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Sub: - Filing of Transcript regarding Business Update Call held on 13 December, 2021

Dear Sirs,

Pursuant to the requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose copy of the **transcript of Business Update Call** of the Company held on 13 December, 2021.

The copy of the aforesaid transcript of the Business Update Call is also available on the website of the company www.unominda.com

You are requested to kindly take note of the same.

Thanking you.

Yours faithfully,
For **MINDA INDUSTRIES LTD.**



Tarun Kumar Srivastava
Company Secretary & Compliance Officer

Encl: As above.



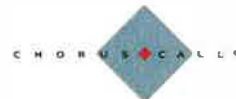


“Business Update Call of Minda Industries Limited”

December 13, 2021

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**MANAGEMENT: MR. SUNIL BOHRA – GROUP CHIEF FINANCIAL OFFICER – MINDA INDUSTRIES LIMITED
MR. ANKUR MODI - HEAD OF TREASURY & INVESTOR RELATIONS - MINDA INDUSTRIES LIMITED**

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*Minda Industries Limited
December 13, 2021*

Moderator:

Ladies and gentlemen, good day and welcome to the Business Update Call of Minda Industries Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involved risk and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sunil Bohra, Group CFO, UNO Minda Group. Thank you and over to you Sir!

Sunil Bohra:

Thank you very much. Good morning everyone and a warm welcome to all the participants. I hope you and your near and dear ones are all keeping safe and healthy. On this special call today, I am joined by my colleague, Mr. Ankur Modi. We hope you have had a chance to look at our presentation which is uploaded on Stock Exchange as well as the company website. I will briefly speak about our recent announcements on Joint Venture with FRIWO, technical license agreement with Dhama Innovations, and alloy wheel expansion following which we will be happy to respond to your queries.

As you all know the automotive industry is changing at a fast pace, driven by the accelerated rise of technologies, sustainability, and changing consumer preferences. These forces are giving rise to disruptive technology-driven trends in the automotive sector popularly known as PACE which is personalized mobility, autonomous driving, connected and electrification. Amongst these trends, whilst internal combustion engines continue to lead and is expected so, in the medium term, the electrification has now accelerated transforming the mobility industry and present significant opportunities to the entire mobility ecosystem. The Indian markets promise high growth rates for EV which is facilitated by government initiatives such as FAME II scheme and realize that offers incentives which are expected to bring down the total cost of ownership.

As you know a large part of our portfolio is agnostic to the shift we all are witnessing. It presented us with an opportunity to significantly improve our product offerings and hence the kit value. We at UNO Minda have been in forefront of capturing electrification trends in the automotive industry and have built an EV-specific product portfolio. We are delighted to inform you that we are further strengthening our EV product portfolio by entering a joint venture with FRIWO, a leading international manufacturer of innovative power supply units and e-drive solutions.

Before I proceed with sharing details on this JV let me tell you more about our JV partners FRIWO. You may refer to slide five. FRIWO founded in 1971 in Ostbevern, Germany, has half a century of innovative strength coupled with German engineering expertise. FRIWO

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has been developing and producing digitally controllable power supply units and drive solutions ever since. FRIWO's product portfolio includes smart components for electric drives as well as premium technological chargers, battery packs, power packs, and LED drivers. FRIWO's products cover a whole host of applications. Their knowledge in the field of charging technology is particularly appreciated by those in the demanding markets of electric mobility among other areas.

With modern development centers, manufacturing facilities and sales locations in Europe, Asia, and US, FRIWO is present in all of the world's key markets. FRIWO has sales of around €100 million with 20% revenues from the e-mobility. FRIWO AG is listed on Frankfurt Stock Exchange with a market cap of approximately €270 million.

Now moving to the transaction, you may refer to slide 7, Minda Industries Limited has entered into a JV with FRIWO to combine their manufacturing prowess and technical expertise to manufacture and supply various electric vehicle components for the two and three-wheelers in the Indian subcontinent. Minda Industries Limited will hold a majority stake of 50.1% in this JV entity.

As you can see on slide 8, FRIWO brings in product technologies of BMS, on board and off-board chargers, motor controllers, and battery packs to the joint venture. FRIWO has already been supplying these products in European markets. They have anchor customers for BMS and off-board chargers in the Indian market as well. Some of these products need to be adapted for the Indian automotive market to match specifications. UNO Minda will also transfer its existing business and orders for its EV products in the JV entities, as a result, the combined entity will be able to offer full-line e-drive solutions for the Indian market combining extremely robust hardware and outstanding software architecture.

Additionally, the JV entity also plans to enter into a contract manufacturing agreement with FRIWO to manufacture the agreed products not only for Indian markets but for ASEAN, and Europe markets as well. The company expects a surge in two-wheel electric vehicles over the next five to six years in India. The JV plans to incur a capex of approximately Rs. 390 Cr over a period of the next six years to support such growth in India. The outlay in the initial two years would be around Rs.160 Crores. Minda Industries Limited plans to invest Rs.71 Crores in one or more tranches as an equity investment to partly fund expenditure with an approximate equivalent amount from FRIWO as its share of the equity. The remaining funding requirement will be met through a mix of internal accruals and debt.

The board has also approved an investment of €15 million in FRIWO AG, a primary issuance in order to strengthen the industrial partnership between the two groups. The planned transaction and capital measures are subject to regulatory approvals including RBI.

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Moving to the transactional rationale, you can refer to slide 9. The JV will help the company to further strengthen its EV portfolio and accelerate development. It will fasten time to market and manufacturing of various EV components in India to fulfill increasing client requirements and to offer high-quality customized key solutions at record speed.

As you can see in slide 10 depicting our EV product portfolio, we have added battery packs, whereas the motor controller will move from under study to under development.

Additional products brought in the joint venture will take six to nine months to move into production as they need to be adapted for Indian markets. The status of other EV products remains the same as was communicated in our last earnings call in November 2021.

The potential kit value of traditional products would be around Rs. 28,000 making the overall potential kit value of our EV products to be at around Rs. 56,000. Potential kit value here is derived basis considering that if all EV components manufactured by us are applied to an EV two-wheeler. The kit value will differ on case-to-case basis depending on the features and model of the two-wheeler as well as penetration of specific products.

We can move to our next update relating to TLA. We have been working on various fronts to further grow our seating business post-acquisition from the merger of Harita which included adding new customers, developing products like suspended seats as well as growing export sales. We have also been looking at newer technologies in seating to improve the comfort and safety of drivers.

We came across one such opportunity with Dhama Innovations. Dhama Innovations is a pioneer in developing temperature controlled solutions designed to address the problems of thermal stress. Dhama has numerous patents granted globally for its temperature controlled solution and has built range of products for sports, automotive, human healthcare, industrial and defense industries. The company has entered into a TLA with Dhama Innovations for its temperature-controlled automotive seats. Under this agreement, Dhama and the company will launch a series of seating and cooling seats for the automobile industry. While Dhama will leverage its globally patented ClimaCon Technology, UNO Minda will leverage its recently acquired seating business, strong OEM relationship and aftermarket reach to maximize the benefit from this agreement. This technology is targeted towards improving driver and passenger comfort. improve mental alertness while driving and improve driver health. We are positively engaged with seating OEMs for the supply of such temperature-controlled automotive seats.

Moving to slide 15 and 16 relating to the expansion of our alloy wheel business. The board of the company has approved the expansion plans in its alloy wheel business both in two-wheel as well as in four-wheel business considering the increased demand. The company will be expanding its two-wheeler alloy wheel capacity by approximately 2 million wheels

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per annum at its existing Supa plant in Maharashtra. The current expansion is part of the two-phased expansion planned by the company at the time of the foraying into the two-wheeler alloy wheel business. The current capacities are now already booked with incremental demand coming from leading OEMs requiring company to further expand its capacities. The total 2W Alloy Wheel capacity of UNO Minda Group shall be around 5.6 to 6 million units per annum after completion of this expansion. The capital expenditures for the aforesaid capacity expansion will be around Rs.190 Crores. The expanded facilities are expected to commence operations by quarter ending March 2023.

Moving to our capacity addition in four-wheel alloy business. MKA, one of the key subsidiaries of Minda Industries will also be expanding its four-wheel alloy wheel capacity by 30,000 wheels per month at its plant in Gujarat to cater to the increased demand from leading OEMs. This is in addition to the ongoing capex of 60,000 wheels a month at the Bawal plant. The overall four-wheel alloy wheel capacity of Minda Kosei post the various debottlenecking projects which have been undergoing and this expansion shall be around 325,000 wheels per month after this enhancement.

The additional capital expenditure from the aforesaid capacity expansion will be around Rs.74 Crores. The expanded facilities are expected to commence operations by the quarter ending June 2023. Alloy wheels continue to be an attractive space owing to opportunities in form of import substitution and low penetration providing ample opportunities for growth. Thanks for your patient listening. We now open the floor for questions.

Moderator: Thank you very much, Mr. Bohra. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Ronak Sarda from Systematix. Please go ahead.

Ronak Sarda: Thanks for the opportunity and congratulations on this transaction. Sir a couple of questions first, can you indicate what kind of order wins does FRIWO have in India which moves into the JV so first is that and I mean JV will start operations immediately, or do you see some you know development time further required for the products which will be there in JV?

Sunil Bohra: Two questions, Ronak. I will respond to both of them one by one. There are a couple of businesses that FRIWO has secured as I said. Both of them will be moved to this JV and it will take some time because we will need to set up the manufacturing facilities. We will see whatever possible to do from our controller division as we have been saying in past but with these kind of capacities we will need to set up a new plant, I think this was the question which we have also been getting in the past couple of calls as to what investments we will need so definitely we will need a new plant and we are considering a location around in north, so this will have around 12 to 18 months of timeframe to sort of have this facility up and running.



- Ronak Sarda:** But any details on the order wins, I mean which component is it, how big it could be, anything which you can share?
- Sunil Bohra:** It is very difficult to share in terms of the quantum because it is linked to the volumes but in terms of business I think we have mentioned there are two products which we'll have, they have got business for BMS and offboard chargers already from a couple of OEMs in India.
- Ronak Sarda:** The other question is on the contract manufacturing agreement one, is it already signed or and second how does then the Vietnam plant of FRIWO and the Indian JV will work together I mean is that a huge capacity and will clash with the JV?
- Sunil Bohra:** So actually they have been getting good business traction and they wanted to expand their manufacturing capacities. They were evaluating to put a plant in the country so I think we saw that opportunity and we said why have separate plants when we can put up this new plant, we can have this also as a contract manufacturing in India so which has a potential of almost like Rs. 250-300 Crores for peak revenue, so Vietnam will continue and India will be additional.
- Ronak Sarda:** The final question we also have minority stake taking around 5% to 6% in FRIWO, Germany any rationale behind this because I mean it is almost like an Rs.130 Crore outflow, especially at a time when you know the Indians were seeing a very substantial order wins and CAPEX requirements?
- Sunil Bohra:** Very right question Ronak. In fact, this investment is what also we have done after a deliberate and very in-depth due-diligence which we have done. So there are two-three things - one is when we are doing this investment definitely you will appreciate this being a listed entity the prices are available at a primary market issuance so there is always a reference price and whatever other local Germany laws, we are following those laws and what are the most possible price we are investing at that whatever formula we have in India as per SEBI, there is also equivalent formula in Germany for the previous x base average minus x percent discount. So we have followed that route. Number two we have no obligation whatsoever to keep this investment forever. At whatever opportune time whenever Minda sees there is a profit on the table it can definitely exit and number three what it does which is the bigger objective it was not your equity investment, the bigger objective is that we believe that with this investment we will have some insight into FRIWO also have some say there and it will strengthen the partnership between the two groups. So I think that was the bigger objective.
- Ronak Sarda:** Perfect. Thank you and all the very best. Thanks for that.
- Moderator:** Thank you. The next question is on the line of Shyam Sundar Sriram from Sundaram Mutual Fund. Please go ahead.

Shyam Sundar Sriram: Good morning. Thanks for taking my question. My first question is we have shown battery packs as one component within the product space since many OEMs specifically in the high-performance category seem to want to keep this in-house is there a right to win here in the battery pack that can be and the other question is in the second quarter presentation related to the production we have shown motor and motor controller as under study products and this FRIWO acquisition will this JV also assemble motors per se and one last question from capability perspective does FRIWO have any capabilities on the passenger vehicle side because their website mostly talks about two-wheeler powertrains, two-wheeler products, do they have any capabilities on the passenger vehicle side as well?

Sunil Bohra: Shyam, I think you have asked four questions. So let me go one by one. The first is in terms of a battery pack and what is the strategy. I think we have been sort of getting this question even for the BMS perspective which is the heart of the vehicle so as we have been seeing and observing and I think I also mentioned during my opening remarks on kit values as to how it will impact - different OEMs have different strategies, somebody might be doing in-house somebody has outsourced like the BMS business we have got, FRIWO also has got one which clearly means there are customers who believe that outsourcing might be better than the in-house same way we believe the market will pan out for battery pack also yes, we might see some of the OEMs doing it in-house and there are few customers who are actually evaluating it to be outsourced. So it will be a mix and we all have to see how the market evolves gradually but definitely, there are people whom we believe that will be able to secure business for a battery pack. Then in terms of the motor controller as far as Q2 presentations we mentioned yes it was under study and as I have mentioned now from under study it will go under development because you already have a product. Now with the parts of the JV then we do not need to study any further it goes to the next step immediately. Then on number three motor, I do not think we have a motor product as a product available that is a separate product which is currently not part of JV and the last in terms of visibility on PV as I mentioned Shyam, the JV currently is focusing on mostly on two wheelers and three-wheeler, definitely, we will have competencies to work on PV but that will need to be evaluated, as of now it is not part of the JV.

Shyam Sundar Sriram: One last question from the OEM customers that we usually talk to on the two-wheeler side have any shown any soft commitments for the products because we are also putting up plants and the capacity per se so are there any advanced stage talks that give me the confidence to go and put up things like a plant and Greenfield capex if you can just come qualitatively so you can give a sense that will be helpful?

Sunil Bohra: Shyam I think at this point also we have been discussing in the past because whatever products we say that mostly we do have an anchor customer when it goes to production and as you have seen in the last quarter we did mention the five products going into production and we will also add a couple of them from FRIWO now so obviously we do have anchor customers for most of our products which are part of the EV so it is not that they are under a



design stage or a study stage so from that perspective we do have customers for most of these products which you see on slide no. 8.

Shyam Sundar Sriram: So this JV should be seen more of improving our competitive positioning in the marketplace similar to how we did with the Delvis in the lighting space is that a fair understanding Sir?

Sunil Bohra: Absolutely, actually what is also happening additionally Shyam that you will note that FRIWO was already there in India and already got secured businesses from a couple of customers and I am sure you will appreciate that we did had that technology because of which they could get the customers in India without any manufacturing base as of now. Now once we join hands together with FRIWO and UNO Minda, obviously we both combine and our objective is not to make one plus one two, our objective is to make one plus one more than whatever we can do so be it in terms of time to develop, time to market product costing, competitiveness, there are various things which are at play and which we believe that this joint venture partnership will be a win-win for both.

Shyam Sundar Sriram: Thank you very much Sir and fall back in the queue and best wishes.

Sunil Bohra: Thank you Shyam.

Moderator: Thank you very much. The next question is from the line of Mumuksh Mandlesha from Emkay Global. Please go ahead.

Mumuksh Mandlesha: Thank you so much for the opportunity. Since you talk about FRIWO what are the key products for the FRIWO and what kind of market share it has in key markets something just understanding what are the major products for them?

Sunil Bohra: If you refer to slide number 8 you can see what all products FRIWO already has so which are like BMS, onboard charger, off-board charger, motor components, so these are the components from EV perspective which FRIWO already has. Now in terms of market share, I think as we all know the market is still evolving and as of now there is no credible data for calculating market share so I will maybe refrain myself from commenting on market share but I can assure you that going forward with both FRIWO and Minda combined whatever OE strategy is in terms of in-source versus outsource I am sure whatever is the outsourced part, we should be able to get a lion's share in the medium term.

Mumuksh Mandlesha: Thank you. In terms of JV what kind of revenue visibility do we have for the next two years and over the medium term as we are setting the plant?

Sunil Bohra: I would not comment next two years because initially obviously a lot of investments will go into setting up for plant and as I said it will take something like 18 months to have the plant



up and running and all that but from a medium-term perspective we are looking at a revenue may be in the range of Rs.1,500-2,000 Crores in around five years or so.

Mumuksh Mandlesha: What are the key products that you will be manufacturing Sir?

Sunil Bohra: So, all these components, if you refer to slide number 8, in case you have the presentation.

Mumuksh Mandlesha: Will we apply for PLI option?

Sunil Bohra: Absolutely. This JV will evaluate and consider the PLI participation.

Mumuksh Mandlesha: One question on the seating side can you talk about the market potential of the segment and what is the revenue visibility for the product also which segments will you cater because I think it also caters to the PV segment which we are currently not present. So can you just help us with that what kind of market potential is here?

Sunil Bohra: Seating, Mumuksh, we have had a very clear strategy that when we had we acquired Harita it was not serving to many PV customers, while they were very strong with CV and off-road, which they continue to and we have been very successful in getting a lot of export revenue business also in the last eight, ten months for seating purposes specifically from off-road segments. Now in terms of potential, if you remember I do not know if you can last call in April when we had an announcement on the completion of the transaction of Harita, we said even though they have done less than Rs.750 Crores in last year, a year before that Rs.1050 Crores, so our target was minimum first milestone to cross Rs.1,500 crores of sale in 4-5 years and I am pretty confident that we should be able to achieve and even deliver better than that based on whatever current visibility we have in terms of the road ahead for next four to five years. So we should be able to beat our guidance of doubling the revenue and in terms of segment as you asked so they are very, very strong in India with a lion's share in CV and off-road segment, in two-wheeler they have been serving only to select customers so we have been in discussion to add at least one customer in the next 12 to 18 months that is what we have promised to sort of work on that aggressively. We are still on that and will let you know once we add. In terms of PVs they were doing some work for other customers, not directly for OEMs but as a Tier 2, which they continue, so as of now there is no direct OE sale to any PV customers.

Mumuksh Mandlesha: Thank you so much Sir. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Sonal Gupta from L&T Mutual Fund. Please go ahead.

Sonal Gupta: Good morning and thanks for taking my question, Mr. Bohra. Sir, so just wanted to understand like you have given two CAPEX outlays Rs.160 Crores in the next two years I

believe that is for the current JV plant and then the Rs.390 Crores over the next six years so could you just talk a little more as to how do you see this investment?

Sunil Bohra:

What we have done Sonal is that you will appreciate the market is still evolving. The market volumes are still growing so we did not want to commit all the capital upfront and have all the machinery equipment up and running so we thought it is better that we gradually increase the capacities as and when the demand grows. There are a lot of SMT lines which you have to put, there are a lot of electronic components so what we have planned is that initially obviously we will have the entire land, building, etc. to meet the overall objective of five six years but in terms of plant and machinery we will go in a very phased and a measured way as and when the demand picks up so you look at market what is market showing for 12 months 24 months hence based on whatever commitments from customers and we thought it is better to cater the capex because normally whenever you do a capital announcement or like even if we have, you see the two wheeler line we have Rs.190 Crores investment so you have to first invest Rs.190 Crores fully before we get Re.1 of revenue unlike in here where you would have the flexibility to do capex in a measured and a standard way which you do not have that luxury in say for alloy wheel example which I gave so that is the big difference you have in the business we are talking about and that is why we have we have actually spread the capex. And the whole reason we have pulling that upfront because otherwise what will happen is you will think that we are increasing sustaining capex every year of Rs.40 Crores, Rs.50 Crores which is not the right way actually we will be investing that kind of way to consistently, increasing our capacities. So that is why we thought it is better to give a full picture of six years capex rather than limiting it to two years.

Sonal Gupta:

Got it and so when you mentioned that potential plant, potential revenues of Rs.250 Crores to Rs.300 Crores that is on the Rs.160 Crores of investment?

Sunil Bohra:

No that was only on the contract manufacturing. That was a question specifically on contract manufacturing.

Sonal Gupta:

Okay so this does not include any India-driven revenues?

Sunil Bohra:

No. So overall from this Rs.390 odd Crores of investment our internal target over the next sixth year or the sixth year of revenue is more than Rs.1500 Crores worth of revenue, but obviously, now it depends on the vehicle volume. The volumes outpace our assumptions then it can be even more or vice versa.

Sonal Gupta:

Rs.250 Crores to Rs.300 Crores is the potential exports for FRIWO that you see essentially and when you are saying Rs.1,500 Crores on an annual basis right potentially that six years time?

- Sunil Bohra:** Yes you are right.
- Sonal Gupta:** Just in terms of the overall CAPEX for this year and your investments now how do you see that and I mean would you see any need to I mean this will be more funded by debt or how do you see that?
- Sunil Bohra:** No. I think we should be able to comfortably have all these capex whatever we have announced funded through a mix of debt and internal accruals. I think fortunately things are a little stable we all know that there is a challenge from the semiconductor aspect, in terms of volume, etc., but I think God has been kind and nothing to complain so we should be able to have good internal accruals and we should be able to fund largely through internal accruals and maybe some debt on case to case basis.
- Sonal Gupta:** Got it, but given the expansions, you have announced what is the total CAPEX that you envisage this year and next year?
- Sunil Bohra:** Next year we have not communicated as of now so normally we communicate at the beginning of the year. We have not even started our budgeting cycle which will start in January. So I would not comment on next year but this year I think we are on a course of Rs.600-odd Crores kind of a number which we shared at the beginning of the year which was a mix of growth CAPEX and sustainable CAPEX.
- Sonal Gupta:** This FRIWO related investments also will largely come in most likely in next year right?
- Sunil Bohra:** Yes, other than the equity part obviously that also is subject to RBI approval which I am sure will take two, three months.
- Sonal Gupta:** Any update on the UzChasys transaction which is happening?
- Sunil Bohra:** Yes, the probability of that is getting diminished by the day, honestly because as we said initially also we are very, very strong and are firm on our demands or expectations on the contract which have not been closed so far. So the possibility of that actually is sort of dropping by the day and it is quite possible we might not actually close the transaction. Even though we have got an extension by a month so we have a date until end of December but I am just trying to be a little honest let us see if it is possible.
- Sonal Gupta:** Got it, great Sir thank you so much, and all the best.
- Moderator:** Thank you. The next question is from the line of Siddhartha Bera from Nomura. Please go ahead.



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Siddhartha Bera: Sir thanks for the opportunity. Sir again on this transaction some thoughts I wanted to understand for FRIWO also one is obviously they have got some orders in India but as a Germany based group any areas new or any planning if I look at the long-term revenues have been broadly in that €100 million so are there any other factors which helped you to close these deals so in the longer-term just wanted to understand more there right to win in some of these products?

Sunil Bohra: No. So I think when you talk Siddhartha about the right to win which clearly establishes that they have already got business for a couple of components already and though I cannot share exact detail they are also in discussion for some of the components of the last stage with some more customers so you will appreciate that they were already in the OEM category now when new partner actually together you as I said this sometime back the objective is not to sort of making one plus one the objective it is to make how do we give a better product, better technological development, better or faster development time and how do we overall increase the business by more than one plus one rather than two how do you make it more than that so I think that has been the objective for us. So obviously when you join hands there are a lot of synergies which are also at play, a lot of collaboration, things can happen. So overall I think there were multiple factors which we said that putting all these things together our right to win also should get strengthened further rather than maybe they have somewhat you call vantage points or we have some other vantage points so we add both of them and see that how do we make a better offering to our customers.

Siddhartha Bera: Sir some of these products which you said are apart from the products which you have highlighted here or part of these only.

Sunil Bohra: No, part of these only obviously we are not going to increase the number of products as of now which will there in the JV. So whatever we have on platter as of today that has been I think mentioned in the presentation also.

Siddhartha Bera: Secondly, basically some of the products already like we had developed on the controller side and we have done the full investment and now you are transferring it to a 50% JV so how to think about these in terms of the transaction?

Sunil Bohra: No. Siddhartha, you will appreciate not all products are going into this JV only specific EV-related components when you say for example telematics. Telematics will continue to remain in our controller business, so there is one more so there are two or three components which will not move to the JV they will remain under controller business and whatever EV specific OE will go here.

Siddhartha Bera: Even the sensors and all which probably you are supplying to EVs they all also will be remaining in the existing business or will they be again transferred.

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- Sunil Bohra:** No. They will remain existing; the sensor will not get transferred.
- Siddhartha Bera:** Got it and lastly Sir if I look at I mean FRIWO's financials globally also so the margins have been very low so for the India business which you are targeting how to think about margin's perspective?
- Sunil Bohra:** As of now whatever business we have been securing first is very difficult to comment on in the medium to long-term because we are in a competitive landscape but whatever businesses we have been securing I think they are near or better than our average margins.
- Siddhartha Bera:** Sir I will come back in the queue.
- Moderator:** Thank you. The next question is in the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.
- Ashutosh Tiwari:** Sir congrats on the transaction. Firstly, for FRIWO in Europe, which would be key products from the EV side will generate a higher phase currently?
- Sunil Bohra:** It is mostly related to the chargers.
- Ashutosh Tiwari:** This is off-board chargers basically.
- Sunil Bohra:** Yes, as a now.
- Ashutosh Tiwari:** Which will be key customers for them over there?
- Sunil Bohra:** No, I do not honestly remember, maybe you can take it offline.
- Ashutosh Tiwari:** In BMS of this particular order that we got in India?
- Sunil Bohra:** Sorry I lost your voice in-between Ashutosh.
- Ashutosh Tiwari:** In India the order that we got for BMS and off-board chargers, what would be the content roughly for these two products?
- Sunil Bohra:** Yes, two-wheelers only.
- Ashutosh Tiwari:** Yes, what is the content I am saying BMS and off-board chargers, what is roughly content per vehicle for both these products?
- Sunil Bohra:** It is in line with what we have shared in the past so BMS almost like Rs.6,000-7000 if I remember and off-board the charger I honestly do not have that number offhand in terms of what was their business value.



- Ashutosh Tiwari:** On this four-wheeler and two-wheeler alloy wheel plant so after the complete expansion comes to 5.6 million wheels per year for two-wheeler and what would be the sales in it, the peaks sales potential from 2 and 4 wheeler alloy wheels.
- Sunil Bohra:** Post commissioning of this plant our peak sales should be around Rs.775 Crores to Rs.800 Crores.
- Ashutosh Tiwari:** Rs.775 Crores for two wheelers.
- Sunil Bohra:** Yes.
- Ashutosh Tiwari:** Four wheelers 330 wheels per month?
- Sunil Bohra:** Four-wheeler will be significant. Four-wheeler we should be more than. Honestly, I do not have the number readily so I do not want to do guesswork maybe you can calculate that because what we have done is we have added a lot of capacity also by debottlenecking if you stack up the numbers you will find that the number is much higher than what it was earlier is more than 30,000 delta what we have just mentioned so we will be having 325 which is almost like 3.7 million wheels a year.
- Ashutosh Tiwari:** Okay. I will generate the number that is okay and lastly on this Dhama TLA for your seating system so do they have customers in India as well as of now or how is the current business for them?
- Sunil Bohra:** No they do not have any customers. In fact, they have a product which we have been discussing with them for last I think four to six months they have this product which has got the application in non-auto as of now so what this does it has got a component which you sort of put in inside your foam along with the seat and it does a temperature control so in the heat when you see a two-wheeler normally it is burning so it will reduce that impact of burning; same way in the cold weather so it will do some temperature control let us see it obviously kit value is little higher so you may not see very aggressive application, you may initially see an application in the top end two-wheelers and then gradually as things improve and as the costs come down then we will see a mass application so initially it is more a technology product which will see the application and may be in the premium bikes.
- Ashutosh Tiwari:** But this is like ventilated seat right or similar to that product?
- Sunil Bohra:** Sorry.
- Ashutosh Tiwari:** This is more like a ventilated seat as you see in some of the offerings?



- Sunil Bohra:** No it is not ventilated so it has got some sort of what we call control or something which will be fitted inside of the equipment which will get fitted inside the seat.
- Ashutosh Tiwari:** So this can also give you a decent product for four-wheelers per se right?
- Sunil Bohra:** No. If you look at there're are multiple technologies available Ashutosh in terms of heating and other applications in premium vehicles if you see. Our objective initially because we do not have a PV customer as of now while we do have a TLA which covers PV also but initially, our focus will be mostly two-wheelers and CV and off road.
- Ashutosh Tiwari:** Thanks a lot.
- Moderator:** Thank you. The next question is in line of Nikhil Kale from Axis Capital. Please go ahead.
- Nikhil Kale:** Thanks for taking my question. My first question was on the products that you have so now with all these additional products also coming in are we largely done in terms of the products that can go into an EV and what we can offer or are there any other incremental products or work that you are doing on new products can you just specify that or is the focus now going ahead more on the PV side?
- Sunil Bohra:** Nikhil I know we have got expectations to consistently outperform and I am sure in order to do that we will continuously evaluate so what more we can do so this might not be the honestly end of it we are still working on a few things but we will come back once we see light of the day, but as of now I think this is what we have.
- Nikhil Kale:** No, but on the two-wheeler side would it be fair to say that now the kit value that we have which is like an Rs.56,000 kind of potential kit value that is addressing most of the high-value kind of opportunities that we can have in a way?
- Sunil Bohra:** There might be more.
- Nikhil Kale:** Secondly while we had discussed the kind of potential kit value and various projects we have worked out the revenue potential from these products how are you looking at these margins? The reason I ask this is as you mentioned some of the OEMs are keen to keep say BMS or battery pack in-house, on the other hand, you also have multiple auto ancillaries which were maybe not direct competitors till now but given that on the EVs there are only sourcing components that you can make many of them are also now working on the same components. So say going forward over the next five, six years while the topline potential is great but how are you looking at margins in these products will it be similar to the current levels or do you think margins could be under pressure for some time?



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Sunil Bohra:

Definitely look I would not be very, very optimistic honestly on margins initially because we know the markets are evolving, there are a lot of players in the country and you know that this is a normal phenomenon because when you are in the phase of evolution there is everybody who try to sort of pitch into and sort of being successful. We all know that today we have more than say for example more than 50 two-wheeler new age OEMs who are in the country, trying to sort of give a better product and I am sure we will see some consolidation at some appropriate point in time. I am sure the same thing will happen on the component side also. Today everybody is talking of working on the EV side, yes so what it does is initially you will see some competition that is number one and number two we know that in most of these parts you have very, very high electronic component which is bought out so when you go to the customer at times you have discussion of about value-add versus investment so while initially whatever units were secured our margins are broadly in line with what we have but definitely you cannot rule out a pressure in the medium-term maybe one or two years till you have some sort of visibility, consolidation and also comfort from the customer that yes this is the product which they will continue to go to a tier one like us and I think then we can also sort of expect some premium to the newer entrants in the segment per se because we all know that we have got whatever decades of experience and credibility build up so from a customer choice also we would like to retain that first choice of our customer in terms of supplier and we will do work on that consistently to see that for whatever new business yes you have to be competitive but over the period how do you secure business and build that trust and confidence to move back the margins maybe a respectable level. But yes your point is very valid we might see some pressure in the short-term but we are not very worried in the medium to long-term.

Nikhil Kale:

Thanks Sir.

Moderator:

Thank you very much. The next question is from the line of Mukesh Saraf from Spark Capital. Please go ahead.

Mukesh Saraf:

Thank you for the opportunity. Firstly is if I look at the product portfolio, you know we obviously are having a significant amount of overlap as well between FRIWO and what we are doing right now so what do we do say for example with the AMP tie-up that we have on BMS would we stop that or would we have both going on?

Sunil Bohra:

Yes, so that we still need to talk to AMP because it was only a TLA and it was not a partnership obviously once you enter into a partnership it is almost like a marriage so I am sure engagement versus marriage, marriage will prevail, so this is on a lighter note. So definitely which we were having all that where Minda also has developed in-house in collaboration with AMP we will need to sort of take a course ahead in the discussion or a mutual discussion as to how we proceed. But as of now, I think it is Minda plus FRIWO.

A handwritten signature in blue ink, appearing to be "Sunil Bohra", is located in the bottom left corner of the page.



Mukesh Saraf: Again, in a continuation to that I mean if I look at the products that are getting actually added that is the off-board charger, battery packs largely and then the motor controllers moving into the next level of development. So is it like there were some technology gaps in the products that we were already working on, on our own because I will just see just two key products getting added right now from this JV so how do we look at that?

Sunil Bohra: Yes, so Mukesh as you rightly mentioned if you exclude these three products the fourth is you just spoke a little while back on BMS right so we must also you are depending on the TLA so obviously a JV is much better than a TLA. I think the same thing you are experiencing in I am not saying we have here but we had a similar experience in the past when we had a TLA for our four-wheel lighting business with the technical partner and always there used to be priorities with the TLA partner - his own set of priorities and you have to be in sequence for development so once it gets into a JV then it is a business for both rather than a product which is technically licensed there are always some limitations I am not saying we have a limitation in anything but in future it could arise so I think from that perspective even BMS actually you see it has added I would say by FRIWO so there are four key components in addition off-board chargers, motor controller, battery packs even BMS I would say is now a full technology being on board by FRIWO.

Mukesh Saraf: Understood and so we are also going to be moving our current EV business into that so could you quantify what kind of revenues we are right now generating out of it and how much is and that is going to move to the JV?

Sunil Bohra: Very difficult to say Mukesh.

Mukesh Saraf: But we are not going to move any assets as such.

Sunil Bohra: Their revenue is coming to JV and as of now whatever visibility we have is broadly equal.

Mukesh Saraf: It is equal and we are not going to move any assets as such I mean any components that we might be manufacturing as saying in our motor controller division that will be like a supply from the standard entity into the JV, right?

Sunil Bohra: Not as of now. We will evaluate at a later stage in case say for example the biggest investment in EV is the EMS or the SMT lines right which we have a JV with Minda Katolec. So initially if they want obviously Minda Katolec will support but it remains competitive it will need to have its own SMT lines and EMS facilities in house so that it does not pay any markup to a third party otherwise their margins will come under significant pressure in terms of the JV so over a period I would say this JV will be fully self-dependent it may not buy anything from the other Minda entities.



Mukesh Saraf: Just my last question is on your alloy business and especially the four-wheeler alloy wheels we are making now very high margins there relatively much higher than the other products and now with this expansion is there some kind of arrangement where the margins kind of come off because that was an initial phase where we needed that kind of margins to justify some level of RFQs and now how do we look at that business?

Sunil Bohra: Look at I think we have been regularly saying that since last three years that the margins we have been enjoying was primarily because of the businesses we have secured when there was an anti-dumping duty in place. For the last two years, there is no anti-dumping duty and all the business and also in last two years lot of competitions have also grown up, people have put up their capacities and there is severe competition in the business. Good thing is that despite that competition we have been securing businesses and expanding, in the earlier part of this year we announced 60,000-wheel capacity additions in Bawal and now we are expanding in Gujarat that clearly demonstrates our ability to win businesses from customers. Yes, margins as we have been saying - since past two years, margins are expected to come down and I do not think that is a surprise. So we do expect to remain in that range of around 16%-17% kind of margin as we have shared in past, in the coming future even post this expansion of these newer capacities.

Mukesh Saraf: For the four-wheeler side.

Sunil Bohra: In the four-wheeler side, yes.

Mukesh Saraf: Understood sir. Thank you so much.

Moderator: Thank you. The next question is on the line of Nishit Jalan from Axis Capital. Please go ahead.

Nishit Jalan: Thank you for the opportunity. Sir my first question was on FRIWO if I heard you correctly you mentioned that 20% of FRIWO's revenues come from electric vehicles and the rest all come from other segments is that right?

Sunil Bohra: Yes, you are right.

Nishit Jalan: So then basically it means that the EV portfolio is only about \$20 million and essentially they are just supplying off-board chargers and maybe some BMS to one or two clients and I was just visiting their website which talks about two clients one is Bricker and one is IST does FRIWO have any mainstream auto company, a two-wheeler company and all which are the clients because their website does not talk about that?

Sunil Bohra: We all know about that Nishit that the market is still growing in terms of two-wheeler EVs. They have got a customer as I said a little while back in the country but obviously, the sales



are yet to start so as the market is evolving they have also sort of developed products and actually have been able to secure businesses yes in terms of actual sales they have to materialize.

Nishit Jalan: These off-board chargers will not be supplied to OEMs they will be supplied to the charging companies who are setting up charging infrastructure, how does it work?

Sunil Bohra: It will be a mix of both Nishit.

Nishit Jalan: When you say you are transferring some of your products to the JV what I understand is only the BMS and off-board chargers are the only two products that are getting transferred over there and basically the motor controller and battery pack anyways is the capability you are taking away from FRIWO so that will be part of the JV right rest all products whatever you highlighted in your slide ten remains with it?

Sunil Bohra: No, so what happens if you see slide #8 we have mentioned what all components will be part of the JV so what products will move to a JV, and what FRIWO products will move to JV I would request instead of slide #10 you look at slide #8

Nishit Jalan: So that shows everything DC-DC converters, acoustic vehicle alert system, onboard chargers so all those things will shift to the JV.

Sunil Bohra: Yes except Telematics which does not move there.

Nishit Jalan: So essentially your entire EV portfolio you will try to build up through this JV entity rather than doing in the standalone right?

Sunil Bohra: For these products. Yes.

Nishit Jalan: But these are the bulk of the products which are used in electric vehicles right.

Sunil Bohra: You are right Nishit.

Nishit Jalan: Just one last question from my side Sunil is that you have talked about a Rs.28,000 increase in content per vehicle after this JV and if I look at two products are essentially added one is the battery pack and the second is the off board charger, the motor controller was already in the under-development state may be or in the consideration stage which comes into the development stage right.

Sunil Bohra: But that was not part of Rs.28,000.

Nishit Jalan: Where I am coming from is this battery pack content what we understand is fairly large in a two-wheeler even if you assume two and a half, three-kilowatt kilowatt-hour battery and a



\$200 kind of a cost so are they doing a part of the battery and not the cells and all those sorts of things or how is it?

Sunil Bohra: They are doing a full battery pack maybe we have been a little conservative in terms of what we call assessing our kit values it can actually be more than that but this is the current whatever action that we said to be on a conservative side.

Nishit Jalan: Sunil you also talked about when someone asked you about the PLI then you talked about that JV will definitely consider the battery PLI?

Sunil Bohra: I did not mention battery PLI. I mentioned PLI for auto components there is a separate PLI for battery which is very different.

Nishit Jalan: Correct that is what I am asking because where I am coming from is because most of the companies who want to scale up the battery pack business will apply for battery PLI and they will get sufficient scale and incentives so on a standalone basis if you are not part of a PLI it will be very, very difficult for companies to scale up the battery pack business front. So from that perspective, this battery pack adds up to a theoretical kit value but in potential realizing that will be challenging and competing with players who are setting up a scale of more than 5 gigawatt-hour of capacity and taking part in battery PLI competing with those guys will be very challenging.

Sunil Bohra: Yes.

Nishit Jalan: Okay thanks.

Moderator: Thank you. The next question is from the line of Rishi Vora from Kotak Securities. Please go ahead.

Rishi Vora: Congratulations on the deal Sir. Two things one you said that for an investment of Rs.400 Crores you will be able to generate Rs.1,600 Crores of revenue so basically the asset turnover of this business is 4x so like in a steady-state what will be the ROCE it will be more than 20%?

Sunil Bohra: Yes, that is the target Rishi to be given more than that in the next four to five years.

Rishi Vora: Sir secondly you have also set up a subsidiary UNO Minda Auto Systems Private Limited what does it pertain to?

Sunil Bohra: As of now it is primarily for the PLI scheme. There is nothing in there as of now. It is a more enabling entity.

Am



- Rishi Vora:** So nothing has been decided right you have just formed a subsidiary.
- Sunil Bohra:** Yes.
- Rishi Vora:** This battery pack so basically will also be our manufacturing cells as in do we have the chemistry capability you will just be packing right packing the battery service?
- Sunil Bohra:** Only battery pack not battery cell manufacturing.
- Rishi Vora:** Sir lastly on the motor controller so does FRIWO supply to any of the OEMs - the motor controller?
- Sunil Bohra:** No.
- Rishi Vora:** Sir just to get a sense, because a motor controller is also one of the critical parts of it?
- Sunil Bohra:** That is what I mentioned Rishi to another gentleman back that motor controller moves from under study to under development now so post-development only it goes onto a production phase.
- Rishi Vora:** Sir so basically in our last call you said that for any new products which you develop you aspire to have 30% market share and if I look at motor controller space, a lot of domestic players, as well as the global players, have already started supplying motor controllers to the domestic OEMs so what are the product differentiation or capabilities which we have so that we can meaningfully scale up this business given that we have a little late in entering this space?
- Sunil Bohra:** Rishi we have actually as I mentioned we have actually got an anchor customer again for motor controller now which has gone into our development phase otherwise it would have been expected to remain under the study phase so we put one-year resource and go to the number only once we have some anchor customers. Yes I agree with you that we might have been here but we do expect to catch up on that market share target that is what I shared in the last call that in the next four to five years whatever business we enter into it is not only for this our target always is that we have 30% share of business in the fifth year or after five years we should have that kind of a cake in terms of market share so obviously you would not expect that in the first year or second year.
- Rishi Vora:** Thank you Sir. All the best.
- Moderator:** Thank you. Ladies and gentlemen, we will take our last question now, which is from the line of Vishal from edelweiss. Please go ahead.



- Vishal:** Thank you for taking my question Sir. Sir my question is relating to the alloy wheel business. Currently, the four-wheeler alloy business we have a capacity of close to around 2.8 to 2.9 million units and the two-wheeler is current capacity is approximately around 3.03 million units if I am not wrong?
- Sunil Bohra:** I am intervening here the two-wheeler capacity when we have announced; so it is more on the what we call casting, so the casting capacity is same as 13,000 tonnes a year what happens is based on the weight of the wheel the number changes so when we have initially thought we thought we will be able to manufacture 4 million that the kind of business we have secured. Now the average weight of the wheel is more than what we have initially planned and that is why we are saying it could be something around 3.5 to 3.6 million wheels but in terms of weight capacity remains same.
- Vishal:** Sir, I want to know at the current capacity which you are having what would be the gross block breakup between the four-wheel alloy wheel and the two-wheeler alloy wheel currently?
- Sunil Bohra:** Two-wheeler alloy wheel the gross block is on the total investment which we have done in the plant in the first phase was roughly around Rs.325 Crores, four wheelers maybe we will be able to share with you offline I do not have that number readily on my mind.
- Vishal:** My second question is regarding sir these capacities will be LPDC and GDC specifically four-wheeler alloy wheel?
- Sunil Bohra:** No. So the new capacity which we are putting 30,000 is all GDC. LPDC is only that 25,000 wheels' capacity initially what we have put which is yet to commission which is ready for operation but as I said this was linked with the product launch of the customer and the product launch for the customer has been deferred little bit so it will happen in the Q4.
- Vishal:** Sir this was in the Bawal plant if I am not wrong?
- Sunil Bohra:** No, Gujarat Plant. LPDC is in Gujarat.
- Vishal:** Okay Sir. My last question is with these capacities; will you now go for export opportunities also in the alloy wheel business?
- Sunil Bohra:** As of now definitely our intention is to go for export, but consistently I think we have been able to have a significant business win. So whatever capacity currently we are putting we will be able to unfortunately meet only domestic demand which is consistently growing. Once we see any flexibility or capacity available that time maybe it will go a little more aggressive on export but as of now I think our hands are full domestically.



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- Vishal:** Thank you so much Sir, these were my questions. Thank you and all the best Sir.
- Moderator:** Thank you very much. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to Mr. Bohra for closing comments. Over to you, Sir!
- Sunil Bohra:** I would like to thank everyone for joining this call at a short notice. I hope we have been able to respond to your queries adequately. For any further information, we request you to please get in touch with us. Stay safe, stay healthy. Thank you.
- Moderator:** Thank you very much, Mr. Bohra. Ladies and gentlemen on behalf of Minda Industries Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

A handwritten signature in blue ink, appearing to read "Sunil Bohra".