



November 12, 2025

National Stock Exchange of India Limited

"Exchange Plaza", 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400051

NSE Symbol : SHRIPISTON**BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001

BSE Scrip code : 544344

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

Dear Madam/Sir,

With reference to the captioned matter and in furtherance to our earlier intimation letters dated November 3, 2025, November 4, 2025 and November 7, 2025, regarding the schedule, investor presentation, press release and Audio Recordings of the "Earnings Conference Call" of Shriram Pistons & Rings Limited ("Company") and in compliance with Regulation 30(6) read with Schedule III and other applicable provisions of the SEBI Listing Regulations, please find enclosed the transcripts of the "Earnings Conference Call" on the Un-Audited Financial Results for the quarter and half year ended September 30, 2025, held on Friday, November 7, 2025 at 4:00 p.m. (IST).

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

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

Thanking you.

Yours faithfully,

For **Shriram Pistons & Rings Limited**

(Pankaj Gupta)
Company Secretary & Compliance Officer



SHRIRAM PISTONS & RINGS LTD.

“Shriram Pistons & Rings Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 07, 2025



SHRIRAM PISTONS & RINGS LTD.

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

Moderator:

Ladies and gentlemen, good day, and welcome to Shriram Pistons & Rings Limited Q2 and H1 FY '26 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 the conference call, please signal an operator by pressing star then zero 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, we would like to remind you that this discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It may be viewed in conjunction with the business risks that could cause future results, performance or achievement 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 question-and-answer session. Thank you, and over to you, sir.

Krishnakumar Srinivasan: Yes. Thank you, Shruti. Ladies and gentlemen, a very good evening. Thank you for joining us on the Q2 and H1 FY '26 Earnings Call for Shriram Pistons & Rings Limited. Our financial results, the investor presentation and press release were all published on the stock exchange and the company's website, and I hope you have had an opportunity to go through the same.

The company has continued to show resilience during the first half of FY '26 as we have achieved a growth of 14.9% year-on-year in consolidated total income and 14.2% year-on-year on the consolidated EBITDA, despite very challenging market conditions in the auto industry, owing to the geopolitical situations as well as the muted growth in the domestic end markets.

During the quarter, the company's consolidated total income grew by 15% year-on-year, maintaining a consolidated EBITDA margin of 22.4% and a consolidated PAT margin of 13.6%. The domestic automotive industry showed a mixed performance during the quarter with passenger vehicles declining by 1%, while 2-wheeler volumes registered a healthy 7% growth.

However, it is important to state here that the GST reforms were put into effect from 22nd September 2025, post the announcement on 15th August 2025, thereby giving an impact of only one week for the sales volume in this quarter to get the effect. Due to this, the month of August and September saw an impact on the overall sales mix across the group, which was impacting the business to some extent. The auto industry has emerged as one of the biggest early beneficiaries under the reforms, reflected by improved demand for all our products from the OEMs. Hence, post GST reduction and what we call it as GST 2.0, the demand is showing signs of improvement.

During the festive season continuing in October, the passenger vehicles, 2-wheelers, 3-wheelers and commercial vehicle segments all recorded double-digit sales growth, rekindling the hopes for good volumes for the third quarter onwards.

Within the challenging environment in the first half, the company continued to outperform the industry, driven by presence in diverse markets and product segments, with healthy performance from all our subsidiaries, including EV and high-precision injection moulded components business.

We also continue to win new businesses across our legacy business and also all our new subsidiaries. All the product segments supported by our process efficiency initiatives and cost optimization programs contributed positively to our top line and bottom-line growth.

Our international operations remained resilient despite ongoing tariff uncertainties and geopolitical headwinds. With a presence across more than 45 countries, we continue to navigate regional demand fluctuations through product localization, market diversification and long-term customer relationships. While certain export regions did witness temporary softness, we expect improved tractions in the coming quarters as global supply chain trade conditions stabilize.

We are committed to strengthening our leadership position through operational excellence and innovation. Our primary focus is on technological advancements, supported by our robust in-house R&D. This approach not only keeps us relevant but also empowers us to lead in the marketplace.

Our investments in automation, digital manufacturing and precision engineering are delivering the measurable improvements in productivity and quality. At the same time, we are pursuing strategic collaborations and partnerships with global technology leaders to enhance our technological capabilities and broaden our product portfolio.

Going forward, our strategic focus remains on strengthening our core business while exploring newer areas for growth. We are committed to enhancing our product offerings and expanding our market presence through innovation and technology. As a part of our commitment to innovation, we are actively developing components for alternative fuel solutions like CNG, LNG, PNG, Hybrid, Flex, Hydrogen, H-CNG and electric powertrains.

These complement the internal combustion engines and also positions us in all the powertrain solutions, which we firmly believe will continue to coexist for quite some time in the future, given the various challenges with regards to infrastructure and availability of mature technology solutions for EV vehicles.

This is also visible in the global markets with most OEMs leaning towards either the legacy solutions or the hybrid powertrains, which require IC engines, ensuring a sustainable growth for the IC engines.

While we work on all the technologies, we are happy to state that our progress on EV motors and controllers is also very satisfactory. We have also been able to mitigate the nonavailability

of rare earth magnets by alternate sourcing methodologies and maintaining our production run and also working on various newer technologies, which will give us a substitution to the rare earth magnets.

The progress of commissioning of our new facility at Coimbatore for the EV motor and controller plant has been completed, and we expect to start commercial production during the ongoing quarter.

Further, Phase 2 expansion of our new manufacturing facility at SEL Pithampur, Indore has also been completed, and we have already started with the Phase III expansion due to the continuing excess demand from the customers.

Sustainability continues to be the cornerstone of our long-term strategy. We are happy to state that we have won again the Golden Peacock Award from the Institute of Directors in London for Excellence in Corporate Governance in 2025. We have also received a bronze rating from Ecovadis, putting us into the top 35 percentile globally on sustainability and the ESG rating 2 from Dun & Bradstreet with us being placed in the top 500 value creators globally.

In addition to the above, we continue to win awards from our prestigious customers for initiatives in the areas of innovation, quality, delivery, productivity and sustainability. All these awards and ratings act as a testament to our consistent efforts towards building a sustainable business and contributing positively to the environment.

As we move into the second half of FY '26, we remain very optimistic yet prudent. Ongoing market conditions are expected to support a steady growth across key vehicle segments. For SPRL, our priorities remain clear: to drive operational excellence, invest in technology-led solutions and build long-term partnerships that reinforce our position as one of the leading players in the Indian automotive components industry.

As part of our growth strategy, we also continue to pursue strategic partnerships and M&As that will bolster our capabilities, broaden our product portfolio and are value accretive to our business. We are on a good way to make SPR a multiproduct franchise and amongst one of the top auto component manufacturers in the country.

In conclusion, I would like to extend my heartfelt appreciation to all our employees for their dedication and commitment, to our customers for their continued trust, and to our shareholders for their unwavering support. Together, we are confident of building a stronger, more innovative and sustainable SPR.

Thank you very much for your time, and I look forward to addressing any questions that you may have. Thank you once again.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Karan Gupta from Asit C Mehta Investment.

Karan Gupta: Just one question on the EV side. What are the different alternatives that we are looking for as against the rare earth metal? Any specific technology that you worked on or you are working on?

Krishnakumar Srinivasan: Yes, we are working on a couple of solutions. We are making a ferrite-based solution and using ferrite metals and other rare earth elements which are not under any kind of sanctions, we are able to also generate the kind of electromagnetic force that is required for these PMSM motors.

Karan Gupta: Sir, just a clarification on this thing. There is also a lot of news about strontium carbonate kind of element, which can also produce same kind of magnetic effect what the ferrite magnet is. So is it the kind of technology that you are also working on?

Krishnakumar Srinivasan: No, no, no. For all electric traction motors, we need a very strong EMF requirement. As a result, those things don't work. So, it has to be done in a very different way. So, these being synchronous motors, we have to also ensure that we are able to get the required torque and speed characteristics, which we need at the end of the product. It's a very different technology, and we are working on it.

Moderator: The next question is from the line of Shubham Sehgal from SIMPL.

Shubham Sehgal: My first question was on our standalone business. Can you give some colour on growth trends in exports, aftermarket, domestic OEM in Q2 and H1 for us?

Krishnakumar Srinivasan: Yes. So normally, we do not bifurcate between individual segments and all, though, of course, we track it. So the good point is that even with all the geopolitical situations, you can see that we have been able to maintain our sales to our export customers. And across aftermarket, we have been able to register good growth and also across our OEM segments, we have been able to outgrow the market.

As I said in my speech, if I take a weighted average growth of around 3% or 4% across all the segments that we supply, the company's growth rate has been more than double than that amount. So we have been able to actually achieve our goal of outgrowing the end markets.

Shubham Sehgal: Okay. Okay. Got it. So if we look at our gross margins, it has seen some moderation in Q2. So what explains this? And what will be the sustainable rate going forward?

Krishnakumar Srinivasan: See, what happened in Q2 is because of the announcement happening on 15th of August almost till the last week of September, we had an impact on our sales with almost everybody saying that let's wait for the GST announcement. And the final GST started only on the 22nd of September. As a result, there was a very big mix impact, which resulted in this small impact that you see.

Shubham Sehgal: And what kind of sustainable rate can we see going forward?

Krishnakumar Srinivasan: More or less the rate at which we are progressing now. Overall, if you see our first half results it has been, to a fair extent, modulated with regards to the overall performance of the company. So we expect to maintain this rate.

Shubham Sehgal: Okay. Got it. Can you give some colour on what is our market share in PV, CV, 2-wheelers and also in terms of alternate fuels?

Krishnakumar Srinivasan: Well, normally, we do not give any market share figures, as I told in the earlier calls also. But we certainly are a very significant player in the products that we make. And with all the customers, we enjoy a very good market share.

Shubham Sehgal: Okay. Got it. And about subsidiaries, so we've seen a very good scale up and margin improvement in our subsidiaries. So which subsidiaries are driving these? And is this growth more from existing business or new business wins?

Krishnakumar Srinivasan: Yes, most of the subsidiaries have been working on new businesses. And the growth that you see, they are also linked very clearly to the end markets. When the end markets are around 3%, 4%, but if they are growing by around, say, 10%, it is for sure that we have been able to win new businesses.

So we have won new businesses in all our subsidiaries and our scale-up that we wanted in our EV business also has happened quite well, and we have been able to scale up quite well and deliver the results.

Shubham Sehgal: And linked to also the drivers in our subsidiaries? And what could be the margins on a steady-state basis?

Krishnakumar Srinivasan: No, all the segment of the subsidiaries that we have been operating on has been a very accretive business for us. We do not want any of our businesses to bring down our overall EBITDA targets. So we have maintained our EBITDA margins across all segments of our business.

Shubham Sehgal: Okay. Okay. Just last question. What would be our capex plans for FY '26 and '27? And any plans for our surplus cash?

Krishnakumar Srinivasan: Yes. This I addressed. See, all the normal businesses do require capex, which is in line with their business requirements. And to the extent of their depreciation, we are already investing regularly in the existing businesses.

And all the extra cash that we have is being used for M&A opportunities and for nonlinear growth and I will put it more this way that we are looking at bigger M&A opportunities. And it's already ongoing, and I can only say that various opportunities are there, and we are working on them.

Shubham Sehgal: But what would be the capex amount that we've planned on?

Krishnakumar Srinivasan: Equal to the depreciation of the individual companies unless if we have new big businesses where we have to really invest. And in which case, that is something that I will announce at that time.

Moderator: The next question is from the line of Abhishek Kumar Jain from AlfAccurate.

Abhishek Kumar Jain: Congrats for a strong set of numbers. Sir, my first question on that, as you mentioned that you are looking for the bigger M&A opportunity. So if you can throw some light which are the areas where you are looking for? Is it in the ICE or is it in EVs? And how much capex you are looking for there? What would be the asset turnover to begin?

Krishnakumar Srinivasan: Yes. So Abhishek, those decisions are very strategic decisions. And for sure, most of the investments that we are looking at is for areas which are agnostic to ICE. We do have something in ICE but that is very small thing we are working on. But overall, if you really see the direction of the company over the last 5 years, we have been focussing on ICE agnostic segments. And our investments have really borne good fruit, it helped us to grow the overall franchise. So we will continue in that direction, and we'll continue to see that the overall enterprise is able to grow across various segments, both in terms of the product segments as well as the market segments.

Abhishek Kumar Jain: Question on the subsidiary side. So EMFI space, the company has already completed commission 1 plan. So what kind of the revenue target for FY '27 from this particular business?

Krishnakumar Srinivasan: Yes. So normally, as I said, it is in line with all our working. It is in line with our expectations with regards to the growth targets that we have. You are all aware that, as far as the EV business is concerned, market is a little muted today because of the infrastructural requirements, which I have been saying all through in all my calls that it is going to be a little muted. So we are progressing in a very steady manner, and we are investing to the extent of which we get the growth that is required for the company.

And to that extent, we have already invested. We are manufacturing motors right from 250 watts right up to 350 kilowatts. And we are making our own controllers. We are probably the only player in the country who manufactures the motors and the controllers together and size it and give it to the customers. And we are progressing very, very well.

Abhishek Kumar Jain: Will we be supplying to 2-wheelers, 4-wheelers, SUV, or is it particular for the 2-wheelers?

Krishnakumar Srinivasan: No, no, no. All segments of the market. We make hub motors, we make mid-drive motors, we make motors from all ranges. And so we have now all the lines fully operational, and we are also amongst the first ones to get the PM E-Drive certification. And so we are all set to really continue our growth on the EV side.

Abhishek Kumar Jain: So do we have any tie-up with any OEMs who supply all these motors to them?

Krishnakumar Srinivasan: Yes, yes, of course. We don't give the names of our customers at this stage in this business because we are being very closely tracked by our competition.

Abhishek Kumar Jain: So the last year in FY '25, the total revenue was INR26 crores in this business. So can we expect that this would be able to touch INR100 crores plus in next 2 to 3 years?

Krishnakumar Srinivasan: Well, that is our plan. Otherwise, why do we put such a big plant.

Abhishek Kumar Jain: So if you can throw some light on the asset turnover and total investment on this particular business?

Krishnakumar Srinivasan: No. We do not normally do that, but I can safely say that it's a good asset turn, over 4x.

Abhishek Kumar Jain: Okay, sir. And the next 2 subsidiaries, TGPEL and Takahata, if you can throw some light over there, what is your growth plan over there? And what kind of the revenue and the margin we are able to see in the coming quarters?

Krishnakumar Srinivasan: Both the plants are performing to plan. They are outgrowing the end markets by more than double. And I have already told that the end market is growing just around 3% or 4% and we are growing over more than double as far as those companies are concerned. And our margins are very accretive to our business. Otherwise, overall, our consolidated margin would have fallen. So we are maintaining our margins.

Abhishek Kumar Jain: So it's a very impressive growth of around 74% in second quarter FY '26 from the subsidies number. So can we expect that this sort of the growth will continue in the couple of quarters because of the base is low?

Krishnakumar Srinivasan: No, it's not to be seen from a point of view of base level. It is to be seen from a point of view of the technology that we have been able to hit and get to our customers. So customers are really finding it very useful, and we are winning more businesses. And I'm very happy to state that the last 2 quarters have been a lot of new wins that we have got in our plastics business, our legacy business as well as our EV business.

Moderator: The next question is from the line of Vivek Gautam from GS Investments.

Vivek Gautam: Sir, so what I've come to understand that the current slowdown in the domestic market was due to this GST implementation, reduced GST, which led to the postponement of some demand and except for the last week of September and the current quarter onwards, the things are back to normal and we should expect good growth

Krishnakumar Srinivasan: Even in the second quarter, we have actually outgrown the end markets, and we have also outgrown quarter-on-quarter. So there is no reason to say that we have not grown in the second quarter, even though we had the impact. What happened with the GST part was primarily we had a change in the mix, because most of the aftermarket customers, they immediately said that let us get the material with lower GST.

And the GST was opened up only on the 22nd of September. So the material flow stopped on the aftermarket side. Whereas OEMs, they decided that they will make more stock because they will require it during the festive period. So we had to dispatch for the OEMs. So mix got impacted. That's all.

Vivek Gautam: Got it, sir. And what is helping us in the exports, sir, and the good growth in exports, the hybrid world is now moving towards the hybrid and other than EV, which is helping us out, sir?

Krishnakumar Srinivasan: Yes. So basically, in the export market, the off-road segment has really done well, both in U.S. as well as in U.K. and Europe. And we are supplying to those segments. We have been able to really get some new businesses also tied up. And all that has really helped the off-road applications. Otherwise, on the on-road, passenger cars have really not done well in Europe. They have not done well in U.S. They have not done well in the U.K.

So there is a slowdown. There is a slowdown because of the geopolitical situation. There is a slowdown because of the tariff situation. So there are a number of impacts that is there. But certainly, for sure, our presence in almost 45 countries has really helped us to segmentize the market and be able to get some businesses which we thought which will help us in really ensuring that we are able to maintain our market growth.

Vivek Gautam: And the signing of the U.S. India tariff deal and Mr. Trump, not a very big strong advocate of renewables and other things is still going in for the conventional technologies. So things stand good for our sector and our company also, sir. That's the question?

Krishnakumar Srinivasan: See, basically, we are not basing our decisions based on any political motivations. We are basically thinking from a point of view that overall infrastructural developments across the globe will take time. And the power generation that is required for this kind of introduction of such mass scale EV transfer is going to take a lot of time.

So we personally feel that all the countries will continue to work on multiple powertrains. As you can see in Europe, it is more of hybrids. In U.S. also, it is more of hybrids and ICE. In China, it is more of electric, but even that has slowed down in China. And then across the globe, we are seeing that multiple powertrains are now coexisting.

And people are working on newer solutions with CNG, with PNG, with LNG, with hydrogen. So there are multiple activities going on. And the good part is that we have our own development centre, we have our own innovation centre, and we are far advanced in all those areas, and we are able to give solutions to our customers and that enables us to really be present in all the powertrains.

So we think that all the powertrains will coexist and there should not be any problem. This has been my narrative for the last 5 years literally. And I think all that I've been saying over the last 4, 5 years has started coming true now.

Vivek Gautam: Correct, sir. And lastly, any risk on China dependency import of raw material, etc., magnets and other things, sir?

Krishnakumar Srinivasan: Practically nothing. Even though we had the magnets being stopped by China, our sales actually increased, not decreased.

Moderator: The next question is from the line of Sakshi Shah from Quest Investment Managers.

Sakshi Shah: So there have been recent announcements by these Japanese automakers, Toyota, Honda and Suzuki that they're significantly expanding their manufacturing presence in India. So how do you see this trend playing out for us, especially considering our long-standing relationships with these OEMs?

Krishnakumar Srinivasan: Yes. So we do see a very positive trend for us on these. And both our Korean customers, our Japanese customers as well as some of our other non-Japanese customers, I think we have actually made very good inroads with our presence as well as working on various newer platforms that we have been working with them right from drawing board stage.

So that has really helped us to be able to give them the right solutions, which have been tested or getting validated as we speak. And we are very confident that we'll be able to support them in all their requirements.

Moderator: The next question is from the line of Shafaat from Limra construction.

Shafaat: Sir, your ROE was 21% this financial year?

Krishnakumar Srinivasan: Yes

Shafaat: So sir, I can expect your profit doubling from 3 to 4 years. What do you think?

Krishnakumar Srinivasan: I also hope. Yes, we are working on it. And I'm very confident that with all the programs and all the things that we are doing and all the activities that we are doing, there is a good possibility. I can't say the future. I can't see the future, and I can't tell about what can happen. But all the things that we have today on the plate looks positive, and we feel that we are working in the right direction.

Shafaat: Sir, if you maintain your ROE of 21% or maybe above that, I think you can definitely going to achieve.

Krishnakumar Srinivasan: Thanks for your support.

Moderator: The next question is from the line of Harsh.

Harsh: So sir, I just wanted to better understand the piston market in India. So assuming that it's a technical product, there would not be a lot of informal production for it. But what about like imports? And what has been sort of the trend of India's piston imports over the years? And also if I could just squeeze in.

So what are our strategies going forward, like our growth drivers in our legacy business? So are we targeting this import substitution? Or are we sort of trying to consolidate our market share? Or are we depending more on the growth of auto penetration in India?

Krishnakumar Srinivasan: Yes. Good question. First and foremost, let me highlight to you that Piston is a highly technical product. It looks very simple, but it's manufactured in a few microns, and it requires a very high amount of technology because there is expansion in the material that happens at high

temperatures. And then when the temperature cools down, the material has to come back to its original shape and all that.

And you have to really design the product for the kind of animal that it goes into, every engine is a different animal, and it requires a different kind of technology to ensure that we are able to cater to the demands of that engine.

Now what happens is it's not easy for the pistons to be just imported from anywhere and put into any engine because if you'll find that most of the OEMs work very closely with the piston manufacturers to be able to work with them very seamlessly and ensure that we are able to design. It's almost like a co-design that happens with the thing on the drawing board.

So it's not very easy for imports to just come in and take that product. At the most, the imports can come in the aftermarket for already developed products where people do a reverse engineering and get the piston to those positions.

But even there, we find that many of the pistons actually failed very badly in the engines. And most of the customers realize that just buying some Chinese-made pistons or pistons supplied by any big customer just by sourcing from China or from any other place does not really give the right results.

And within 3, 4 months, they have to again go for an engine overhaul. So most of the customers believe in then going in for genuine parts, and we are present with almost all the customers in the country, and that really gives us an edge with regards to supplying also in the aftermarket, number one.

And number two, I do not see that pistons will go out anywhere in the near future because the demand, even as we speak, we are working on a couple of projects which are going to see the light of the day maybe in '28, '29 or even '30 and then continue for the next 5, 7 years. So we do not see any issue for the next many years that all the powertrains will coexist, as I already said.

The third point is globally, in the Piston world, there is a huge demand cropping up primarily because of people vacating capacities. Now what happens is when people vacate capacities because of the fear of EV, not really understanding the market well, not really understanding the situation well, then it tends to really create a lot of vacuum with regards to the supply situation.

And then we are today experiencing that, and we have a lot of inquiries coming in with people wanting to buy from us globally. So I think we are in a good position, and we should continue with that.

Harsh:

So sir, when we are exporting systems, then that means we are working developing the product along with the OEM ground up. Or are you sort of targeting the aftermarket?

Krishnakumar Srinivasan: No, no, no, no. Most of the OEMs we supply to Jaguar, we supply to Caterpillar. We supply to so many big names. And I can tell you that we work with those customers on the drawing board.

Harsh: Fair enough, sir. And since you mentioned Jaguar, so a couple of quarters back, the India, U.K. free trade agreement happened. So are we seeing any green shoots from that so far?

Krishnakumar Srinivasan: Yes, yes, there are green shoots for that.

Harsh: Okay, sir. And lastly, in terms of our rare earth-free magnet motor like you mentioned, so recently, I think one of our competitors, Ola got some certification from Global Automotive Research Center for their ferrite motors. So what stage are we in, in our rare earth free magnets? Are we in the development stage? Have we piloted something? Or are we already supplying such motors?

Krishnakumar Srinivasan: We are in advanced stages. That's all I can say. It's all time tested, and that's what in some of the products, we have already started introducing that also, and that's really helped us during this time. And we are actually doing multiple trials and testing because all this also has to get individually also approved by PM E-Drive. So all this goes through various levels of validations.

Harsh: Okay. Fair enough. And then I'm assuming just like our normal motors, in our rare earth motors also, we'll have the complete suite from lower range to higher?

Krishnakumar Srinivasan: Yes, hopefully, yes.

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

Viraj: Just one question on our exports. See, if you see the construct of our exports, the majority is still driven by sales through our tech partners to major markets where they're operating. But on a very macro basis, last 2 to 3 years, our exports has largely been in that INR480 crores to INR520 crores kind of a range. Can you give some perspective what we are doing to kind of drive exports from here on?

How are we looking at it? Will it be more driven by sales to outside the tech partners network more driven by aftermarket? Or how are we approaching this?

So this one is how do we go about driving scale from here in exports? And between the two channels, one to OEs and one to aftermarket, where we are seeing most traction?

Krishnakumar Srinivasan: Yes. So first and foremost, I don't know where you reached the conclusion that we are supplying only through our tech partners, we don't supply anything through our tech partners today. And if you really see Kolbenschmidt has already come out of the overall relationship from Rheinmetall and they are an independent company in Germany, and we don't sell anything through Kolbenschmidt. Neither do we sell anything through RIKEN.

And RIKEN directly in Japan, in some places, we do use their channel. And so mostly, it is customers with whom we are already having contacts and we are growing the business. Now

what is important to see is from a light that the overall exports business as a market has actually tanked because of the geopolitical situations and also because of the war continuing at various places.

As a result of which, what has happened is it has been very challenging from an environment standpoint, many of the countries are even having a big forex shortage. They're not unable to pay.

So as a result, we have to be very careful, and we want to ensure that we are only doing business where we get our money well in time. So as a result, the kind of growth that we have seen in the aftermarket is actually very, very encouraging. Even maintaining the kind of business that we have been doing over the last two years with such a tough business environment in the exports market has been a very stupendous performance actually.

Viraj: I think somewhere earlier in the call, you talked about us talking with Caterpillar, JLR for the business. Can you give some color? So typically, say, OEs take 3 to 5 years for any new business dialogues to commercialize. So where are we in that journey? Do you see a lot of those new orders getting commercialized in '26 or '27 for us?

Krishnakumar Srinivasan: Viraj, we have been supplying to OEs all through over the last more than 6, 10 years. So there is no reason to say that we have not been supplying to OEs. So OEs as well as aftermarket have been our overall business model. And we are continuing to grow there. We have got new customers.

We are supplying for snowmobile applications. We are supplying for marine applications. We are supplying for off-highway applications. So there are many, many new customers who have got added. That is what has helped us to retain our sales.

Moderator: The next question is from the line of Resham Jain from VVD Asset Managers.

Resham Jain: So sir, I have this question on inorganic opportunities. So one is like most of the acquisitions which we did in the last 3, 4 years are primarily auto-centric. But primarily, we are an engineering company.

So let's say, going forward, are we looking because a lot of other areas like whether it is railways, industrial, defence, a lot of other areas are also emerging where similar engineering capabilities are required. So would you also think to get into those areas as well beyond auto?

Krishnakumar Srinivasan: To be very frank, we already supply to railways. We already supply to defence. We supply our existing products to both these applications. So we do not categorize, though our front ending is clearly automotive because, our expertise lies with the automotive players. But we make our products also for industrial applications, gensets and various other requirements.

So I don't think that we are restricting ourselves from that standpoint. But in terms of future M&As, we want to remain in our core strength area. And I think our core strength is in the automotive, and we do not want to think about manufacturing, say, a very diverse product

which is required in an industrial environment to set up a complete new facility and put big investments there.

Instead, I would prefer to be in the automotive area where our core strength lies, but still make the products which the industrial segment wants if we can make within those segments of business. So that is the way we are looking at it. And we would like to continue that way because that's where the core strength is.

Resham Jain: Okay. Understood. And the second question is, sir, generally, in the stand-alone core business, we have not seen much capex, but we have been growing. So the question is how long can we keep growing at this organic pace without doing like meaningful capex?

Krishnakumar Srinivasan: I think you'll have to look up the figures, but I can tell you that we are not at all restricting any capex to our legacy business. Frankly, over the last 5 years, including our investments in SEL, which is primarily for our engine valves and other products that we make, I think we have invested over INR 550 crores here.

Resham Jain: No, that is very efficient capex because most of your growth has been much higher than the capex is what I was trying to understand.

Krishnakumar Srinivasan: We have gone in for a huge automation and digitization and a lot of efficiency improvements exercise and all that. So that has all helped us.

Moderator: The next question is from the line of Ravi Purohit from Securities Investment Management.

Ravi Purohit: Congratulations on a good set of numbers. I just wanted to kind of delve a little more on the pistons market. I think one of the earlier participants had also asked about the piston market. If you could just kind of share what kind of product profile do we address? Like except, of course, electric vehicles don't have pistons, but I would assume hybrids would have, biofuel vehicles would also have. So if you could just kind of share different aspects about that?

And also, each time and also the realization difference, right? So basically, if there is an increasing drive towards hybridization of vehicles rather than going completely towards EVs, for example, and which is what we are seeing in European market or, let's say, some of the other markets, how does that kind of change the game for us or whether we are very much into pistons for hybrid vehicles as well?

What kind of realization changes happen between a conventional piston versus, let's say, a hybrid piston for a hybrid vehicle versus piston for something else?

Krishnakumar Srinivasan: I get your question. Okay. Ravi, let me explain this. First and foremost, we make pistons, we make engine valves, we make piston pins, crank pins, and piston rings. So there are a number of components which all of them are engine related, go into the engine.

Now what is important here to realize is that all of them require very, very high amount of technology input to be able to withstand those kind of temperatures. And we make the products for all kinds of vehicles, right, from 2-wheelers right up to the biggest trucks, heavy

commercial trucks and buses and whatever is required. What is important here is to realize that these products will continue for all kinds of ICE engines.

You require a piston, you require engine valve, you require piston pins, crank pins and all this you require for all kinds of ICE engines, whether it is for with CNG applications, whether it is for PNG applications, LNG application, biofuels, any kind of ICE engine will require these pistons. So we are present in all the segments of the powertrain.

The third important point here is that we are also present with hybrids. Now hybrids, normally, most of the customers, what they are doing is they are sizing the hybrid engine on a slightly lower side because they also support the ICE engine, the lower sized ICE engine with the electric motor. And because of that, maybe some of the customers go with a lesser number of cylinders.

Some customers are retaining the same number of cylinders. So it all depends on how the customer plans his engine, what kind of applications and what kind of end position that he wants to plan.

So we normally tie up with the customers. And based on his requirement, if it's a 4-cylinder engine, there are certain engines which requires 2 inlet valves and 2 exhaust valves, we plan accordingly. But depending on the customer's requirement, we do the plan, and we work with them to really design the product for those end applications.

Ravi Purohit: Is there a big difference in realizations between, let's say, a hybrid and between a normal conventional ICE?

Krishnakumar Srinivasan: See, normally, what happens is if a hybrid engine is being planned today, most of it has been planned in the last 1 or 2 years. Most of them have been planned with a Euro 6 or Euro 7 kind of a requirement. Now what happens is when it goes for a Euro 6, Euro 7 requirements, the end demands are very, very high. Frictional resistance have to be very, very low. So you have to really plan with a lot of features.

So it requires different kind of features. It requires different kind of hard anodizing, requires different kind of rings, it requires different kinds of coating. So it requires a complete different technologies to develop that. And all that are featured products and accordingly, there is an improvement in prices.

Ravi Purohit: Okay. And sir, each time there is an emission norm change like we had a few years back. Now I think there is some small change that is happening on the tractor side also. So lately, if you could kind of share how does that change for companies like us?

Krishnakumar Srinivasan: With every emission change, there is a big change in the product. So it requires a lot of different features to be added and this one. And accordingly, then it becomes a more featured product. So that is the reason why we have so many varieties, so many variants and variant management has to be done to be able to cater to the market demand.

Ravi Purohit: Okay. Okay. And sir, if you could kind of just share your thoughts on the non-auto part of this, what kind of opportunities do we have in the non-auto in this business? How big is the opportunity? I'm assuming it's not just India, it would be global as well. So if you could just share some?

Krishnakumar Srinivasan: There are huge requirements for marine applications, for industrial applications, even for different kind of compressor applications, and then for snowmobiles, off-highway segments and for various stationary machines, there are huge requirements, and we have been working on those segments, and I'm happy to state that we are catering to many of these segments, which have really helped us to really maintain the kind of growth.

Otherwise, how do we outgrow the market when the end market is growing by 3%, 4% and you are growing by 10% to 12%, - we have practically grown 15% against 4% of the end market. So that's only coming out of new businesses and new segments.

Ravi Purohit: Okay. Okay. Okay. And sir, what gives us confidence that we should be able to kind of maintain this gap or this kind of level of outperformance going ahead in the coming 3 to 4 years? Does the acquisitions that we have made on the plastic component side or engineering side or this battery motor side, are those the areas which will drive growth or even the conventional, if you could just share some insight as to what will drive growth for us over the next 3 years?

Krishnakumar Srinivasan: This is what I've been saying. The conventional is going to also continue to grow. See we expect a CAGR growth of around 6% - 7%. And we expect a penetration of around 15% - 20% as far as EV is concerned. Now if you see the next 5 years, if we are going to grow at around 6%, we are looking at a growth of almost 30% in the end markets and a penetration of 20%, which means even the existing legacy products are going to grow at almost 10% in the next 4 or 5 years, which is a huge, huge requirement because the base is very high.

We are talking about the 3.5 million ICE engines being made. And you can imagine if that's going to have a growth of 10%, we are looking at a fairly big number. And with people looking at vacating capacities and other things because of the fear of EV, it doesn't make any sense to me actually. So, we expect very good growth for many more years to come. And we don't see any major issues. We are present in all the powertrains.

What is important is to be present in all the powertrains. You must have the technology, you must have the right features, and you should be able to deliver to the customers' requirements. And we are present with that, and we are in a very good position with that.

Moderator: The next question is from the line of Krishnaswamy Mohan, an Investor.

Krishnaswamy Mohan: Congratulations on an excellent set of performance. In the auto industry, the kind of ROI and ROE that you are showing, I very rarely seen. I have been in the auto industry for about 15 years. Congratulations on the excellent numbers.

Coming back to this question, I mean I wanted to ask something else before, but we'll take it up 3.5 million engines, now you're saying is that growing the overall market may be growing,

say cars are growing at 8% and 2-wheeler may be growing at maybe 10%, CV is maybe growing at 6%. There will be some EV component of that. Do you still see IC engine growth at 10%? Or would it be much less than that because of EV penetration?

Krishnakumar Srinivasan: No, no, no. Let me explain. Again, we see a compounded annual growth of around 6% to 7%, okay? Now when we say that when the market is going to grow at the rate of 6% to 7%, which is going to happen because the - car penetration in the Indian household has been less than around 4.5% - 5%.

So there is a huge market in any forward-looking economy and any growing economy, we have a penetration level which goes up to around 30% - 35%. Now so there is a market that is present. Of course, I'm expecting that the infrastructure will also grow along with that. But 6% or 7% average compounded growth, then we are looking at in the next 4 or 5 years, let's take 5 years, a total growth in numbers to the tune of around 30% to 35%.

And even on the overall basis, if you have a penetration of around 20% also, you are going to still continue to have a growth of over 10% for the next 5 years, which means a 2% to 3% or a 4% growth in the ICE segment. And with newer markets coming in because of people vacating capacities and also with newer end markets, we can easily outgrow the market. Our focus will be always to outgrow the end markets by more than double.

Krishnaswamy Mohan: Yes, I understand. I understand. I want to say top of CAGR of GDP of 6-5% or CAGR of the auto industry, the car, for instance, let me take car specifically, because each sector is different. Car is different, tractors are different and so there are different, say car segment is growing at say 8%. Overall car market is growing 8%, including EV, the ICE would probably grow 6%, and ICE would be around 6%, right?

Krishnakumar Srinivasan: No, no. overall ICE market growing by around 6% to 7% and the penetration in the ICE market to the tune of around 10% -15%.

Krishnaswamy Mohan: So, the question with the GST coming down and small cars going to take off in a much bigger way than it was in the past, do you see any drop in profitability because the smaller cars obviously have smaller pistons and smaller content per car. Do you see any drop in profitability overall volume will grow. Do you see a drop in profitability per se because of the greater sale of small cars? Or do you think that, that is not going to get impacted very much?

Krishnakumar Srinivasan: We try to maintain our profitability over product segments. And whether if small car segment is one segment, then that segment also we try to maintain our profitability. We don't undersell a product. But what actually happens is most of the price or anything gets actually fixed based on the features that the engine requires. Even if it's a small car. But the engine has delivered to the Euro 6 requirements or, let's say, Euro 7 requirements. The features are going up. And to form the features, the price goes up.

Moderator: The next question is from the line of Chinmay from Prescient Capital.

Chinmay: I have a question on the motor and motor controller business. Just wanted to understand the market in the sense that a lot of large OEMs make this in-house. So, is the opportunity largely

with start-ups and newer businesses? Or are you also working with established large OEMs on either side? And secondly, is this primarily a domestic opportunity? Or are you also exporting in this business?

Krishnakumar Srinivasan: Yes. So, the answer to both is, yes, we are working with top OEMs, and we are also working with some export customers. And now we are well recognized amongst most of the auto companies in the country as having state-of-the-art plant delivering all kinds of motors that is required by them.

And there are not many customers. The customers may start with 1 or 2 manufacturers, earlier, if you see, they were also they started making their own engines. So some of the customers make their own motors. But we frankly do not see that as an issue because when you go for different variants of the car vehicles, you need different motors.

And every vehicle is a different animal, and it requires a different sizing of motor. And the kind of variants that will be required, it is not possible for the OEMs to continue. They have to focus on the end product rather than focusing on a part technology. So I think the part technology will continue to grow amongst all the supplier community, and that's what we see as a good opportunity.

Moderator: The next question is from the line of Pranay.

Pranay: Congratulations on consistent performance. I just have one question regarding the capacity utilization, regarding the Coimbatore EV plant, so have we achieved a 50% utilization or what is the utilization?

Krishnakumar Srinivasan: Yes. So normally, we don't give these figures of utilization, as I said, closely tracked by competitors. So we have enough capacity. We continue to invest in the capacity. As I said, last time also, we have invested. We have put up a brand-new plant with complete modern equipment, and it's a state-of-the-art plant with a lot of capacity, and we don't see any major issue as far as capacity is concerned.

Pranay: Okay. So the next question is coming to our recent shareholding increase in one of our subsidiaries, right? So is that already included as part of the Q2? Or will that be effective from Q3? Change in the shareholding of EMF?

Krishnakumar Srinivasan: Yes, yes. It is already in effect. We had to raise capital primarily for further investments. So, you can see that we are continuing to invest, and we are continuing to grow that franchise. And we have good customers in the list.

Pranay: Yes. So in that front, sir, is that going forward, do you see a meaningful chunk of our revenue coming from those non-piston segments going forward? Is that how we are planning?

Krishnakumar Srinivasan: Non-piston segment as it is a very sizable size now with our 2 plastics business and also our EV segment. So it's already a very sizable business.

Pranay: Yes, yes. So I'm talking about the future growth. Is that a high-growth sector compared to our piston segment?

Krishnakumar Srinivasan: All the segments are really good, including our legacy business. And as I said, in all the businesses, - we have outgrown the end markets. So what is important is to continue to outgrow the end markets. Overall, as a group, consolidated, we are over 3x of the end markets.

Moderator: Due to time constraints, that was the last question. I would now like to hand the conference over to Mr. Krishnakumar for closing comments. Over to you, sir.

Krishnakumar Srinivasan: Yes. Thank you, Shruti. Again, once again, a good set of questions. I think I really appreciate you putting so much of efforts in asking the questions. there is a possibility that we have not been able to reply to all the questions.

I request you to please kindly send your questions to our secretarial department. We will ensure that we'll send you the reply personally and ensure that you are satisfied with whatever questions you have in mind. So, I understand this time constraint, but any kind of questions if you have, please do ask us directly also.

We sincerely thank once again everyone who has joined today's earnings call and your active participation has greatly enriched the whole discussion today. Our focus remains on achieving our strategic goals, and we are really committed to driving sustained positive results.

And as I said, if you have any further queries, please do reach us either through our Investor Relations team at Ernst & Young or directly to the company. On behalf of the company, I again appreciate you taking out this time, and we deeply appreciate your engagement. Thank you. Take care and goodbye.

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

Disclaimer: This is a transcription and may contain transcription errors. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy. Some minor editing may have been done for better readability. In case of discrepancy, the audio recordings uploaded on the stock exchange on 07th November 2025 will prevail.