



Sharda Motor Industries Ltd.

SMIL: LISTING/25-26/1808/01

August 18, 2025

BSE Limited

Department of Corporate Services

Pheroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001

(SCRIP CODE - 535602)

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor

Plot No. C/1, G Block

Bandra - Kurla Complex, Mumbai - 400 051

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Submission of Transcript of Conference Call held to discuss the Operational & financial performance for quarter ended June 30, 2025

Ref: Regulation 30 read with Part A to Schedule III of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015

Dear Sir / Madam,

In pursuant to the applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and in furtherance to our letter no. **SMIL: LISTING/25-26/0608/01** dated August 06, 2025 with respect to the convening of Investors / Analyst conference call "Earning Call" on **Monday, August 11, 2025 at 16.00 Hours (IST)** onwards, for discussing the financial performance of the Company for first quarter ended June 30, 2025 for the financial year 2025-26, in this regard please find enclosed herewith the transcript of the earning call.

Further the same is also being available on the website of the Company at www.shardamotor.com.

This is for your information and record.

Thanking You,

Your's Faithfully

Iti Goyal
Asst. Company Secretary &
Compliance Officer
Encl. as above

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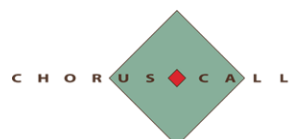
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“Sharda Motor Industries Limited
Q1 FY26 Post Results Conference Call”
August 11, 2025



MANAGEMENT: **MR. AASHIM RELAN –GROUP CHIEF EXECUTIVE
OFFICER – SHARDA MOTOR INDUSTRIES LIMITED**
**MR. GD TAKKAR – GROUP CHIEF FINANCIAL
OFFICER – SHARDA MOTOR INDUSTRIES LIMITED**
**MR. ASHWANI MAHESHWARI – DEPUTY MANAGING
DIRECTOR – SHARDA MOTOR INDUSTRIES LIMITED**

MODERATOR: **MR. MIHIR VORA – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Sharda Motor Industries Limited Q1 FY '26 Conference Call hosted by Equirus Securities. 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.

I now hand the conference over to Mr. Mihir Vora from Equirus Securities. Thank you, and over to you, sir.

Mihir Vora: Yes. Thank you. Hi, good afternoon, everyone. On behalf of Equirus Securities, I welcome you all to the Q1 FY '26 Post Results Conference of Sharda Motors. From the management side, we have with us Mr. Aashim Relan, CEO and Mr. GD Takkar, Group CFO. Without further ado, I would now hand over the call to management for opening remarks.

GD Takkar: Thank you very much, Mihir. Thanks a lot. Good afternoon, everyone. I extend a warm welcome to all the participants on today's call. I'm joined by our Group CEO, Mr. Aashim Relan and Deputy Managing Director, Mr. Ashwani Maheshwari. I trust you have had the opportunity to review our earnings results, and investor presentation, which are available on the stock exchanges as well as on the company's website.

Before going into the financials, I would like to give you a brief overview of the Indian automotive industry's performance in Q1 FY '26. The sector continued to exhibit steady performance across various segments, reflecting strong growth prospects. In first quarter of this financial year, Indian automobile industry witnessed growth across most segments, passenger vehicle production reaching 12.44 lakh units, reflecting continued demand resilience in the segment.

Light commercial vehicle production stood at 158,000 units, which is broadly in line with last year same quarter. Two-wheeler production inched up by close to 1% Y-o-Y totalling 59 lakh units, indicating a stable demand environment in both urban and rural markets, and 3-wheeler segment maintained its upward trajectory with production rising by close to 10% Y-o-Y to 2.56 lakh units, driven by increasing adoption for shared mobility and last mile transportation.

Tractor production stood out with a strong 12.7% Y-o-Y growth, reaching 2.94 lakh units, underpinned by favourable monsoon patterns and improved rural sentiment. Overall, the industry is expected to continue its growth in FY '26 driven by stable macroeconomic conditions, permit spending, normal monsoon, improved vehicle financing and sustained export momentum.

That said, the sector remains allowed to global economic and geopolitical uncertainties. Now I will shift focus to the operational and financial performance of the company. On a consolidated basis, we reported revenues of INR756.2 crores in first quarter with a Y-o-Y growth. Our gross profit for the quarter came in at INR189.5 crores, reflecting a growth of 5% over Q1 FY '25.

Gross profit is the better indicator of our growth performance and the company outperformed the industry in Q1. EBITDA for quarter 1 FY '26 stood at INR98.4 crores, showing 3% growth

compared to the one in the same quarter last year with an EBITDA margin at 13%. Profit before tax for the quarter stood at INR130.1 crores after accounting for exceptional gain of INR22.4 crores on sale of one of the idle industrial land parcel situated at Haridwar, Uttarakhand and our share in profit from joint ventures and associates.

Same quarter last year, profit before tax stood at INR102.4 crores. Our PAT was INR99.9 crores for Q1 FY '26 as against INR76.8 crores in quarter 1 of FY '25. Building on the momentum from previous quarters, we continued to make strong progress on both organizational and business development fronts during first quarter of '16 as well. Following the successful establishment of our global business and light weighting verticals in financial year '24 and '25, respectively.

We have further strengthened our leadership team by onboarding Mr. Ashwani Maheshwari as Deputy Managing Director of the company. We have also been progressing well on building partnerships in key focus areas of growth will share further updates in this regard as we move forward. Additionally, we have strengthened our innovation pipeline by filing a total of 15 patents to date, up from 13 previously. With this we can open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Preet from InCred AMC.

Preet: My first question would be on the revenue. If you could give the breakup of segment-wise revenue -- segment and industry-wise revenue breakup? And also, if you can mention how much was the export revenue for quarter 1?

Aashim Relan: Thank you for the question. This is Aashim, and good evening to everyone. So on a quarterly basis, we don't give out segment wise revenues. And last year FY '25, I think GD sir should have the breakup. So GD sir, you could just share on FY '25 just as guidance numbers.

GD Takkar: Sure. Thank you very much. So overall, in FY '25, our emission control vertical contributed 88% of the top line, followed by suspension vertical, which contributed 9%, and supply chain management vertical 2% and rest 1% from other miscellaneous items. This was the breakup of segment-wise contribution to the top line last year.

Preet: Okay, sir. My next question would be on the line of- I can see there is a quarterly depreciation rate decrease apart from land, which you have shown in the exceptional item, have you sold any other assets in current quarter?

GD Takkar: No. So in the current quarter, in terms of land parcel, that was the only sale which happened.

Preet: So if you could let us know why was there a dip in the depreciation for this quarter?

GD Takkar: No. So in terms of depreciation, if you look at quarter -- so the depreciation amount stands at INR13.5 crores in the quarter versus INR12.9 crores last year. This is on account of the overall increase in capex and net of - definitely a small marginal depreciation on the asset which has been sold.

- Preet:** Okay. No, actually, it was INR16.6 crores in March quarter. That's why I was asking?
- GD Takkar:** Yes. So INR16.6 crores was on the March quarter because of the additions, which were done towards the end of the year. So this quarter's number is net of the depreciation, which has been removed on account of the disposals which have been done. And then there is a small portion of tooling sale also, which gets reported in other income and corresponding depreciation on that also gets moved.
- And therefore, this is a combination of many factors and therefore, looking lower. But overall basis, you should look at the yearly numbers, which gives the right indication of how much will be the overall annual depreciation.
- Preet:** Okay, sir. Got it. And next question was, there was a 10% year-on-year jump in the revenue, but in gross margin upfront, there was only 5% jump. So your volume growth will be around 5%? Or was there any product mix difference, that's why we had a dip in the gross margin?
- GD Takkar:** Aashim, sir, should I take this question?
- Aashim Relan:** Yes, you can go ahead, take this question.
- GD Takkar:** Sure. So yes, you are right. Our top line was higher by 10%, whereas our gross margin was -- gross profit was higher by 5%. This is the right way of looking at our growth is the gross profit, which is the better indicator. And there is an impact of product mix of higher sales with brick and therefore, top line is higher, whereas gross profit margin in absolute terms are 5%.
- And if you compare this growth with the industry growth, then you would get the better idea of how the company is performing as top line will have many other components, including product mix plus brick sales, which is one of the components of our top line.
- Moderator:** The next question is from the line of Anubhav Mukherjee from Prescient Capital.
- Anubhav Mukherjee:** Sir, what I understand is that the TREM V implementation date for tractors is till April 2026. So how are you viewing this opportunity? Do you think that the deadline will hold or like will there be some extension? So can you give some color on -- because what I understand is that TREM V can be a big opportunity for us. So what's your take on this?
- Aashim Relan:** Yes. So the formal date so far has remained to be the same. However, a change seems likely from customer feedback and now we are in August, but the nature of change is very difficult to guide because there's no formal communication as well as the notified date still remains as April 1, '26.
- So our readiness is there, but we do anticipate some change. We don't know how and what kind of change. And we'll -- as we learn more from the government side, we keep you updated on this.

Anubhav Mukherjee: So do you have some view on what the change will be -- will they extend like 25 to 50-horsepower tractors which like can reduce the opportunities for us significantly. How do you like -- do you have a sense of the kind of change that can come in?

Aashim Relan: No. I don't think we would be the right people to be able to guide there, right, because there's no direct contact with the government because we are just making one part, and this is, of course, much larger, right? And the tractor makers are the ones who are taking the lead on this. So our knowledge on this is not so up to date as it would be on the tractor maker side.

So I think it's best to just look out for how the government goes about it and best to stick to government guidance, right? And as per now, there's no change in guidance, but we're also sensing some kind of change, hard to really estimate what it would be at this point of time.

Anubhav Mukherjee: Okay. And sir, on the export side, can you share if there are any new developments in terms of any new order win or product development that should be helpful?

Aashim Relan: Sure. So this quarter has been very good for us. We've added two new customers. In fact, one customer, we were in touch with for almost 3 years now. And we finally got the first business. This is a leading Japanese construction equipment company so falls, right, in our focus area, and it was one of our focus customers to acquire as well as we've added another customer who is a large heavy industry machinery company.

These are first orders that we've received. So there are on the smaller size, pilot size as the first order, first relationship is generally on the smaller size. And we do expect the SOP to be between 12 to 18 months from now. And we continue to have a good RFQ pipeline. I think good work is being done on the export front, and we do expect good momentum to pick up there.

At the same time, I think all of us are aware that currently, the geopolitical tensions are very high, and there is a lot of volatility around the world. However, we are really optimistic that they should settle down, right, and stabilize further.

Anubhav Mukherjee: Great. And sir, we also had an order win from like one of the largest genset manufacturers. And my understanding is that this is U.S.-based. So does this new tariff that's coming very suddenly, does it change -- anything on that order thing?

Aashim Relan: Yes. So just one thing that that's not from the biggest genset maker, the biggest engine maker, right? So it's a very large company. And yes, it is U.S.-based. So it just happened. I think that there's been a couple of days, and I think this whole geopolitical thing that's happened in the last couple of weeks, right? It's is very hard to see the impact of it. And we are very hopeful that there should be some stabilization, right, in the overall global scenario also.

So I think it's too difficult to guide because it just happened, right, very recent. And our SOP is for the early calendar year, next year. So I think everyone is in wait and watch. And everyone is hoping that there should be some stability. And I think as things stabilize, it would be better to guide on that.

- Moderator:** The next question is from the line of Basanth Patil N P from TCG AMC.
- Basanth Patil N P:** Sir, can you elaborate on the content per vehicle, how it moves up actually? What kind of the road map once we could sense actually by implementing BS7 or TREM V or even CEV emission norm. So what kind of the realization per fit enhancement you will see actively. So if you give some color on that thought, that would be more helpful?
- Aashim Relan:** Sure. Thank you for the question. So I'll just go one by one. First one is beginning from BS7. Right now, BS7, the norms, the way they're drafted would be an indicator. So we can look at what's happening in Europe as a reference point. And in Europe, there is a content increase. And it really varies depending on the engine strategy. And giving the number on BS7, will not be apt for now.
- I think it will be better to wait for the guidelines as well as the strategy before we give a content reference point. However, it would increase, right? How much it would increase by, I think, let things materialize and then we'll talk more on that. On the CEV side, CEV side, we have two products now. We've begun or we are beginning with temperature-controlled pipes and that's an adjacency, and that's our first focus area.
- We feel that by getting into these products, which we've successfully now done, we will be able to not only sell this adjacency to the construction equipment industry, but there's also a use of this in the commercial vehicle and as well as the big export market. For this, the number ranges a lot because as we've seen different construction vehicles have different piping and so on. So a reference point as a fixed number is not there.
- Now coming to TREM V, what we had guided before is anywhere between 5,000 to 15,000 depending on the engine size and depending on, again, the OEM strategy. And lastly, for our current light weighting content, which is mainly control arm, it's between 2,000 to 8,000.
- Basanth Patil N P:** Okay. Sir, and one more thing. Because of this rare earth metal what actually, which is noise around the corner, so will this impact on our procurement for catalytic converters, so that will lead to any disturbance to OEMs?
- Aashim Relan:** Yes. So nothing that we have seen so far. And also the procurement of catalyst, right, is done directed by the OEMs only, right? So we are not much involved in it, and we haven't heard of anything. I'm not sure if the same metals are used in these catalysts, but not heard anything, so it seems unlikely.
- Basanth Patil N P:** Okay. Sir, just one last question. So if you allow me, sir, what is your thought on disbursing your cash? Actually, you are sitting on a huge amount of cash, actually, almost INR800-odd-plus crores hunting for acquisitions quite a long time actually. As an investor, what we should look into, what kind of -- still it is unclear or how one should take away?
- Aashim Relan:** Yes, sure. So our cash surplus, our first preference is to utilize it for augmenting our light-weighting verticals. We see a very huge opportunity there. And we also see a very good

opportunity in M&A for powertrain agnostic, right? And when I say M&A, I must emphasize that I mean technical agreements, joint ventures and acquisitions, not just acquisitions alone.

And that's definitely the first preference, and we would be focused on that. In terms of acquisitions, there's no fixed time line. We just want to be very careful with the deals valuations. And would want to be conservative here because for the long term, I think it is better, that we get the right thing.

We do have many talks and interactions ongoing, and we will keep updated as something materializes. Till then, we have already expanded also the dividend policy. And we would keep focused on having a balance between return to shareholders as well as investing in future areas, and that would continue.

And this surplus also, we are seeing that at the right time would become a strength where we could maximize many opportunities when the private markets adjust a little bit. So this may turn out to be a very big strength also in the future.

Moderator: The next question is from the line of Kartik from Suyash Advisors.

Kartik: Just wanted to clarify a couple of things. One is on the export orders that you have won, the engine maker that you spoke about, would any of it be covered under USMCA? What would be the -- maybe just for the record just to clarify, please?

Aashim Relan: Sure. So you're referring to the export business that the large export business that we've won, 7 million. So I think there are so many changes that are happening, right? So it's very hard to even keep up with the changes, right, especially because this is not active. This is still 6 months out, right?

So when we also now reach out to the customer, they say that we have many other things going on and clarification and so on, would be better, either once there is more clarity and stability or it is closer to SOP, right? Like especially the way that this year has gone globally every time these tariffs are changing rules are changing, that all of us are aware. So it will be difficult to guide on specific things regarding this, right? It keeps changing all the time.

Kartik: Yes. No, the only reason I ask is, in case you want to estimate -- would this be on an FOB basis, bill of lading basis, how exactly should one think about? That's the only thing. I'm trying to understand the mechanic rather than the final implication. I understand that if it's 50%, there will be some hit everywhere?

Aashim Relan: Yes, yes. So I think that the customer is very adaptable, right? It has production facilities everywhere in Europe, U.S., Mexico, everywhere, right? And everyone will adapt to the optimal closer to that. And what the optimal will be, we also don't know. And we got the indication that they are also going to add based on how the rules pan out. and it will be better to look at it closer to time, given the dynamic nature of the geopolitical tariffs, rules, regulations that we are all seeing in the future...

- Kartik:** Perfect. Got it. So adapt is the key word here. Yes. Sir, the other thing that I wanted to understand slightly better from you is that we are seeing a lot of senior hires now. The Deputy Managing Director is one more interesting one. So some thoughts on how exactly are you visualizing the future going ahead with all these leadership level additions?
- Aashim Relan:** Yes. So our goal is to now execute on all growth levers. We have so many growth levers ahead of us. We have the light weighting vertical. We have M&A, we have exports as well as domestic emission adjacency. So there's so many growth levers and the idea is to strengthen the senior management as well as processes to execute on all of them.
- And the senior hires are all focused on exactly executing on these growth levers because we are very excited on the opportunity. Now we need more hands on deck really to get this done, and that's the thought process behind it.
- Kartik:** I mean is the mandate new customer additions also? Would there be something possible on that side because there are certain gaps on your customer metrics, if I may put it like that?
- Aashim Relan:** Absolutely. All growth levers, right? And the way I said it, that this is how we look at it. We have to expand on light weighting, we have to execute on M&A. We have to build the exports. We have to get into domestic emission adjacencies. And all of that, if you see that good momentum is there, and we will keep building on that for different senior people have joined for different things.
- Moderator:** The next question is from the line of Sanket Kelaskar from Ashika Stock Service.
- Sanket Kelaskar:** My first question is on our non-PV segment. So we expect our non-PV to contribute 80% on our revenue share. So I wanted to understand like...
- Aashim Relan:** Sorry, I think -- did he get cut off? Can you just repeat?
- Moderator:** So the current participant have got disconnected. The next question is from the line of Manpreet Arora from Arora Wealth Advisors.
- Manpreet Arora:** So Aashim, on the gross profit side, we have grown 5% this quarter, and we have outperformed the industry in some way. So what is driving this outperformance? Is it because we are part of the models that are selling more or are some of the other verticals that we are trying to scale up are doing better or are we gaining market share? What is exactly driving this outperformance, if you can help there?
- Aashim Relan:** Sure. So I think in 1 quarter, and especially because outperformance is like literally 2%, 3% for this quarter. So diagnosing specific reason that this is why there's 2%, it won't be right for me. However, in general, if I was to look at the rest of the year and then 5 years, I can guide on a few points that the rest of the year now on new suspension plant has started. So as it ramps up, and the light weighting programs that we had announced last quarter.

As they come in, there would be, of course, some benefit from that. As well as our first temperature controlled pipes, which are going into CEV, the SOP is expected in Q3. So that's going to be something on top of what we are already doing. And hopefully, if the export business starts then that could be something on top of that.

The rest minor outperformance here and there can always be that some models are doing better or some slight gains on PVs, LCVs and so on, but not worth getting into the details of that. Now for the next 5 years, where we see outperformance is definitely scaling up this light weighting vertical and that we are hopeful to gain market share, which already we've been gaining market share in control arms as well as customers and adding content into what we can do in light weighting by our internal R&D as well as joint ventures.

Technical agreements then of course, the M&A for localization, exports growth, domestic emission adjacencies growth and all of this is something that would come on top of the underlying growth.

Manpreet Arora:

Yes. The reason I was asking was because primarily on the passenger vehicle side, we are hearing about slowdowns in inventory at the -- in the channel. And therefore, we've seen muted numbers reported by passenger vehicle OEMs. But still we have done a growth. So I was trying to understand some more from that aspect?

Aashim Relan:

Understood. Understood. No, no, understood. And I think looking at it on a quarter-by-quarter basis is not the most accurate for components, especially like us because there's such a long value chain also. And our key markets right now are PV and LCV, right? And LCV, I think is like what roughly flat or slightly down year-on-year as a market.

And would have like, I think, 1%, 2% or 3% growth, right? So yes, so a little bit of outperformance is there. But best to look at the long-term annual as well as going forward to get better.

Manpreet Arora:

Sure. My next question is on the light weighting vertical. And so our current focus is on the suspension arms side, is that current on the light weighting side?

Aashim Relan:

Yes. So our current business is on control arms, where we've added one customer. Now we've also started the SOP, which is going into one of the leading EVs as well as that same product will be used in ICE. So it's a classic powertrain agnostic product, what we've been going for. At the same time, we see a very large opportunity in light weighting and to add various more products and content within the car.

And that's where most of our time is going to build on the light weighting vertical. And light weighting as a theme is just becoming stronger and stronger due to the requirements in weight reduction, whether it's EVs, whether it's ICE, whether it's hybrid, for range cost, for safety, for mileage, everything put together. And the technology has sharply evolved across the world, but especially in China and Korea.

And there is a lot that needs to change right now for the Indian market also. So we are very excited about that, and that's where a lot of time and work is going in so that we can offer even more content.

Manpreet Arora:

Yes. So just to understand this a bit more, Aashim. So let's say, on the control arm side, what exactly are we offering or doing on the light weighting side? Is it just a new material like specialized steel that we use that makes it lighter? Is that the skill that we bring in? Or are there other complexities to this whole light weighting thing that we bring in as an expertise?

Aashim Relan:

Yes. So our current internal capabilities lies in high tensile strength steel and the stamping welding of that. Second is on quality controls for safety products, whether this is a safety product, very similar to how we have quality control in some of our other products as well as we have internal R&D capabilities.

Now we are augmenting this with new processes and newer technologies. And I will share more of that as we are successful in winning some business in those areas, which would enable much more light weighting, not just in control arms and other areas as well, and that would be a value add.

Moderator:

The next question is from the line of from Sanket Kelaskar from Ashika Stock Service.

Sanket Kelaskar:

I might have lost connection before. So my question may feel a bit repetitive to you. So it was on the non-PV segment. So we have a guidance that our non-PV side may contribute 80% in our revenue mix. So I wanted to understand what is the time line when we will achieve this? And second is what are the initiatives we are taking?

Aashim Relan:

Sure. I think the spirit of the 80% guidance is to de-risk from potential EV penetration into PV, right? So that was the thought process of that. And we've already made substantial progress, about 40% now comes within emissions from CV plus 5% is from a mix of off-highway tractors and exports and roughly 9%, 10% is coming in from light weighting now.

So the initiatives that we are taking, if you see almost everything that we are doing, for the future is centered around this only. So if we go on to light weighting, light weighting could come from PV as well, but it is powertrain agnostic. If you're going to exports and you look at our export focus areas, it's on the off-highway side as well as on the commercial vehicle and the genset side.

So as that starts coming in, it is, of course, going to outpace the base that we have right now. and that is also going to add further to it as well as the adjacencies now that we've gotten into our applicable launch CV and off highway that is the pipes that we've started, those will also be applicable in commercial vehicles and so on.

In terms of the time line on when this would be 80%, I think the goal is not to have a fixed time line, but to grow in areas which have less EV risk, right? And there's a continued effort to do so.

- Sanket Kelaskar:** Sure, sir. Sir, my second question is on our various JVs. So one of them prominent ones being TBAS. So I want to understand like when do we expect these JVs to contribute significantly on PAT level? And what is the contribution from TBAS as well?
- Aashim Relan:** Yes. So I think it remains to be from a profit standpoint fairly small, right? It would be like 1% or 2%, maybe it's like around 1.5% of our consolidated profit. And our goal was to stabilize it. The mechanics of the JV such that we, of course, are not in management control. So from a consolidated PAT basis only come into a PAT and the revenues don't come into our P&L.
- And here, there is a new program that has been awarded to the JV. And this is, in fact, a localization program for an international OEM, right, and utilizing India as a base for engine, and that should come in somewhere towards the Q4 of 2026. And our focus is to look at various options on how we could get better contributions from this JV. And this is the only large active JV that we have.
- Sanket Kelaskar:** Okay, sir. Sir, on the export side, which countries are we looking for as an export potential on emission besides U.S. and Europe? I mean, which are we actively looking it as an active opportunity?
- Aashim Relan:** Currently, the core focus is on U.S. and Europe. And given how things are panning out, the Middle East has started sharing a lot of inquiries, that's something that we were not proactively going for, but just how the geopolitical situation is changing. The Middle East market has started sharing a lot of queries as well. But apart from that, it remains to be U.S.
- Sanket Kelaskar:** Okay. That's great, sir. Sir, lastly, on TREM V, I'm assuming if everything goes as planned, I mean, with respect to time line as well as with respect to nature. So how much market share are we aiming for in the tractor segment if TREM V resumes?
- Aashim Relan:** Yes. So we'll always be aiming, as I've said, from market leadership there, right? However, we are also looking out for the government to guide on TREM V. So would it be better to look forward to the guidance on that.
- Moderator:** The next question is from the line of Satya from International Clothing House.
- Satya:** I just want to understand what kind of growth are we expecting going ahead? We are doing approximately INR2,800 crores last year we did. Do we expect crossing INR3,500 crores this year?
- Aashim Relan:** Sorry, can you just repeat your question, please?
- Satya:** I was asking like we did a revenue of approximately INR2,800 crores last year. Like how much growth can we expect? Can we expect crossing INR3,200 crores?
- Aashim Relan:** Sure. We don't guide particularly in the short term, right? And for an annual basis and at the same time, especially, given the global scenario as well as the domestic scenario, it would be very difficult to guide on anything as a firm number given the dynamic nature of the industry as

well as largely of what is happening on the geopolitics. And in general, as a philosophy, we don't give firm guidance on annual numbers.

Satya: And even on the margin front as well, like the margin improvement that we expect to come in?

Aashim Relan: No guidance numbers. We would continue to be on the range that we have, but no general guidance like that.

Satya: And one more thing, we started with the Chakan plant in July or June, I guess. So when can we expect the contribution from that contributing into the revenue?

Aashim Relan: Already, it started. Of course, the SOP starts with low volumes and there's a gradual ramp-up. And as the models that it is catering to, as they perform, the revenues would be linked to that. So giving a specific number in the first year would not probably be correct. But yes, it started and there would be a ramp-up and revenues would go as the models because it is linked to 2, 3 models, it would go in line with that.

Satya: And any idea on the capacity utilization that you're working on, on the overall level for the plants?

Aashim Relan: Yes. We generally work around 80% of capacity utilization. Maybe GD Sir would have the latest number, GD sir, over to you.

GD Takkar: Yes. Thank you. So overall, capacity where we are operating at is roughly 80%, you're right.

Satya: Are we expecting it to ramp up further because the festive season is coming up and everything is there in the quarter 2 and quarter 3? Do we expect this to maybe go from 80 to 85?

Aashim Relan: I think that's generally an average number, right? And it's seasonal, like how the auto industry goes, right? Definitely the festive season have larger volumes and as the industry goes. And we don't look at capacity per se so closely, right, because our capacity gets augmented fairly easily.

Moderator: Next question is from the line of Mihir Vora from Equirus Securities.

Mihir Vora: So Aashim, sir, my question was basically, say, hypothetically, tariffs remain high from U.S. So U.S. currently would be importing a lot from China as well. So is it possible for U.S. in terms of do they have that capacity to manufacture the or systems in U.S. itself or they are dependent on other countries? So how to look about that?

Aashim Relan: Yes. So I don't think that so much capacity would be available in the U.S. because all our focused products they don't make in America as of now, right? And these are not even products that would be for a second priority when I look at it from the Make in America or Make in U.S.

However, this is so dynamic right now, how these changes and how it moves forward, we have to see currently, of course, with the very high tariffs, which are where it looks like that there is

some kind of, let's say, disadvantage. However, that can change very good also, right, as we've seen. So best to wait and look at it once things stabilize.

And then adapt and remain flexible and center the strategy around that, right? So internally also when we discuss this, we have to adapt with how the geopolitical situation settles. And I think this opportunity would remain open. They have to source most of it from China, India, whichever other country that they go for.

Mihir Vora: And sir, basically, when we are talking about starting the exports from quarter 4 onwards for the emission components to the North American player. So are we hearing that there is any kind of delay or it is status quo right now?

Aashim Relan: Right now, the customers guided us just to wait for stabilization, right, because this is all so recent, right, that there is no firm guidance. And once things stabilize, I think that will be better to wait and watch on that.

Mihir Vora: All right. And the second question is on this domestic suspension business where major of the orders which we have won is for the suspension control arms part. But apart from that, what other products are we in terms of, say, in an advanced stage with OEMs where we believe that product will also be added, say, in a 1 or 2 year kind of a time frame?

Aashim Relan: Yes. So these products have a shorter lead time from RFQ to production. And then, of course, emissions, emissions begins many years before and as it has a huge test cycle. Our first focus is on augmenting our technology because while we are playing in the light weighting space, we want to play in areas which are technology centered and not just any traditional stamping kind of businesses.

So we are working right now on the technology front, right? And once that is done, I think the opportunity size that would open up is going to be fairly large.

Mihir Vora: All right. So like currently, it would be only control arms, which would be the priority?

Aashim Relan: Yes. Currently, the priority is to gain market share on control arms. Already, we've gained market share, and we are very hopeful that we'll continue on that journey. And parallelly to focus on the technology that is required to change the products on the Indian market right now from a light weighting perspective.

Moderator: Ladies and gentlemen, we'll take this as the last question for today. I now hand the conference over to the management for closing comments.

GD Takkar: Thank you very much. Thanks a lot. We appreciate the participation of all the participants in our earnings call today. We trust that we have addressed all your queries. Should you have any further questions, please feel free to reach out to our Investor Relations Advisors, E&Y. Thank you very much and you have a pleasant evening. Thanks a lot.

Moderator: Thank you. On behalf of Equirus Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.