Management Discussion

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Good morning, everyone. I hope I am audible. Good morning, uh, a very warm welcome to all of you, and thank you for joining the call today. And we'll take this opportunity to begin, uh, with an important strategic development for Gabriel India before we get into the operational review. Uh, as a strategic initiative, 6th October 2026, we signed a joint venture agreement with a company named Faurecia Automotive Seatings India Limited, part of Faurecia, the global automotive technology group, to establish Faurecia Anand Seating India Private Limited, which was subsequently incorporated on 19th October 2026.

This represents another important step in Gabriel India's transformation into a diversified technology-led mobility solution enterprise. The joint venture will focus on developing, manufacturing, supplying seat frames and complete seating systems for passenger vehicle, where Gabriel India will be holding 50% less one share and Faurecia will be holding 50% plus 1 share. With this joint venture, uh, we bring here Faurecia's global seating technology, product engineering, complete seat capabilities and manufacturing expertise with Anand Group's strong relationship with Indian OEMs, extensive local operating footprint, and deep understanding of the domestic automotive market.

Importantly, this partnership builds on the trust relationship between Faurecia and Anand Group in, in emission control business that was going on, uh, before 2000. And with Faurecia, I think they acquired a partnership on this business globally in sometime in 2009-10. So while the business of emission control has been before 2000, but partnership with Faurecia is almost 2009 and 2010 onwards. Actually, the venture is expected to benefit from access to Faurecia's wider seating product engineering portfolio and to strengthen manufacturing supply chain and talent capabilities in India.

The partnership is fully aligned with Forvia's seating ambition to reach approximately 10% market share in India over the next 5 years as its first, first growth milestone. For Gabriel India, entry into the passenger vehicle seating system is strategically important because it further broadens our, our product offering into the powertrain agnostic category strengthens our participation across the automotive value chain, provides a platform for long-term technology-led growth. The JV reaffirms our stand that Gabriel would be the principal growth engine of ANAND Group's automotive business.

So that continues. Moving to our consolidated performance, revenue from operation for Q2 FY2027 stood at INR1,608 crore, reflecting a year-on-year growth of 23%. For half-year '27, consolidated revenue stood at INR3,034 crore, registering a growth of 19%. Consolidated EBITDA for Q2 '27 stood at INR141 crore, reflecting a year-on-year growth of 12% with an EBITDA margin of 8.8%.

And half-year consolidated EBITDA stood at INR265 crore, registering growth of 9% year-on-year with an EBITDA margin of 8.7%. Coming to our equity accounting investing companies, which includes Dena Anand India Private Limited, Henkel Anand India Private Limited, SK and U Gabriel India Private Limited, along with our new strategic investments in HL Mando Anand India Private Limited and HL Klemove India Private Limited. Our share of profit before tax stood at INR48 crore in Q2 financial 2017, reflecting a year-on-year change of 39% over For H1 '27, this stood at INR91 crore, which grew almost 24% year on year.

Importantly, the contribution from HL Mando Anand reflects only for few days as the transaction took place on 11th September 2026. So results only including very, very few, few numbers in the

current quarter. Those will start reflecting on the full quarter basis from the, from the next year, so from the next quarter. Consolidated PBT before exceptional item for Q2 financial 2000 stood at INR148 crore, reflecting a year-on-year growth of 14% with a PBT margin of 9.2%. And half-year PBT before exceptional item stood at INR281 crore, registering a growth of 10% year-on-year with a margin of 9.3%.

Overall, our consolidated performance reflects the contribution from now from operating subsidiaries together with the share of earnings from our joint venture and associates under the expanded business structure. So it means that now, now onwards actually, that our results are, are standalone Gabriel, of course, uh, subsidiaries companies of Gabriel, and also, uh, profit coming from Associate companies, especially HL Anand, HL Mando, HL Clomo, those will start reflecting from the following quarters on a, on a full quarter basis.

But this, this quarter we had results from Encl, Dena Anand, and other, other subsidiaries basically. With the strategic investment undertaken through Project Rise and Project Jupiter, we continue to strengthen our presence across a wider range of automotive component integrated business So those results will start keep on moving now into our business. I'm also pleased to announce that Board of Directors have declared an interim dividend of INR 2.15 per share, having the face value of INR 1 each.

With this, I would now request Mr. Jaggi to update you on the standalone Gabriel and also over the industry trend. And before Mr. Jaggi starts, I take this opportunity to wish you all a happy Diwali. Thank you.

Atul Jaggi - Managing Director, Gabriel India Limited
Thank you, Mr. Goyal. Good morning everyone and a warm welcome to all the participants on the call. Coming to the automotive industry, manufacturing activity remained quite strong during Q2 FY '27. This was supported by the GST-led affordability, improving financing conditions, and resilient rural demand. Supported the festive season momentum. Coming to, uh, the 2-wheeler segment, the production grew by 16.5% YOY in Q2 FY '27, while overall production growth for H1 FY '27 stood at 19.5%. Scooters continued to outperform the industry, recording strong growth of 31% during the first half.

Of FY '27, while motorcycle production increased by 14%. Coming to passenger vehicles, industry production increased by 25% year-on-year in Q2 FY '27, while growth for H1 FY '27 stood at 21%. Utility vehicles continue to lead the segment, recording growth of 25% during H1 FY '27, reflecting sustained customer preferences for SUVs. Commercial vehicle production registered a very strong growth of 34% year-on-year in Q2 FY '27, taking the overall growth for the first half of the year to 25%. During the first half, LCV production increased by 27%, while the M&HCV production grew by 21%.

3-wheeler production also remained healthy, growing by 24% in Q2 and 34.5% during the first half of the year, supported by strong last-mile mobility and cargo transportation demands. Overall, the industry performance reflects resilient domestic demand and improving customer sentiment, although geopolitical uncertainties and volatility in crude oil and commodity prices remain important factors to, to monitor. Coming to our Q2 FY '27 performance, as explained in the previous quarter, following the completion of restructuring, our financial results now reflect the expanded business portfolio of Gabriel India.

During September 26th, we successfully completed the allotment of INR 1,000 crore of unsecured

rated listed and redeemable non-NCDs through private replacement carrying an annual coupon of 8.15% with tenure for 3 years. This formed part of our financing arrangements to support the company's strategic growth and expansion initiatives. Coming to the standalone performance, revenue from operations stood at INR 1,399 crore in Q2 FY '27, reflecting a YOY growth of 23%. The performance was supported by demand across our core suspension business, aftermarket operations, and contribution from the Enchemco business added through the restructuring called as the fluid business.

For H1 FY '27, standalone revenue stood INR2,673 crores, registering a year-on-year growth of 21%. Standalone EBITDA -- adjusted EBITDA for Q2 stood at INR115 crores, reflecting a YOY growth of 15%, with an EBITDA margin of 8.2%. For H1 FY '27, adjusted EBITDA stood at INR222 crores, registering a growth of 13% YOY, with an EBITDA margin of 8.3%. Standalone PBT before exceptional items for Q2 stood at INR89 crores, representing YOY growth of 7%, with PBT margin of 6.3%. For H1 FY '27, PBT before exceptional items stood at INR188 crores, registering a growth of 17% year-on-year with a margin of 7%.

I also take this opportunity to wish everybody a very happy Diwali, and with this I come to an end of my opening remarks. Now request the moderator to begin the question and answer session. Thank you. Over to you.

Questions & Answers

Operator
Thank you very much. We will now begin the question -and -answer session. [Operator Instructions] The first question is from the line of Jay Kale from Ilara Capital. Please go ahead.

Jay Kale - Analyst, Elara Capital
Yeah, good morning. Thanks for taking my questions and season's greetings to the management, and also congratulations on your JV with Faurecia. The addition of new product. So my first question is, in terms of your vision 2030 of 50,000 crores, you know, you seem to have multiple paths to reach there apart from organic and group consolidation, you know, like new JVs, buying out companies, expanding product portfolio, and existing group JVs as well. Which of these, according to you, is likely to be a bigger opportunity in the next 2 to 3 years?

As per your discussions currently? And also, any thresholds the management has for these actions, uh, in terms of, uh, you know, what return profile, margin profile, technology client access you would want, uh, from your addition of new products? Uh, how should we think about these likely opportunities?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Okay, thank you. Uh, so I've been considering our vision statement of INR50,000 crore in 2030. The current initiative which we have taken, especially in the current year, where we have added a couple of new joint ventures. Of course, one is HL Klomo India and other very recently on, on the seating side with the Faurecia Group. So I think these are the very, very important joint ventures with the Virginie of, uh, 30,000-50,000 crore in 2030. Uh, it's very difficult to share the numbers. As I said, it's very, very important business aspects from, from these 2 businesses.

Simply that they are high-value items, that is one. Generally, their product value could be, I would say, in the range of, for the passenger car, 30,000 to 50,000 per car set. When it comes to, uh, the

product value. So, so that way I think these businesses will have good perspectives. And, uh, especially on ADAS side, as you will know that ADAS regulations are expanding, uh, in the industry with the passenger car, with the 2-wheeler, 3-wheeler, and of course in the commercial vehicle. And I think that will give us more and more opportunity growing our market in this segment.

And also the seating side, uh, I think if you look at from the car perspective, it's very important that interior of the car is going to play a very key role in the growth, uh, and from the product contribution side. So the seating is one thing that is, is primarily will add a lot of value from the technological changes point of view within the interior. Set up in the car. So, uh, so I think with these 2 joint ventures, and of course the way the Indian market has grown in the current year, uh, I mean, uh, for 2026, the growth which we have seen, uh, it is taking us closer to our target, uh, of 2030.

Of course, we are not there yet, and for which we have a good time and good preparation to, to, to visit, uh, or achieve our strategic objective. And from the technology point of view, I think we continue, as I said, that with the global players. So ADAS is, is one of, one of the global players, HL Group, Mando, which is dealing with the brakes and steering system and having, helping providing an integrated solution from the technology point of view. Why the product will come come from the different companies, but from the technology point of view, it helps to integrate the technology, uh, in the HR system.

And of course, Forvia is one of the leading players, uh, in the technology when we talk about the seating. So as, as usual, we continue to work with the global players who are, who are their market leader in their field, and that is what, that is what our reason to bring technology, uh, or focus technology in the future.

Jay Kale - Analyst, Elara Capital
Great, thanks, thanks for this. Uh, uh, next question is regarding the Forvia-Seating JV. Uh, you've mentioned that the mechanisms portion is out of, uh, the JV and it will be supplied directly by Forvia. Uh, if you could just give a broad sense of what are the contents for the vehicle and how much of that is, uh, in the JV and how much is, uh, you know, not in the scope of the JV. Yeah.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So I think when we, when we talk from the customer perspective, for the customer perspective, we are going to quote for the entire seating system, which will include the mechanism part also. So roughly, after I share any number, maybe mechanism will contribute around, around, I would say, 20, 15 to 20% of the car seat. Overall, and but as far as the joint venture is concerned, we are the single face to the customer for the providing entire solution. And while in turn we will be procuring mechanism from, uh, the Four Via's 100% owned company in India, actually, basically. So as far as the business is there, we are 100% seating, seating arrangement business. So Four Via mechanism company will be the integrated supplier for the mechanism to the joint venture.

Jay Kale - Analyst, Elara Capital
Understood. Uh, also, I've got a few, uh, you know, uh, questions on the -- on your JVs, uh, on your subsidiaries. Uh, you know, if you've seen the PAT margins of, uh, some of these subsidiaries, uh, have been a little volatile, especially if you see Henkel. If we just throw some light, is it got to do with some of the commodity pressures that we are seeing? Because while Dana performance has been good, Henkel has been a little subdued in PAT margins. Any seasonality over there? If you can just throw the source of light over there.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So there's no seasonality, uh, it's only, uh, I think the business are globally, uh, impacted across India all because of the commodity changes. And of course there is a, uh, you know, the logistic increase. And of course, uh, everybody is running behind the demand and trying to meet the customer, customer demand very regularly actually, so that of course putting a lot of pressure on, on the logistic cost as well. So it's not a seasonal kind of a thing, it is just a, uh, you know, a situation where there is a gap between, uh, between the price recovery from the customer and the price cost which we are incurring right now.

So that is the only thing, uh, so which is true to every business. The only, only difference between Dana Uh, Dana has a lot of exports, so we continue to take advantage of the exchange benefit, uh, which is offsetting even, even the commodity impact actually, basically. So otherwise, the challenges for the businesses are same whether it is Encl or Dana or Gabriel. But yes, there are certain disadvantages in certain businesses with respect to the exports. So that is benefiting and equating and offsetting the extra cost, basically.

Jay Kale - Analyst, Elara Capital
Understood, just one last from my side.

Operator
I am sorry to interrupt. We may request that you return to the question queue for follow-up questions. The next question comes from the line of Amit Hiranandani from Philip Capital India Private...

Amit Hiranandani - Analyst, PhillipCapital India
The competitive scenario looks to be very tough, and generally each OEM have at least one core supplier in the seating business. And secondly, also wanted to understand, uh, is the existing Forvia business in India, whether it will be part of this JV, and is there any kind of royalty or a technical fee involved here?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Yeah, yeah, thanks for your question. So again, as I said, uh, it's a, it's a market which is already players are there. And same way, I think this automotive industry market is growing as well. So, so that is one part of the business aspect. Second part of the business aspect is that I don't want to say that somebody has having the technology or not in India, but we feel that, uh, the company like Faurecia, the organization like Faurecia, which is a global leader for many, many years, uh, in this industry while they were not in India, but they have been global players for many, many years.

I think we can differentiate in India with respect to the technology, which we should be able to take advantage, uh, uh, vis-a-vis competition, actually, basically. And I think when it comes to, uh, to the complete seating management, we should be able to take a good lead and also grab some market share in the growing market, actually. So we are confident because of the current technology available and the technology which company can provide Uh, in future. So that's what our, our confidence level of, uh, stay relevant in the business despite being so many players already, uh, in the market.

Uh, now as far as, uh, I think technology is concerned, again, uh, there is an R&D center in India, so most of the technology will be coming from India only. And there is a, there is of course a royalty, uh, fee payment for that. That is not unusual. That is very much in line with them, in line with the

business. Uh, and as far as the 4VI is concerned, the 4VI entire business related to the seating will be part of the joint venture except the mechanism actually. So mechanism will continue to be separate as an entity, but from the customer point of view, it is an integrated solution which will be provided including the mechanism.

So instead of buying, having this part of the joint ventures mechanism will be bought from, from the 4Bears 100% company and will be supplied to customers in India. Otherwise, all business related to the seating is part of the joint venture actually.

Amit Hiranandani - Analyst, PhillipCapital India
Just one clarification, yes sir, are we going to set up a new plant for this JV?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
yes, we will have to set up the new plant for the joint ventures. I think we are already starting this. We will be having plant in Chennai, and of course we

Amit Hiranandani - Analyst, PhillipCapital India
have plant in Pune as well. Okay, this helpful, sir. Second question to Atul, sir. Sir, we have notice b Uh, there is a market share loss in the, uh, passenger vehicle short-term in the H1, and similarly the growth in these commercial vehicles revenue is slightly lower than the industry growth. So can you please throw some light here?

Atul Jaggi - Managing Director, Gabriel India Limited
Yeah, so I think this commercial vehicle, there is no degrowth. The growth purely on the CV side is exactly matching the industry growth because obviously with the more than 85% market share, uh, that is bound to be in line with the, with the market. Uh, the numbers that, that you see, they, they also include the aftermarket and railway, and, uh, I think other numbers are clubbed with the CV numbers. That is why you are seeing a change, because last year the -- I think in this quarter the aftermarket numbers are much higher, but because of a lot of pressure from the OEM this time, uh, the aftermarket number, the -- you don't see a similar growth, uh, there.

So on the CV side, the numbers purely are matching exactly as per the market. On the PV side, yes, you are right. I think the, uh, the lack of growth is primarily on account of the passenger car, the smaller car, because, you know, post the GST last year, the new norms, the small car growth has been much higher. And I think there, our, uh, the models where we are present unfortunately have not done so well as compared to the models where I think we have not been there. So it is a, it is more of a mix issue there, uh, in the PV side.

But yes, uh, we, uh, we are lagging behind on the PV side in this quarter, as well as the market side. On the CV, uh, there's nothing to Over here.

Amit Hiranandani - Analyst, PhillipCapital India
Just last one question, sir, on the, uh, Enchemco is basically a better margin business and is still now a part of standalone entity. But you know, we have noticed a drop in the EBITDA margin since last 3 quarters consistently. So 2 things here,

Atul Jaggi - Managing Director, Gabriel India Limited
2 things, Amit, 2 things. One, Enchemco is a very small part of the business. Obviously, when you look at the overall number the contribution is relatively smaller. Secondly, Anchemco also is not sort of immune to the changes there because their raw material is different, where I think, say, urea as an

example is a big, big raw material consumption for them. And obviously the prices there also have fluctuated. The recovery is happening, but as Mr. Goyal mentioned, that I think customer to customer sometimes there is a delay.

Unfortunately, in Q2, while everybody expected that the prices may soften up and obviously the, uh, the numbers would look much better, but, uh, the num -- the prices in Q2 also has shot up. So if there was a lag in the recovery, it continues even in Q2 also there. So, uh, yeah, otherwise I think the fluid business is doing quite well.

Amit Hiranandani - Analyst, PhillipCapital India
Yes, sir. Thank you, sir, and all the best. I'll come back.

Atul Jaggi - Managing Director, Gabriel India Limited
Thank you.

Operator
The next question comes from the line of Mumuksh Mandalisha from Anand Rathi Institutional Equities. Please go ahead.

Mumuksh Mandlesha - Analyst, Anand Rathi Shares and Stock Brokers Ltd.
Yes, uh, happy Diwali and congratulations on the healthy reserves and the recent seating JV announcement. Uh, so firstly, just want -- we were reading like Faurecia has won some order on the PV side. Just want to understand, for this JV, do you have some anchor order? Supporting this, uh, JV?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Uh, yes, uh, we, we have this business. This JV is formed with the existing business which are there already, uh, already won by the company actually.

Mumuksh Mandlesha - Analyst, Anand Rathi Shares and Stock Brokers Ltd.
Possible to quantify how, how big the order book would be there, sir?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Uh, I think it's difficult, but, uh, I think We look at -- it's a Volkswagen business which will be coming along, along with the joint venture. So, so I think once the closing is done, we should be able to share the information rightly, basically.

Mumuksh Mandlesha - Analyst, Anand Rathi Shares and Stock Brokers Ltd.
Got it, sir. Uh, secondly, sir, on the TV ADAS regulation draft which was announced, I just want to understand how one should look at the potential for the ADAS market and for the Klemove, sir?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
See, that's what I was talking generally, uh, in our opening remarks. Uh, if you look at the ADAS technology, I think it's going to, uh, have increased, increased enhancement, uh, from the existing regulation point of view, including the segments. I think the draft regulation is talking about not only passenger car but also Uh, commercial vehicle and 2-3 wheeler. So, so it's a general way to answer that this market will grow. The, the DAS business will definitely continue to grow, uh, in India, and our business will take advantage of this for sure because, uh, while our products are coming from the different companies, but it's a technology is integrated within Mahindra Group.

As you know that ADAS products have to deal with the steering and the brake, and both are part of -- Mando is globally leader in these products. So I think that way we should be able to also have integrated solutions. And yes, based on the current regulations, we are doing the complete product mapping in all segments, whether it is commercial vehicle and passenger car, and of course on the 2-wheeler and 3-wheeler side. So that we can, we can take more advantage in this revised notifications actually, basically. But in general, I think this market will continue to grow actually, and we will continue to take advantage of it actually.

Mumuksh Mandlesha - Analyst, Anand Rathi Shares and Stock Brokers Ltd.
Uh, got it, sir. Uh, lastly, sir, on the...

Operator
Sorry to interrupt, sir. We may request that you return to the question queue for follow-up questions. A reminder for all the participants that you may press star and 1 In order to ask a question. The next question comes from the line of Aditya Khetaan from Smith Institutional Equities. Please go ahead.

Aditya Khetan - Analyst, SMIFS Capital Markets Ltd
Uh, thank you, sir, for the opportunity. So just a couple of questions, sir. Again, on to the EDAS market. Uh, so when we look -- so before this, not -- so before this draft also came out for EDAS, the market was already growing at 15-20%. Uh, and so like, how are we positioned in terms of growth? Like 15-20% growth, and considering our clientele profile, are we ready to tap and grow in line with the industry? Or because we have a limited set of clientele, we might grow slightly lower? And post this notification, like implemented by 2032, the growth would actually, uh, like be higher of some, uh, so 30-40%. So how well are we Uh, so ready to tap this opportunity? So just wanted to know.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So, uh, it's difficult to share any numbers specifically, but as we generally covered in our opening statement also, that we see high perspective from this business in our growth of INR50,000 crore at the group level. So that is some of the things which can answer that what is our expectation from this business. And, uh, I think at us penetration is increasing, uh, overall, uh, it has gone very, very significantly up in last 4 or 5 years and which will continue to grow. Uh, I think we see this business definitely growing much more than what is the industry growing, you know, as, as, as I think the more and more penetration, uh, will help.

And we are already there in this market. I think this company, uh, the joint venture which we have, while we have participated now, but that has been in business for last 7-8 years, especially in Adas business. So it's not a new start, it is a business which is already there, company already growing, already manufacturing setups are there. So we, we will take advantage of all these existing facilities which are there, the technology which is available, and the market which is already growing. I think, as I mentioned, even the size of the business, product size is very, very large as compared to the normal our products which we have in other cars. So all put together, I mean, we see high perspective from this business.

Aditya Khetan - Analyst, SMIFS Capital Markets Ltd
Got it. So my second question is on to the Sunroof. Uh, so Sunroof, we have witnessed like since last quarter, we have seen profitability has also ramped up, that one-off loss in volumes could have been recouped. Uh, so where are we standing today, sir, in terms of the volume? Like Phase 1,

where it is operating, operating Phase 2, and, uh, are we set to look out for new clients? Because some models also were not working onto the Hyundai side for -- in our favor. Uh, where are we standing right now and what is the outlook for the next 2 years?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
I think from the business perspective, if we look at, uh, Uh, nothing has changed for us as far as the -- right now the performance is going on except the market, uh, market situation. So we continue to supply, uh, for, for the comp -- for the business which we started this business 2, 2, 3 years back. And of course there are certain models which did not pick up, especially the AY1. So that, that did not pick up. But yes, after that we have added A few of the new businesses which is, uh, which are continuing.

So VC4 has already started, VC4i and VC4T. So that is already in the commercial production now, and we started the supply. And of course, we have another business which is already in hand, AI4. So that will, that will come up in next year. So I think the business is, is growing as of today. Uh, yes, last quarter was slightly difficult because of, uh, there was a fire, uh, in one of the plants of Hyundai supplier, which, which derailed the complete business for Hyundai on which our sunroof is going on.

So that is one to deal with Hyundai and Kia. And of course, we continue, continue to wait for other businesses, especially for other customers like Tata and Mahindra. And as soon as they materialize, we will think about the capacity expansion. Basically, it could be, uh, depending on the, on the customer, we will have this, uh, CapEx incurred on this basically, or the capacity relocation may also happen basically. Okay,

Aditya Khetan - Analyst, SMIFS Capital Markets Ltd
sir, one last question. Uh, I'm

Operator
sorry to interrupt, we may request that you return to the question queue for follow-up questions. The next question comes from the line of Radha from Agarwala. Please go ahead.

Unidentified Participant - Analyst
Hi, sir. Thank you for the opportunity. In the Forza Seating business press release, it was highlighted that Gabriel will be acquiring the Faurecia India seating business on a slump sale basis. So that business is currently doing a revenue run rate of INR250 crores with margins of 10%. So out of this, as the seating -- seat mechanisms will be excluded, so how much revenue and margins will be integrated in the Gabriel India business, and from which quarter should we do that?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So right now the closing is going on. As I said, I think the exact number we'll be able to share once the closing is, is done. Uh, I think we are targeting to complete the closing by December end. Uh, but I think, uh, as a business, the agreements are already in place. So whatever business is there other than the mechanism, all will be transferred to Gabriel India. And, uh, I think it will be transferred the way it is. Uh, the -- if the margin is 10%, it will be transferred at 10%. But we are not talking anything with respect to the mechanism. We are talking primarily with respect to the frame business. And that will, that will be transferred to Gabriel India. So that could be a business size of around 150 crore or so, basically.

Unidentified Participant - Analyst
Understood. Secondly, could you give us some color on the new order wins in the HL Mando and Kleemux businesses, and what kind of growth rates are you expecting for these 2 businesses separately for the next 2 years?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Okay, so HL Mando is expanding its, its activities actually. So definitely they will be, uh, growing, uh, ahead of market or better than market. I'm sure it's, it's difficult to say how much better, but yes, as you know, that primarily the company, uh, of course almost 60-65% is related to the Hyundai and Kia. So that is going on completely. We are expanding our, our reach with the Tata Motors. We are extremely doing good, and we started our entry with the, uh, uh, with Maruti Suzuki also. We are already in with Mahindra and Mahindra.

So as far as the company base is concerned for, uh, for the HL Mando, we are there with everyone now. While the company started with Hyundai Kia only, but now we are with everyone. So that is, uh, definitely will start reflecting, uh, in a growth number. Uh, and of course, from the HL Chromo point of view, HL Chromo was already, uh, already present, as I said, that in the market. So we are already there with Hyundai, we are already there with, with the Tata Motors, we are already there with Mahindra and Mahindra.

And of course, now we'll start expanding our, our penetration with other customers like Maruti Suzuki, Uh, especially actually. So that will give us some entry. Uh, so I think in nutshell we should be doing, uh, definitely better than the market in both these businesses.

Unidentified Participant - Analyst
Thanks and all the best.

Operator
Thank you. The next question comes from the line of Amit Hiranandani from Philip Capital India Private Limited. Please go ahead.

Amit Hiranandani - Analyst, PhillipCapital India
Uh, so just need a CapEx outlook for the consolidated business for FY '27 and annual run rate one can expect for coming 3 years?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
I think generally the CapEx is again capacity-driven, and many, many things are there, but we feel that we should be able to at least continue spending, uh, on capacity and, uh, and also many things to deal with the new plant. And also, I think, with respect to Uh, a lot of improvement in the plant. So we expect that our CapEx should be always running between INR1,000 crore to INR1,500 crore on the consolidation basis. No.

Amit Hiranandani - Analyst, PhillipCapital India
Okay. Any concerns on the sunroof businesses so far? Because the margins looks to be very depressed in H1.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So, uh, I think I just shared it. Nothing has changed as such from the Sunroof business point of view. Uh, the situation is -- has been better as compared to the last year. As I said that we have new

business already in place, and, uh, so nothing has changed. And margins are impacting, uh, I mean, you know that everybody is expecting in today's time because of the commodity change and of course the forex, they are not for -- they are not favorable. And we continue to work with the customer and try to get recovery, but I don't see any, any other impact on the business actually.

Amit Hiranandani - Analyst, PhillipCapital India
Just last one is, Anurup sir, on the Creta side, till what time we have Creta with us? And from FY28, what models we will be supplying to Hyundai Kia?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So I think as Creta, uh, seems to be phasing out next year, uh, Uh, to the -- by Hyundai. But we will continue to supply the EV model of, of the Creta, so that will continue. And other than, we continue to supply on, uh, uh, AYI, PS7i, VC4i, and T, and of course the new program which will also come up in future, uh, on AI4i.

Amit Hiranandani - Analyst, PhillipCapital India
Okay sir, all the best. Thank you so

Operator
much. Thank you. The next question comes from the line of Dishant Jain from Anand Rathi. Please go ahead.

Dishant Jain - Analyst, Anand Rathi
Hello, thank you for the opportunity sir. Uh, so my question will be regarding Sandhu. So can you update on the recent, uh, Bayonne model? Like how is it? How are we expecting? As it is a mix of both panoramic and half sunroof. And also on the exports of the -- exports to other India plants globally.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So, uh, beyond model, I think if we, if we look at overall, uh, uh, it is just launched actually. So as far as the customer is concerned, customer is right now of course building their stock. So therefore, uh, the current offtake will be high, but of course once it is launched, generally the the monthly rate reduced. But when we look at from the customer perspective, the most of the businesses with respect to the panoramic sunroof, which is around 75% to 80%, so that will be supplied by us. And, uh, so they are talking from the customer perspective, we understand they are talking almost 100,000 number of the car per annum, which will include around sixty percent for India and forty percent for out of India actually.

Dishant Jain - Analyst, Anand Rathi
Okay. Any new update on the on new orders and any new model? Also on the BMW.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
So as I said that next year we will have AI four which will be coming for the production. So that will have a significant volume, and we are currently in the bidding position with other customers.

Dishant Jain - Analyst, Anand Rathi
Okay, I'll answer one more question.

Operator
I'm sorry to interrupt, we may request that you return to the question queue for follow-up questions. The next question comes from the line of Jay Kale from Ilara Capital. Please go ahead.

Jay Kale - Analyst, Elara Capital
Yeah, thanks for taking my question. Uh, just one question. If I see HNL Klemove Financials, you know, the ROE, ROCs You know, currently are around sub-10%. How do you see this shaping up going forward with, you know, expansion of new customers and growth in this segment? Where should we expect this to settle?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
I think generally, generally our businesses are, are making good ROI actually. So obviously it is the initial phase. Uh, as you said, that capital investments are in place. We have invested heavily in last, uh, last couple of years. So, so once we are able to utilize this capacity, I think, as again it comes to the future number, which, which is difficult to share, uh, which I said that this company will, will have a significant growth, uh, that will help us to improve the ROI, uh, as they utilize the capacity basically.

Jay Kale - Analyst, Elara Capital
Okay, so is it fair to assume it will at least be at the current company average at a steady-state basis?

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Sorry, I didn't get your question.

Jay Kale - Analyst, Elara Capital
Uh, is it fair to assume that it will at least trend towards the company average, uh, on a steady state? Oh yes, of course. As I

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
said, generally these are -- these are -- we, we don't compromise on the ROI. It is a temporary phase because of the investment already done. Uh, definitely they will be on the company average side for sure.

Jay Kale - Analyst, Elara Capital
Understood, understood. Okay, thanks. That's all for myself. Thank

Operator
you. The next question comes from the line of Vayun Jain from Bajaj Auto. Please go ahead.

Varun Jain - Analyst, Bajaj Org
Uh, hello sir, thank you for the opportunity. So most of my questions are answered, so a very quick question on the highest growth segment, specifically on the sunroof and electric two-wheelers. So historically we have held a high, uh, high market share in these So given the evolving, uh, subsidy landscapes and some competitive dynamics in the EV space, are we seeing any pressures on our realization or order books in this?

Atul Jaggi - Managing Director, Gabriel India Limited
On the 2-wheeler space, no. I think the order book is quite strong. We continue to win more orders.

Just to share with you, I think last month Uh, we have started the supplies for the Bajaj Kettak model, which was missing in our portfolio, or the Bajaj EV portfolio was missing. We have started the supplies there also. We have a good business pipeline with most of the customers, and especially I think a lot of them are getting into new models and ramp-up phases. So I think we are, we are quite well placed on the EV side. So on the 2-wheeler side,

Varun Jain - Analyst, Bajaj Org
and on the sunroof side,

Atul Jaggi - Managing Director, Gabriel India Limited
on the sunroof, I think Mr. Goyal has already mentioned that in addition to, uh, the old models, the Bayon, the startup production is just happening. Our last quarter was a challenge, uh, as I think everybody knows that because of the, uh, the unfortunate incidents in one of the suppliers. Can happen in the industry, but I think the, the day on, the initial booking, initial feedback is quite good. Let us -- we will have to wait and watch. And as I think couple of times mentioned, next year we are seeing, uh, we are, we are looking for one more SOP. So I, I had shared earlier that there is a business pipeline with Hyundai and Kia, and obviously they'll come into, uh, the different phases of production in the next year also.

Varun Jain - Analyst, Bajaj Org
Thank you, sir. That is good news for us. Thank you so much.

Atul Jaggi - Managing Director, Gabriel India Limited
Thank you.

Operator
Thank you, ladies and gentlemen. We will take this as the last question for today. I now hand over to Mr. Mahendra Goyal for closing comments. Over to you, sir.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Good morning.

Operator
You are not audible.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Yeah, can, can you hear me?

Operator
Yes, sir.

Mahendra Goyal - Group President and Chief Executive Officer, Gabriel India Limited
Yeah, okay, thank you. Uh, thanks everyone for participating. Hope we are able to provide, uh, answer to all of your questions. And in case, of course, if anything is there missing or any more clarification is required, please connect with our Uh, investor sale, and I'm sure that we should be able to take up your questions and provide all the clarification as, as may be needed by, by all of you. So, so nothing special to add. I think we are in the festive mode. The auto industry continues to, to do very, very well, and we are all, uh, today's time having a lot of pressure on the supply. So we continue to do fulfill customer requirements. And on this festive note, again, take this opportunity to

wish you happy Diwali, and maybe seeing you, some of you, soon in the near future. Thank you so much.

Operator
[Operator Closing Remarks]