SMIL: LISTING/26-27/1808/01 **August 18, 2026**

BSE Limited	**National Stock Exchange of India Limited**
Department of Corporate Services	Exchange Plaza, 5th Floor
Pheroze Jeejeebhoy Towers	Plot No. C/1, G Block
Dalal Street, Mumbai - 400 001	Bandra - Kurla Complex, Mumbai - 400 051
(SCRIP CODE - 535602)	**(Symbol - SHARDAMOTR) (Series - EQ)**

Sub: Submission of Transcript of Conference Call held to discuss the Operational & financial performance for quarter ended June 30, 2026

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/26-27/0608** dated **August 06, 2026** with respect to the convening of Investors / Analyst conference call "Earning Call" on **Tuesday, August 11, 2026 at 05:00 P.M. (IST)** onwards, for discussing the financial performance of the Company for first quarter ended June 30, 2026 for the financial year 2026-27, 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 Digitally signed by Iti Goyal Date: 2026.08.18 17:02:15 +05'30'

Iti Goyal
Asst. Company Secretary &
Compliance Officer

Encl. as above

“Sharda Motor Industries Limited
Q1 FY27 Earnings Conference Call”
August 11, 2026

MANAGEMENT:	**MR. AASHIM RELAN – GROUP CHIEF EXECUTIVE OFFICER – SHARDA MOTOR INDUSTRIES LIMITED** **MR. ASHWANI MAHESHWARI – DEPUTY MANAGING DIRECTOR– SHARDA MOTOR INDUSTRIES LIMITED** **MR. GD TAKKAR – GROUP CHIEF FINANCIAL OFFICER – SHARDA MOTOR INDUSTRIES LIMITED** **MR. K.K. SHARMA – CHIEF MANUFACTURING OFFICER – SHARDA MOTOR INDUSTRIES LIMITED** **ERNST & YOUNG – INVESTOR ADVISORS**
MODERATOR:	**MR. MIHIR VORA – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Sharda Motor Industries Limited Q1 FY27 Earnings 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Mihir Vora: Yes. Thank you, Palak. Hi, everyone. Welcome to the Q1 FY27 Post Results Conference Call of Sharda Motor. Without any further , I'll now hand over to the management for the opening remarks. Over to you, GD sir.

GD Takkar: Thank you very much, Mihir. Thanks a lot. Good day, everyone. My name is GD Takkar, and I would like to thank all of you for joining today's call. I extend a warm welcome to all the participants. I am joined today by our Group CEO, Mr. Aashim Relan; Deputy Managing Director, Mr. Ashwani Maheshwari and Chief Manufacturing Officer, Mr. K.K. Sharma. I trust you have had the opportunity to review our quarter 1 FY27 results and investor presentation, which are available on the stock exchanges, as well as on our website.

Before we discuss the company's financial performance, I would like to briefly touch upon the performance of the Indian automobile industry during quarter 1 the industry began FY27 on a very strong note, with healthy momentum visible across all vehicle categories, supported by steady consumer demand, improving rural sentiment, infrastructure-led activity and continued traction in exports.

Overall, industry performance during the quarter reflected broad-based momentum with domestic automobile production increasing over 22% year-on-year to 93.6 lakh units, underscoring strong OEM activity and healthy demand visible across automobile value chain.

During quarter 1 FY27, the automobile industry witnessed healthy production growth across key segments. Passenger vehicle production grew by 16.8% year-on-year to 14.53 lakh units with the growth primarily led by utility vehicles, which increased 21.2% year-on-year, reflecting continued consumer preference for SUVs and feature-rich models. LCV segment also witnessed healthy momentum with production rising 20.8% year-on-year to 1.91 lakh units, supported by sustained demand across last mile transportation and goods movement applications.

To sum up, the demand continues to remain healthy across all vehicle categories relevant to Sharda Motors business. Passenger vehicles, particularly utility vehicles continue to drive momentum and commercial vehicles are benefiting from infrastructure activity, freight movement and logistics demand. 3-wheelers are also witnessing steady traction supported by urban mobility and last mile delivery requirements.

Coming to now our financial performance for quarter 1 FY27. As previously, we have remained focused on disciplined execution, cost control, operating efficiency, prudent capital allocation, cash generation and maintaining balance sheet strength. As we move ahead, the operating environment remains supportive, although we remain mindful of certain risks arising out of evolving geopolitical conditions.

However, we believe the structural drivers for the automobile industry remain intact, Rising mobility needs, replacement demand, infrastructure spending, formalization of logistics, premiumization and export opportunities should continue to support the industry over medium to long term.

Let me now walk you through the operational and financial performance for the quarter ended 30th June 2026. For this quarter, on a consolidated basis, the company reported revenues of INR1,011.1 crores, representing year-on-year growth of 34%. Gross profit for this quarter stood at INR203.9 crores, reflecting year-on-year growth of 8%.

As you know, gross profit remains a better indicator of the company's underlying operating performance, As against 8% to 10% growth of the addressable market which we can serve, our gross profit growth was 8% as above due to production impact arising out of a supplier fire at one of our key customers and onetime impact due to premium RM procurement on account of geopolitical situation.

EBITDA for quarter 1 came in at INR103.2 crores, reflecting year-on-year growth of 5% with EBITDA margins standing at 10.2% for the quarter. Profit before tax & before exceptional items stood at INR115 crores for the quarter after factoring in our share of profit from joint venture and associates. In the corresponding quarter last year, PBT stood at INR107.7 crores after excluding exceptional gains of INR22.4 crores. Profit after tax for this quarter stood at INR86.5 crores.

With this, I now hand over to Mr. Ashwani Maheshwari, Deputy Managing Director of the company, to take you through the key business updates. Thank you. Over to you.

Ashwani Maheshwari: Thanks a lot, GD, for the updates. This is Ashwini Maheshwari. I extend a very warm welcome to everyone on the call. It's a pleasure to connect and share our key business and strategic updates for the quarter. As you all know, the global business environment continues to remain uncertain with geopolitical developments, evolving trade dynamics and macroeconomic volatility influencing markets across regions. Against this backdrop, the Indian automotive industry has demonstrated remarkable resilience and continues to offer an attractive long-term growth opportunity.

While the global industry continues to debate the pace and direction of electrification, the reality emerging in India is diverse. We are seeing simultaneous growth of conventional ICE vehicles, CNG, hybrids, flex fuel technologies and electric vehicles. This is being supported by rising domestic demand, new model launches, improving affordability and India's growing relevance as a global manufacturing and supply base. This strong underlying demand is supported by a broader manufacturing opportunity. The auto component industry is becoming an increasingly important part of India's economic and manufacturing story.

ACMA states that this sector contributes approximately 2.3% to India GDP, 25% to manufacturing GDP and directly employs about 1.5 million people. In FY26, the industry reached approximately US$85.9 billion, with exports of about US$24 billion. The sector has grown at a 5-year CAGR of around 14%, demonstrating both domestic scale and increasing global relevance.

For Sharda, this environment is particularly favourable. The future is unlikely to be defined by one winning powertrain. It will be shaped by a combination of technologies with OEMs choosing the most appropriate solution by vehicle segment, usage pattern, cost and regulatory environment. Our strategy is therefore not dependent on any single powertrain technology. Instead, it is to build capabilities that enable us to participate across this multi-powertrain landscape, while simultaneously creating a powertrain agnostic product portfolio.

Now against this industry backdrop, let me now explain what this transition means for Sharda and how our strategy is progressing. Over the last few years, we have been systematically diversifying Sharda along 3 dimensions: products, powertrains and geography. Our objective has been to reduce dependence on any one of the technology or market and build multiple independent engines of growth.

During our Q4 FY26 investor call, we had highlighted lightweighting, exports, emission adjacencies, regulatory readiness and technology partnership as our key growth priorities. I'm pleased to say that during the quarter, we made progress across these priorities.

We continued to ramp up our temperature-controlled tube business, expanded our emission order book in multiple powertrains, booked additional orders with export customers, accelerated production ramp-up in control arms and made further progress on subframe and torsion beams. These developments demonstrate that the priorities communicated earlier are moving progressively from strategy and customer engagements towards orders, SOPs and revenue contribution.

Moving on to lightweighting. Lightweighting remains a key pillar of our powertrain agnostic strategy. During the quarter, previously announced control arm and link programs continue to ramp up, while the order pipeline provides further visibility across FY27 and FY28. Customer engagement and RFQ activity remains encouraging with growth linked to customer production and program ramp-up schedules.

Our current control arm and links business has been built on Sharda's organic manufacturing, local R&D and customer capabilities. We have strengthened this platform further through technology partnership and by extending the portfolio into more engineering intensive structural products. Our technology licensing agreement with Donghee expands our lightweighting portfolio beyond control arms into subframe and torsion beams.

Building on the ongoing engineering collaboration with Donghee, we jointly showcased cutting-edge products and technologies to key OEM customers during the quarter. This has further strengthened ongoing technical discussions and generated RFQ of multiple product platforms. While it is still early to comment on commercial timelines, we are encouraged by the progress being made. Overall, our objective is to build a leadership position across the broader relevant lightweighting portfolio by expanding beyond control arms and links into high-value structural products.

Let me now move to exports and global business. The momentum in our global business continues to remain encouraging despite the evolving geopolitical and trade environment. Our previously announced 3 orders from a North American engine and genset manufacturer with a combined annual value of approximately US$10.7 million and a lifetime value of approximately US$58.5 million remain aligned to revised customer schedules.

SOPs are expected across Q3 FY27 and Q4 FY27. Execution activities, including sampling, validation and SOP readiness are progressing in line with customer requirement. In addition, we are working on execution for various SOPs of previously announced businesses and have a good RFQ pipeline across our focus areas of CV, agri and large genset emission components, temperature-controlled tubes, small tractor and genset exhaust systems.

Let me now share the key developments in our emission business and adjacencies across new segments, fuel technologies and products. In the emission business and adjacencies, our strategy is to grow by early preparedness for regulations, including BS7, cross-sell newly developed temperature-controlled tubes across all segments, increase participation in domestic emission market for premium 2-wheelers, commercial vehicles, construction equipment and genset market and export key emission components. We are making good progress across these areas through customer development, program execution and technology readiness.

During Q1, we have secured multiple WLTP replacement business orders from leading passenger vehicle OEMs. These wins reflect our proactive preparation for evolving regulatory requirement and our ability to convert regulatory changes into business opportunities. The SOP of the previously announced temperature control tube order for a leading off-highway equipment manufacturer has commenced and is ramping up as planned.

Moving on to infrastructure and capacity. Our investment remains modular and closely linked to confirmed programs and customer requirements. Our Chakan 3 lightweighting facility has commenced SOP and is ramping up in line with customer schedules. The facility has been designed with modular capacity, allowing investment to remain linked to confirmed programs and future customer demand.

As the announced control arm and link orders ramp up, utilization is expected to increase progressively. Our new Uttarakhand facility is progressing in line with the customer implementation plan. The project involves an investment of approximately INR20 crores and has been planned closer to customers' manufacturing location to improve logistics, responsiveness and JIT alignment.

In the first phase, it will support the relocation and co-location of existing business as the customer shifts production. Over time, the location can support additional share of business and create opportunities with other customers in North India across emission and lightweighting products.

Moving on to technology and R&D. We continue to strengthen the capabilities required for both our current portfolio and future growth areas. During Q1 FY27, we filed 2 additional patents. This takes the total number of patents filing to 24 with 4 patents awarded. Our R&D team are also supporting WLTP, Euro-7 benchmarking, hybrid solutions, flex fuel readiness, temperature control tubes and the localization of lightweighting technology.

Let me now provide an update on the evolving regulatory environment and the opportunities it creates. The revised CAFE III draft issued on 16th July 2026 and proposed to be implemented from 1st April 27 for M1 passenger vehicles retained its multi-technology approach, while introducing certain refinement.

The revised framework sets modified targets for lighter and average weight vehicles, while reducing the compliance advantage previously available to heavier fleets. It also moderates the super credit benefit for strong hybrids and flex fuel vehicles, while retaining the existing incentive for electric and range extended electric vehicles.

The likely OEM response will therefore involve a combination of EVs, hybrid, CNG, flex fuel and improvement in vehicle efficiency rather than one uniform technology solution. Except for pure EVs, all these powertrains continue to require engineered emission systems. This makes CAFE III relevant to both our emission and lightweighting portfolio. BS6.3 or BS6 with WLTP will be effective from 1st April 27 for M1 passenger vehicles.

While WLTP may not require a complete exhaust system redesign in every case, it increases the focus on catalyst efficiency, calibration, thermal management and durability. Our new WLTP related orders demonstrate that we are participating in this transition. BS7 has not yet been officially notified.

Directionally, if India adopts requirements aligned to Euro-7, content is expected to increase mainly in the hot and aftertreatment systems through high catalyst requirements, gasoline particulate filter and additional catalytic applications. This will, of course, depend on vehicle category and OEM architecture. Our R&D work with an existing customer on Euro-7 related solutions provides early technology exposure and preparedness.

Another area receiving increasing industry attention is the transition towards higher ethanol blends. Up to E20, changes to the emission system are relatively limited. The final content opportunity will depend on notified fuel specifications, regulatory requirement and OEM platform design. We continue to work closely with the OEMs and remain well positioned to support this transition as the market evolves.

Let me now update you on our technology alliances and joint ventures, which are another important pillar of our growth strategy. Our ETPL joint venture continues to have stable performance and remains to be profitable during the quarter. China and Korea continue to be important markets for technology scouting.

Both have developed significant capabilities in lightweighting, hybrid systems, EV platforms, chassis technology and advanced manufacturing. We continue to engage with potential partners where there's a clear technology advantage, customer relevance, localization potential and long-term commercial viability. We will remain selective and we'll communicate developments once they reach a mature stage.

Moving on to acquisitions. Over the last few years, we have consciously invested in organizational capabilities required to evaluate, execute and integrate acquisitions successfully. We have strengthened our strategy, M&A, business development and integration capabilities and established a disciplined framework for assessing opportunities.

Having established these capabilities, we believe we are now ready to be more assertive in pursuing strategic acquisitions. However, this does not mean compromising on discipline. Any transaction must continue to meet our filters of strategic fit, customer and technology relevance, valuation, integration feasibility and ROCE. Our strong balance sheet provides us with capacity to pursue suitable opportunities, but capital deployment will remain balanced between organic growth, technology partnerships, acquisitions and shareholder returns.

Finally, let me briefly summarize our outlook. The key contributors to FY27 growth include the full year benefits of previously announced lightweighting orders, ramp-up of additional lightweighting programs, the temperature-controlled tube adjacencies, SOPs of North American export orders and the supportive outlook for domestic OEM volumes.

The exact quarterly trajectory will remain linked to customer production schedule, SOP and the program ramp-up. Overall, the quarter reflects steady progress in converting our strategic priorities into execution. Our focus now is on timely SOP, successful ramp-ups, conversion of customer pipeline and disciplined capital allocation. We remain very confident in the long-term opportunity and will continue to balance growth ambition with disciplined execution and return expectations.

Thank you so much. 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 line of our export or the order book which we mentioned in the PPT and on the suspension side. On export side, I can see that from the PPT, the order which is going to flow, which has already started, the SOP for which you have mentioned in the quarter 3 or quarter 4 of FY26 was around $23.7 million.

And there are 2 orders which are going to start from quarter 3 or quarter 4 FY27, which is around another $11.85 million. If I add this both and multiply the current order rate, it comes around INR300 crores, INR350 crores. Out of that, how much can we expect in FY27 and FY28? If you could just give some brief on the same?

Ashwani Maheshwari: So, Preet, we have enumerated the order sheet, as you had said, at various point of time the SOP happening. The SOPs are complete, are happening as per schedule. And one of the SOPs as I announced earlier, it's starting in Q3 FY26. One is starting in Q4 FY26 and subsequently, it will ramp up.

Now our SOPs, which completely remained aligned to the customer requirement and schedules. So, you will progressively see this impacting or getting accretive into our top line. Now classifying into how much would happen in various months would completely depend upon the customer schedules. Suffice to say that the SOPs and the plan are as per the dates which we have mentioned.

Preet: Sir, will it be safe to assume that out of all these orders, we could do around INR100 crores of top line in this year and around INR200 crores of top line in FY28?

Ashwani Maheshwari: So again, as I said, giving a number is going to be a little difficult because this would depend upon the customer schedules. Now our SOP and ramp-up will remain completely aligned to the customer schedules. As on date, we do not see any changes in the SOP dates.

Preet: So, just a follow-up on this, how do we see ramp-up to happen? So, like if our annual value is $2.3 million and the order is of around 5 years lifetime value comes around 5 years. So, do we see full ramp-up to be happen in second year, third year, fourth year, any ballpark number?

Ashwani Maheshwari: So, I mean I can, we can take this question as with an experience. Normally, the ramp-ups are linked to the pickup of the vehicle. Now if it's a new platform, there is a pickup schedule which the OEM would formulate. Our experience says that it would take a year or a couple of years to get to the peak volumes.

Preet: Got it, sir. And other on the suspension side, last year, as of year, we had a market share of around 14%. Is there any improvement in the current quarter? Or if you could just bifurcate the growth into suspension or exhaust or if you could give any quantitative number? And other thing on gross profit growth, we have done around 8%.

If you could just – like We understand there is a catalyst converter portion due to which our raw material prices fluctuate. But this quarter, apart from that, aluminium and steel prices have also risen a lot. So if you could just tell us how much gross profit we might have lost because of that aluminium and steel cost increase, which we would be getting in next quarter?

Ashwani Maheshwari: Right. Sorry, I couldn't get your name. Can you?

Preet: Preet.

Ashwani Maheshwari: Preet, there are 3 questions, if I correctly understand. First question is around the suspension or the control arm and links the lightweighting market share, right? That's the first question. So, we have given the market share of 14% in the last financial year. We do market share analysis every year. We don't do it every quarter. So, it was 14% at the end of the financial year.

With the SOPs and what visibility we have, which we see now happening even in the third quarter, this market share will certainly go up. How much will it go up is something which we calculate at the end of this financial year. So, we'll be able to give you a number only at the end of this financial year. But suffice to say that this will go up with the visibility of orders which we have in hand.

Your second question was related to the gross profit, correct, Preet?

Preet: Yes, sir.

Ashwani Maheshwari: Yes. So, I will just request GD to take that question.

GD Takkar: Yes. Hi, Preet. So, as far as gross profit is concerned, you rightly said gross profit is the right indicator of our performance. So, this quarter, as we mentioned, our growth was 34% because of the catalyst, which is one of the pass-through element of our sales and then product mix of the items which are with catalyst. So, that all impacts the overall revenues.

And therefore, gross profit is the right indicator of the growth. Now in this quarter, it was 8%. And in terms of impact of steel or aluminium, et cetera, while aluminium has no relevance for us. So, most of the direct materials are on pass-through basis. And there was small impact of premium RM procurement, which is built into the gross profit growth of 8% because of the geopolitical situation.

Some impact was there, which is already built into this. And the pass-through happens gradually. So, it happens on different time scales with different customers. So it's a regular activity. So you won't see anything specifically missing in any particular quarter, which will get covered in next quarter because this is a regular feature of every quarter or half year. So, there won't be any impact arising out of that lag, hope that gives you the answer.

Preet: Sir, just to get it more clear. So, do we mean to say that all the raw material price increase apart from substrate, we get on a live basis and not with a quarter lag like other auto ancillary companies? Is my understanding correct?

GD Takkar: So, in terms of timelines, it differs from customer to customer. And our situation is also exactly as other ancillaries have in the sector. However, the only point I mentioned, for example, assuming for a particular quarter for a particular customer, I get it on a quarterly basis. So, I will be getting for the previous quarter.

For this quarter, I will get next quarter. So, there will be a lag. But that lag doesn't create any vacuum for a particular quarter because you get for the previous quarter. So therefore, you won't see any vacuum because of this reason in the numbers.

Preet: No, sir. But for the substrate, we get it on the live basis?

GD Takkar: Sorry, for substrate?

Preet: For substrate, the raw material, which is very volatile, we get it on a live basis, right? Like this quarter, if there is a price increase on the substrate.

GD Takkar: Yes. So, let me just clarify, Preet, on this substrate prices. So, that is customer-directed item and prices are determined by the customer only. So, there is no sort of lag on that particular part.

Preet: Yes, exactly. So, if there was no steel or copper steel prices increment in this quarter, what would have been our gross profit growth? It would have been higher than 8%, right?

GD Takkar: So, one is the substrate impact, which we have already mention back & back. So therefore, there won't be any impact of the movement in the steel prices at gross profit level because gross profit is net of raw material cost. So, there won't be any impact. And therefore, gross profit growth will be same irrespective of this.

Preet: So sorry for taking a lot of time. I just did not understand it. For example, if steel prices have moved up by 20%, this 20% delta, we would be getting in the next quarter because we get it with a quarter lag, right? So if steel has moved from INR100 to INR120, the INR20 delta we would be getting in the next quarter. So, there would be an impact of gross margin compression in this quarter of INR20 correct? Or am I getting it wrong?

GD Takkar: So, you're getting it right. So let me explain you how is the entire commodity thing passed on. Now for direct by parts like catalyst, it's a complete pass-through that is clear.

Preet: Yes.

Ashwani Maheshwari: Mostly direct materials are also indexed. Now in this particular quarter, there is also onetime premium freight or premium price RM procurement, which has been absorbed by us to ensure a smooth supply chain. There are lots of onetime costs which are paid on account of labour, the dynamic situation because of geopolitical disruption.

Now, all this will come in the coming quarter, if that's your question. Now these onetime costs which are incurred will normalize over the coming quarter. As far as the indexing is concerned, it is difficult for us to put a number to this indexing. What we are talking about is a lag. Now I do not know what will the RM prices be this quarter.

Now if the RM prices this quarter, whatever delta changes will be the impact with the respective OEMs, whether it is 3 months or 6 months accordingly. So, it is not possible to predict whether the RM prices are taken into account or not taken into account. Is that clear?

Preet: Yes, sir. Got it. Lastly on...

Moderator: Sorry to interrupt, Preet sir. May we request that you return to the question queue for follow-up.

Preet: Sure.

Moderator: The next question is from the line of Sonal Gupta from HSBC Asset Management.

Sonal Gupta: Sorry, just carrying on with the previous question, right? I think there's some confusion around steel price impact. So, is the steel price accounted for with a quarter lag? Or I think you mentioned that it is back-to-back. So, then in which case, there is no lag on steel prices, right?

GD Takkar: Absolutely, Sonal, there is no lag in steel prices. You rightly said. So, therefore, there is no impact, yes.

Sonal Gupta: So then given that catalyst and steel are largely covered back-to-back for us, so there is no major real under recovery for us, right?

GD Takkar: No, absolutely not. This is what I said. The only limited impact was the premium freight on RM procurement to ensure smooth supplies because of the geopolitical situation. So that is already into the numbers.

Sonal Gupta: Got it. Got it. And you also mentioned there were some other onetime factors. So, would you be able to quantify the impact of these onetime factors?

GD Takkar: So, Sonal, very difficult to quantify, but 2 things we can say. One is that these are already factored in. These were because of the geopolitical situation in April and May. In July, these have already stabilized. We are hoping for the best for the future as well. And whatever limited impact we had, we have already captured into the numbers. And number was not very significant, just to say something on that.

Sonal Gupta: Got it. Got it. And I think, again, the questions have been around, right, like if you look at our gross profit growth, while the industry is growing very well, I understand the challenges with one of the OEMs this quarter, but our growth has been sort of relatively weaker, so and we've been underperforming the industry growth.

So, I'm just trying to understand, right, like at what point do you think, will we be able to address those issues and sort of given our order book and other things, when do we see that we at least start growing in line within the industry?

GD Takkar: So, I will divide the question in 2 parts and the later part, Ashwani will take over. So, in terms of our growth versus the industry, overall growth was higher at 16%, 17% for the industry. And as you know, we are not present in Japanese OEM. So, we adjust the growth. And then again, one of our key customers, one supplier had a fire, which had production impact.

So, if I net of all of this, the growth of the industry, which we can serve was close to 8% to 10%. And our growth is at 8%, which is net of these premium freight adjustments also. So, we are broadly growing in line with the industry. I will let now Ashwani address the other point in terms of how we can grow further.

Ashwani Maheshwari: So, one is -- one point there is that we do not provide guidance. But having said that, there are 3 factors of growth, which I also mentioned in my opening remarks. The first factor of growth is the existing orders, the lightweighting orders and the export orders, which are already announced.

The SOPs of those orders and the ramp-up will happen. So, that is one factor. There will be conversion of the existing RFQs into orders will be the second area of growth. And the third area of growth will be the organic growth of the industry itself which will happen. So, as we are extremely hopeful of the time going forward.

Sonal Gupta: Got it. And just last question, if I may. Just on the Donghee TLA, have we been able to sign up some customers for these products? I mean anything that you can share in that regard?

Ashwani Maheshwari: Yes, sure. So, just to give a context on the TLA, as we had said last time that it's a long-term technology collaboration. Now in this collaboration, what we are doing is, we are focusing on capability building, technology transfer and localization including strengthening our control arm and link business in design and development.

Now during this quarter, building on our ongoing engineering collaborations, what we did is we jointly showcased physical cutting-edge Korean products to key OEM customers. Now this has strengthened our discussions and generated RFQ opportunities across multiple product platforms. Strategically, our aspiration is to build a leadership position across the entire broader lightweighting portfolio, which we want to address.

Our internal assessment on this portfolio is around 5 years from now, it can be between INR8,000 crores to INR9,000 crores. And we firmly believe that we can actually build a mid-teen to high-teen percentage share in that portfolio.

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

Viraj Kacharia: I wanted…

Moderator: Sorry to interrupt, Viraj, sir, your voice is breaking.

Viraj Kacharia: Yes. First question is, we talked about small….

Moderator: Sorry to interrupt, your voice is breaking, sir. Can you rejoin the queue after? Can you speak something? Yes, sir. Can you speak something?

Viraj Kacharia: So, I was asking what kind of a content change you see from BS6.3 CAFE till the big emission standards like BS7 come into play?

Ashwani Maheshwari: Right. So, we spoke about upcoming 3 standards. One we said, which is called typically BS6.3 and WLTP. Now WLTP essentially is a measurement norm where the measurement is around real life driving conditions. Now there essentially the increase in the content might not be very high because it doesn't require a complete exhaust system redesign all the cases. How it focuses essentially the way it is delivered is through catalyst efficiency calibration and thermal management. So that's first norm change.

The second norm change is the BS7. Now BS7 is not officially notified. But if we follow what Euro-7 is happening and in Euro-7, we are in advanced stage of developing the engine with one of our customers for export requirements, which gives us a very decent understanding of what the norm can be. The exact norm would depend upon how much do we adopt from Euro-7.

But suffice to say that there is a content increase which will come up. Why will that come up? Essentially, it will come with the hot end after treatment system, there will be a catalytic high requirement, there will be a GPF requirement, which will happen. That's on the BS7 content.

The third point which you mentioned was on CAFE III. Now CAFE III, the latest notification has come in, I think, on 16th of July. Now that notification moderates a little bit on the lighter and the heavier vehicles, but the essence remains the same. Essence is that it is promoting all technology in powertrain transmission.

So it's talking about CNG, it is talking about hybrid, it is talking about flex fuel and overall corporate average efficiency norm that is talking about. So, which means besides EV, all the others would require engineered emission systems. Lightweighting portfolio also gets a boost because lightweighting is going to be one of the key criteria also which OEMs are going to pursue. Now translate it to content increase, that would depend on the design. But translating to our addressable market size increase and a portfolio diversification, that would certainly happen.

Viraj Kacharia: Okay. Second question is, if you look at the global market for exports? Can you hear me?

Ashwani Maheshwari: Yes, yes please go ahead.

Viraj Kacharia: So, if you look at the global market for exports for emission between now and 2030, there are different markets will be seeing the next level of emission upgrade, right, which means that at least 2, 3 years in advance, we would have been almost finalized or in the process of shortlisting the vendor for next-generation emission upgrade. So, in that backdrop, how should we understand pipeline for us playing out for emission substance for export market?

GD Takkar: So, our export market strategy essentially is focusing around CV emission components, temperature-controlled tubes, genset emission components and small agri genset exhaust systems. Now all these areas around the question is how have we selected these areas. This is essentially on our core strength and diversification.

Now there would be various components orders, there would be various orders, which will be dependent upon various strategies which the OEMs in this area will follow. There can be an organic growth which can happen. So, let's say, the genset market is really, really booming in India as well in the U.S. because of various requirements. So organic growth will lead to opportunities. The transition from one regulatory norm to the other will lead to growth opportunities.

And a China Plus One strategy will also lead to growth opportunities. So, it will not be only one opportunity which is around the regulatory norm, which we would be banking upon or which we are banking upon. We are talking about working in a very specific product set and a very specific segment. The requirement will come from various inputs or various triggers.

Viraj Kacharia: No, no, sir, I understand. What I was trying to understand is, how should we understand pipeline shaping up for us when it comes to exports of components and subsystems and emission. So, any color you can give in the pipeline? Because if you look at the order book, while we have seen some wins in emission, I think the larger momentum or the traction is what you're seeing on control arms and links.

So in that backdrop, just trying to understand in our pipelines, especially on export for emission components, how should we understand that shaping up? Any color you can give on numbers or inquiries?

Ashwani Maheshwari: So, I don't know where have you picked up the data saying that we are essentially doing emission systems only. If you look at our export data, in the export, the orders we have announced are in various areas. There are emission adjacencies in which we have announced orders and if you look at order book, that's for a large heavy industry emission company, which we announced.

We have announced orders in emission components. We have announced orders again in agri components, which are essentially on either adjacencies or tubes. So, there are various areas which we have been announcing the orders on.

Viraj Kacharia: Okay. No, actually, I was asking more in terms of the pipeline for customer...

Moderator: Sorry to interrupt, Viraj sir, may we request that you return to question queue for follow-up. The next question is from the line of Manprit Arora from Arora Wealth Advisors.

Manprit Arora: Ashwani, maybe just a clarification before I ask my question. In the opening remarks, did I hear correctly that we are also exploring opportunities in premium 2-wheelers on the emissions -- did I hear it correctly or?

Ashwani Maheshwari: Yes, Manprit, you heard it absolutely correctly.

Manprit Arora: Interesting. And so when you say premium 2-wheelers, should I understand mostly these high-end motorbikes? Would that be a...

Ashwani Maheshwari: Yes, it would be above particular CC.

Manprit Arora: Interesting. And so is that space also meaningful in terms of the capabilities that are required and the content and the patent knowledge that we have built over the last so many years. I mean, is that a differentiated split?

Ashwani Maheshwari: Yes, you are absolutely, Manprit. I said in the opening remarks that we are looking for areas where our capability differentiated set, which is into engineered emission systems are applicable and we can add value. During that analysis, a premium 2-wheeler segment is something which we analysed and found that there is a capability set, which is directly applicable.

Now one might ask between premium 2-wheelers and the lower CC systems. One is what is the kind of difference and why do we want to play in a particular segment? And that's what the strategic call which we have taken is our capability, the customer requirement and the long-term visibility of future which we see. And that's how we have decided to also explore premium 2-wheeler market.

Manprit Arora: Great. So, is it only for domestic or international? Because some of our 2-wheeler players out of India have now acquired companies in Europe and all that. So, are you looking at?

Ashwani Maheshwari: As of now, yes, Manpreet, as of now, we are looking at domestic. As we do for tractors, if the domestic production is being exported, that's the OEM's choice. But as of now, we are looking at supply in domestic market.

Manprit Arora: Now my question, no, sorry, hello?

Ashwani Maheshwari: There is a follow-up, go ahead.

Manprit Arora: Yes, yes, I mean just clarifying on your opening remarks. My first question is actually on the Purem JV. Now a few calls before you had mentioned that we have won a new program in the Purem JV. So, just wanted to understand that what is the SOP for that program? When does it start?

And also just a follow-up to that is when do we really start seeing an inflection in the Purem JV, only when new standards now come in, like BS7 would probably be a time when we start probably having discussions with customers and working on the engines and then maybe get a foothold into some of the newer programs. Is that the right way to think about this JV?

GD Takkar: So, Manpreet, as far as that program, which we mentioned last time, that program is concerned, it started in Q4 last year and it will gradually ramp up during the course of FY27. So that's very much on track. In terms of JV as such, as you would be knowing, this JV is for a CV segment above 4 liters where we are not present directly.

But since we are a partner, we get access to advanced technologies and global landscape, which helps us in many ways to strengthen our position as well as our offerings. As such, I think this also we have mentioned previously as well, we get very little from the joint venture because we are not in management control, only 50% of PAT, which is left after many deductions. So, that is what we get.

But this industry is very, very lucrative. Unit economics is also very good and we are evaluating a lot of options to participate more deeply. Now when will that happen, obviously, we will definitely update all of you in due course as things progress in this regard. But this sector, this industry, this part of the industry is very lucrative, and we would definitely like to explore more and do more in near future, and we will update all of you as we progress.

Manprit Arora: So, would BS7 be a point in time when we will see some of these discussions happening or it is a continuous process?

GD Takkar: It's a continuous process. It's a continuous process and as and when something develops, we will update.

Manprit Arora: One small question, if I can ask, that is on the integrated muffler side, Ashwani ji, you had mentioned that, that is something that will happen because of the TREM changes that have been announced. Now have any discussions started on the integrated muffler side with potential customers? And also if you can give a range of what would be the content per vehicle for such an integrated muffler. I don't want an exact figure, even 1K to 3K, 3K to 5K kind of a number is good enough. So if you can help there.

Ashwani Maheshwari: So, Manprit, as I had mentioned last time, and I must compliment your memory is pretty sharp on that. We did talk about the only opportunity arising out of TREM3 is integrated mufflers, but it's a very small market. The total market size in our estimate would be between INR60 crores to INR100 crores. That's about it. So, this is like a normal course of business development for us rather than tracking individually as to opportunity arising out of TREM3.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.

GD Takkar: Thank you. Thank you very much, everyone, for your participation. Hope you were able to get answers to your queries. Still, if you have any further queries, you can reach out to our Investor Advisors, Ernst & Young. And thank you again, and wish you a pleasant evening. Thank you very much.

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