share?

Priyam: The hybrid thing also?



Krishnakumar Srinivasan: The hybrid sales are already quite, we already have a good hybrid sales today.

Moderator: Thank you. Our next question is from the line of Pradyumna Choudhary from JM Financial Family Office. Please go ahead.

Pradyumna Choudhary: So, my first question was, if we look at our performance versus industry, clearly we have really, really outperformed the industry, especially if we compare it to the passenger vehicle growth numbers. The industry was, flattish during the quarter Y-o-Y. So, what would be the bigger factors leading to this outperformance, could it be due to growth in other segments, like the two-wheelers or would it be some market share gains happening in passenger vehicles or maybe just that, some of the OEMs we are present in within passenger vehicles have done better than the industry, if you can just give two, three bigger factors which would have led to this outperformance?

Krishnakumar Srinivasan: So, primarily Pradyumna, the major factor for our outgrowth is coming out of the fact that we are present in multiple segments. So, we have performed quite well, also in the two-wheeler segment we have a fairly good presence there and our aftermarket performance has also been quite good, and some of the entries into different segments of business, which we had actually done in the previous year, where we had got the businesses, have actually given us slightly better volumes, like snowmobile applications, compressor applications and others, which has actually given us improved results. So, a combination of multiple things has actually resulted in this outperformance.

Pradyumna Choudhary: And sir, so this side of our venue grew by 17% against flattish volumes in EV, if this was supposed to continue the volume trend in the industry. So, how confident are we that we will still be able to, maybe a bit different is fine, but we will be able to sustain such kind of outperformance, are we fairly confident we can continue on this trajectory?

Krishnakumar Srinivasan: No, what happens is, luckily on the consolidated basis, we have other businesses which are also performing quite well, and they are into other segments of the product, the product lines are into different segments of market, like for example Takahata also supplies other than the automotive industry also outside. And we also have some business in the auto industry going into different applications. So, as a result, our push is to grow in those businesses and ensure that on a consolidated basis we are able to deliver better numbers. So, while I cannot directly say that we will grow by 17% next quarter also and in the next half also, but we certainly see that we will try to perform, give a robust performance.

Pradyumna Choudhary: Understood. And one question was, I see that we do not really share the segment wise revenue split in terms of two-wheeler contribution, in terms of passenger vehicles and all. So, could you give a very broad level sense on the revenue segment base for us?

Krishnakumar Srinivasan: It is more or less in line with the respective segment growth. You will see that the kind of figures that you see in two-wheeler growth, two-wheeler is growing by almost 15%, 16% so that's a



representative number for us as far as the two-wheeler supplies are concerned. So, naturally, it is in related to the respective segment growth.

Pradyumna Choudhary: No, the revenue split sir, not the growth number, more on the revenue contribution by different segments. Revenue contribution for us, from two-wheelers, from passenger vehicles, from commercial vehicles.

Krishnakumar Srinivasan: Normally we don't give those numbers Pradyumna, so you will have to bear with me that our contribution numbers are fairly representative of our overall growth numbers.

Pradyumna Choudhary: All right and last question from my side could be, if some sense on the realization for our product across maybe two-wheelers and four wheelers, very, very rough sense?

Krishnakumar Srinivasan: I couldn't get your question properly, the line is not very clear.

Pradyumna Choudhary: I am just saying, if you can give a very rough sense on the kind of realization our product commands in the two wheeler industry and in the four wheel industry, just some very rough range of realization, not even the numbers?

Krishnakumar Srinivasan: You can easily derive that by the overall, you know the suppliers who are there in the industry, and the kind of turnover we do, and the kind of turnover others do. You can get a rough idea of what is our share of the business that we have. So, we command a fairly good presence in almost all segments of the business, whether it is two-wheelers, whether it's passenger car, whether it's commercial vehicles, tractors almost everywhere. So, we also, luckily for us we made a very concerted choice or a very clear choice of entering into different segments of the business which are very different to the automotive segment. So, which is like, the compressor business, the snowmobile applications, the lawnmower applications, etc., which has also given us a fairly good volume.

Moderator: Thank you. Our next question is from the line of Sahil Sanghvi from Monarch Network Capital. Please go ahead.

Sahil Sanghvi: Just wanted to understand sir, would you be able to give us the revenue split, which you have given on slide number #10 for this quarter, like in terms of aftermarket, exports, OEMs, non-automotive application?

Krishnakumar Srinivasan: So, normally we don't give those breakups because it's very business sensitive information and it can really affect us in the coming months, so we have to be very careful, so we are unable to give that number.

Sahil Sanghvi: Okay. But any kind of growth you can give on the aftermarket or exports front, or that also you can't?



Krishnakumar Srinivasan: No, we can't, because I can only say that our presence in the aftermarket is, we have been able to cover the entire country, but still there's a huge possibility to grow the business. So, it's all about how we can penetrate and reach every city and every small place that sells the products into the aftermarket. So, we have to continue to outreach and grow our reach across the country and we have been continuously doing that.

Sahil Sanghvi: Right sir, and you have commented on the export market that the demand appears weak on one of the slides. So, if you can, just throw a bit more light over there. Would that impact our, growth or revenue numbers?

Krishnakumar Srinivasan: No, as I said the Company is well positioned to offset some of the losses that it has in one segment by outperforming the other segment. So, we have continuously, always tried to deliver that way and as you can see, while the last two quarters also the export has been badly affected primarily because of the geopolitical situation. The teams have actually done well in the other segments and have been able to recover a good amount of sales and outgrow the business.

Moderator: Thank you. Our next question is from the line of Abhishek Shah from Ambit Capital. Please go ahead.

Abhishek Shah: I had a couple of questions, firstly on the margin, so as I can see standalone our margins seem to have improved. However, on a consol basis, we have seen a slight margin contraction. So, any insight or any color that you can give on that. And my second question is on the debt, so we do still carry a reasonable amount of debt on the balance sheet, and we also have, a larger cash balance. So, any plans on repayment or how are you thinking about that. Thank you.

Krishnakumar Srinivasan: Abhishek, basically as far as margin is concerned, don't compare the 0.3%, 0.5% difference. But, on the standalone basis, as well as a consolidated basis, we are amongst the top performing companies in the country in the auto component industry, with regards to the overall, our EBITDA margins. So, even on a consolidated basis, when any Company, when it does a consolidation of multiple companies across segments, you will see some small variations in the same. Even last year if you had compared you would see that the variation was there in the consolidated basis, but it is all at the fairly good level of EBITDA margins on a consolidated basis across the country. So, we are only improving there, and there is no reason to be very concerned, number one.

Number two, as far as your second question is concerned, related to the loans, as you realize it is important for us to ensure that we make the best use case of all the working credits and other things that we get from the banks, and we try to maintain that. And that is how you will see that year end figure of March 24 to now also, there is hardly any change a small addition is there, there is more based on the current situation. So, we are not too concerned about the overall debt. The debt-equity ratio remains almost the same level of 0.17x, so we want to ensure that we are not missing out on any opportunity of getting debt at the right interest rates.



Moderator: Thank you. Our next question is from the line of Prateek Sen from Dexter Capital Advisors Private Limited. Please go ahead.

Prateek: Sir, can you provide me insights into the current demand trajectory and market size for EV motors and controller systems. And what growth are you expecting in coming years from this segment that is EMFi?

Krishnakumar Srinivasan: That's again a very interesting question. As you know when you hear that the hybrids are going up, and the overall your numbers in ICE vehicles will continue to grow for some time. Obviously, the other affected party is going to be the EV segment. But luckily for us, it's again as you know it's a sunrise industry and we do see the overall demand continuing to grow continuously in more than big double digit numbers, primarily because the base is small. Now, if you really analyze, the country will demand let's only talk about two-wheelers. The country will require almost close to, let's say 20 million, manufacturing 20 million two-wheelers, of which, let's say 10 million vehicles will become electrified over a period of next, maybe seven, eight years, 10 years' time, and 10 million motors will be required. The whole country today manufactures not even more than one million motors. So, there is a 10x demand that is standing in front of us. So, we have to continue to grow the electric motor industry which will continue to grow on a low base. So, we see lot of opportunities for us to grow in this segment. We are doing all the right investments to be ready, as you know that we are putting in a lot of investment in the Coimbatore factory. We have put up a brand new facility there, we have very sophisticated lines, we have test centers which does multiple testing during efficiency of the motors right up to and all the toxic curves. So, it is very good investments that we are doing for the future of that business. And it has to grow, there is no other way. It can only go Northwards rather than Southwards.

Prateek: Okay. And are we initially focusing more on two-wheeler and three-wheelers?

Krishnakumar Srinivasan: Yes, the whole industry is focusing on that area. So, we naturally will focus there only.

Moderator: Thank you. Our next question is from the line of Neil from Value Quest Advisors. Please go ahead.

Neil: I have questions on both the subsidiaries that we have. So, firstly, on the motor side, so the new plant that we are setting up, what kind of capacities can we expect, so what capacities we have now, what is the utilization, what is the expansion plan and do we have any orders from four wheeler players and just additionally on the same subsidiary, since we are seeing a lot of players enter this category of two-wheeler motors, three wheeler motors, what would be our right to win in this segment?

Krishnakumar Srinivasan: See, let me explain this, it is very important for us to understand this two-wheeler business. The two-wheeler market is going to be quite huge, as I explained just now. And the players who will play in this segment are the players who will be able to produce quality products. Now we have focused on ensuring that we are able to really deliver the right results to all our customers. Now,



if you really see, because of the push by the PM Schemes including the subsidies, it has become necessary for people to ensure that they get all the ICAT approvals, to be able to deliver the right and ensure that the localization content and everything gets ratified, to be able to get the subsidies for the customers for the end customers, otherwise you don't get subsidies. So, because of all this, there are number of players there are, you rightly said the number of players are there, but they are all operating on a very, not on a organized segment, rather they are operating on the unorganized segment and on the organized segment you really see very few numbers now because of these guys spilling over, primarily because they are just trying to import most of the products from other countries and just assemble and give it here, which is not going to work with the kind of content requirements that the government has laid out. As a result now it has become necessary that only those who have actually done good amount of localization can survive. And we have always focused on localization. So, luckily for us, we are over 90% localized. So, we don't see any reason why we should not be actually winning more businesses, and improving our share of business in this segment. So, we are continuing to do that almost every day we are doing this, and we will see all those numbers improving as the overall market starts picking up for the EV segment. And I think it's going to be very soon.

Neil: So, what would be our rough capacity that we have annual basis and utilization that we are doing right now?

Krishnakumar Srinivasan: We don't give those numbers Neil, I am very sorry, we don't want to give these numbers because obviously it is all been tracked by competition. And you rightly said, that is a very competitive field.

Neil: Okay, understood. So, the new capacity that we are setting up would increase our capacity by what percentage can you give me that number?

Krishnakumar Srinivasan: 100%.

Neil: Similarly in the second subsidiary Takahata, the kind of space that we are in is kind of a unique space, very few players have at least witness in this space. So, if you can just roughly tell me what kind of size this is domestically, in terms of industry size, how many players, and what is the kind of size we think we can build in this category over the next, let's say two to three years?

Krishnakumar Srinivasan: Good question again, the precision injection molding market is a very, very niche market. But when I say niche market, it doesn't mean it's not a big market. It is a niche big market. So, the overall market size, as we have done, whatever internal study we have done, is anywhere between Rs. 3,000 to Rs. 4,000 crores. And with all the businesses we are doing early, you can easily make out anywhere between 7% to 10% is the kind of supplies that we do. And there's a huge market available in front of us to grow that business. So, we have already, bought another piece of land just next to our current existing plant, and we are planning to grow that business also and continuously invest in the right areas to be able to cater to those new businesses that are coming up. So, we see an excellent possibility there.



Neil: Okay, understood. And the kind of cash that we have, we were going to look for M&As mostly in the non-ICE auto category. So, any development on that, any area that we have locked in on, any update you can give us on that?

Krishnakumar Srinivasan: Neil, we are continuously working on it, so you will hear about it very soon. So, hopefully we should continue our appetite is quite good, and we are also in a good position to invest. So, you will hear about it very soon.

Moderator: So, the next question is from the line of Amit who is an Individual Investor. Please go ahead.

Amit: I just had a specific question on the services proportion of your revenue. Just wanted to understand, are there any specific targets where you want to move from let's say 26% or 27% currently, to maybe mid 30%, one. And the second follow up there would be, if you can help us understand what is the profitability of the service business versus, the original equipment business, that will be helpful. Any directional aspect would definitely be helpful. Thanks.

Krishnakumar Srinivasan: Unfortunately, number one is very difficult for me to give any breakup of our margins between segments, because number one as I rightly told you it's very sensitive information, and we have to track it very, very closely, and it is kept under very close tracking by the management team here in the Company. But however, in our growth in the aftermarket has all been good. Over the last five years, we have more than doubled our business. And I did say in the beginning of the call to some other question, where I said that all this is dependent upon how we are able to extend our reach across the country. We are trying multiple means to do that, and it requires also setting up multiple levels of service requirements in terms of the reach, in terms of service levels, in terms of the various other requirements of this segment, which will define how we are able to service it. And we have done multiple things to be able to improve our reach and the levels of sales.

Amit: Thank you for that additional information. Maybe just a small, if you can just help us with any form of directional aspects in terms of touch points that you would have for the services business, which would kind of help us understand what kind of growth could be looked into. So, any small snippets would be kind of helpful. Thank you.

Krishnakumar Srinivasan: Well, I can only tell you that, we have over 1,400 touch points across the country, which is helping us to now grow the segment, and it is extremely important for us to be well interconnected with each one of them, and it's a challenge as well as an opportunity.

Moderator: Thank you. Our next follow up is from the line of Nandan Pradhan from Emkay Global Financial Services. Please go ahead.

Nandan Pradhan: So, I just had a couple of questions if I could squeeze in, one would be the CAPEX for the current year and if you could just broadly highlight the areas that we are going to invest in.



Krishnakumar Srinivasan: So, Nandan I did input that, we are trying to grow all segments of the business. So, while we invest into newer segments like the EV segment and others. We also continue to invest in our current existing business to ensure that we are able to cater to the demand and the growth that we see in this segment in the coming years. So, multiple levels of CAPEX are being done in all the segments of our business, whether it is piston, rings or whether it is engine valve continuously, for example just recently we have inaugurated our, last March we inaugurated our brand new plant in Pithampur, manufacturing engine valves and also multiple other products. So, we are continuing to invest in these areas, and we will continue to do so till the time we see a good possibility of business and a good return on our investments.

Nandan Pradhan: Okay. And sir secondly, we had highlighted that we are also looking at non-Japanese customers for Takahata. So, any breakthrough on that side in the current quarter?

Krishnakumar Srinivasan: Yes, we already have some good breakthroughs, and we have already, in fact some cases we have even started supplies. Now I cannot give the names at this stage, but we have already started that.

Nandan Pradhan: Okay. And sir lastly would be on the EMFI side, any new order wins that you would like to call out?

Krishnakumar Srinivasan: Multiple orders we have won, but I can't give the names at this stage.

Nandan Pradhan: Okay. And how would the execution pan out for these orders, if you could give a broader idea?

Krishnakumar Srinivasan: The whole, the EV business is also equally tough in the sense that we have to get all the multiple validations and everything done. Now the requirement requires ICAT approvals and others. So, we are already in the process of getting all those approvals, and we are in very good shape and thanks to our high localization content, it is really helping us.

Moderator: Thank you. Our next question is from the line of Rajiv Bhansali from Boring AMC. Please go ahead.

Rajiv Bhansali: So, sir since we mentioned about the EV, we are getting into EV. So, what parts particularly we are looking into?

Krishnakumar Srinivasan: What?

Rajiv Bhansali: We mentioned investing in EV components right?

Krishnakumar Srinivasan: Yes.

Rajiv Bhansali: So, what are the particular parts we are looking into EV like?



Krishnakumar Srinivasan: No, as you know that we make motors as well as controllers. We are the only Company giving motors and controllers together. We size it together, we also give controllers separately, we also give motors separately. So, we have multiple business models to be able to service this market. And as far as our focus area is concerned, we are investing in all the areas, primarily into motors and controllers.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Krishnakumar for closing comments.

Krishnakumar Srinivasan: Thank you, Siddhant. We extend our deepest gratitude to all our participants today for attending today's earnings call. Your participation made the discussion really very engaging. We remain dedicated in our commitment to our strategic business objectives and will continue to strive for sustained, positive outcomes. For any further questions or information, please reach out to our Investor Relations team at Ernst and Young. On behalf of the Company, we thank you once again, and highly appreciate your time and involvement. It was really very good discussions today. Take care and goodbye, and I take this opportunity of wishing each one of you are very, very Happy Diwali and a great year ahead. Thank you.

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

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