February 12, 2025

The Officer-In-Charge (Listing) **Listing Department** **National Stock Exchange of India Ltd.,** **Exchange Plaza, Bandra Kurla Complex,** **Bandra (East),** **Mumbai - 400 051** **Symbol: MINDACORP**	**Head - Listing Operations,** **BSE Limited,** **P.J. Towers, Dalal Street, Fort,** **Mumbai – 400 001** **Scrip Code: 538962**

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Subject: Transcription of Conference Call with Investors/Analysts held on February 06, 2025

Dear Sir/Madam,

Please find attached herewith transcription of Conference call with Investors/Analysts held on February 06, 2025. Kindly take the same on record and acknowledge.

Kindly let us know if any other information is required in this regard.

Thanking you

Yours faithfully,

For Minda Corporation Limited

PARDEEP MANN

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Pardeep Mann
Company Secretary
Membership No. A13371

"Minda Corporation Limited
3Q FY25 Earnings Conference Call"
February 06, 2025

MANAGEMENT: **MR. AAKASH MINDA – EXECUTIVE DIRECTOR**
MR. VINOD RAHEJA – GROUP CFO
MR. SAMEER SHARMA, GROUP HEAD, STRATEGY AND M&A
MR. NITESH JAIN – LEAD INVESTOR RELATIONS

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Moderator: Ladies and gentlemen, good day, and welcome to the Minda Corporation Limited Conference Call hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference please signal and operator by pressing star then zero on your touch-tone telephone. I now hand the conference over to Mr. Chirag Jain, Emkay Global Financial Services. Thank you, and over to you, sir.

Chirag Jain: Thank you, Farah. Good evening, everyone. On behalf of Emkay Global Financial Services, I would like to welcome you all to the Q3 FY25 Earnings Conference Call of Minda Corporation Limited. Today, we have with us from the management team, Mr. Aakash Minda, Executive Director; Mr. Vinod Raheja, Group CFO; Mr. Sameer Sharma, Group Head, Strategy and M&A; and Mr. Nitesh Jain, Lead Investor Relations.

I'll now hand over the call to the management for their opening comments, post which we'll open the floor for Q&A. Over to you, sir.

Aakash Minda: Good afternoon. Thank you, Chirag, and thank you, Emkay Global Financial Services for hosting the call. Good afternoon, everybody, and welcome to the Q3 and 9M FY25 Earnings Conference Call for Minda Corporation. I hope you are all doing well. It is a pleasure to connect with you today, and I look forward to presenting the group's performance for the quarter and offering insights into recent developments.

In Q3 FY25, the Indian automotive industry exhibited mixed performance across segments. The 2-wheeler market maintained its upward trajectory, driven by strong demand in both urban and rural areas. The passenger vehicle segment showed steady growth, driven by strong growth during the festive seasons and enhanced discounts in various segments.

The commercial vehicle sector faced headwinds due to prolonged monsoon delays and low infrastructure spending leading to sluggish demand. Meanwhile, the tractor segment registered modest growth as rural demand rebounded. The EV 2-wheeler registration for the quarter increased by 37% year-on-year.

Coming to the financial performance highlights for Minda Corporation. For the Q3 FY25, Minda Corporation delivered consolidated revenue of INR 1,253 crores, an increase of 7% year-on-year basis. On 9M FY25, the company delivered consolidated revenue of INR 3,735 crores, an increase of about 9% year-on-year basis. I would like to also share that Minda Corporation's domestic OE business grew by double-digit year-on-year.

However, this was partially offset by subdued exports demand from particularly European market, the slowdown in ASEAN countries, and a downturn in the commercial vehicle segment.

In terms of profitability, the company reported an EBITDA of INR 144 crores at an EBITDA margin of 11.5% for the quarter. This is the highest-ever EBITDA margin, which is in line with our consistent and sustainable performance goals.

Profit before tax for the quarter stood at INR 90 crores with a margin of 7.2% and PAT of INR 65 crores with a PAT margin of 5.1%. Key recent developments include order wins in Q3, and lifetime order wins exceeding INR 1,250 crores with EV platforms contributing over 25% of these wins.

For the first nine months of the year, our order book surpassed INR 6,000 crores, reflecting an expanding product portfolio, product premiumization, and rising demand for both ICE and EV products across customers and across segments.

Second, strategic partnership with Flash Electronics. I'm happy to share that we have completed the transaction, where Minda Corporation formed a strategic alliance with Flash Electronics to accelerate the growth of making the largest EV platform in the country.

As part of this partnership, Minda Corporation acquired a 49% stake in Flash Electronics. The synergy between both companies between Minda Corporation's expertise in automotive body electronics and Flash Electronics' strength in engine and powertrain electronics would enable the creation of a comprehensive and technology-advanced portfolio and an organization.

Third, Minda Corporation was honoured to receive the National Award for its flagship CSR initiative Saksham. The receiving ceremony took place, and we were given the award by the Honorable President of India. I will now take you through the presentation covering the key highlights for our Q3- and nine-months performance. I request you to refer to these slides, which were uploaded.

We refer to Page Number 2, which shows Minda Corporation at a glance. So for those who have already seen, I will not repeat, but for the people who are new, this is a snapshot where we have now more than INR 4,600 crores of revenue, INR 514 crores of EBITDA of last year, 17,000 people. We have five business verticals.

Engineering focus is on having now more than 900 engineering headcounts, 290+ patents, 4% R&D spend, two advanced technical centers, and seven engineering centers. We have more than ten partnerships and a financially stable company.

Moving to the next slide, which shows the Indian automotive industry performance for the quarter on a year-on-year basis. The automotive industry grew by about 6.5%, whereas 2-wheelers grew by about 8%. Passenger vehicles grew by about 2.8%. 3-wheelers were sluggish. Commercial vehicles also de-grew and tractors grew by about 12%.

For the nine months, on a year-on-year basis. The overall industry grew by 10%. The 2-wheeler grew by about 13%. The passenger vehicle industry grew by about 2.5%, 3-wheeler by 4%, commercial vehicles declined by about 6% and tractors grew by about 5%.

For a quarter-on-quarter basis, the auto industry saw a decline on a quarter-on-quarter basis due to various reasons. Going on to the next slide, which shows a glimpse of where the Spark Minda Group and Minda Corporation had exhibited in the Bharat Mobility Show from 18th to 21st of January in Delhi NCR. I'm happy to share that the group got a very positive response from the customers, suppliers, partners, and investors.

Moving on to the next slide, which is Slide 4, which shows the key strategic developments for the quarter and nine months. For the quarter, the quarterly revenue was about INR 1,253 crores. We achieved the highest-ever EBITDA margin at 11.5% with a growth of 32 basis points year-on-year basis. The total lifetime order book was more than INR 1,250 crores.

The honorable President of India conferred a National Award to Minda Corporation for its marquee program and capacity expansion in the die-casting division, instrument clusters, and other EV products to cater to the growing demand. I'm also happy to share that Fitch has upgraded Minda Corporation from AA- to AA.

For the nine months, the revenue grew by 9% despite various challenges. EBITDA margin stands at 11.3%. The total lifetime order book exceeds INR 6,000 crores. We signed two strategic partnerships in the first nine months, which is with HCMF for sunroof and power tailgates and Sanko for high-voltage connectors for the wiring harness business. And we filed 17 patents, taking the total patents to 290+ for Minda Corporation.

Moving on to the next slide, which shows an update on the strategic partnership with Flash Electronics, which was signed on 15th January. I'm happy to share that the proposed transaction is already completed, where Minda Corporation has acquired a 49% stake in Flash Electronics and its subsidiaries, and the respective amount of INR 1,372 crores has been paid all in cash.

I would like to share that Flash Electronics is a leading manufacturer of powertrain and EV components to key automotive OEMs in India and overseas. The transaction is valued at INR 3,100 crores.

Minda Corporation acquired a 49% stake. Post this, the net debt to equity in the short term will be 0.6x, and pro forma net debt to pro forma EBITDA is less than 1.8x. Enrich the strategic rationale of adjacent product portfolio, complete system solutions offering in the electric vehicle segment, and it is focused towards customer capability and capacity-centric collaboration.

Moving on to the next slide. We are showing the key performance highlights for the quarter, where the operating revenue has grown by 7.4% year-on-year basis. Gross margin has grown by 66 basis points to 38.4%. EBITDA for the quarter stands at INR 144 crores, which is a 10.5% increase year-on-year basis. And EBITDA margin is the highest at 11.5%, which is a 32-basis points year-on-year increase.

PBT for the quarter stands at INR 90 crores with an increase of about 19.2%. PBT margin stands at 7.2%, which is a 67 basis points increase. PAT stands at INR 65 crores, which is a 23.5% increase year-on-year and PAT margin is about 5.1%, which is again a 64-basis points year-on-year increase. Based on this, the Board of Directors has recommended an interim dividend of 25% on the face value.

Moving on to the next slide, which is Q3 and nine months performance. So revenue for the quarter has grown by 7%, whereas the EBITDA on the same period has grown by 11% and PAT has grown by 23%. On a nine months basis, the revenue has grown from INR 3,436 crores to INR 3,735 crores, which is a 9% growth, whereas the EBITDA has grown by 12% from INR 376 crores to INR 422 crores for the first nine months and has an EBITDA margin from 10.9%

to a sustainable 11.3%. And PAT margin has grown by 30% from INR 156 crores to INR 203 crores, increasing the PAT margin from 4.5% to 5.4%.

Moving to the next slide on the business vertical performances. In the Mechatronics and Aftermarket division, on a year-on-year basis, the revenue has grown for the quarter from INR 576 crores to INR 608 crores. While the quarter-on-quarter has come down due to the sluggish demand in the exports and stood out in the ASEAN market.

Whereas on a nine-month basis, the revenue has grown from INR 1,663 crores to INR 1,821 crores, marking a 10% increase. On the Information and Connected Systems, there is a 9% growth year-on-year from INR 590 crores to INR 645 crores. And whereas on a nine-month basis, INR 1,773 crores has grown to INR 1,914 crores and the quarter-on-quarter revenue was sluggish due to the downturn in the CV segment.

Moving on to the next slide, which shows the revenue breakup by-products. Wiring harness continues to be about 33% of the revenue. Vehicle access products is about 24%. The die-casting division is about 15% Clusters is about 15% and others are grown from 8% to 13%, which includes products in the EV area as well as other product lines.

By geography, India continues to be the majority of the business with about 87% to 88%, followed by exports at about 8% and our ASEAN operations have about 5%. By end market, 2- and 3-wheelers for the first nine months continue to be about 47% commercial vehicles to be about 27% to 28%, Aftermarket in the range of 11%, and passenger vehicle is about 15%.

Moving on to the next part, which is on the ESG, where we, as an organization, are working towards sustainable operations, care for people, ethical business, inclusive growth, and responsible value chain. I request you to go through the slides, and we will share with you in the next coming quarters on how we are coming up with our sustainability goals.

As in the next slide, which shows the picture of the Honorable President of India awarding Mrs. Sarika Minda for the Spark Minda Foundation under the SAKSHAM program as well as Minda Corporation receiving a prestigious award, which is the Helen Keller Award for the year.

The next slide shows the various corporate social responsibility programs that we have done throughout the quarter. The next slide shows the various awards that we have received from customers and industry bodies in the continuous areas of operational excellence, supplier development, HR, and others. And I'm very happy to share in Q3, Minda Corporation has been awarded a Great Place to Work.

With this, I request you can follow the next slides in terms of the annexures, which show the consolidated profit and loss statement, historical income statement as well as about the group profile in the next slide. I would now request to open the floor for the questions. Thank you.

Moderator: The first question is from the line of Raghunandhan from Nuvama Research.

Raghunandhan: Sir, firstly, several new products and focus areas were highlighted at the Auto Expo. Can you talk about key growth areas, the top three product segments where you see good traction ahead?

Aakash Minda: Hi Raghu. Thank you for visiting the Auto Expo. Our growth areas besides our legacy businesses, which is in the area of vehicle access, driver information systems, wiring harnesses, die casting, and electronics. All these product lines are moving towards premiumization. And therefore, you are seeing in these areas is where the growth is coming from, followed by some of the new products that we have launched in these verticals itself, which are on the EV power electronics front as well as then the EV charging stations.

Number two is on the Intelligent Transportation System, which is coming from the electric vehicle bus segment. Number three is other electronics such as wireless chargers, telematics and other product lines.

Raghunandhan: Continuing the point on premiumization, can you talk about how you have seen the share of smart keys increase in your safety systems revenue and how you have seen digital clusters share increase in overall clusters? Trying to understand how content per vehicle can keep increasing and any targets also for the future, which you can talk about.

Aakash Minda: So Raghu, in terms of the smart keys, this continues to be about 7% to 8% of our revenue of our Vehicle Access division. And in the next quarters to come, this is expected to grow on a consistent basis, while there are new launches, product launches as well as more penetration increases in the ICE as well as EV vehicles. When it comes to the instrument clusters, the analog clusters are moving towards the TFT clusters.

Currently, in our Minda Instruments portfolio, this also continues to be about close to 8% to 10% of our revenue when it comes to the new or next-generation clusters with this TFT in the various sizes, which are connected and other electronics in the driver information system space. Going forward, they will be having a larger penetration in the 4-wheeler segment on the TFT side.

Raghunandhan: Coming to the tie-up with Flash, if you can talk about product readiness was showcased, especially for motors in the non-2-wheeler, PV and CV segment. Has there been any order wins? How do you see the potential for this business? And that is more of a medium-term question. And in the near term, how do you see the synergies panning out between Minda and Flash leading to cost savings? And if you can talk about FY26, how can there be revenue potential of sales from Minda to Flash?

Aakash Minda: Yes. So I think a couple of questions on that front. But just to share with you, if you refer to Page 26, which shows the combined solution as an illustration for a 2-wheeler portfolio of Minda Corporation along with Flash Electronics. So the current kit value being offered, which is already in mass production and supplied to various customers is in the range of INR 30,000 to INR 35,000 per 2-wheeler.

Of course, this is expected to grow when there is more integration and where there are more advanced products, which are coming in terms of a system solution and kit value offering by combining the products of Minda Corporation and Flash to various customers. Number two is when it comes to the 4-wheeler and other segment vehicles, there are products which are already ready with Flash electronics when it comes to motor and motor controller.

We are already engaged with various customers on that. And number two, in the power electronics space, where Minda Corporation has already developed products, we have already won orders. We have now products that are already going to be in mass production by the end of FY26, where we've already won orders. Sorry, can you repeat the third question, please?

Raghunandhan: The revenue potential for Minda to Flash in FY26 or over the next 2, or 3 years, how do you see the ramp-up?

Aakash Minda: Yes. So Flash Electronics has been growing at a constant rate of about 17% to 18%, and we expect them to grow in a similar range in the next few quarters to come. Of course, with new and new products and more and more synergies coming from Minda Corporation and Flash Electronics together, we expect to grow this together even higher jointly.

Raghunandhan: I was referring to how much can be the sales which Minda can do to Flash? Can it be INR 200 crores to INR 300 crores per annum?

Aakash Minda: Sorry, can you repeat the question, please?

Raghunandhan: How much revenue can Minda generate from sales to Flash sourcing from each other?

Aakash Minda: There are various avenues of synergies from the way of cross-selling in terms of die-casting products, wiring harnesses, electronics, and of course, more importantly, a system solution offering to the end customers, which is going to make both of us competitive. So, we expect by 2030, this number is in the range of about INR 500 crores to INR 600 crores.

Moderator: The next question is from the line of Mitul Shah from DAM Capital.

Mitul Shah: Congratulations on a record-high 11.5% EBITDA margin. Sir, my first question is on your R&D and investment, which is almost more than doubled in FY24, how that is shaping up in the first nine months? And what would be this as a percentage of sales going forward? And in context with that, we already have 290-plus patents filed. So, what is the status latest update on that side?

Aakash Minda: Yes. So in the previous years, we've been spending about 1.5% to 2% in our R&D. Now as an opex and capex put together, we are investing close to about 4% or north of 4% in the R&D. And this year, of course, in the FY26 also, we expect to continue in a similar range. In the first nine months of the year, FY25 also, we've invested in similar lines, where we have set up a new R&D center as well as expanded the areas of products into the areas of the design studio.

As well as the integration of product lines, and EV products and strengthening the competency, capabilities, and capacities of our products that we have developed across verticals to cater to the customers. So, we expect to come up with more product lines coming out of the advanced tech center in the areas of connected, electronic, electric, and safe mobility.

Mitul Shah: Any number on the patents?

Aakash Minda: Yes. So in the first nine months, we filed 17 patents and now the patent count is 290 plus.

Mitul Shah: Sir, the second question is on localization, particularly on the wiring harness side, how it is shaping up, and how the margins for that segment are on a directional basis. Similar to that, considering the previous question of Raghu on the new products, which we displayed maximum of them were like electronic item and all those new-edge technologies. So going forward, there is a possibility of import content further increasing. So how do you see in terms of the revenue growth through that versus margin compromise to some extent due to import content?

Aakash Minda: So in terms of the wiring harness, as we've always shared before that we have taken various initiatives for the localization of the connectors in India, number one. And then, more importantly, coming from Minda Corporation. So, we have invested in the past few quarters and years in developing our own competency capability.

In the last two quarters, the connectors consumption coming out of Minda Corporation connector division for our wiring harness has come to about 15%. And so the dependence on imports has constantly gone down. And now the imports stand at about 50% and domestic is about 50%, out of which 15% to 16% is the domestic consumption coming from Minda Corporation design and development capabilities.

Moving on to your next question, when it comes to the new product lines, yes, the import content when the new products are coming in, such as more electronics is going to increase, particularly on the semiconductors. So until they are made available locally in India, we have to be reliant on global companies.

There are other products which are such as connectors and displays and other electronic items, which we are continuously evaluating on how we can localize to derisk our supply chain as well as gain localization benefits that the government also happens to offer.

Mitul Shah: And last question on the debt side post this Flash deal. How do you see debt going two years down the line? And what would be the comfortable debt-equity level where we believe that it's within the range?

Aakash Minda: So I think the current debt level is going to be about 0.6x our debt-to-equity ratio, which is well within our comfortable financial prudence that we have set for our organization. And going forward, of course, there will be various options that one can evaluate. And more importantly, Minda Corporation is generating enough free cash flow and cash generating to look at how we can reduce this going forward. So, I think from our side, we are in a very comfortable position, not hampering the balance sheet.

Moderator: The next question is from the line of Karan Kamdar from DRChoksey Finserv.

Karan Kamdar: Sir, I have a more general question on the industry. Where do you see the CV industry going forward? And can we see some signs of the pickup of the CV industry?

Aakash Minda: So, we believe that the CV industry should bounce back in the next recent quarters to come. But of course, we are expecting a single-digit growth in the next few quarters. As per our planning, that's what we look at.

Karan Kamdar: And sir, like recent kind of the numbers, auto numbers have also been going down. Do we foresee any impact in the coming quarters in the Q4 or Q1 of FY26? Will there be any impact due to the auto numbers going down? Or will that remain stable?

Aakash Minda: Which numbers going down, sorry?

Karan Kamdar: Auto. 4-wheeler.

Aakash Minda: No. So again, the 4-wheeler, I think, is in the right space where, of course, new product launches and other products are coming up. And if you see that all OEMs are expanding capacities all across India. So I think this is a segment which at least in the midterm to long run, will definitely grow. And all the reports show that the 4-wheeler is expected to be about 7 million to 8 million vehicles by 2030. So, a modest growth is expected over the next few years.

Moderator: The next question is from the line of Chirag Jain from Emkay Global.

Chirag Jain: Aakash, just wanted your sense of how, let's say, what kind of growth we can expect over the next two, three years at a broader level. And especially on EBITDA margins, now we are already at 11.5%, which is your all-time high EBITDA margins. Do we see further scope for margins to improve for the next two, or three years?

Aakash Minda: So, Chirag, we have always been wanting to outperform the industry, and that is where we commit to ourselves and to everybody at large. And if you see in the current quarters as well, we have been delivering the growth, which is for the domestic OE market. But due to the export market being sluggish and the local commercial vehicle segment, which is where we have about 27% dependence is kind of pulling us.

But even if all these various different segments are expected to be stable, this should be easily giving Minda Corporation the desired growth, which is outperforming the market. In the midterm to long term, our objective is how we can grow 1.5x the industry. And with the order book and with the investments and capacities that we have done with technology and people, we are well within the place to harvest the growth, which is expected if these segments come positive.

On the EBITDA side, we have come over the past few years on consistent and sustainable numbers. So while we are very happy to share that we have done an all-time high percentage, we expect this to be stable and then grow in the times to come.

Chirag Jain: Any update on the sunroof and closure system project as well, if you can share?

Aakash Minda: Yes. So we have been under discussion and our products are under testing validation at a couple of customers. So as and when there is a further development, I'll let you know.

Moderator: The next question is from the line of Shailly Jain from Dolat Capital.

Shailly Jain: Sir, where do we stand in terms of our Smart Key business? How are we progressing on that part? Have we got any orders on that front?

Aakash Minda: Yes. Hi, Shailly, as I mentioned, we are doing about 7% to 8% of Smart Keys, our total Security division, about 7% to 8% of revenue comes from the Smart Key businesses while more and more penetration of the new product launches are going to come in, in terms of ICE and EV, this penetration is expected to grow further as what we have already shared previously by 2030 and beyond.

Shailly Jain: And how are we looking at FY26 for us? Any targets?

Aakash Minda: In terms of?

Shailly Jain: Our revenue and margin target.

Aakash Minda: So I just explained this in the previous question, but we would definitely want to grow 1.5x the industry. So while the industry is expected to grow about 6% to 7% over the next financial year, we are in position in order to achieve our goals and targets. Of course, the segments that we have our order book from also if they come into the growth segment, this will boost our growth going forward.

So definitely, the commercial vehicle segment and the export segment where we have a dependency, if they are not facing headwinds, we will definitely grow faster than the industry.

Shailly Jain: Yes, sir. Any specific targets for exports?

Aakash Minda: Currently, we are about 8% to 10% of our revenue. And as an organization, we would like to grow this much higher than the domestic growth. So while we have the order book, we would like to take it to about 15% in the midterm to long run for our overall revenue side.

Moderator: The next question is from the line of Bhushan, an Individual Investor.

Bhushan: Sir, my question was regarding margins. So Minda has delivered the highest quarterly margin. So what were the key drivers behind this performance? And was it the function of operating leverage, product mix or cost efficiency?

Aakash Minda: So there have been various factors where we have been constantly working. If you look at our journey of the last many quarters and years, we've been focusing on operational excellence in various divisions. Of course, one of the most important areas have been our wiring harness division, where previously, they have been an underperformer. But I'm happy to share that in line with our commitment, we'll be able to bounce back in that business.

And gain more orders as well as become more efficient and the help of localization of the products and connectors is coming into play. Of course, when there are now economies of scale coming from the new product launches as well as the premiumization of the products is coming into the aspect.

And of course, while being in the operational and manufacturing industry, we continue to invest in our operational excellence and work closely with our suppliers in becoming more efficient in order to achieve these. So this is how we plan to also sustainably and consistently go forward.

Bhushan: And the second question was regarding the industry prospects. So how do you see the competitive intensity and the key growth drivers for the company in the coming quarters? And how do you see the order book shaping up specifically from the EV segment?

Aakash Minda: Did you ask about the industry growth and the EV segment per se?

Bhushan: Is the order book shaping up for the product portfolio, specifically on the EV segment?

Aakash Minda: Yes. So currently, if you look at 2-wheeler industry per se, penetration is about 5% to 6% on the overall industry. And at Minda Corporation, also the EV platforms or products are about 5% to 6% of our overall revenue. Of course, when you now combine in Flash, this is much higher, close to about 10% to 12%. And in terms of Flash Electronics itself, it is a much higher portfolio. More than 20% of the revenue comes from the EV products.

Going forward, consistently, we have been winning businesses, all the products which are on the ICE, EV as well as other segments, which are hydrogen or etc. All of our product lines are, again, engine agnostic. So, whether it is the instrument clusters or security systems or wiring harnesses or die casting or other electronics are going to become more electronics and premium when the EV shift happens or the premiumization of the industry happens itself.

Bhushan: And you have also mentioned the premiumization of the products. So do you expect further room for margin expansion?

Aakash Minda: So of course, while we continue to start launching our new products of the order wins that we have done, with the better economies of scale and better experience in those product lines, we will definitely continue to enhance our margins and make money for all of us.

Moderator: The next question is from the line of Munindra Upadhyay from Elara Capital.

Munindra Upadhyay: So my question was related to exports. So on the export side, are we seeing any green shoots visible for the coming quarters or so? Or any recent developments just to understand more color on the current ongoing weakness on the export side. Any color would be helpful.

Aakash Minda: Yes. I think in the past year-on-year basis, our exports as a revenue have been going down, but happy to share that on a quarter-on-quarter basis, it is flat. As we have shared whatever ways we could expect they are there. But of course, with the new geopolitical concerns, it is in somewhere opening us opportunities. But of course, somewhere they could become challenged in terms of the American market, however, the future comes up with.

So we are also continuously evaluating the situations, but our focus right now is to win order book for the various products and various customers that will help us grow on the tide when it comes.

Moderator: The next question is from the line of Mitul Shah from DAM Capital.

Mitul Shah: Sir, I have two questions. The first one is on revenue breakup segment-wise. Other segment has gone down from 13% to 8% in nine months FY25 versus last year's nine months. So within others, which is a major driver or any further explanation on this?

Aakash Minda: Yes. When it comes to others, it is comprised of various product lines. So please pardon me, I will not be able to share the various details. But there again, the smaller segments and smaller businesses combine this other, which is the Tata Motor division, which is the electronics, which is the Intelligent Transportation Systems, and the EV products.

So definitely, some have increased, some have gone down due to the export challenges, which are somewhere dependent extremely on the export side as well. So that is where the other segments have grown particularly. So there are sensors, for example, and other product lines. So that is where it's a mix where it has gone from about 8% to 13%.

Mitul Shah: Actually, it has gone down, sir, from 13% to 8% as per the presentation.

Aakash Minda: Yes, sorry. It has gone down again because they have been more on the exports front. There have been some particular product lines as well as some of the customers that we had won orders from, particularly in the new age OEMs have not done well particularly on the EV products or one or two product lines that are there. So that has been the reason why they have come down from 13% to 8%.

Mitul Shah: And second question is on further margin expansion. Among all these five verticals, which vertical or which segment do you see maximum margin expansion possible two or three years down the line? Or how would be the order in terms of the margin improvement scope within all these five verticals?

Aakash Minda: Yes. So the highest opportunity would have been the wiring harness, and that, again, continues to be the area of much more improvement per se. Definitely, the divisions which have a greater number of export orders with the sales coming in from these segments will improve our margins. When it comes to the electronics segment, that is where when we will get further economies of scale and more penetration into the market, which is where we would expect those segments.

But yes, as a blended margin, which is where we particularly share about, we'd expect it to be sustaining these numbers in the quarters to come.

Mitul Shah: Lastly, may not be the number, but within all these verticals, where do you see highest capex spending over the next two, three years, capacity expansion within all these five verticals, which one would see the maximum capex?

Aakash Minda: Yes. So in our portfolio, the highest capex comes primarily from the die-casting division. And that is where the highest investment is probably expected. Also in the areas of Electronics, which is, again, across various segments, or across various verticals because everything is becoming more electronics per se. So these are the two major avenues. One is die casting and the second is electronics.

Moderator: As there are no further questions from participants, I now hand the conference over to the management for closing comments.

Aakash Minda: So thank you very much for joining the call. We remain highly confident in our growth trajectory, both in the near and the long term, driven by strategic investments and an unwavering commitment to advancing our products and technologies. The union budget announced by the Honorable Finance Minister is a progressive and growth-oriented budget, and we are very confident that this will further boost the Indian automotive industry and Indian economy, of course, giving opportunities for Minda Corporation.

We are dedicated to customer-centric, meaningful solutions, which will create absolute value and create value for various stakeholders and shareholders. Thank you very much for joining this call. And if there are any questions, please may reach out to our investor itself. Thank you very much.

Moderator: Thank you very much. On behalf of Emkay Global Financial Services, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.