Management Discussion

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Yeah, good afternoon everyone, and a very warm welcome to our earnings call for Q2 and H1 of FY27. On the call today, I'm joined by Mr. Navin Juneja, our director on the board, our group CFO. We're also joined by investor relations advisors SGA. The results and the investor presentation have been uploaded on the stock exchange and the company website. I hope you all have had an opportunity to review them. Before I take you through our performance, I'd like to spend

Operator
I'm sorry, sir, you're not audible. Ladies and gentlemen, please stay connected. Ladies and gentlemen, we have the management team back on call. Sir, you may please go ahead please.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Yeah, I was just talking to you that I have this is our earnings call for quarter two and H1 of FY27. I am joined in the call by Mr. Navin Juneja, who the D The results and investor presentation have been uploaded on the stock exchange and the company website. Before I take you to our performance, I'd like to spend a moment on the broader industry landscape. The Indian automotive industry delivered a record performance in Q2 FY27. Domestic automobile sales grew 18.2% year-on-year to 83.88 lakh units in the July to September quarter.

With passenger vehicles, two-wheelers, three-wheelers, commercial vehicles all recording their highest ever second quarter sales. Demand continued to be supported by GST rationalization, improving consumer sentiment, and a healthier rural economy. The passenger vehicle segment led the growth with sales rising 30.7% year-on-year basis to 13.61 lakh units for Q2 FY27. Utility vehicles grew 34.2% while passengers grew at 25%, reflecting both continued demand for SUVs and a recovery in the entry-level segment.

The two-wheeler industry recorded sales of 64.33 lakh units, a growth of 15.2% year-on-year, led by scooters. While two-wheeler exports rose 27.7% to again the highest ever second quarter level. The segment strength is particularly significant for Talbros given our market-leading position for gaskets in two-wheelers, where we're single source with a prominent OEM. The commercial vehicle segment also delivered its highest ever Q2 volumes, with sales rising 28.7% year-on-year to 3.09 lakh units, supported by government spending on infrastructure, freight movement, and fleet replacement, while CV exports rose to 72.5%.

Simultaneously, electrical mobility continued to gain traction, with electric passenger vehicle sales growing at 84% year-on-year to over 1 lakh units in Q2 FY27, while electric two-wheeler sales grew around 80% to 5.899 units, taking the EV penetration in two-wheelers about 11%. Talbros' EV readiness position makes us a natural beneficiary of this particular segment and a change in consumer buying. Coming to our company performance, I'm extremely pleased to share that Talbros Automotive has delivered its strongest ever quarterly performance in Q2 of this year.

Our total revenue stood at Rs 267 crores for the quarter, a growth of 23% year-over-year. Even as an H1, our revenue stood at Rs 510 crores with a growth of 19% year-over-year. At the EBITDA level, in Q2 we came up with an EBITDA of Rs 47 crores, a growth of 32.8%, at a margin of 17.6%, reflecting robust operational leverage, disciplined cost management. H1 FY27 EBITDA stood at Rs 90 crores, again up by 28% year-on-year. Talking a bit about our divisions, our Gasket and Heat Shield division remains the largest and most profitable contributor to our business, accounting for 51% of

revenues.

In H1 of '27, the division delivered revenues of Rs 340 crores with a growth of 22% year-on-year, with EBITDA growing 35% year-on-year to Rs 263 crores. Domestic revenues were led by the two-wheeler and the commercial vehicle segment and benefited from strong OEM demand, high penetration, and premium vehicle platforms. We remain a single-source supplier for five of our key customers, a testament to the trust and the quality standards we uphold. The heat shield segment continues to scale meaningfully with H1 '27 revenues of about Rs 35 crores.

Our exclusive partnership with global companies for lightweight aluminium heat shields is, exciting. These products offer value-added features including noise reduction, emission control, thermal insulation, for new generation engines including hybrids and EVs, making the futuristic product interesting for us. Coming to our forging division, in H1 of '27, the forging division delivered a revenue of Rs 171 crores with a growth of 13% year-on-year and Rs 92 crores in Q2 FY27, making its strongest quarter in recent periods with EBITDA growing 19% year-on-year.

As a one-stop solution provider for hot forging with press capacities up to 2,500 tons, we offer comprehensive, comprehensive capabilities spanning die design, machining, and heat treatment. Exports constitute approximately 57% of the forging division revenues, with customers including JCB, Dana, Carraro, GK, and Driveline, Musashi, and JLR. The Rs 500 crores of new orders secured in the forging business include a significant portion for newly onboarded major European global OEM. With European OEMs consolidating the supplier base and India emerging as the preferred alternative to China, this structural opportunity for our forging division is larger than any point in our history.

This is basically with a lot of Tier 1 European companies facing the heat of leveraged balance sheets, automatically the business is moving towards India. This could be a big growth segment for the company going forward. Coming to joint ventures, our two joint ventures continued their strong momentum. Marelli Talbros Chassis Systems reported an H1 FY27 revenues of Rs 226 crores, up 49% year-on-year, with EBITDA growing 31% to Rs 36 crores. Improved operational efficiency and higher volumes drove profitability during the quarter.

Over 90% of Marelli's revenues come from passenger vehicle segment, and EV revenues now account for almost 5% of this joint venture. As you know, we've also won a lot of body-in-white components for luxury carmakers in the overseas market. Coming to Talbros Marugo, a 50-50 joint venture with, Marugo Japan, reported H1 revenues of Rs 86 crores Up 32%, with an EBITDA up 37% to Rs 10 crores. 90% of the revenues of this division come from the passenger vehicle segment. Coming to exports, our exports remain a key pillar to our growth strategy, contributing over one-fourth of our revenues in H1 '27.

We continue to see strong opportunities from the global supply chain shifts, as mentioned earlier to you. Including increasing outsourcing by OEMs and India's growth position as a manufacturing hub. Recent trade developments, especially with Europe, should further strengthen this opportunity. While there are geopolitical tensions in the world and the ongoing war may lead to some temporary cost pressures, but inquiries remain strong, and we believe in Talbros having a very hedge balance sheet and a head customer base, we will be able to navigate these costs going forward.

Coming to capex, over last several quarters we have secured significant new businesses from both domestic and global OEMs across EV platforms as well. In line with a strong order book, we have invested about Rs 41 crores in H1 of our planned capex of Rs 103 crores for FY27. This capex is spread across the Gasket division, Heat Shield and forging. Coming to FY27 and beyond, as

mentioned to you earlier, company is now moving from a phase of order acquisition to order execution. Our focus is on timely delivery, ramping up capacities, maintaining global quality standards as we convert the strong, order book into sustained revenue and profitability.

Our focus will be on deepening relationship with existing domestic OEMs and onboarding new OEMs in the global market. We are well on track to deliver our guidance of 18% to 20% growth year-over-year, organic growth for FY27, driven by new order commercialization, rising export volumes, and continued share of increase with OEMs, as well as we have added capacity to meet the same. We're also looking and evaluating at inorganic growth opportunities. We plan to improve EBITDA margins going ahead on the back of operating leverage, product mix improvement, and disciplined cost management.

Our philosophy of being one of the most hedge auto comp players, supplying across all vehicle segments, all powertrain including EV, and across domestic global markets continues to serve us well. With that, I'd like to hand the call over to Mr. Juneja, who will take you through the financial performance of the company.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Thank you, Anuj. Good afternoon and a warm welcome to all the participants. As mentioned by Anuj, we are pleased to report a solid performance in Q2 and H1 of FY27, driven by both domestic and export demand across all our business segments. Now coming to the consolidated financial performance for Q2 FY27, total revenue stood at Rs 267 crores as against Rs 217 crores in Q2 FY26. Up by 23% year-on-year. For Q2 of FY27, EBITDA stood at INR 47 crores as against 36 crores, up by 33% YOY, with margins of- EBITDA margin of 17.6%, up by 120 basis points year-on-year.

PAT in Q2 of FY27 stood at 33 crores, up from 23 crores, a growth of 43% on year-on-year basis. Total revenue of H1 of FY27 stood at 510 crores as against 427 crores in H1 of FY26, registering a growth of 19% on year-on-year basis. EBITDA for H1 of FY27 stood at 90 crores as against Rs 70 crores in H1 FY26, a growth of 28% on YOY basis. EBITDA margin remained healthy at 17.6%, up by 110 basis points on YOY basis, reflecting the benefits of operational improvements, cost management initiative, and a better product mix.

PAT for H1 FY27 stood at Rs 63 crores as against Rs 45 crores in H1 of FY26, registering a healthy growth of 39% on YOY basis. Now coming to the division-wise performance, let's come to the Gasket Division first. In the Gasket Division, in Q2 of FY27, sales for the Gasket Division stood at Rs 176 crore as against Rs 143 crores in Q2 of FY26. Which was up by 23% on bi-year basis. EBITDA for Q2 of FY27 was Rs 33 crores, which was up by 38% on bi-year basis. In H1 of FY27, gasket sales stood at- show a growth of 32% and stood at Rs 340 crores as against Rs 278 crores of H1 of FY26.

For H1 of FY27, this segment saw EBITDA of Rs 63 crores, which were up by 35% on YOY basis. The Gaskets and Heat Shield division continued to perform strongly during the half year, driven by robust OEM demand, increasing content per vehicle, and higher contribution from premium and export platforms. Now coming to our Forging division. Revenue in Q2 of FY27 stood at Rs 92 crore as against Rs 75 crore in Q2 of FY26, showing a higher growth of 23%. EBITDA stood at Rs 15 crore in Q2 of FY27 as against Rs 13 crore of Q2 of FY26, up by 19%.

In H1 of FY27, total revenue of this division was Rs 171 crore as against Rs 150 crores in H1 of FY26, up by 13% on bi-yearly basis. EBITDA of H1 of FY27 stood at Rs 29 crores as compared to Rs 26 crores for H1 of FY26, a growth of 13% on bi-yearly basis. The company continued to its growth momentum in the coming quarters. Now coming to our joint venture, Marelli Talbros Chassis System.

Revenue for Q2 of this division for FY27 stood at Rs 122 crores as against Rs 79 crores, a growth of 54%. EBITDA for Q2 of FY27 stood at Rs 19 crores, a growth of 31% on YOY basis.

For H1 of FY27, the revenue of the division stood at Rs 226 crores versus Rs 152 crores, registering a growth of 40% on bi-year basis. For H1 of FY27, EBITDA stood at Rs 36 crores as against Rs 28 crores, a growth of 31% on bi-year basis. Now coming to our last joint venture of Talbros Marugo Private Limited. Revenue for TMR business in Q2 of FY27 stood at Rs 47 crore as against Rs 35 crore, a growth of 33% on YOY basis. EBITDA for this division stood at Rs 5 crore in Q2 of FY27, up by 19% on YOY basis. Revenue of this division stood at Rs 86 crores in H1 of FY27 as against Rs 65 crore, a growth of 32%.

For H1 of FY27, EBITDA stood at Rs 10 crores, which was up by 37% on YOY basis. Geopolitical tensions in the West Asian region led to an increase in our raw material and transport trade costs. Profit going faster than revenue reflects the operating leverage in our business, a better product mix, and our focus on cost. We have delivered this while absorbing higher steel, aluminium, labor, and freight costs during the- this half year. With a stronger order pipeline, healthy demand outlook, and continued focus on execution excellence, the company remains confident of sustaining the growth momentum going forward.

And this is all from my side. Let's open the floor to a question-and-answer.

Questions & Answers

Operator
[Operator Instructions] We'll take our first question from the line of Deepen Shah from Six Senses. Please go ahead.

Dipen Shah - Analyst, Six Senses
Yeah, uh, thank you so much. Uh, congratulations on a very good set of numbers, uh, uh, pretty strong numbers this time. I had a couple of questions. Firstly, sir, on the Marelli side, we have been seeing that the revenue growth has been pretty strong in the 40% to 50% range. However, the margins over the last four or five quarters have seen a slight slackening. So could you just give us some further insights on the reasons and how do you see the margins panning out from the current levels?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Uh, you are right, the margin is a little bit muted in this quarter. I agree, because We are ramping up the production of our sandal business in a big way, so we have deployed extra manpower. My- what has gone wrong is my manpower cost has gone high. That is one of the reasons of little bit muted performance. We are aware that we have put extra manpower, so we are initially in the process of checking each and every piece physically so that nothing goes wrong. So I think Now this phase is over. Now coming quarters you will see top line going up, but the manpower cost is not going up.

It will literally come down, so the margin will come back. Don't worry, it will come back. Marginally down by 0.5-0.75%, nothing more than that.

Dipen Shah - Analyst, Six Senses
Sure, Yes, Yes, that's very reassuring. And could you just give us some more insights in some of the new contracts which you expect to start sometime in the fourth quarter or Maybe the next year. Basically wanted to get some more visibility on how the growth could be in the next year, maybe not

giving exact numbers but some confidence on the visibility.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Here, Marelli has two businesses. One, the chassis, has started but not the way we wanted. There are issues of packing, some trust coming here and there. So in the first six months, we started from the month of June end. till September we date sale of around 15.85 crore and we expect the sale for the next six months should be around 35 crore in the business and next year it should cross 120 crore no there new business we of GLR has also been started in this division in a big way because EV they coming six months.

So in the first six months we had it. We expect this year the EBIT should be around 75 to 80 crores as against 47-48 crores last year. These are two major steps happening in this business. Now the export business of major- in 40 divisions of this Marelli business, the capex is more or less in place. The press is arriving, the 20 crore By the end, by December end, by December, by the middle of December, December end, by January it will start working. And there are two, two products we are supplying to, we have to supply to Marelli.

One is flanges and other is, other is companion flanges and the, uh, other is, I just forget, set boxes. So flanges, as already we have started with existing 2,500 return. We are starting the commercial production. We're starting the commercial production later of this month, and next month we will commercialize with more pieces will start going. And from the next last quarter, the other product stud mount will also start going. So this year we expected 10-12 crore of business, this business, which will be around 90 crore next financial year.

So that is the status of the orders.

Dipen Shah - Analyst, Six Senses
Okay. And sir, once again coming back on the margins front, uh, we have been able to deliver this 16.5% margins. I'm excluding the other income. So we've been able to deliver these margins despite higher commodity cost and higher freight cost. So assuming that the freight cost- assuming that the freight costs go down, is there a further scope for improvement in margins over the next 12 to 18 months?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
So I will- I will give you the guidance. I am talking about with other income because I don't have data without other income. My margin around 17.6 percent for the six months. I am hoping that I will not. This margin will not come down in the next six months, because my whatever the price increase states, etcetera, 50 percent has been recovered and balance in the 14, 30 to 35% to be recovered. Sorry,

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
I had that thought. And we were trying to make the margins remain the margins the way they are, and if not better. But we are absorbing inflationary cost, but we're also talking to our customers again, the pricing reasons. So yes, margins will be good, not much. We'll be able to maintain these margins,

Dipen Shah - Analyst, Six Senses
Right? So that's very reassuring. And sir, lastly, any further developments on the Marelli front or on the parent side, if there is any further update?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
So, no, this working progress will come back to you within one month, one and a half month, so okay.

Dipen Shah - Analyst, Six Senses
Thank you very much sir. Good performance and all the

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Very best. Thank you

Operator
You will take a next question from the line of Jiten Parmar from Aurum, as please go ahead

Jiten Parmar - Analyst, Aurum AMC
Yeah good afternoon Anuj Navin ji and a Uh, I'll just, uh, uh, basically extend the last question which the previous participant asked regarding the Marelli situation. Uh, just- I just want to basically get a sense that, you know, uh, whatever is happening with Marelli bankruptcy and all, uh, does that affect- I mean, from the performance it doesn't look like, but I just want your reassurance that, you know, uh, it does not affect anything at the JV here.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
No, no, not at all, not at all. The Marelli bankruptcy, as you know, which is in public domain, is at the US, uh, US courts. Uh, it does affect the companies that are maybe based out of Europe or whatever, but I think the joint venture in India, not at all, it's not at all affected.

Jiten Parmar - Analyst, Aurum AMC
Perfect. Okay. Uh, also, uh, my other question will be on forging. Uh, a forging division growth has been a bit low. And it's good to see that, you know, majority of the capex for FY27 is towards forging. So are we expecting higher growth in the forgings division? Uh, and, uh, I mean, were there any issues, uh, which have been resolved or anything, uh, on that? If you can throw some light on that.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
You are right, first quarter was a muted growth of 10%, second quarter we gave a growth of 23%, okay. And next two quarters, this growth will be- at the end of the year, this division will give a growth of more than 20%. That I can assure you.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
I think operational issues

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Are resolved. More of the- all resolved. The auction has come down. Now the machine has to be new. For new capex, machines are being under installation. Shed is under preparation. So other things are happening, but operation- operationally is done much better. Now it's doing much better, right? And the order book is quite strong. So you, will yourself see third and fourth quarter will be very, very good.

Jiten Parmar - Analyst, Aurum AMC
Okay. I, had also just heard the TV interview of Navinji, and, uh, if I may just recollect, uh, data

center revenues from in the last year were 12 crores, and this year I think, uh, it's guided 35 crores and next year is 60 crores, is that correct?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Around 50 plus, 55 crores. We expect around 50 crore to 60 crore in between.

Jiten Parmar - Analyst, Aurum AMC
So is that from single customer or we are having multiple customers in that? Or and how are we tapping any new market?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
The two main customers come that are Cummins and Kirloskar and third is TAFE Rehors.

Jiten Parmar - Analyst, Aurum AMC
Okay, perfect, perfect. Okay, so they come

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Into

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
America for this. Okay, okay,

Jiten Parmar - Analyst, Aurum AMC
Okay, great. Uh, and, uh, basically, uh, uh, that, seems that there is, uh, some more margin improvement scope also. So that is good. Uh, can you tell me a bit more about the Lohum joint venture? Uh, what is, what is that we want to do and what are kind of, you know, the, numbers we are thinking, uh, or the JV is thinking about, uh, let's say three years out?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
So regarding the Lohum, our product sample has been approved by two tire manufacturers, Apollo Tires and MRF. Okay, now they are making the final product out of that sample. I think and approve the process will be over within next three to four weeks. Now, Lohum team is working on a site where the project to be set up. Most probably, it will settle in the south of India. Firstly, they decided that they will buy the raw material, which is which one? Raw material [Foreign Speech] material

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Material

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
[Foreign Speech] carbon black carbon black raw material [Foreign Speech]

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
[Foreign Speech]

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
[Foreign Speech] the

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Scrap of the tyre we

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Do pyrolysis right pyrolysis pyrolysis pyrolysis raw material which you used to buy from the vendor we have realized that quality of pyrolysis outcome is a is a very very important factor in meeting the finished product now we are working on it that we will buy a piece of land of ten twelve acre we set up or on pyrolysis plant and on devalcurization, everything will do of our own 100%. For that, they are identifying the plant and equipment, etc., etc., for which they will submit us the plan in the next two months.

The timeline, the timeline we expect by the middle of next financial year, we should be able to start commercial production of this. And the project cost will depend on the project cost, land, building, and plant and machinery, which I don't- I, can't give you a figure. We'll be in a better position by the first quarter of this financial year. Yeah, last quarter of this financial year.

Jiten Parmar - Analyst, Aurum AMC
Fair enough, fair enough. Uh, okay, so, uh, the export currently I think was 26%. Uh, uh, what, would be the export contribution in the next year? Uh, last

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
quarter okay [Foreign Speech] 26.5 percent last quarter it was 28 percent alone last quarter with a new order coming in with a GLR performing much better we expect that this percentage in the last quarter should be around 30 percent [Foreign Speech] and strength will be going very very higher. So we expect by end of next financial year, FY28 last quarter, it should be around 35% plus.

Jiten Parmar - Analyst, Aurum AMC
Okay, got it. Okay, so yeah, I think I'm done with my questions. Wish you all the best.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Thank you so much.

Jiten Parmar - Analyst, Aurum AMC
Happy festive season to you. Okay, thank you.

Harshil Solanki - Analyst, Equitree Capital
Thank you, Ji.

Operator
[Operator Instructions] Next question is from the line of Harshil Solanki from Equitree Capital. Please go ahead.

Harshil Solanki - Analyst, Equitree Capital
Hello, uh, good afternoon. Yeah, so I wanted to understand, uh, on our order book, uh, of getting orders via customers choosing us, and how are we able to replace existing vendors, and so on. So if you can throw some light on that aspect, because I think the main driver of our growth is the order book which we have. So if you can help us explain that.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Yeah, regarding the order book, we have announced orders for Rs 1,000 crore for the last financial year. In last financial we announced. We announced any order book for in this financial year. Regarding, we are in the process of execution of those orders. As you have been told that five of our

order of, I think, 150-700 codes of slanters have started. The result, you will see much better result in next financial year. My order of Kia has been started already from May-June of this financial year for the Our this Heat Shield, our Maruti order of 500 crores.

I'm talking major orders, I'm not talking small, orders. And 500 crores of Maruti order will start kicking off in the first quarter, last quarter of this financial year from January onward, and it will be in full force in next financial year. That will take- plus other small, orders are there of 100 crores, but different 8-10 orders are there. For the Cummins business, for Mahindra business, for other businesses, plus the increase in the demand of the existing products. It will take care for next financial year also, we expect that.

And the- we are in the process of closing other orders also. We have not announced. We have closed a lot of orders in that first- around last six months. We are just waiting, let the figures come. Become decent and we will announce those orders which will be implemented '27, '28, '29.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Also, I want to add to your other point, we are adding new customers with our technologies. We're also replacing a lot of vendors in Europe who have got stretched balance sheets, and that's a big plus for us. So the customer like Jaguar Land Rover, JCB, maybe in the future other car makers in Europe Many more are coming our way. So that's a big sign. With the China Plus One strategy, India stands to gain the most. And as Navin mentioned, you- over the next two or three years, you'll see a higher export percentage in our books, right?

So that's also our networking constantly with OEMs worldwide and in India.

Harshil Solanki - Analyst, Equitree Capital
Okay, okay, understood. And in the aftermarket side Do you have any plans to increase? Because that is a very small portion of our revenues. Do you have any strategy to increase that, Steve?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Yeah, don't see this, aftermarket. This is Indian aftermarket we report. There is a in the export segment there is a after very big aftermarket of fifty sixty crores for U.S. And Europe, which is reflected in the export.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Yeah, so Indian aftermarket will grow. 8% to 10%, 10 to 15% will grow, but exports can double, double in the next three to four years.

Harshil Solanki - Analyst, Equitree Capital
Export can double. Okay.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Aftermarket, that's about roughly what, I think 40-50 crores. Yeah, that will double also in the next two to three years.

Harshil Solanki - Analyst, Equitree Capital
Got it, got it. These were my questions. Thank you for answering. Thank you.

Operator
Thank you. Thank you. Next question is from the line of Jaynam Madresha from CJ Shah Family Office. Please go ahead.

Jaynam Madresha - Analyst, CJ Shah Family Office
Hello, am I audible?

Operator
Yes, please go ahead.

Jaynam Madresha - Analyst, CJ Shah Family Office
Thank you for giving me the opportunity and congratulations on good set of numbers. Uh, just had few questions. Uh, wanted to understand on this, can you like, uh, for the Q2 and H1 YOY growth that we have seen Spectacular growth. Can you split that into what was driven by the industry growth and what was driven by the new programs that was started in last 12 months. And also if you could help me understand how much was driven by the raw material pass through and increase.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
In our gasket and heat shield business, on the new part numbers which have been coming to force is around, Rs 25-30 crores is by the new part number out of Rs 340 crores, around 10%, 8% to 10% in the gasket heat shield. In forging, nothing, all the existing part numbers. And because in join Marugo it's volume game it's Maruti done very well there 90% plus Maruti so there done very well plus they is a new part new partner upside there which is around two to three percent and coming to the Marelli Marelli approximately are out of 200 something around to question of how much is raw material increase extra it's very difficult to give you but it's in gas [Foreign Speech] it's around two two two percent in forging again it's around two and half three percent Marelli nothing because [Foreign Speech] visit they [Foreign Speech] to pricey price increase Marugo it

Jaynam Madresha - Analyst, CJ Shah Family Office
Thank you for answering in detail. Uh, next, I wanted to understand, like, uh, this, uh, for in Q4 '26, I guess you, uh, you had alluded that Rs 150 crores of new business was supposed to start in FY '27. Does this number stand true even today, or this has increased? Uh, this is what the current traction we are getting.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Can you repeat the question, please? Please, new business, you said Rs 150 crores of new

Jaynam Madresha - Analyst, CJ Shah Family Office
Business which supposed to start in FY27 is this number true even today and this has increased given the traction we are getting

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Under the same business what you are saying it is same 170 calls it's the same no mind it's same it's not increased same

Jaynam Madresha - Analyst, CJ Shah Family Office
Sir you are not audible

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Curtu businesses will start in last quarter markedly increase by

Jaynam Madresha - Analyst, CJ Shah Family Office
10-12 crore hello

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Sorry

Operator
Sir you are not audible clearly can you just repeat the answer please the

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Business will remain about 150 crore plus

Jaynam Madresha - Analyst, CJ Shah Family Office
Okay understood And next is on the forging side. Forging business grew 25% this quarter, and last two years it was struggling because of multiple reasons- Europe slowdown, then last quarter we had a manpower issue, and also the plant was not there. So this 25% growth that we saw in this quarter, this was majorly because of normalization of these issues is what I am understanding. So And is this growth going to sustain in like next few quarters? X of the new orders, let's say the Marelli, X of the Marelli order, would this 20-25% growth sustain for us in the forging business?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Better growth in

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Forging, you see better traction in Q3-Q4.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Yeah, I have bad throat, but I'm telling you, in the next six months we should have a against 100% 50 crores, 170 crore we achieved this year. This six months we should be touching around 200 crore in next six months.

Jaynam Madresha - Analyst, CJ Shah Family Office
Your voice is cut. Hello,

Operator
Uh, can you please mute your line? There's a lot of disturbance.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
I can say there is definitely a good growth. Last year there was in the last- for last H2 Last year the forging sale was 150 crores. This year it should be around 200 crores. Then anyway, hello?

Jaynam Madresha - Analyst, CJ Shah Family Office
Understood. Yeah, yeah. This is

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Increasing volume, number one, from the existing customer, plus Marelli business will start from January in a better way. Some business season will start November-December but the main will start for January-February

Jaynam Madresha - Analyst, CJ Shah Family Office
[Foreign Speech] try to understand like Jeevan ex of Marelli as well we would be growing at 20-25 percent and Marelli would be giving us like significant incremental orders beyond the existing one.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
That's all.

Jaynam Madresha - Analyst, CJ Shah Family Office
Understood, understood, understood. Next is on the MTCS side. Uh, more than 60% of MTCS growth came from the- of the incremental growth that came in Q2 was given by the export market. Was this because of JLR coming out of issues, or- and also Stellantis coming in, uh, maybe slightly, or there were other Other reasons as well for this,

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Because their customers are what? Maruti. Maruti performed very well in the second quarter, you know that. Tata Motors, passenger car vehicles, done fantastically good in the next last quarter. Third is slanted, slanted business, which was- we did around four, three to four crore in the first quarter, it was 11-12 crore in the second quarter. Okay. And JLR, JLR EV, they have started picking the material. Very good performance of JLR in the second quarter. The all three, all four have contributed.

Jaynam Madresha - Analyst, CJ Shah Family Office
Understood, sir. And so, uh, in the first question you had said that JLR, uh, was doing somewhere around 45-50 crores last year and this year we are targeting 75-80 crores. Uh, is this The am I? Yeah. Sorry. Yes. This is.

Harshil Solanki - Analyst, Equitree Capital

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Is in Marelli business. In the past six months, we already done forty crore of business with them.

Jaynam Madresha - Analyst, CJ Shah Family Office
Okay. This is the Marelli business. JLR body invite order.

Harshil Solanki - Analyst, Equitree Capital
Yeah.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Okay. Even in gas kit business, it has start picking up because we are. Also supplying heat shield and some plastic components for the EV. Their sale also start picking up.

Jaynam Madresha - Analyst, CJ Shah Family Office
Understood, sir. So, but like, if we see the JLR BIW order, body-in-white order, total scale is about 90 crores. Uh, so when we say this 75-80 crore this year, uh, like, this includes multiple orders beyond the already disclosed one, or

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Because all this launch some two vehicles be launch in the next six months. The full volume will come next year.

Jaynam Madresha - Analyst, CJ Shah Family Office
Sorry, sorry.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
[Foreign Speech] There are two more models yet to be launched by for which we have orders in hand, yet to be launched by JLR. They will launch. They will launch in the next six months. Okay. Understood.

Jaynam Madresha - Analyst, CJ Shah Family Office
The

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Full demand of all the order everything will come in the next financial year.

Jaynam Madresha - Analyst, CJ Shah Family Office
Understood. So this seventy five eighty crores should come in FY twenty eight.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
FY28.

Harshil Solanki - Analyst, Equitree Capital
Yeah,

Jaynam Madresha - Analyst, CJ Shah Family Office
Yeah, understood, understood. And lastly, sir, uh, yeah, those, are my questions. Yeah, thank you. I'll get back in the queue for follow-ups.

Operator
Thank you. Thank you. Next question is from the line of Varun Agrawal from an individual investor. Please go ahead.

Harshil Solanki - Analyst, Equitree Capital
Go ahead.

Varun Agrawal - Individual Investor
Uh, hi sir, thank you for taking my question and congratulations once again on a very good quarter. Uh, my question is pertaining to FY28. We have good visibility on FY27 numbers, but given the highest base, especially for Marelli, can we expect these kinds of year-on-year growth numbers to continue over the FY28 period as well?

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
I think we'll see 18 to 20% growth even next year. So this year we are

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Targeting to close at Rs 470 crores. Next year it should be Rs 550 plus.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Yeah,

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
That I can say.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
And at the group level also, we're looking at a high double-digit growth next year. 18% onwards. So a lot of- as we spoke on the call earlier, a lot of new orders that are coming our way, coming to execution, that will also happen,

Varun Agrawal - Individual Investor
Right? Uh, okay, thank you. And, uh, one question an earlier participant also asked about, uh, the Marelli bankruptcy. Uh, do we have any indication of, uh, like what kind of multiples we would be looking at? Uh, would it be higher than the Nippon Leakless that we got, or would it be lower?

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
We cannot speak on that, sir. We can't speak on that. But at the same time, I think your Indian operations will not suffer.

Varun Agrawal - Individual Investor
Okay, understood. Okay,

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
For some time.

Varun Agrawal - Individual Investor
Understood.

Harshil Solanki - Analyst, Equitree Capital
Thank you.

Operator
Thank you. Next question is from the line of Athul Joby from Prosperity Wealth. Please go ahead.

Athul Joby - Analyst, Prosperity Wealth
Yeah, thank you for the opportunity. For the gasket and HCV division, can we sustain 20% kind of growth that we achieved this quarter for FY28?

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Sir, for this financial year, we expect the growth of 17% in totality for this division because last year the first six months was- after the growth, major growth comes, uh, in the last, uh, first six, four months was muted because of the GST impact which came in September. The last six months were very, very good of the division. Of course, will be much better, maybe better than last six months of in this year better. But the overall growth for the full financial year should be around seventeen percent.

Athul Joby - Analyst, Prosperity Wealth
Okay. So what about FY twenty eight? Growth in the gasket and HCV division based on data center orders.

Navin Juneja - Group Chief Financial Officer, Talbros Automotive Components Ltd
Next financial year it should be around fifteen sixteen percent again.

Athul Joby - Analyst, Prosperity Wealth
Okay. Okay. Thank you. Okay.

Operator
Thank you. As there are no further questions, I now hand the conference over to management for closing comments. Over to you, sir.

Anuj Talwar - Managing Director, Talbros Automotive Components Ltd
Thank you so much for joining the call today. Our focus is now on execution of orders, ramping up capacities, delivering on our order books across all our divisions. India is looking good. We're getting more and more business from the overseas market. Exports continue to be a focus area for us, and we feel that we have a strong, uh, year, uh, in '27 and continue momentum in '28. Thank you.

Operator
[Operator Closing Remarks]