SHRIRAM PISTONS & RINGS LTD.
REGD. / H.O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI-110 001 (INDIA)
SHRIRAM

May 13, 2025

National Stock Exchange of India Limited	**BSE Limited**
"Exchange Plaza", 5th Floor,	Phiroze Jeejeebhoy Towers,
Plot No.C/1, G Block	Dalal Street, Fort,
Bandra-Kurla Complex	Mumbai 400001
Bandra (East), Mumbai 400051	
NSE Symbol : SHRIPISTON	**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 May 1, 2025, and May 8, 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 Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2025, held on Thursday, May 8, 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
Digitally signed by PANKAJ GUPTA
Date: 2025.05.13 16:04:18 +05'30'

(Pankaj Gupta)
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SHRIRAM PISTONS & RINGS LTD.

"Shriram Pistons & Rings Limited Q4 & FY25 Earnings Conference Call"

May 08, 2025

SHRIRAM PISTONS & RINGS LTD.

MANAGEMENT: **MR. KRISHNAKUMAR SRINIVASAN -** MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
MR. PREM RATHI - EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER
MR. PANKAJ GUPTA - DEPUTY EXECUTIVE DIRECTOR, HEAD (LEGAL) & COMPANY SECRETARY

Moderator: Ladies and gentlemen, good day and welcome to Shriram Pistons & Rings Limited Q4 & FY'25 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 '*' and '0' on your touchtone phone. Please note that this call is being recorded.

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

Before we begin, let me remind you that this discussion may contain forward-looking statements that may involve known or unknown risk, uncertainties, and other factors. It may be viewed in conjunction with the business risks 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, Avirath. A very good evening, everyone, and thank you for joining us on the Q4 & FY'25 Earnings Call for Shriram Pistons & Rings Limited.

Our Financial Results, Investor Presentation, and Press Release were all published on the Stock Exchanges and the Company's Website, and I hope you have had an opportunity to go through the same.

I am delighted to share that we concluded FY'25 with a robust performance again as our consolidated total income grew by 15.3% year-on-year while EBITDA and PAT recorded a notable 14.9% and 17.5% year-on-year growth respectively.

We have achieved this performance, despite the year '24 -'25 being a very challenging year for the auto industry, as it recorded only a moderate 3% growth on a weighted average value basis, with two wheelers growing at around 9% while passenger vehicles growing at around 2%, commercial vehicles de-growing by 1%. This performance of ours under these circumstances is a testament to our leading market position and strategic approach towards navigating the market complexities, enabling us to continuously outgrow the industry. This success reflects the effectiveness of the strategies and the systems we have implemented to strengthen the SPRL fundamentals.

During the year, we implemented various initiatives to strengthen our core business while exploring new opportunities for sustainable and profitable growth. This success is also a result of our team's collective efforts to create a lasting value for the organization. Our Company has consistently upheld a strong commitment to excellence, innovation, and integrity. These core values have not only propelled us forward, but have also solidified our position as the leading manufacturer of pistons, piston pins, piston rings, and engine valves in India and abroad. As we continue to evolve and adapt to market trends, we remain dedicated to delivering high quality products that set new industry standards for our customers.

Over the past year, we have taken several initiatives to strengthen our core business while venturing into new opportunities, thereby ensuring sustainable and profitable growth trajectory. Our teams are focused on developing technology-driven components for future needs, including those compatible with alternative fuel solutions like the hybrid, the hydrogen platforms, the CNG, the H-CNG, hydrogen blended CNG as we call it, the LNG, flex fuels and biofuel systems. We believe and we think that all these powertrain technologies along with the traditional ICE and the new age electric powertrain solution will coexist in the long term with an increasing emphasis on the greener alternatives.

With our comprehensive portfolio spanning ICE powertrains, biofuel powertrains and EV powertrains, we are now strategically positioned to navigate across evolving landscapes of the automotive industry, thereby mitigating risks and capitalizing on the emerging technologies.

As it stands, about 50% of our business is derived from the aftermarkets, the exports and the non-automotive segments, which are not likely to be affected by change in the powertrain technologies. We include the truck business also in this segment and if we do that then in the non-automotive space, we build products for applications such as gensets, railways, defense, compressors and specialized products for the export markets including snowmobile and lawnmower applications.

We have reached this situation of more than 50% of this business, primarily over the last 5 to 6 years, with deeper focus on getting into businesses which will have much longer length of stay as far as the overall ICE powertrain is concerned.

Moreover, we are actively working to diversify our business model by acquiring companies with solid fundamentals and promising growth prospects. Following our previous acquisitions of SPR Takahata and SPR EMFI, we have now acquired a 100% stake in SPR TGPEL Precision Engineering Limited. This strategic move will enhance our capabilities in the precision molded plastic component segment thereby growing that segment of our business.

As a Company, we have a huge focus on sustainability and environmental responsibility. In line with this, we have increased the solar power consumption in all our factories, with 35% of the total being consumed at the Ghaziabad and Bulandshahr plants through the solar. And we have also had almost close to 5% of the power requirement met by solar at the Pathredi plant.

This year, we have also received several prestigious awards, including the recognition in the Dun & Bradstreet Top 500 Value Creators in ESG. We have also won the Gold Award by ACMA in ESG and Safety Categories and significant achievement in Corporate Excellence from CII. While these are few that I've highlighted, we have also won multiple awards from various OEMs, both domestic and global, for our technology, quality, and delivery excellence.

Now I would like to give you a very quick snapshot of our consolidated Q4 & FY'25 performance just to showcase how these efforts are translating into performance:

In Q4 FY'25, our Company achieved year-on-year growth of 15% in total income to Rs. 10,158 million, whereas EBITDA rose by 18% year-on-year to Rs. 2,378 million. This translates into an EBITDA margin of 23.4% as compared to 22.8% in Q4 of FY'24. Profit after tax, PAT, surged by 30% year-on-year to Rs. 1,515 million with a margin of 14.9% which has expanded by 168 basis points.

I am really pleased with these results, and I am confident that we will perform to similar kind of figures in the future also.

I am also pleased to share that SPR EMFI is also progressing very well with regards to new product development, operations and setting up of the new facility in Coimbatore.

Moreover, our overall plastics business is also showing a very good promise with regards to new products being developed and the overall growth trajectory that it has been able to achieve in the short term that it has been with us.

For FY'25, our total income grew by 15% year-on-year, reaching to Rs. 36,612 million. The domestic markets led the growth for the Company due to persistent challenges in key export markets, primarily due to the global geopolitical tension. Our EBITDA has also increased by 15% to Rs. 8,357 million with a margin of 22.8% and PAT rose by 18% year-on-year to Rs. 5,156 million with a PAT margin of 14.1%.

So, overall the results have been really fantastic. Despite a turbulent year for the industry both domestically and globally, we have successfully achieved growth and delivered a very strong overall performance. Hence in recognition of this success, the Board yesterday has declared a final dividend of Rs. 10 per share, which is a 100% of the face value, including the interim dividend of Rs. 5 per share announced earlier and that too on a bigger base due to the bonus share issue last year.

Going forward, we will continue to focus on operational efficiencies through digitization and low-cost automation. We are pursuing backward integration, exemplified by our recent acquisition of Karna Intertech, a key supplier of gravity die casting molds used in our piston casting manufacturing. We are also eyeing up multiple opportunities to acquire more businesses which would synergize well with our current business and with our customers' needs. We are pleased to announce that our new facility in Pithampur will be expanding to double its existing capacity. Moreover, the new facility in Coimbatore for SPR EMFI is also expected to be commissioned very shortly. Owing to all these initiatives and strategies that we have put in place, we expect to continue our growth momentum while delivering the best result for all our stakeholders.

Now to conclude, I would like to express my deepest gratitude to our teams and all our stakeholders for their continued support. There are numerous growth indicators which instill confidence in an upward trajectory for our Company, the industry, and India as a whole. We are excited about the journey ahead as we pursue profitability with purpose, innovate in mobility technologies, and create sustainable value for all our stakeholders. Thank you very much for your time and thank you very much for attending this conference.

With this, I request the moderator to open the floor for any questions. Thank you very much.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Chirag Jain from Emkay Global. Please go ahead.

Chirag Jain: Yes, good afternoon everyone and congratulations on very strong performance. Sir, just wanted your thoughts on few things. Obviously last year we have grown closer to about 9% in terms of standalone operations. How do we see this year in terms of the growth for the standalone business particularly considering the industry environment which is still somewhat subdued? So that would be one. And second, in terms of standalone business itself, what could be the potential revenues that we could do from the current infrastructure or facility and the profitability scale up that we can happen obviously last couple of years, particularly last year has been subdued and yet you have been able to maintain very strong margin profiles. So I am sure there could be a scope for operating leverage which can play out as the revenue growth comes back in line with let's say industry and probably your outperformance. So maybe some thoughts around that.

Krishnakumar Srinivasan: Hi, Chirag. Yes, certainly the way we look at it, Chirag, is that the market is expected to be a little subdued for sure, as you rightly said, because of both the geopolitical tensions, globally as well as domestically. So, but at the same time, we also see a lot of opportunities in this because globally, we do have also a lot of standard players or lot of regular players vacating some capacities, thereby enabling some of these global players or global customers to reach out to us with regards to possibilities for growing the business. So I do see a lot of opportunities, while there are tough situations existing in the marketplace, we also see a good opportunity shaping up which could help us in the future years. But as we go along, it is very important to understand that at some point in time, we will of course get scale and the margins coming out of the scale will certainly be something that will be accretive. But we always believe that whatever business we do, we do it profitably. And that has been our motto always and we expect that we will continue in that direction. So from a standpoint of our capacities and the situation as it stands today, we feel that it is certainly possible for us to scale up to the requirements of some of the customers globally and be able to deliver to their requirements. So we are looking at those opportunities and we are working on this.

Chirag Jain: So just wanted your thoughts on the subsidiaries as well. I think the EMFI business or the EV powertrain business, I think the new plant has already started. So some thoughts in terms of how the business is ramping up, especially some order wins over there? And also on the plastic business now with two businesses that we have acquired, how do we see that scale up happening over the next 2-3 years on these 2 businesses as well?

Krishnakumar Srinivasan: To answer in one line, think both the businesses are doing very well. The EMFI business has also, we have been able to pick up some good customers and we have been able to ramp up our manufacturing there. The new plant is not as yet functional, but it will be functional by end of June. As soon as the new plant is functional, we are also going to also have lot of our mid-drive motors and others getting manufactured there. But many of the customer programs are under validations and approvals. So at this stage, we are very excited with all the possibilities that we have for that EMFI business. Similarly, in our plastics business also we are doing very well with both the companies are actually complementing each other and the wide array and range of programs that we can do for our customers has really increased, thanks to the M&A that we have done with TGPEL and as a result we are now able to cover a wider range of product portfolio and at different levels of performance, I will put it this way, because some plastic precision components require certain kind of technologies to be used and certain technologies not to be used. And we have both the companies masters in their own respective game.

Chirag Jain: Sure. Thank you so much. I will come back in the queue.

Krishnakumar Srinivasan: Yes. Thank you, Chirag.

Moderator: Thank you. The next question is from the line of Aman Soni from Nvest Analytics Advisory LLP. Please go ahead.

Aman Soni: I just want to know the current revenue contribution from electric vehicle segment. And can you please provide an update on its progress and shed some light on the development in this area?

Krishnakumar Srinivasan: Yes, I just replied. As you can see from last year, we did around roughly around Rs. 12 crores in our EMFI business. This time we have more or less doubled it. Even after, even though we had a lot of issues with regards to the delays because of the government's new rule of getting all the ICAT approvals and other things done, we had to get all this cleared and I am very happy to say that we are amongst the top companies to have cleared the PM E-Drive requirements as well as get all the ICAT approvals in both our motors and controllers. We are making our own controllers right from weight soldering and everything that we do in-house.

As a result, we are able to give a good amount of localization benefits to our customers. And all this has really helped us to win new businesses. And we think that we will continue to grow in this segment and also be able to penetrate different product segments that are required in this area.

Aman Soni: Thank you, sir. Understood.

Moderator: Thank you. The next question is from the line of Resham Jain from DSP Asset Manager. Please go ahead.

Resham Jain: I have just one question. On the export piece, I think which is close to 600 odd crores right now for you on a yearly basis, what kind of customers are you seeing the inquiry coming from? And typically, what is the size of the business on the export side you typically look for? So if you can just give some sense because I think last few years you have been talking about export. Obviously, market has been a little patchy there. But if you can share your thoughts around that, that would be…?

Krishnakumar Srinivasan: Yes. So as far as the export market is concerned, Resham, we are actually supplying to both OEs as well as to the aftermarket. OEs we have big customers, big names like all the big names that you can think of. So we have one program or the other with them. But unfortunately, what has happened is most of the OEs have a drop of over 20% in their volumes as far as Europe is concerned. And in some segments of the market in the UK as well as in the US, we do see a drop of over 10% to 15% on an average. So overall export markets, we see a drop of over 20%-22% as far as the current volumes are concerned, primarily because of the geopolitical situation. But thanks to our other efforts in terms of entering into newer segments of the business, like snowmobile applications, marine applications, compressor applications, and also some of the lawnmower applications, we have been able to get newer businesses which we have capitalized on. And even though the end markets dropped drastically, our sales just dropped by around 4% or 5%. And that also because we had to do a lot of coverup in terms of initially giving the samples and getting the validations done, etc. So now, having done all that, this year we expect that to pick up and our volumes to come back to normal and probably exceed our expectations. So we are quite confident that our export business will continue to grow as we have seen it earlier.

Resham Jain: Okay, understood. Sorry, one more question is on the domestic OEM business, you mentioned that you have 65% odd market share in India but incrementally the new models and all do you have higher market share? Is that what is happening in the industry right now?

Krishnakumar Srinivasan: Well, Reshamji, we don't give our market share figures. I don't think we have ever given the market share figure of 65% and all. But we certainly have a very dominant market share. we continue to grow with all our businesses, including all individual product lines, like engine valves or pistons or piston rings and piston pins. Individually also, we have been doing quite well to penetrate more and more with all our customers. So we are looking at newer platforms, we are looking at some of the new business areas that we have been able to start our supplies, including compressor applications and things like that. So all that has really helped us to improve our overall growth situation. And our market share has always continued to be quite dominant.

Resham Jain: Okay, understood. Thank you so much and all the best.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Vijay Pandey from Nuvama. Please go ahead.

Vijay Pandey: Thanks for taking my questions and congratulations for a good set of numbers in fourth quarter. So now have one question, I just wanted to check if you can give us a little bit details about the upcoming projects, like what are the upcoming new products or upcoming new projects that you are working on that will drive the sales growth in FY'26 as well as in '27. You can just give us a brief overview when these projects are expected to start and what will be the ramp up phase?

Krishnakumar Srinivasan: Yes. So Vijay, most of these projects are confidential projects with our customers. And it is not possible for me to divulge any details at this stage regarding those projects. But the point I can tell is, as I said, we will continue to dominate the market with our market share and at the same time we are continuing to work on various strategies for entry into different product segments, including, as I said, including areas like snowmobile applications, marine applications, etc. So we are continuously working in those areas and we feel that all the activities that we are doing will only be very accretive to our current line of business and be able to support us to continue our growth story.

Vijay Pandey: Okay. And I just wanted to check on the gross margin. Our gross margin got weakened, like declined quarter-on-quarter for both standalone and consolidated. Any particular reason for this decline? And do we expect the steel prices as the commodity prices have declined from April, when do we expect this benefit to reflect into our P&L?

Krishnakumar Srinivasan: Well, I don't know how, you might be seeing it only at a sales minus material cost level, but that's not the way to look at it. Overall, you have to look at the margins which is growing. If you see our EBITDA, PBT and PAT levels, because the product mix can make a big difference in this gross margin situation. So you should never look only at that because as I said, our product mix is changing with regards to the different new products that we are introducing. But overall profitability we are in fact improving as you can see in our EBITDA margins. You know, in fact, over the last five years, we have continuously registered over 8%-9% growth, 800 basis points growth. So that's a very massive growth on the EBITDA level. So you shouldn't look at it from that point of view because it's a mixed story.

Vijay Pandey: Okay. And if you can share which are the main customers…

Krishnakumar Srinivasan: All the names that can come to you in your mind with regards to all the vehicle manufacturers, everybody is our customer. Everybody. I don't think we have anybody in India who is manufacturing a vehicle and is not our customer. Does that answer your question?

Vijay Pandey: Yes.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: First of all congratulations on good set of numbers. Sir, let me begin by saying that I have recently started tracking the Company. So if you find the question a bit elementary, please have patience. Number one, is this, actually what is the opportunity size for our Company, in the sector we are operating in and the expected growth rate? And is our IT engine segment a sunset sector or that is an excessive pessimistic view and any steps we are taking to mitigate the same?

Krishnakumar Srinivasan: I will have to give you a very long answer to completely make you understand, just I will try my best to give you a very kind of a quick answer looking at the queue of questions that I have. Frankly, this Company is primarily into multiple segments, like we call ourselves as a solution provider for powertrain solution provider. We give powertrain solutions for the various kinds of ICE engines. These ICE engines could be basically gasoline and diesel, also other solutions like LNG, CNG, HCNG, hydrogen and also biofuels and various other applications. So various powertrain solutions, we give the solutions for that. And at the same time, we also have electric powertrain solution where we make our motors and controllers. And we also have plastic injection molded parts which goes into various usages into various areas of the automotive. It could be in belt applications, it could be in steering gear applications, could be in braking applications, seat applications, etc. So we make multiple products, multiple areas. So the name unfortunately gives only a kind of a feeling that we are only into ICE. That is not the only thing. We are into multiple areas now. And as far as our business status is concerned, I think you have already heard it. We are dominant player in the country and we are associated with every OE customers that is available in the country and abroad.

Vivek Gautam: What is the growth rate you are saying? What is the expected growth rate?

Krishnakumar Srinivasan: Well, our aim is always to outgrow the industry. So if the industry growth is around 3%-3.5%, last year the industry growth is around roughly, weighted average value basis is around 3.5%. We have actually outgrown it by around almost 100%. So our growth rate has been over 7%-8%.

Vivek Gautam: The second thing was about while researching the Company, I was pleasantly surprised to know that the DCM data products, Company which evolved, so many Indian IT companies evolved from it, whether it is HCL, Wipro or Mindtree from Shiv Nadar and Subroto Bagchi, Ashok Sootaji, they came out from our Company. So a few were from Lala Charat Ramji who was the founder of our Company. If you can highlight three points if that culture is still prevalent over here and we are sort of taking advantage of that legacy sir and how and what manner? Thank you.

Krishnakumar Srinivasan: Yes. So, we are basically belonging to the same legacy and we belong to the Lala Charat Ram wing and the overall companies got divided between the brothers and all. But as a group we all belong to the Lala Charat Ram overall industry that was formed at that point in time. And as you know that Dr. Bharat Ram and Lala Charat Ram were brothers and DCM was given to Dr. Bharat Ram. And Dr. Bharat Ram's wing has been instrumental in many other areas that they have grown, which is today the DCM, overall portfolio that they have. Similarly, under Dr. Charat Ram, all the various wings like the Honda SIEL cars and all that started and subsequently Shriram Pistons and many other companies that are there under the Charat Ram wing is being run today. So we belong to that wing and the legacy and the culture has continuously grown and it has become more and more, I would say, better at this stage. So we are continuing all those cultures and legacy.

Vivek Gautam: Dr. Charat Ram was the key person behind DCM Data Products also, I believe, as per the interview of Shiv Nadar and Ashok Sootaji and so many other people.

Krishnakumar Srinivasan: They were all working together at that point in time.

Vivek Gautam: Alright, sir. Thank you.

Moderator: Thank you. The next question is from the line of Raman K. V. from Sequent Investments. Please go ahead.

Raman K.V.: Hello sir. Thank you for answering my questions. My first question is with respect to the impact of UK free trade. I know the exports of, the overall export contribution towards the revenue is around 15% to 17% at the Company level. Now we have, India signed a free trade agreement with UK. Can this boost our exports growth as well as at the same time there has been a little bit uncertainty with the US tariff. So will that hurt our exports in the US market and with the free trade agreement signed, will this be beneficial to fill up the gap between both the countries?

Krishnakumar Srinivasan: Yes, so that's a very good question and let me highlight that the UK free trade is going to be very beneficial for us and it is a very positive story and I think the Government of India has done a great job in signing this off and auto segment has been very clearly defined as one of the growth segments for them and also for the industry that is identified in UK and we think that we are already exporting lot of our products to UK and that will only help our customers and help our growth story. As far as US is concerned, I think we are not very far away from signing of the trade agreement and once we sign it off, I think we look at it very positively. I think it's going to open up a lot of opportunities for us and it's going to give us more areas to grow and more bandwidth with regards to focusing on some of the customers that we have probably not touched in USA so far. So all this will be only accretive to our current level of business. Thank you.

Raman K.V.: Okay. My last question is with respect to, sir, what is the maximum potential revenue with the existing factory and what is the current order book? I know you don't give guidance, but I just wanted to understand the…

Krishnakumar Srinivasan: Frankly speaking, as I said, we have, we ensured that we always keep our capacities ahead of the market and at no point in time we have fallen short of the capacities in terms of our market, in terms of our customer requirements. So we continue to invest in our legacy business as well as into a newer business as you can see from our overall CAPEX investments that we have done in the past 5-6 years. So that will continue and we don't see any major areas where we will have failures with any of our customers due to capacity.

Raman K.V.: And sir, current order book position?

Krishnakumar Srinivasan: Yes, so certainly I am looking at continuous growth and there is no reason why our order book will be in any way lower than that.

Raman K.V.: Okay, thank you.

Moderator: Thank you. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

Himanshu Upadhyay: Yes, hi. Good afternoon. My first question is, the royalty we pay is for what purpose? Because last year we paid a royalty of Rs. 48 crores. It was 1.6% of revenue. So will that remain at similar percentages in future? And is it paid to only Kolbenschmidt or for other technology tie ups and how does it get decided? Is it based on what technology we take or on certain products we pay this? So some color if you give on the royalty and how it gets paid and …?

Krishnakumar Srinivasan: Royalty is paid only for the technology input that we get from our technology partners. And as you rightly said, the average is around 1.6%, which is very normal in the industry. And we have the technology partners, Kolbenschmidt is primarily for pistons. We also have Honda Foundry for pistons for Honda specific requirements. We have Fuji Oozx for our engine wells and we are also having a technology agreement with, now as you can see with Riken Corporation for piston rings. Now we also have the technology agreement with Takahata Corporation for the business that we do on our plastics injection moldings, these are very specific businesses in regards to technology requirements there. So for all the newer technologies, this always helps us to be ahead of the market and we are able to bring the newer technologies well in time. Like in the case of Euro 6 introduction, we were amongst the top companies to have brought the solutions to our customers well in time or even ahead of time and be able to give them. So all this helps us with the technology requirements. So that's the reason why we pay the technology fee and I think it's very normal, the kind of payout that we have is very normal compared to the industry standards.

Himanshu Upadhyay: And we have this technology tie up with global companies. Does it mean to go to a particular geography or to approach a particular customer? We need to take their permissions because they may be already operating in certain geographies. So what does that mean? Any idea?

Krishnakumar Srinivasan: No, no. We export to 45 countries today. And there is no reason why we cannot continue to export there, although things are addressed in our technology agreements and we work in as a partner with all our technology collaborators.

Himanshu Upadhyay: Okay, so even if they are in a particular geography, we can also operate with in that particular geography or with that customer.

Krishnakumar Srinivasan: All that is addressed in our agreement. So it is, there are certain ways of doing the business and we get the business done that way.

Himanshu Upadhyay: One last thing, we have two brands USHA and SPR in the aftermarket. Can you tell which segments they cater to and how are they different in terms of positioning or placement or whatever it is?

Krishnakumar Srinivasan: Both are in the same segments of businesses that we have and there are certain segments of the market which from a product standpoint nothing is different between the two brands, both the brands are very well accepted in the market. But there are certain Geographies where SPR is more well recognized or well traded, it is purely a perception of the customers, so we prefer to keep both our brands alive Both the brands are equally good.

Himanshu Upadhyay: Thank you.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Lakshmi Narayan from Tunga Investments. Please go ahead.

Lakshmi Narayan: Two questions. When you started the year in terms of the auto business, you would have had certain budgets, certain aspirations as the year-ended. I just want to understand what has actually positively surprised you and what has actually negatively surprised you? For example, as there's been some competition realignment which actually got you some business which you didn't anticipate. Just want to hear your thoughts on that.

Krishnakumar Srinivasan: Well, if I understood your question right, you're asking what was good for us and what was bad for us in last year.

Lakshmi Narayan: Yes, and what did you anticipate and which actually did much better than your anticipation and why?

Krishnakumar Srinivasan: Okay, we anticipated a much better market but we did not do well. So market actually we expected at least a 10% growth in the market but the market fell down to almost as low as 3% on an average, which was very unexpected from our standpoint but even after that the team actually rose to the situation and were able to get other businesses which has really helped us to grow our market and we were almost close to our target of around 8%-9% that we wanted to grow. Overall, as a group we have grown 15%.

Lakshmi Narayan: Got it. Sir, there has been a tie up of NPR and Riken globally and NPR is also working with one of our competitors as well. Now how that realignment is going to affect your market, is that something which you can share?

Krishnakumar Srinivasan: So here in this case Riken and NPR have come together and it's called the now the NPR-Riken Incorporative or Incorporation. So as a result it is very clearly one Company now. And there are, both, as I said Riken has an investment in SPR and, you know, NPR has a very, very small investment in a small, a much smaller Company, which is a competitor. So at this stage, we don't see any major issues between them.

Lakshmi Narayan: Thank you. I will get back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of the Divyansh Gupta from Latent Advisors. Please go ahead.

Divyansh Gupta: Couple of questions regarding the subsidiaries. So how much of our plastics businesses is ICE focused? Because on Takahata products, it mentions some FI controllers and stuff which I am guessing is more in ICE business?

Krishnakumar Srinivasan: Can you ask the question once again please, Divyansh?

Divyansh Gupta: So, Takahata, in the slide presentation or if I look at the Takahata's website and I look at the products that are there offered by Takahata, right? So it mentions something known as engine cooling part or a fuel pump. Now just by reading the word it seems more like an ICE product. So while it is still plastics for us, but it is still linked to the ICE life cycle, right? Will the headwind come or not is a different thing, but it's still an ICE business. I wanted to understand of overall plastic business that we are doing right now in the subsidiaries, how much is still ICE only products?

Krishnakumar Srinivasan: Yes, so if I include both Takahata and TGPEL put together, think our overall ratio will be less than 15%.

Moderator: Thank you. The next question is from the line of Prateek Bhandari from AART Ventures. Please go ahead.

Prateek Bhandari: Thanks for the opportunity. You mentioned that we are setting up a plant in Coimbatore for SPR EMFI. So what would be the CAPEX amount for this plant and what would be the CAPEX amount for FY'26?

Krishnakumar Srinivasan: Yes, so we had already given all these numbers in the previous listings, all there in the public domain. So we are putting up this plant around, almost over Rs. 70 crores have been invested apart from the other investments that we have made in the Company. So we continue to grow the business there. And FY'26 also we have a fair amount of CAPEX there, but we don't divulge these figures in advance.

Prateek Bhandari: Just one more question if I can squeeze in?

Krishnakumar Srinivasan: Yes, go ahead.

Prateek Bhandari: So, just wanted to understand you mentioned in your previous call that we have some new products introduced in the aftermarket. So just wanted to understand as to how those products are doing currently both connecting the odds and the well components, how they are?

Krishnakumar Srinivasan: They are doing very well actually. That is one of the reasons which has helped us also to cover up some of our other businesses. So we are multiplying in those areas and we are continuing to look at other opportunities where we can introduce our products or products from our subsidiary companies within the overall network that we have created over these many years.

Prateek Bhandari: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Moksh Ranka from Aurum capital. Please go ahead.

Moksh Ranka: One question I wanted to ask, recently we acquired Karna Intertech. I wanted to understand the opportunity there and also the opportunity in the die casting space. Are we trying to make more components for light weighting of components in the EV segment?

Krishnakumar Srinivasan: Yes. So basically, for all our piston manufacturing, there is a huge amount of dyes that need to be made. We make something like close to 2,000 odd variants and at any given point in time, including all the variants that we manufactured in pistons, rings, engine valves, it's over 15,000 to 18,000 variants. And, so there's a huge amount of work needs to be done in the manufacturing of dyes, etc. and there's a huge amount of cost allocated to that. So to be able to have a very seamless kind of a working for all our tool availability and to ensure that the supply chain is not getting affected, it was very necessary for us to have a complete alignment and a complete manufacturing setup which will help us to grow our tooling manufacturing and that's why Karna was identified and we actually bought over this Company because it has the right skill sets and the right machines that will help us to actually manufacture those dyes that are required by us and that's the only reason that we have gone for a backward integration and it has it will really help us going forward with regards to our overall output that we can improve with the number of dyes that we can make, improve and make extra because of this facility.

Moksh Ranka: That is it from me.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Nandan Pradhan from Emkay Global. Please go ahead.

Nandan Pradhan: If you could just help us understand the split between standalone EMFI, Takahata, TGPEL and Karna?

Krishnakumar Srinivasan: So it's all there in our website. You can go through the release, it gives a complete break up of all our sales and everything. So you can get that.

Nandan Pradhan: Okay, so FY'25, we would have the split?

Krishnakumar Srinivasan: Yes, it is there.

Nandan Pradhan: Okay, alright. Thank you so much. That's it from me. Thank you.

Moderator: Thank you. The next question is from the line of Manik Bansal from Master Capital. Please go ahead.

Manik Bansal: Hi, sir. Thank you for taking my questions. So I am having one question. Like as you mentioned, you have dominant position in this space, right? So then you must be having some pricing power as well. If we look at the COGS as a percentage of sales for past five years, it has increased from 33%-34% in March '20 **to** 39% last year. So, can you paint some color over this?

Krishnakumar Srinivasan: Yes, I already answered this question. It was asked in a different way from a gross margin perspective. You should not look at it from that standpoint because as I explained, the product mix plays a major role. The profitability targets are different for product segments, different mix of the products and the mix of the overall because we are making over 20,000 variants as I just said that as a result it can completely make a complete change in the COGS position, so you should not look at it from that way look at it from an overall EBITDA standpoint.

Manik Bansal: Okay, one last question. What is the current capacity utilization and how it has emerged in the past 3 to 4 years?

Krishnakumar Srinivasan: Yes, we continue to always, it's a very dynamically moving number, capacity utilization, because we continue to invest into our existing business. I have told it in the past that we continue to invest to the extent of our deprecation. So we continue to expand our capacities, even in our legacy business, at that rate, as a result of which this is a very moving number and difficult to say at this stage.

Manik Bansal: Is it a good understanding like in one of the concalls you mentioned 70% to 75% was the capacity utilization at that time. So it may be around 80%-82%. Is that a good understanding?

Krishnakumar Srinivasan: It's that direction between 75% to 80% is what it is today.

Manik Bansal: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

Himanshu Upadhyay: Yes, thanks for giving me another opportunity. I had a question on the export business. In the exports business aftermarket, how big can that be an opportunity and do we have our own distribution network in some of these markets? Because many of our products have large…it's a repetitive business for pistons and piston rings. So are we doing a branded business there or how is it and some thoughts on that?

Krishnakumar Srinivasan: No, no, it is a completely branded business and we have our own distributors. We also have some distributors through our technology partners. So there are number of routes to the market and we continue to use all those routes. But more importantly, we also supply to lot of OEMs in the export market and there are businesses that we do directly with the OEM. So all that continues. All the marketing channels are being used today to export the products that we can make.

Himanshu Upadhyay: And inorganic opportunities means would we be only focusing in India or outside India also? Some thoughts on that. How do you again select the companies and where we don't…?

Krishnakumar Srinivasan: We continue to look at opportunities both in India as well as abroad and there is no reason if some good opportunity comes to us, which is within the gamut of our laid out deliverables, we will certainly do the M&A outside India also.

Moderator: Thank you. The next question is from the line of Anand Shenoy from AS Capital. Please go ahead.

Anand Shenoy: Good afternoon. My question was on the Takahata business. So, time back you had mentioned about increase of the capacity. Just wanted to understand what kind of capacity increase has been done and is it ready and like what kind of customer additions we are seeing in Takahata business?

Krishnakumar Srinivasan: Yes, as I said in the last call also that we have actually put up a capacity in Takahata to go for slightly bigger components, that is, we are going for higher tonnage machines. And we have recently also bought the next piece of land that was available in the Neemrana estate. And with that, we have paid a good sum of money to acquire that land and we have already started some expansion activities there.

Anand Shenoy: And on the customer addition part, like…

Moderator: Mr. Anand, may we request that you return to the question queue for a followup question as there are several participants waiting for their turn?

Krishnakumar Srinivasan: There are many customer addition including medical applications and also music applications and other things, so there are many customers. We don't give the names of the customers at this stage.

Moderator: Thank you. The next question is from the line of the Divyansh Gupta from Latent Advisors. Please go ahead.

Divyansh Gupta: Hi, sir. Again, thanks for taking my question. So the question is on the export numbers. If I look at our pie chart given in the presentation, it says exports is around 17%. And if I look at the bar graph, it says Rs. 484 crores. Now, if I do 484 by 17, the number comes to around Rs. 2,800 crores of revenue which is less than either the standalone or consol revenue. So how should I understand this difference?

Krishnakumar Srinivasan: No, because that's you might be looking at the overall consol figures and the standalone business for exports will be somewhere around 17%.

Divyansh Gupta: So, the 484 that is given in the presentation is standalone export or consol export?

Krishnakumar Srinivasan: Standalone.

Divyansh Gupta: So, even if I divide and the 17% is given on consol on slide #10, exports at 17%. So should I then consider that okay on standalone 17% is exports.

Krishnakumar Srinivasan: That is right. There could be a possibility that we have also done some exports of some of subsidiary companies which has been added there**.**

Divyansh Gupta: Understood and you have mentioned that exports includes aftermarket as well. So this 26% is not included. This is domestic aftermarket.

Krishnakumar Srinivasan: It is purely domestic aftermarket.

Divyansh Gupta: Got it. Understood.

Krishnakumar Srinivasan: And in exports have a breakup of both OE and exports and within for the standalone business 17% even slight if you include the subsidiary some of the exports that we have been able to do it will be higher which is a figure that you're seeing

Divyansh Gupta: Got it. And just one request. It's not a question. In the presentation, can you just add the revenue breakup by the different standalone and subsidiary companies, it becomes easier to understand how the business is moving, that will be really helpful.

Krishnakumar Srinivasan: Yes, in the Board report you will see that already. It is already mentioned.

Divyansh Gupta: Understood. Thank you.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Vijay Pandey from Nuvama. Please go ahead.

Vijay Pandey: Thank you for taking on one more question from my side. Just I wanted to understand what will be the margin profile between our products? So like the powertrain product, plastic molding product and other products. If you can just briefly tell us which has a higher margin profile, that will be very helpful.

Krishnakumar Srinivasan: If you study our P&L, you will see that our business, that is our legacy business is doing at x% of EBITDA and all our other businesses are doing at, the consolidated is doing at almost a near about the same percentage of EBITDA. So we are doing M&As of businesses which are really accretive to our overall business otherwise there will be a big drop in our EBITDA margin. So we are looking at various opportunities which will help us to be accretive on the EBITDA range.

Vijay Pandey: Thank you.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Keshav from RakSan Investors. Please go ahead.

Keshav: If I look at the scale of our subsidiary business, this quarter it has come to almost 130 plus crore and even on the margin front blended basis it looks like it's a 15% EBITDA. So is this scale and margin here to stay?

Krishnakumar Srinivasan: Well, none of my subsidiary business is at 15% margin, You are talking net margin or you are talking EBITDA?

Keshav: Sir, it's a net consol with the standalone figures. I get a Rs. 20 crore EBITDA on a Rs. 133 crore revenue in this quarter. I am talking about this quarter.

Krishnakumar Srinivasan: You are talking about TGPEL? Can you repeat your question, Keshav? I think there's some misunderstanding.

Keshav: Yes, sir. I am just netting the consol figures with the standalone figures.

Krishnakumar Srinivasan: Are you asking for the full year or for the quarter-on-quarter?

Keshav: Quarter.

Krishnakumar Srinivasan: Yes, you said on quarter. Okay. Go ahead. Please ask the question.

Keshav: The scale this quarter has been, if net consol and standalone figures, the scale has risen sequentially year-on-year, quarter-on-quarter in every way. And the margin is also coming about. I mean, it's expanding. So I just wanted to know if this overall scale of our subsidiaries is here to stay, if they are scaling up, if they're in the process and or if there is any one off in this quarter.

Krishnakumar Srinivasan: Yes. All our businesses, whether it is our legacy business as well as our plastics business and our motors business, everything has done well in the last quarter and they have actually grown year-over-year. So as a result, we expect that it will continue and the overall markets are already developed and this thing, there's no one time business in these kind of products that we make. Once we get into that business, we have a long-term business there. So we don't expect any drop in the scale of activity in any of the subsidiaries.

Keshav: Great, sir. Thank you and all the best.

Krishnakumar Srinivasan: Thank you.

Moderator: Thank you. The next question is from the line of Darshan Deora from Indvest Group. Please go ahead.

Darshan Deora: Hi. Thank you for the opportunity. So I am actually a little bit new to your Company. Again, please show some patience in case the question is elementary. But I wanted to know that on the export side, when we talk about OEMs or we talk about the aftermarket, who is our major competitor? Which country is our major competitor? Is it China or is it any other country?

Krishnakumar Srinivasan: Well, if you ask me countries that are for our legacy products, the legacy products are made in Brazil, in US, in China, in India, in Thailand. So there are many such places where it's made. But frankly, I would put it this way that for the businesses that we do, we do have very cherished customer list who are very committed to us and we are committed to them and that that is growing that relationship is growing and we are growing our volumes with them.

Darshan Deora: Goit it. Thank you.

Moderator: Thank you. The next question is from the line of Lakshmi Narayan from Tunga Investments. Please go ahead.

Lakshmi Narayan: If I look at your business, I just want to understand, there are 2-3 things involved, Piston and Rings. How much of your business comes from places where you supply everything as one assembly and how much is coming from selling one or the other?

Krishnakumar Srinivasan: That is very difficult to say, Mr. Lakshmi Narayan, because what happens is there are many customers whom we give as a full set. There are also customers where we pay, where we do the assembly and give them., we even do in some cases assembly with conrods. So there are multiple things that are done to individual customers. So it's all different by different. So we don't track it that way. We track it more from product range standpoint.

Lakshmi Narayan: We also make this one-dollar piston, sir, which is essentially very-very lower realization? Do you also make it?

Krishnakumar Srinivasan: No. We don't make the one-dollar piston. That's made by some of the companies which operate on very low margins. So it's different you know. Those are different products. Those goes into air conditioning applications and things like that, the reciprocating compressors go into air conditioners, aircon or some steel corporation and things like that. We don't make those.

Lakshmi Narayan: Got it. Thank you, sir.

Moderator: Thank you. The last question is from the line of Divyansh Gupta from Latent Advisors. Please go ahead.

Divyansh Gupta: Hi, sir. Just one quick question on the Coimbatore plant. So while we have done the Rs. 70 crores CAPEX and let's say we at least had the, we had mentioned that Ampere is already our client. So how much of capacity would let's say Ampere take and how much would be the spare capacity for any other future business that comes in or will we need to do increment?

Krishnakumar Srinivasan: No, all our capacities have been grown for our customer requirements for all the customers that we have already developed. There are many customers on whom it's not only Ampere, but many customers with whom we have already started and all that will be a public information soon. So as and when those approvals are there and it's all under validation, many other things are going on, but the capacities are all in place already. So we have enough capacities now.

Divyansh Gupta: Sorry, so does it mean that any new, if we had Ampere plus 5 other customers and the 6 customer comes, we would need to do additional CAPEX?

Krishnakumar Srinivasan: No, we have sufficient CAPEX already put.

Divyansh Gupta: We have spare capacity, right?

Krishnakumar Srinivasan: Yes.

Divyansh Gupta: Got it. Understood. Thank you.

Krishnakumar Srinivasan: Thank you, Divyansh.

Moderator: Thank you. Thank you very much. I would now like to hand the conference over to Mr. Krishnakumar for closing comments.

Krishnakumar Srinivasan: Thank you very much. Very interesting lot of questions that we have seen today and we hope that we have been able to give a fair amount of answer. In case you have any questions left out or you feel that there any queries to be given, please do reach out to us. We sincerely thank everyone who joined today's Earning Call. Your active participation has greatly enriched the discussion today. Our focus will continue to remain on achieving our strategic goals and we are committed to driving the continued and sustained positive results. Once again, if you have any further queries or need any additional information, please do contact the investor relations team at Ernst & Young. On behalf of the Company, we again deeply appreciate your time and engagement. Thank you once again. 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.

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discrepancy, the audio recordings uploaded on the stock exchange on 8th May 2025 will prevail.