



“Uno Minda Limited
Q4 and FY26 Earnings Conference Call”

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**MANAGEMENT: MR. SUNIL BOHRA – GROUP CHIEF FINANCIAL OFFICER – UNO MINDA LIMITED
MR. ANKUR MODI – HEAD, CORPORATE FINANCE AND COMMUNICATION – UNO MINDA LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Uno Minda Limited's Q4 and FY26 Earnings Conference Call. 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 involve risks 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sunil Bohra, Group Chief Financial Officer, for his opening remarks. Thank you, and over to you, sir.

Sunil Bohra: Thanks, Michelle. Good morning, everyone, and a warm welcome to all the participants. On the earnings call today, I'm joined by my colleague, Ankur Modi. We have uploaded our financial results and investor presentation for Q4 FY26 and FY26 on the stock exchanges and our company's website. We hope everybody had an opportunity to go through the same.

I will begin with a brief overview of the macroeconomic environment, followed by the current trends in the automotive industry and then our financial and operational performance for the quarter and full year. Post that, we will open the floor for Q&A.

Talking about the global economy and its landscape, the global economy has shown remarkable resilience until now. The outlook for 2026 has become increasingly complex. Recent geopolitical escalations in the Middle East have introduced fresh uncertainty, primarily manifesting through commodity price volatility and renewed inflationary pressures.

According to the latest IMF World Economic Outlook in April '26, global growth is projected to moderate to 3.1% in '26 with a slight recovery to 3.2% in '27. This deceleration reflects the shadow of conflict, which has prompted a modest uptick in global headline inflation.

We are seeing a distinct divergence in growth dynamics. Advanced economic growth remains subdued at approximately 1.8% as these regions navigate high public debt levels and tighter financial conditions. Emerging markets remain the primary growth engines though they are increasingly sensitive to the 16% surge in commodity prices forecasted by the World Bank for this year, particularly in energy and fertilizers. Amidst this global cooling, India's narrative remains one of the exceptional performance.

For FY26, India is estimated to have grown at over 7%, cementing its position as the world's fastest-growing major economy. This performance has been underpinned by strong domestic consumption, government's sustained infrastructure push and a decisive shift towards Make in India for advanced manufacturing.

Looking ahead to FY27, while the World Bank and ADB project a moderation in GDP growth to approximately 6.6% to 6.9%, largely due to higher energy import costs and global trade headwinds, India's structural fundamentals remain intact. With capacity utilization improving and private capex starting to kick in, we believe the domestic macroeconomic environment provides a stable flow for our growth ambitions.

Moving on to the automotive industry overview. The Indian industry has exited FY26 on an exceptionally strong footing. Following a relatively cautious first half, we witnessed a decisive and pronounced rebound in the second half, characterized by a synchronized recovery across most of the segments. Production volumes in the quarter 4 FY26 grew by 19% year-on-year, reaching approximately 9.3 million units. The Indian automobile industry has exited FY26 on strong footing with Q4 reflecting a clear acceleration.

For the full year, the total production reached an all-time high of approximately 34.7 million units, representing a robust 12% year-on-year growth. It is important to note that this growth is not just quantitative; we are seeing a structural shift towards higher value vehicles, particularly in the SUV and premium 2-wheeler segments, which aligns perfectly with Uno Minda's product portfolio.

The industry's expansion is underpinned by a convergence of fiscal and monetary tailwinds. Personal income tax rationalization and GST rate cuts significantly enhanced customer affordability and disposable income. Furthermore, the RBI's strategic repo cuts lower financing barriers, while the government's aggressive infrastructure push catalyzed demand across segments.

The PV segment delivered a formidable performance in Q4 FY26, with production volumes reaching approximately 1.6 million units, a robust 11% year-on-year increase. This quarterly momentum translated into a historic year as the segment recorded its highest ever annual production of 5.5 million units, growing 9% over FY25. India's manufacturing competitiveness is increasingly recognized on the global stage. Passenger vehicle exports reached a historic high of 0.91 million units in FY26, a 17.5% year-on-year expansion.

Strong traction in the Middle East, Africa and Latin America is positioning India as a critical global hub for small to midsize SUVs. Electric PV registration surged by over 80% this year, with retail sales touching approximately 200,000 units. Consequently, EV penetration in the PV segment has climbed to 4.2% in FY26, up significantly from 2.6% in the previous year.

Moving towards 2-wheeler segment. The segment witnessed a powerful acceleration in Q4, with production volumes hitting approximately 7.1 million units, a robust 20% year-on-year growth. This performance served as a catalyst for a record-breaking fiscal year. For FY26, the total 2-wheeler production reached an all-time high of approximately 26.6 million units, growing 12% and surpassing the previous peak achieved in FY19. Exports of 2-wheeler reached a record 5.2 million units in FY26, a massive 23.4% year-on-year jump.

e-2-wheeler registration crossed 1.4 million mark in FY26, growing 21% year-on-year. In Q4 alone, e-2-wheeler volumes reached 4.25 lakh units, clocking 39% year-on-year growth. Overall, e-2-wheeler penetration has climbed to 6.5%, up from 5.4% in the previous years.

Moving on to the 3-wheeler segment. The segment delivered a strong performance in quarter 4, with production volumes growing by 32% year-on-year to approximately 0.34 million units, reflecting robust demand across both domestic and export markets. 3-wheeler exports for FY26 reached approximately 0.46 million units, a massive 50% year-on-year increase. Exports now contribute roughly 35% of our overall 3-wheel production.

This resurgence was led by a significant rebound in demand from key international markets, most notably Sri Lanka and across the African continent. The segment also benefited from structural tailwinds, including the continued expansion of electric 3-wheelers where EV penetration crossed 60% in FY26.

Moving to the CV segment. The industry also delivered a strong performance in Q4, with total production growing by 19% year-on-year to approximately 0.36 million units. On a full year basis, the segment recorded its highest ever production of approximately 1.17 million units, registering a 13% growth over previous year.

Overall, FY26 has marked a year of broad-based recovery for the automotive sector, with strong momentum visible across all segments, supported by improving demand conditions, policy tailwinds and a steady revival in both domestic and export markets.

The second half-led recovery, coupled with structural shift, such as increasing electrification and evolving mobility patterns, highlights the strengthening fundamentals of the industry. While external uncertainties, particularly on the geopolitical and commodity front continue to warrant close monitoring, the underlying demand environment and long-term growth drivers remain firmly intact. Against this backdrop, I will now move on to discuss our company's performance for the quarter and the key developments during the period.

You can refer to Slide number 7 and 8. We reported a strong quarter where we have continued to scale new heights, once again surpassing our previous peaks to achieve our highest ever quarterly revenues and profitability. Our consolidated revenues from operations for the quarter stood at INR 5,336 crores, representing a robust 18% year-on-year growth. This growth was broad based, driven by volume expansion across most of our core product offerings.

On profitability front, EBITDA grew by 14% year-on-year to INR 603 crores with healthy EBITDA margins of 11.3%. We have managed to maintain these margins despite a volatile input cost environment, reflecting our disciplined focus on operational efficiencies. Depreciation increased by INR 27 crores to INR 192 crores following the capitalization of strategic facilities, including our new 4-wheel lighting plants in Khed City and Indonesia and 2-wheeler alloy wheel expansion at Supa, 4-wheeler alloy wheel Phase 1 commissioning of our Kharkhoda facility and capacity expansion at Bawal.

Finance costs rose to INR 45 crores, a planned increase representing the higher borrowing required to fuel capex programs and manage the incremental working capital for our growth.

The share of profit from associates and joint venture for the quarter rose to INR 64 crores compared to INR 55 crores in the prior year.

We would like to specifically highlight TG Uno Minda, which recorded a 26% revenue surge following the capacity expansion of our site and curtain airbag business, aligning with India's intensifying focus on the vehicle safety. As a result of this strong operational performance and disciplined execution, profit after tax attributable to shareholders grew by 22% to INR326 crores compared to INR266 crores in Q4 FY25.

Moving on to full year financials for FY26, excluding Prior period income in Q1, the revenue from operations for the financial year ending March '26 stood at INR 19,589 crores, translating into a robust year-on-year growth of 17%. This performance reflects sustained demand across our core product portfolio, continued scale-up of new businesses and healthy execution across platforms.

Normalized EBITDA for the period grew by 16% to INR 2,182 crores, underscoring the operating strength of the business even as we continue to invest in new capacity and future-ready technologies. Normalized EBITDA margins for the period remained stable at 11.1%. Profit after tax attributable to shareholders for FY26 stood at INR 1,197 crores. On a normalized basis, excluding both prior period income and exceptional items, PAT is INR 1,166 crores, representing a strong year-on-year growth of 24% over INR 943 crores in FY25.

Moving on to the business segment-wise performance, you can refer to Slide number 11, please. Starting with switches. The switch system business, the largest division within the Uno Minda portfolio, continues to be one of our fastest-growing verticals. The segment recorded its highest ever quarterly revenues of INR 1,343 crores, reflecting a robust 17% year-on-year growth and contributing 25% to our group's consolidated turnover. For FY26, the division reached INR 4,871 crores in revenue, growing 16% from INR 4,204 crores in FY25.

Growth during the quarter was primarily driven by the 2-wheeler switching business, which delivered over 26% year-on-year growth. This performance was supported by sustained domestic volume growth and increase in share of business with some of our customers. 2-wheeler switch export for the quarter touched INR 86 crores, whereas exports crossed INR 280 crores for the full year.

The 4-wheeler switching business, under Uno Mindarika, also continued to outperform industry growth. This was supported by increasing premiumization and rising adoption of advanced feature-rich switching systems by OEMs, resulting in higher kit value per vehicle.

In addition, we witnessed further increase in share of business with leading Indian passenger vehicle OEMs, further strengthening our leadership position in the domestic market. On the capacity expansion front, the shifting cum expansion of our 4-wheeler switching facility at Farrukhnagar is progressing as per plan. We expect to complete the transition of Manesar plant to Farrukhnagar over the next 6 months.

Moving on to the Lighting segment. The lighting system business reported revenues of INR 1,154 crores, contributing around 22% to consolidated revenues and recording a healthy year-

on-year growth of 13% On a full year basis, the business delivered revenue of INR 4,402 crores, registering a strong 14% year-on-year growth, reflecting sustained execution and consistent demand across key segments.

The 2-wheeler lighting portfolio continued to anchor growth during the quarter, supported by sustained market share gains achieved over the past few years. This momentum was further strengthened by increase in share of business with key customers and rising EV penetration, where Uno Minda remains a leading supplier to multiple e-2-wheeler OEMs.

A key highlight during the quarter was the receipt of a significant new order for unserved models, with an annual peak value of approximately INR 450 crores for the supply of 2-wheeler lighting products, with SOP scheduled in second half of FY28. This order equivalent to nearly 25% of the current 2-wheeler lighting annual revenues is expected to materially enhance our share of business and further strengthening our overall market position.

In the 4-wheeler lighting segment, after witnessing a threefold expansion over the past 5 years, the business is now in the phase of consolidation. With SOP of multiple new programs and the bulk of capacity expansion already in place, the focus is now on stabilizing operations and driving steady and sustainable growth.

Moving to casting business. The casting business revenues for the quarter reached INR 982 crores, reflecting a strong 14% year-on-year growth and contributing approximately 18% to Uno Minda's consolidated revenues. The quarter revenue mix remained well diversified, led by INR 535 crores from the 4-wheeler alloy wheel segment, INR 259 crores from 2-wheeler alloy wheels and INR 188 crores from aluminum die casting.

For the full year FY26, the business recorded revenues of INR 3,694 crores, marking a healthy 15% growth over previous year. Within this, the 4-wheeler alloy wheel segment contributed INR 1,964 crores, followed by INR 1,058 crores from the 2-wheeler alloy wheels and INR 673 crores from aluminum die casting.

Growth during the quarter was largely driven by a ramp-up of recently commissioned capacities across key locations including the 4-wheeler alloy wheel facilities at Bawal and Kharkhoda. Additionally, the reported revenue growth also reflects the impact of higher base aluminum prices during the period.

From a demand standpoint, we are seeing some near-term moderation in alloy wheel penetration in our customers. This was primarily led by shift in our customers' vehicle mix with stronger growth in entry level of the models, where alloy wheel adoption remains relatively lower, impacting penetration in the 4-wheeler space.

In the 2-wheeler segment as well, demand softness was observed due to a shift in customer preference in specific programs where steel wheels were adopted in place of previously planned alloy wheels. That said, the business continued to actively diversify its customer base and has secured new orders in the 2-wheeler alloy wheel segment, including programs in the electric 2-wheeler space.

Despite these near-term headwinds, the long-term outlook remains positive. The structural growth drivers for alloy wheels remain intact, supported by industry volume expansion and expected gradual but consistent increase in alloy wheel penetration across vehicle segments.

Moving to seating. The seating system business continued its upward trajectory in the quarter, steadily strengthening its contribution to Uno Minda's overall growth. The segment reported revenues of INR 381 crores during the quarter, contributing approximately 7% to the consolidated revenues. For the full year FY26, the business delivered revenues of INR 1,416 crores, reflecting a strong growth of 23%. The quarter's performance was driven by a combination of increased share of business with both existing and new customers, along with higher domestic demand for suspended seat.

Encouragingly, exports gained momentum during the quarter, reaching INR 54 crores supported by improved offtake from international customers as well as addition of new export accounts, further diversifying the revenue base. Building on this traction, the business secured new export orders with an expected annual peak value of approximately INR 390 crores from 3 new customers from Europe and North America in the CV segment. Supplies for these programs are expected to commence in FY28, providing strong visibility for future growth.

Driven by our deep commitment and strategic focus on the future of clean mobility, we are introducing a distinct reporting category, which is green mobility. This dedicated segment consolidates our sustainable technology portfolio, encompassing Uno Minda EV Systems, Uno Minda Auto Innovation, which covers 2-wheeler, 3-wheeler and 4-wheeler businesses for EVs, the EV-specific business of our controller business and Uno Minda Westport, alternate fuel and CNG systems. This reorganization ensures streamlined visibility and sharper insights into our high-growth EV and alternative fuel business.

Showing immediate momentum, the green mobility segment achieved a robust 25% year-on-year revenue growth in the quarter, reaching INR 423 crores and contributing 8% to the company's total consol revenues. Within this segment, alternate fuels led the quarter with INR 186 crores, followed closely by 2-wheeler and 3-wheeler EV systems at INR 147 crores, reflecting strong adoption trends across electric mobility system. Four-wheeler EV business and our EV-specific controller business further strengthened the portfolio, contributing INR 46 crores and INR 44 crores, respectively.

For the full year FY26, the combined green mobility business recorded consolidated revenues of INR 1,405 crores, registering a steady 7% year-on-year growth as against INR 1,313 crores in FY25. For the full year FY26, the 2-wheeler and 3-wheeler systems business recorded revenues of INR 501 crores, registering a robust growth of 31%, underlying its emergence as a key growth driver within Uno Minda's future mobility portfolio.

Moving on to high-voltage EV powertrain business. The construction of the new greenfield facility for our high-voltage EV powertrain components under our subsidiary, Uno Minda Auto Innovations Private Limited is progressing on schedule, with Phase 1 commissioning planned for the second half of FY27. In line with earlier communication and to meet customer demand,

we have initiated supplies of electric drive unit, resulting in revenues of around INR 46 crores during the quarter.

Further to Khed, the Board has approved the establishment of the state-of-art greenfield manufacturing facility under UMAIPL in Chhatrapati Sambhajnagar, Maharashtra for electric powertrain products for passenger vehicles. The new plant will assemble and manufacture advanced systems, including EDUs and dedicated hybrid transmission systems. The manufacturing of EDU will be supported by a technology partner, Inovance Automotive. The component and systems for EDU will be progressively localized over a period of time. The DHT will be assembled and manufactured through strategic customer partnership.

The project involves a total estimated investment of INR 550 crores to be funded through a mix of debt and equity. Capital expenditure will be phased over the next 2, 3 years with the facility expected to be commissioned by second quarter of FY28. This is the second EV-powertrain plant announced by UMAIPL in quick succession following the ongoing setup of facility in Khed City, Pune, which is slated to begin operations in the second half of the current fiscal year.

The alternate fuel business sustained its strong growth momentum, driven by rising CNG penetration in the PV segment. The CNG penetration in the Indian PV market has increased significantly from 10% in FY23 to 20% in CY '25 and further to 22% in FY26. During the quarter, the business reported revenues of INR 186 crores, reflecting a robust growth of 30%. For the full year FY26, revenue stood at INR 592 crores, growing 18% year-on-year.

Moving to other products. Our acoustic business, which was previously reported as a stand-alone item has now been clubbed in the others category. The reconfigured other product portfolio continues to reflect steady operational performance. The vertical reported revenues of INR 1,053 crores, registering a robust 25% year-on-year growth and contributing approximately 20% to the company's consolidated top line. Contribution during the quarter remains distributed across remaining core and aftermarket verticals within the portfolio.

Sensors and ADAS generated INR 205 crores, followed by acoustics at INR 225 crores. Blow moulding products and the non-EV controller business accounted for INR 118 crores and INR 86 crores, respectively. The remaining revenues were driven by aftermarket segment, including batteries along with external sales from Uno Minda Katolec, providing additional stability to the portfolio.

For the full year FY26, this product category reported consolidated revenues of INR 3,801 crores, up 26% year-on-year, reflecting the underlying strength of our diversified adjacencies. Construction of the sunroof manufacturing facility is progressing as planned with the commissioning expected by end of FY27. Further strengthening our order book, we secured an additional order with an annual peak value of estimated to be INR 85 crores, taking the total sunroof order book potential to over INR 350 crores.

In the in-vehicle infotainment space, normally called IVI, where adoption continues to rise and is now standard across mid- to high-end segments. Uno Minda has expanded its capabilities. Our in-house R&D center has developed a competitive Android-based IVI platform, enabling us to

secure a sizable order of INR 600 crores estimated peak annual value compared to our FY26 JV revenues of INR 846 crores.

This order represents 70% of current revenues with SOP expected in Q3 FY29, marking a significant growth opportunity. Additionally, CREAT, our R&D center has developed a silver box display unit for 2-wheeler applications for which we have secured an order with an estimated annual peak value of around INR 200 crores. Production for this program is expected to commence in Q4 FY27.

Moving to aftermarket and international business, you can refer to Slide number 13, please. For the quarter ended March '26, the aftermarket business reported revenues of INR 340 crores, contributing approximately 7% of consol revenues. In addition, sales to OEM spare part division stood at INR 232 crores. Combined, the aftermarket and SPD channels generated revenues of INR 572 crores, underscoring their growing importance in our overall business mix. The international business contributed around 10% of total revenues during Q4 FY26.

This performance was driven by improved export traction, particularly in the 2-wheeler switching and seating segments. Moving to our debt position. The net debt as of 31st March stood at INR 2,179 crores compared to INR 2,091 crores as on March '25. During FY26, the cash flow from operation amounted to INR 1,722 crores, while capital expenditures stood at INR 1,572 crores. This included INR 861 crores towards expansion projects, INR 149 crores for land acquisition at CSN, the balance towards sustaining capex. Additionally, the company has incurred a cash flow of INR 200-odd crores towards the acquisition of shares in UMEVSPL and associated technologies from FRIWO.

As highlighted, while sustaining and growth capex have largely been funded through internal accruals, incremental debt has primarily been driven by acquisition. Despite this, the balance sheet remains very strong with a net debt-to-equity ratio improving to 0.30 as of March '26 as against 0.34 as of March '25. We have achieved ROCE of 19.2% and return of equity of 19.1% for FY26. Kindly note that capital employed considered for calculation of ROCE also includes the capex for land bank as well as CWIP, which is currently not generating any returns. ROCE would be even higher if we were to exclude these non-deployed assets.

Reflecting our strong financial performance and robust cash flow generation, the Board has recommended a final dividend of INR1.75 per share for shareholder approval. When combined with interim dividend already distributed, the total dividend for FY26 reaches INR 2.65 per share or roughly INR 153 crores. This payout highlights our disciplined approach to capital management. We'll continue to strike a strategic balance between reinvesting in the business for long-term compounding and returning cash to investors.

Turning now to our ESG performance, an area that continues to be a cornerstone of our long-term value creation strategy. At Uno Minda, we view ESG not merely as a compliance requirement, but as a commitment to sustainable growth. Our focus on diversity and inclusion has moved beyond policy into tangible shop floor impact. I am pleased to highlight our strategic collaboration with a typical advantage through which we have launched a targeted pilot project to onboard differently abled people.

Furthermore, our CSR arm, the Suman Nirmal Minda foundation continues to scale its reach. We recently inaugurated our 19th Samarth Jyoti Center at Pune in Supa. This center is a vital addition to our network dedicated to providing vocational training and support that enables mobility, independence and dignity for persons with the disabilities in our industrial hubs.

In line with our sustainability road map of achieving 60% renewable energy by 2030 and carbon neutrality by 2040, we have committed additional investments in renewable energy projects across our key manufacturing hubs in Haryana and Tamil Nadu. With our existing rooftop solar installations, current open access arrangements and approved investments under execution, our green power is expected to account for almost 50% of our total energy consumption, marking a significant step towards the medium and long-term sustainability goals.

Finally, moving on to outlook. Looking ahead, the automotive industry is expected to sustain its growth momentum in FY27. Against this backdrop, Uno Minda will continue to execute its dual strategy, driving vertical growth in core businesses through higher value addition and market share gains while simultaneously scaling new age and emerging technology platforms. In line with this approach, we will maintain a strong investment focus on both capacity expansion and capability enhancement.

For FY27, we have planned a total capital expenditure of approximately INR 1,750 crores, comprising of around INR 650 crores towards sustaining capex and around INR 1,100 crores towards growth capex and balance towards land acquisition. Considering the expansion plan announced or under consideration by our customers, we may be required to add more land in CSN, Hosur and Gujarat. Besides land, project mix will largely be directed towards ongoing and announced projects, the list of the same is part of the presentation, while sustaining capex will address incremental capacities and technology upgrades across existing plants.

FY27 is expected to be a defining year for execution with 7 out of our 11 ongoing projects either commencing production or undergoing ramp-up, we also expect to begin commercial operations in 2 key new product segments, EV powertrain and sunroof, marking important milestones in our diversification journey.

Uno Minda remains well positioned for sustainable growth backed by strong fundamentals, a diversified product portfolio and ongoing investments in emerging technologies. Despite the ongoing challenges and initial costs in the newly commissioned plants, we continue to expect an annual EBITDA margin of around 11% plus/minus 50 basis points.

Uno Minda's journey is anchored in a relentless focus on innovation, localization and customer centricity. With a diversified portfolio and our most ambitious manufacturing expansion to date, we remain committed to delivering sustainable long-term value to our shareholders while powering the transition towards a smarter, greener and more technologically advanced automotive era.

With this, I would like to now open up the floor for questions. Thank you.

Moderator:

Thank you very much sir. The first question is from the line of Mukesh Saraf from Avendus Spark.

Mukesh Saraf:

Sir, first question is regarding this new facility in Maharashtra for the 4-wheeler EV components. Just trying to understand, it's a sizable capex that we are earmarking here and the fact that our Khed facility also, we have a decent capex, which the plant has not started. So just trying to understand, do we have visibility on the kind of order book that you can mention because the capex now for your 4-wheeler EV components will be like INR1,200 crores, including 3 facilities. So what gives us confidence to set up a second plant while the first one is still under construction? Wouldn't we want to rather stagger it and kind of use the first facility and then get to this one? So just trying to understand the thought process there.

Sunil Bohra:

Anything else, Mukesh?

Mukesh Saraf:

Yes, the second question is like you had kind of alluded to, we have I mean if I include the 2 facilities that you have started in 4Q, then it's probably 9 plants that will be starting in FY '27. And the capex for that you have earmarked for these 9 plants is probably INR 1,800 crores. So it's a significant amount of capex that is coming on stream in this year.

So just trying to look at how do you look at the execution for this? Obviously, it's be phase-wise, but what kind of growth can we assume across these plants in the next couple of years in terms of the ramping up of this INR1,800 crores of capex? Yes. So these 2 questions from my side, if you could give some sense.

Sunil Bohra:

Thanks, Mukesh, and very, very valid questions, both of them. So starting with, first, as I said, the second plant we are putting, we have got very good visibility on the new business for both EDU and the DHT. We have been working with our customers. At this point, difficult for me to give a number for revenues. But be rest assured, there is a sort of a strategic partnership, specifically with the customer for the DHT and also for the EDU.

And both these plants, which we are constructing in Khed and also we will be now starting work in CSN, the capacity is almost there, right? So there was a request from a customer, in fact, a push that need to be closer to the customer and also could not have been done at the existing plant at Khed because of this plant has already been like earmarked for the existing businesses.

So there was obviously a little less scope in terms of putting the DHT line, etcetera. So considering all the strategic aspects, it was thought prudent that we put a second plant. Though, yes, you are right, there will be challenges which we have to seize because the same team will be responsible for commissioning of both the plants.

But good thing is that one plant is getting commissioned in this year and another will be after 1 year. So they will be able to put their efforts very effectively. So in fact, once we commission the first plant, the experience also will carry on towards the second plant. So that was what gives us confidence, Mukesh.

In terms of your second point, which is multiple plants coming in the stream. So you know that all these plants, what we have currently, they are across businesses, across different products, starting with wheels, lighting, switches, sunroof, airbags, EV products. So the way we are structured, we have separate business teams for every business.

So if you look from a business perspective, obviously, there is a clear focus, direction towards executing and commissioning of those products. And there's no overlap in terms of same team being responsible for multiple plants.

So that's what gives us confidence that there are separate teams, separate businesses who are responsible for execution and commissioning of those plants. And that is why we are very comfortable in terms of the execution, commissioning, operations, etcetera, etcetera.

Now coming to a point on what kind of growth we're expect in the next 2 years. So we all know, Mukesh, some of these plants are building more capacity like the 4-wheeler switch at Manesar going to Farrukhnagar. Today, we are constrained. Obviously, when we move that plant to a new location, we will not be constrained because of capacity.

Same way the lighting 3 plants getting merged into Kharkhoda into single plant for 2-wheeler lighting, again, creating more space, right? So from that perspective, whatever is the growth market is giving us, we should be able to do it. Second, what I have just shared with you some of the business wins, which are more strategic like in the 2-wheeler, I shared a sizable business of almost INR 450 crores worth of revenues, which we will get and SOP in the next fiscal year. So all these things to deliver, we will need those capacities.

And in terms of growth, as I said, this also is like increasing our share of business also because they are unserved models today. So all in all, these are a mix of business where we will see not only the growth in line with the market, which we have to anyway build capacities, but also in some businesses, we will be able to create or generate better SOPs. And third, there are some new businesses, obviously, which are starting the clean slate like the EV powertrain business or a sunroof business. So for them, I think we have already shared with you what our kind of revenues we expect to generate.

Moderator: Thank you, sir, for answering those questions. The participant has left the queue. We will move on to the next question from the line of Aditya Jhawar from Investec. Please go ahead.

Aditya Jhawar: Congrats on good set of numbers. A few things. Number one, that when you look at from a margin perspective, in Q4, typically, we have this debit note credit note for the entire year that get adjusted. If you can help us understand what kind of quantum was that? And commodity inflation, if at all, we saw an impact, how much of that it is and a little bit of a lag that typically we get.

So is that, that Q1 would have bigger dent? First question is on margin, whatever information that you can share. The second question is on the green mobility. So if you can give a broad breakup that what could be the breakup of EV revenue? And does it also -- of course, it includes CNG, but does it also include hybrid and under which entities ballpark, it is getting booked? The third question is casting saw a good growth of about 18%. So what was the proportion of aluminum pass-through that we saw in this quarter? Yes, that's about it.

Sunil Bohra: So thanks, Aditya, for the compliments, and I'll go in the same sequence the questions which you asked. First is in terms of margin for Q4. And as we all know, that certain debit credit as you rightly mentioned, happened in Q4. And that's what is also reflecting in our numbers of Q4,

which is 11.3% margin. Quantum of that is difficult to share, Aditya, because it's different for different businesses.

Plus in Q3 to Q4, there not has been much jump because of whatever lag impact in Q4, you get Q3 prices. And Q3, you get Q2 prices. So from that perspective, there is nothing which was exceptional. Yes, there has been certain price settlement because of which there were certain incomes being accounted for in terms of customer price settlement in the quarter.

In terms of commodity inflation, yes, that as everybody knows, it has started hitting after the geopolitical issue, which has happened. So first thing first, what happens is when you see for the quarter from Jan, Feb, March and when you do for March, obviously, you had certain inventories being carried forward at the prices, which obviously were the previous war or the impact because of the commodity price, what had happened. So that also helped cushion impact to some extent in the March.

But to your point, yes, there will be expected to be an impact in the coming quarters, which are expected to be sizable. But we are currently in the process of discussing with our customers that our customers have been very supportive. When we have this lag impact for a quarter or a half year, that is primarily in the normalized scenario, right?

What we are currently sitting is not normalized, actually an abnormal scenario. So we have been discussing with our customers, how do we cut our price adjustment cycle? Can we cut half year to monthly, if possible, quarter to monthly? So some of the customers have been positive with some of the customer discussions have been happening, and we still have like 1, 1.5 month for this quarter. And we are hopeful that the large part of our customers may broadly agree with the price correction or the pass-through to be on a shorter frame basis until the things get normalized.

So our teams are on the job. And I'm pretty confident that we should be able to largely sort of address this impact of commodity prices, which, as you rightly mentioned, definitely is going to be exceptionally high in the quarter. And not only commodity prices, we also know that some of the labor price increases like in Haryana, the prices have been increased by almost 35%, followed by some of the other states like Gujarat. So all these impacts also are very sizable. And we are discussing with our customers, not only commodity prices, even some of these significant labor price increases, which are not normal.

Normally, you expect labor price to be 5%, 7%, 8%, 10% kind of a thing. But 35%, obviously, is not something which can be absorbed easily. So all these things currently, our teams are on the job in terms of working with the customers, and to mitigate because they not only hurt us, they also hurt the Tier 2s, right, our suppliers in turn.

So it has to be back to back, and that's what currently you are discussing with almost all our customers. Moving to green mobility revenue. I think I've shared all the numbers, in which entity it has been booked, maybe offline again, numbers can be shared with you, Aditya, if you don't mind. And in terms of casting, the growth is 18%. The impact of aluminum pass-through was roughly around 4% to 5% for the quarter.

Moderator:

The next question is from the line of Raghunandhan N. L. from Nuvama Research.

Raghunandhan N. L.: Congratulations, sir, on strong numbers, and thank you for the detailed opening remarks. Sir, within electric 4-wheeler, considering the quantum of capex, which is being incurred, generally, would the gross turnover be 2x of the capex? Would that be a right number? That's my first question.

Second, you indicated about the alloy wheel, how the penetration trends are recently. Can you approximately indicate for the 2-wheeler and 4-wheeler industry, how much would be the alloy wheel penetration currently? And lastly, on the labor cost increase, approximately what could be the impact in terms of the cost increase? That's all from my side.

Sunil Bohra: Yes. Thanks, Raghu, for the compliments. In terms of 4-wheeler EV, you asked capex multiple for revenue. As we are just starting, so initially, we do expect the factor to be higher. But as we move forward, this will be lower because there will be a gradual localization of the components because initially, when you start, nobody would like to take 100% risk and start completely localized, right? So you go in a piecemeal way. But in a medium to long term, we do expect the multiple of revenue to be actually more than 2x what you have just shared.

In terms of penetration trends, the 2-wheeler alloy wheel penetration is somewhere around 70% and 4-wheeler EV alloy wheel penetration is somewhere around 40%. In terms of impact of labor cost, obviously, it is very, very sizable. And as of now, some of the states are still in the process of announcing their floor wages, which as per the new Labor Code, they have to announce.

So the impact is obviously quite significant. It's almost like a couple of hundred crores for what we call Haryana and Gujarat. But still, there are some more which we expect to come on. So again, as I said, we are working to see how we sort of mitigate the impact of this labor cost and the commodity price increase.

Moderator: The next question is from the line of Siddhartha Bera from Nomura.

Siddhartha Bera: Congrats on good order wins in the quarter. Sir, to start off with again on this margin part, I mean, in quarter 4 also, we did see some gross margin compression. Would it be possible to highlight what -- and I understand you had this bought out trading part also, which started. So will it be possible to share how much was the drag because of this trading business and the lower pass-through of maybe aluminum in the LMT segment? And should we expect some normalization there in the coming quarters?

And second is, I mean, we do have a lot of plants and sizable plants starting in the coming year. Now with many cost challenges, do you think there can be probably if there are any start-up costs and all, do you think there can be some pressure in the near-term margins as these plants stabilize? And lastly, on the exports part, we do have seen a lot of export orders also across switches, lights and seating.

So how do you see this export picking up for us from pure India exports? I don't know, I mean 10% might include other entities also. So pure India exports, what percentage is it now? And where do you see that maybe, say, a couple of years down the line, yes?

Sunil Bohra: Yes. So thanks, Siddhartha. And definitely, order wins, I would give credit to our teams for relentlessly working on new technologies, getting more business. So it's a great job done by the entire team, and definitely gives good visibility for all these capex growth engines, what currently we are working on. In terms of margin, yes, you are right. There is a gross margin compression of almost 1%.

But because of trading business, I won't say much because it's very, very small. The trading business for this new what we spoke of, the EV business, is just like INR 40-odd crores, INR 40 crores, INR 45 crores. So obviously, we don't expect that to be having any significant or a meaningful impact in terms of the RM cost.

This is primarily because of some of the new businesses, which might be at the lower margins or some of the commodity price impact as well. In terms of the sizable plants coming in current year, yes, you are right. And this is what keeping the entire organization on toes and excited as well. There are challenges in costs, you are right. There will be start-up costs. We all acknowledge that.

And I think we have shared this also that the margin guidance, what we are giving of 11% plus minus 50 basis points, that also includes the expected for the known start-up costs as of now. So we do expect to absorb all this in our current profitability. In terms of exports, how do we see pure export from India? So currently, our exports for last year was roughly around INR 600 crores.

The actual physical exports from India, and I'm excluding the operations or the last assembly lines, whatever we have in the overseas plants, the ASEAN or the other regions. So this INR 600 crores, coupled with all the significant new business wins what we have shared, definitely in next few years, we do expect this to cross INR 1,500 crores mark based on what we know now. So that's where we are in physical exports from India to that. So I hope I've addressed all your questions.

Siddhartha Bera: Yes. Sir, if you can share the breakup of revenues also for the 4-wheeler and 2-wheeler segment in switch and light, that will be awesome.

Sunil Bohra: Yes. I think I did share during the opening comments. But maybe this data, again, we can give you offline, if you don't mind.

Moderator: The next question is from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equity.

Mumuksh Mandlesha: Congrats on a large new order wins this quarter. Sir, just first on the 4-wheeler Inovance new order. Of this 1.85 lakh capacity, how much would be already booked, sir? And I just want to understand with this INR400 Crore Khed plant and this INR550 crores, what kind of revenue potential this plant can make sir, both the plant together?

Sunil Bohra: Anything else, Mumuksh.

Mumuksh Mandlesha: And secondly, sir, on the infotainment side, there's also a major order there, one, sir. I just wanted to check whether this was a part of stand-alone business. And also, there was some 2-wheeler orders. So if you can help us understand over next 3 to 5 years, how this infotainment business can change, sir?

Sunil Bohra: Thanks, Mumuksh. Thanks for the compliments. In terms of the 4-wheeler Inovance, this capacity, what we have shared is the eventual capacity after the complete plant constructions. So obviously, initially, we don't expect to have full capacity in place. It will be a gradual sort of capital being invested based on the businesses we secure. So as of now, I would not be to share if the entire 1.85 lakh capacity, how much is currently booked or not booked because as I said, this is currently in terms of a strategic partnership with our customers.

And as of now, I would not like to comment on volumes because we know that volumes can potentially be different than what we see today. But in terms of your question on how much revenue it can generate, INR400 crores plus, INR550 crores. In fact, I would also add another INR300 crores, which we are doing capex for the casting in CSN, which is also like the back end for this EV business, right?

So it's not only INR400 crores, INR550 crores, plus it's also another INR300 crores casting plant, which will be serving primarily the EDU and the DHT business. So in all, it is almost INR1,200-odd crores of capex. So with this capex, we do expect the revenues to be north of 2x, as I said, more than INR2,500 crores at least. And potentially, it can go even more than like INR3,000-odd crores at the peak.

In terms of infotainment, the new business which we have secured, which is expected annual revenues based on the customer guidance of volume is roughly around INR600-odd crores as I shared. This will be not part of standalone consol. This is going to be part of our joint venture with Denso, in the Denso JV, which is not part of our consolidated revenues. It's part of group revenue.

So you will see the share of profit loss as part of the joint venture, it will show there, but not part of revenues. And in terms of 2-wheeler light business, which I shared of almost INR400 crores, INR450 crores, this will be part of the stand-alone Uno Minda financials.

Mumuksh Mandlesha: So sir, on Denso, infotainment part, just can you indicate how you see next 3, 5 years from current INR800-odd crores?

Sunil Bohra: This business, as I said, will anyway get SOP in '28, 2029, which is a 3-year forward, right? But what it does is once we sort of have this business already in our pocket, I'm sure our teams will work together to see how we can onboard more customers, but I'm sure every customer would like to see the actual SOP also. So while we do expect new businesses being secured, I would not like to be able to give you an exact time frame as to what will be the new business and the time frame.

So as of now, this additional INR600 crores will be in FY28, '29 as I shared, plus obviously something which we will keep on working on with other customers because this is the product

we have developed locally. And I'm sure we will be able to convince some of the other customers as well to get some business in our pocket. But as of now, no commitments on that.

Mumuksh Mandlesha: Got it. So I mean from INR800-odd crores, this could be plus INR600 crores. This could be more than INR1,500 crores by FY30 with the ramp-up of the orders.

Sunil Bohra: Absolutely.

Mumuksh Mandlesha: Got it. Just lastly, sir, on the margin side, despite the near-term challenges, do you see the 11% margin guidance for the full year, sir?

Sunil Bohra: Yes. That's what I said, Mumuksh, plus minus 50 basis points, give us that benefit.

Moderator: The next question is from the line of Nishit Jalan from Axis Capital.

Nishit Jalan: Most of my questions have been answered, just a couple of small points. One, you are doing well versus industry in most of the segments. So just wanted to understand where are we in terms of market share across our main segments, which is switches, lighting and alloy wheels, in particular, right? And what will be our capacity in 4-wheeler and 2-wheeler alloy wheels after expansion? Will it be 10 million in 2-wheeler? What will be this on the 4-wheeler side? These are the 2 questions that I had.

Sunil Bohra: Thanks, Nishit. So market share across segments, as you would have seen, we have gained our market share across all the business, be it switch, 2-wheeler, 4-wheeler, lighting, alloy wheels. I think across the board, we have seen market share gains. We can share with you offline in terms of exact numbers. In terms of capacity for 4-wheeler alloy wheel and 2-wheeler alloy wheel. For 2-wheeler alloy wheel, it is going to be roughly around 9.5 million alloy wheel for the year. And for 4-wheelers, it's something around 7 million-odd wheels based on all the projects which have been announced.

Nishit Jalan: Just one follow-up, sorry. You did talk about the pass-through of RM in certain cases, you have 3-month, 6-month contracts. So just wanted to understand, is this 3 months, 6 months dependent on commodities? Or is it dependent on segment as in 4-wheeler 6 months or 2-wheeler 3 months? And second question would be, you are growing much faster than the industry. So are you going deeper with a similar set of customers because you are very strong with few customers in 4-wheeler and 2-wheeler?

Or have you been able to get into some of the other customers also on 4-wheeler, 2-wheeler, where we have not been historically very strong and our share of business is on the lower side. So any color on that in terms of which OEMs you are getting stronger or which OEMs we are still weak? Some color on that would be helpful?

Sunil Bohra: Yes. So Nishit, in terms of pass-through of RM, 3 months, 6 months, it is not commodity-wise. It is customer to customers because every customer have their own policies. In fact, 1 or 2 customers have annually. That's what I said that we are working with the customers to see that these are not the normal situations. These are all abnormal market situations. They are not normal market price movements.

There are abnormal price movements. So how in this time of sudden spikes because if the commodity prices, for example, goes up by 30% or 40%, nobody has a margin of that kind of a number to even absorb those costs. So our customers are really nice. I think we have been getting a very positive reception from our customers in terms of the years in terms of the impact and how do we find a solution in a win-win way so that it does not pinch not only us.

But also our Tier 2 and Tier 3 because you know the automotive supply chain is very, very closely knitted and nobody has those kind of margins to absorb the inflationary pressures, which we have seen immediately after the geopolitical issues. In terms of going deeper with the customers, yes, we are going deeper with our customers and also a new customer, as I shared, some of the specifically the new-age EV customers we have onboarded.

And we have got great insight, some of the new products which we have not been servicing them, we have got there. I would not like to name the customers. That's not been our policy. But yes, there is a mix of both going deeper as well and onboarding new customers as well.

Moderator: Ladies and gentlemen, due to time constraint, we'll take the last question for today from the line of Neel Shah from Purnartha Investment Advisors.

Neel Shah: I would just like you to shed some light on the INR2,500 crores fundraising that you have announced?

Sunil Bohra: So Neel, if that's the only question, I'm assuming, this is only an enabling resolution we take every year. Even last year, we have done it. And this is a mix of all the instruments. It is not necessarily equity. It also covers NCDs and some other borrowings. This is primarily to get in principle approval from our shareholders.

But if there is any specific fundraise plan, we will definitely have a separate communication to you. But as of now, there is no plan, and this is more of an enabling resolution. And if you see every year for the past few years, we have been taking this resolution.

Moderator: As that was the last question for today, I now hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Sunil Bohra: Yes. Thank you. I would like to thank everyone for joining the call. I hope we have been able to respond to most of your queries adequately. For any further information, we request you to please do get in touch with us directly. Thank you.

Moderator: Thank you, members of the management. On behalf of Uno Minda Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.