motherson
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June 05, 2025

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

Symbol: MOTHERSON

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code: 517334

Subject: Transcript of earning conference call

Dear Sir / Madam,

This is with reference to our letter dated May 29, 2025, informing about the audio recording of earnings conference call on the audited standalone financial results and consolidated financial results for the quarter and financial year ended on March 31, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of the aforesaid earnings conference call.

The above information is also available on the website of the Company: www.motherson.com

This is for your information and record.

Yours truly,
For Samvardhana Motherson International Limited

ALOK GOEL
Digitally signed by ALOK GOEL
Date: 2025.06.05 15:47:13 +05'30'

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“Samvardhana Motherson International Limited (SAMIL) Q4 FY25 Results Conference Call”

May 29, 2025

Management:

Mr. Vivek Chaand Sehgal,
Chairman

Mr. Laksh Vaaman Sehgal,
Director

Mr. Pankaj Mital,
COO and Whole Time Director, SAMIL

Mr. Kunal Malani,
CFO, SAMIL

Mr. Rajat Jain,
COO, Vision Systems Business Division

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '25 Results Conference Call, hosted by Samvardhana Motherson International Limited. 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 touchtone phone.

I now hand the conference to Mr. V.C. Sehgal from Motherson. Thank you, and over to you, Mr. Sehgal.

Vivek Chaand Sehgal: Thank you. Good evening, ladies and gentlemen. Thank you for joining the SAMIL results conference call. I'm pleased to announce that the board has approved the results for the quarter 4 and the full year of financial year 2025.

First, I'm thrilled with great joy and pride to highlight that this marks our 50th anniversary of Motherson. We have come a long way, where my mother and me started the business in 1975 with INR 1,000 and today, to over INR 1.13 lakh crores on a net basis or 25.7 billion on a gross basis for financial year '25. To tell you, INR 1,000 in India goes a long way if reinvested.

To commemorate this special occasion, the board has recommended a bonus issue in the ratio of 1:2. That is, one bonus equity share for every two equity shares held. On behalf of the company, I would like to express my gratitude to you, the entire shareholder community for your confidence in Motherson. We should also like to thank our customers for their trust and continuous support.

We also express our sincere thanks to over 200,000 strong Motherson family members for their efforts, dedication, and exceptional hard work. I'm pleased to announce that the Board congratulated the Motherson team for an exceptional performance over the 5-year period despite numerous challenges in a very, very volatile world.

The company achieved its highest-ever sales, outpacing the automotive industry by building several new facilities, integrating a record number of 23 acquisitions and successfully entering new industries. It has also exceeded customer expectations and quality and received multiple global awards.

While delivering an all-round growth and expansion, we remain focused on free cash flow and are able to bring the leverage ratio to the lowest level at 0.9 net debt-to-EBITDA in the 5-year period.

For more results -- for more details on the results, I would like to hand it over to Vaaman and his team to provide a walk-through and business insights. Over to you, Vaaman.

Laksh Vaaman Sehgal: Thank you, Papa. Good evening, everyone. Motherson has delivered its best-ever performance to date, reporting full-year revenues of approximately INR 113,600 crores, an increase of 15% year-on-year. EBITDA rose by 17% to INR 10,877 crores, while profit after tax, our concerned share is up 40% to INR 3,803 crores compared to FY '24.

This performance has come in a challenging production environment and is a strong testament to our most important strength that is our execution capabilities, which have been supported by a well-diversified business model. It provides a cushion against volatilities, enabling strong resilience from our side.

Performance over the last 5 years is perhaps a clear demonstration of the strength of our diversified business model, and you can see more of this on Slide 4. In this period, we have grown revenues at about 19% CAGR, EBITDA at 21% CAGR and PAT concerned share at 68% CAGR.

Needless to say, all this in a period which saw every possible type of uncertainty and volatility, be it COVID, semiconductor shortages, geopolitical conflicts, I could go on and on, ever-changing trade dynamics, you understand this picture.

So coming back to the performance for FY 2025. While the macro environment remains largely stable, global light vehicle production declined by about 1%, reaching around 89.7 million units. This softness was most apparent in the developed markets, while emerging markets such as India and China demonstrated resilience and registered low single-digit growth.

As we ride through the current financial year, there are signs of softening of production volumes, driven mainly by uncertainties created by evolving trade dynamics and evolving platform mix. However, increased penetration of both hybrids and EVs, continued trends of premiumization and increasing preference for SUVs continue to be the tailwinds and are contributing to content growth. While the trade policies are what they are and will keep on changing, we worry about what is in our control.

A lot of you have been asking about implications of the recent changes in the trade politics and policies, and I would again like to reiterate that we follow a global-local strategy and hence, majority of our U.S. sales is USMCA compliant. For the remaining portion of the sales, we are in constructive discussions with our customers regarding the pass-through of tariff-related charges and do not seeing material financial impact. You can see more about this on Slide 19.

The uncertainties around trade dynamics led to pre-buying and buildup of safety stock in March 2025. This implied higher receivables and inventories, and consequently higher working capital. Our working capital as of March 2025 has expanded by approximately INR 2,000 crores, and there is an opportunity to reduce it in ensuing quarters. You can see more on this on Slide 14.

We have come a long way in our diversification journey, and you can see more information about this on Slide 20. On the customer front, I'm happy to announce that we've already achieved 3CX10. On the geography front, there's a fine balance between developed and emerging markets. While developed markets are going through some flux, the emerging markets, on the other hand, are showing tremendous promise and growth potential. More than 50% of our revenues in FY '25 came from emerging markets.

As highlighted, developed markets are experiencing some structural changes, and we are taking proactive measures to stay aligned to these changes. We have already announced a series of transformative measures in Western and Central Europe to breathe with the market, enabling a cost block optimization of approximately EUR 50 million, which we hope to be realized over the next couple of years.

These structural changes, while volatile in the short term, are also throwing up new opportunities such as reshoring of RFQ packages. This is a perfect example of our diversification strategy, shielding us from regional volatility. Additionally, this provides us multiple acquisition opportunities to solve supply chain problems for our customers and remaining true to our vision of being a preferred sustainable solutions provider.

On the business front, I have some further interesting developments to share. The Vision Systems vertical has made strong inroads into camera monitoring systems in the CV segment with lifetime sales of over US$400 million. This is a strong testament to our electronics and software capabilities that we have developed homegrown in SMR.

In the aerospace business, which we started in this 5-year journey, has already grown 5x in a year. And today, we're proud to say it's a Tier 1 supplier to Airbus across its portfolio. You can see more on this on Slide 22.

Consumer electronics is having a very rapid ramp-up and is on track to reach a capacity of 15 to 17 million units by the end of FY '26. There are two new greenfields to support the vertical integration, and these are also on track for start of production, which you can see more on, on Slide 23.

We are also setting up a new PCBA plant to strengthen our vertical integration. And this will also be capable to cater to external customers apart from our internal needs. Building on the capabilities of the aerospace division, we are setting up a new greenfield supply components for equipment used to manufacture silicon wafers, thereby supporting players in the semiconductor industry.

Looking at all these new developments, our capex guidance for the next year and including for our existing business is about INR 6,000 crores plus or minus 10%. 50% of this is regular capex and 50% is purely growth-oriented. Majority of the growth business is towards the non-automotive piece.

While we continue to invest for future growth, our approach remains prudent and disciplined with net effective debt-to-EBITDA ratio at 0.9x as of close of FY '25. We remain well within our stated policy with strong balance sheet capability.

Our consolidated growth for FY '25 is 17.2%. However, if we normalize ROCE by excluding the greenfields that have been operational in Q3 and Q4 and including Atsumitec, which we just closed a few months ago, this comes close to about 17.7%.

Moreover, there is an additional INR2,000 crores of expanded working capital, which I highlighted earlier, which if normalized would mean a ROCE of more than 18%. Finally, there is no better proof of the stability and strength of the diversified business model than a large book business order of approximately US$88 billion.

We're extremely proud of our journey so far, and we are sure that with the continued trust of our shareholders, support from our customers and spirit of our global teams, we are on a very exciting journey ahead. The future is really bright.

With this, I conclude my remarks. I have with me on the call, Pankaj sir, Kunal and Rajat, who will be happy to take your questions now. Moderator, if you could please take over.

Moderator: Our first question comes from the line of Binay from Morgan Stanley.

Binay: Congrats on the performance in a very challenging environment. My first question is on the presentation on Slide 24, you've given $2.7 billion of non-auto order book. And then in other slides, we've given $1.3 billion is coming from aerospace. So could you share where is this remaining $1.4 billion coming from? Is it consumer electronics or which business is this?

Laksh Vaaman Sehgal: Yes. This is Vaaman here. It's coming from all of the others. Of course, consumer electronics is also growing at a fast pace because we already have those plants at operational plus we said that the additional plants are also coming upstream. But they're a mix of all the other businesses, and we expect this to grow even further in the coming quarters.

Binay: And is it fair to look at the remaining $1.4 billion revenue because we've increased -- we've added another plant in the consumer electronics business this time. So we increased the plant over there. So is it fair to say that you sort of have some revenue estimate of those plants added in this order book?

Laksh Vaaman Sehgal: Yes, but still more to come. As you know that the order book of that business is generally small. Consumer electronics business is only about 6 months to 1 year at max. So once the plant is up and ready, you will see a lot more of those -- that order book come in because that's when we have visibility to those orders. Unlike the automotive, which is 5 to 7 years, the consumer electronics is much shorter.

But yes, this is also for the other businesses, like I said. So just watch out for this space, we believe a lot more growth is to come in these new businesses.

Binay: That is very helpful. And Vaaman, just on the consumer electronics, like we gave this line that 15 million to 17 million units by end of FY '26. So like what exactly the unit? Like, for example, is one phone screen one unit, that the way to think about it? Because when you look at the pictorial depiction, the third plant looks significantly bigger than the second plant.

So I'm just trying to see that with just the second plant, we're talking about 15 million, 17 million units. In the third plant scale, like what exactly -- or am I understanding units incorrectly, that one phone is not one unit.

Laksh Vaaman Sehgal: Good question. Actually, our joint venture is into glass. So it's not just phones, it could do a lot of things in the future as well. So right now, of course, we are starting with one product line, but these -- the technology and the capability is able to cater to multiple of different devices.

So right now, yes, it is more towards the phone side. But like I said, the further capability will come into other products as well. So like I said, you have to use some imagination with that. But we'll provide you a lot more information in coming quarters as that starts to come up to steam.

Kunal Malani: So if I might add, you already -- some bits of the products that we are doing, as we move ahead, we have highlighted again and again that we are not going to be just an assembler, we want to do the manufacturing and engineering of it also. And hence, going ahead, there is a portion of backward integration that will also start featuring into our consumer electronics space.

Binay: No, we hope to see these products at your Motherson Investor Day, which you usually hold every once in 5 years. Just last question, what is the final -- like we earlier said INR 2,600 crore investment in consumer electronics. What is the number now because we've added plants over there?

Kunal Malani: Look, right now, it remains the same. What you are seeing on the slide that you're referring to is pertaining to the INR 2,600 crores. I think that Vaaman was mentioning, there's obviously conversation ongoing for further expansions. We have highlighted it also when we had raised capital in September last year. Some of those conversations are ongoing. And as we progress through the year, you'll hear more about it.

Moderator: Our next question comes from the line of Raghu Nandhan from Nuvama Research.

Raghu Nandhan: Congrats on strong performance in challenging times. Firstly, to Kunal sir, first on the module and polymer business, cost seems to have increased Y-o-Y and Q-o-Q? Any cost pressures you would like to call out? Was there any one-offs?

Laksh Vaaman Sehgal: This is Vaaman here. Definitely, that was a place where we had the maximum pressure because of course, the customer mix over there is still figuring out that their program launches. We did have some issues and launches as well, which we have now taken care of and they're all behind us. So definitely, this was one place that we look back and say that this is a place that we can make more improvements coming up in coming quarters, and it should only improve from here.

Kunal Malani: Look, if I might add, the European market in the last quarter was obviously going through some amount of production realignment. We saw around about 8% or 9% decline in the automotive production, which meant the volume throughput was somewhat limited in the European market, which was the largest part of the business in MPP. And hence, the cost looks elevated on that account as well.

Keeping that in mind, in April, we would have seen we have also announced a transformative plan to target around about 50 million of costs. A lot of that is part of this division as well. And in the next couple of years, we should be able to target that cost and reduce that piece as well.

Raghu Nandhan: On the consumer electronics phase, the first plant started operation in November, how is the ramp-up happening? Would it be too early to give out a revenue number for Q4? And the 15 million to 17 million capacity, would it be possible to indicate a revenue potential?

Laksh Vaaman Sehgal: Look, we are not allowed to give out too many numbers for these plants. But I can tell you from the quality perspective, everything was matched. We definitely did a very good ramp-up, a record-time ramp-up for all our customers in that plant. And the joint venture is going really, really good.

We have a great cooperation. The customers have been extremely happy. But we'll be able to really tell you once the new plant is up and those orders kick in. And only then we'll be able to tell you more about that. But I can tell you from a more structural side, it's really much better than our expectation.

Raghu Nandhan: On the global situation, over the medium term, how do you see the shifts happening in the supply chain? And in terms of some of the global OEMs have been talking about increasing U.S. production over the medium term, would Motherson stand to gain within that you already have a strong presence in U.S.? How do you think the supply chains will align over the medium term? That's my last question.

Laksh Vaaman Sehgal: Very good question. I think this is something that Papa has been driving in the group for a long period of time that we are not a company that wants to do a lot of exports. All our plants are local. We try to make them locally competitive, support locally, invest in them. So definitely, whenever there are shifts like these, we have a good opportunity to grow because of our geographical presence in all the countries where these markets are and our close presence to the customers.

So I think that's been one of our strengths in waves of these volatilities and uncertainties that you see. And hence, the performance also is in front of you. We are much more agile to be able to shift production as the customer needs and are already physically present in all those locations with capacity present.

This is also something that Papa forced us to do that as soon as the plant reaches about 75%, 80% of capacity, we start paving way for how to increase it in the short term and be ready for increased production. So that's worked really well for us and also the reason why the customers are looking to us for providing solutions for those places where they have not been able to get these solutions.

So overall, like I said, I think the performance of the company has been phenomenal on -- even though all these things that you're talking about of shifts of production volatility, uncertainties are there, we have coped with it much better because of our production base.

Moderator: Our next question comes from the line of Nitij Mangal from Jefferies. The line of the participant has dropped from the question queue. We'll move on to the next question. Our next question comes from the line of Kapil Singh from Nomura.

Kapil Singh: First of all, congratulations on a very strong performance in the 5-year plan and look forward to meeting you for the next one. My question is on the modules and polymer products division. You mentioned there were some challenges. But given that we are in turbulent times and there have been tariffs-related issues as well, just want to understand whether it was Q4 that faced most of those challenges?

And what should be the starting point for us to look at the margins of this division? Would it put the annual margin to the right benchmark? Or -- because the presentation also talks about some inherent cost changes. So if you could just articulate that as well, what are those? And how are you looking to handle them?

Laksh Vaaman Sehgal: Okay. Thanks, Kapil, for that question. I'll start and maybe Kunal can support me on some of that. Look, when you're running 400 facilities globally, even if you have a problem in 5% of them, that's 20 facilities, right? So first of all, we have to understand the nature of our business. We are taking over companies that are financially in distress. Sometimes, the customer is taking -- telling us to take a lot of programs on, which are complicated. So always we are ready for some sort of a situation where things have not really gone exactly as per plan, and that's part of the business.

Yet we have a very strong DNA of never give up. It's never that we have ever given up a program or platform or a unit or something like that. And we work together with the customer, the people. And the whole group really supports to be able to solve the issues that they are on the field.

So likewise, even in this situation, I think we did have a couple of launches that perhaps did not go exactly as per -- as we had planned them. Numerous reasons why, but we're not a company that gives excuses, we're not going to get into that. We could have definitely done better. And that's something that we are planning for as we move forward. And we have strengthened these things in the last quarter.

Definitely, from the way I see it, that the worst is behind us. The pickup in the margins should only be positive from here as long as, of course, the volume holds. Now you do see that the customers are still figuring out their product portfolios, which are the EVs that they are launching. Some of them are having some success, some of them are not getting the response that they originally envisaged. So it is a mixed bag.

And again, our diversified customer base in these regions, the bolt-on acquisitions that we have done, all of that should, again, as we're solving the problems as they go along;

should all go better. And you should look at it as a year-on-year number, so not a quarter-on-quarter numbers. Too many factors affecting it on a quarter basis. So definitely for the next year, I think you should see a stark improvement from where we are.

Kapil Singh: That's quite helpful. The second question is on the acquisition opportunities. Given this environment, we are seeing many companies facing challenges and we've historically been good in taking these opportunities.

Given the current scenario, how you think about the acquisition opportunity and the landscape over there? Will there be any new considerations that you will take into account besides the usual one that you do? I ask this because of the changes in cost structures which are taking place and also the changes in supply chain. So just some -- I know you can't talk about specific opportunities, but just broad high-level thoughts will help.

Vivek Chaand Sehgal: This is Chaand here. Look, we are always open to acquisitions. And we -- personally, I think that this makes more sense than a joint venture or trying to reinvent the wheel ourselves because once you own the company, then you have the complete freedom to go anywhere in any country and make this thing.

But I have always been guiding my people that you have to make sure that a customer is standing behind asking for that particular acquisition. So if it's only that you feel that's a good business, well, I'd rather that I have a customer telling me that he needs that product and hence, he wants us to do the acquisition.

So Motherson is always open for acquisitions. But like we have said always, and you can see it in the past, all the acquisitions that we do are -- there's a customer standing behind it. And that then gives us a chance to make all three of us happy in that particular thing. Probably that's the reason why 47 of our acquisitions are all doing well. So I hope that answers your question.

Kapil Singh: Very much, sir, and look forward to more of those happening through the next year. Just on the Aerospace division...

Vivek Chaand Sehgal: I hear month.

Kapil Singh: Certainly. Just lastly on the aerospace division, we saw very strong revenue ramp-up over there through to last year, but margins have come off. So just if you could share some color over there as well what's really going on?

Laksh Vaaman Sehgal: Yes. Look, aerospace has been a great addition to the group. Of course, you're seeing numbers now with the addition of AD Industries as well. That was also a unit that was struggling with profitability. So of course, we are making huge inroads together with the customers to improve that and driving group synergies to bring that to the level where we expect in Motherson.

So obviously, in the short term, you've seen where it takes a dip. Apart from that, we're also expanding the facilities, we're building. We build greenfield facilities, together with our partners, in Bengaluru. So those are ramping up.

The customer situation is improving gradually, but in the right direction. But we believe there's further improvements to come. And also, we are pivoting these industries to be serving some of the other customers, such as semiconductor and things like that, which would also helps to deal with the cyclicality of some of these things when they happen.

So again, these are just offshoots right now. You're seeing good growth opportunities. The profitability will come surely in coming quarters. And again, request you to look at it more on a year-on-year basis and really see where we are able to take it by next year.

Moderator: We'll take the next question from the line of Amyn Pirani from JPMorgan.

Amyn Pirani: My first question was that now that fiscal '25 has ended and we are at the end of the last 5-year plan, any initial thoughts for Vision 2030, the broad areas that we should be looking at, what are you thinking about over the next 5-year horizon?

Vivek Chaand Sehgal: Amyn, we are not thinking. We already know what it is. And Motherson works in a way that by December of 2024, fourth -- fifth year last quarter, the whole group had already worked together as to what the number will be for the next 5 years. And we are going to inaugurate that number where, Vaaman?

Laksh Vaaman Sehgal: We are going to have an investor conference in September, and we will tell the full team, the details around it. But Papa, maybe you can -- since the question has been asked, and we have finished the 5-year plan, you can at least give them the highlight of it.

Vivek Chaand Sehgal: If I give them a number, they'll have a small heart attack. So I mean if you're up to it, I can tell you the number. But I think the details on all this is -- will probably be best served if we give you around, I think, August or -- October, November I think this year when the investor conference will be held. At this time, we are wanting to hold the conference in Bombay, I think, to make it easier for most of them. So we'll probably hire a football team or something.

Okay. The number of all the groups and everything put together, we are targeting for 2030 will be US$108 billion on the top line. And of course, the ROCE remains same at 40%. I hope all your hearts are fine.

Amyn Pirani: Yes. Now even more reason for us to look forward to the details as when you host the investor conference. But yes, thanks for giving a glimpse of what we should expect. Just one or two follow-up on the accounting. This consumer electronics venture that you have, just from my understanding, is it a consolidated or this is part of the unconsolidated JVs that you report, just from a reporting and accounting point of view?

Kunal Malani: It's consolidated, Amyn.

Amyn Pirani: Okay, consolidated. Okay, okay. And secondly, your tax rate for this quarter was very low. I noticed that the same thing happened last year fourth quarter. Is there something which happened in the 4 quarter that just we should be mindful of?

Kunal Malani: No, look, I think, obviously, during the other quarters, you are building it out on an estimate basis. Then at the end of the year, you have the final outcomes and then you get to whatever is the adjusted tax base, depending upon how the previous quarters are looking like.

Having said so, there were some one-offs that occurred all the way, totalling to around about 47 on a net basis -- 45 on a net basis. which included some of the tax refunds that we got some places where we reversed our DTAs and some one-off costs on account of repayment of -- or the prepayment of debt that we did with the QIP money.

So altogether, that impact is around about 45. Majority of that is in the tax bucket. And hence, you're seeing this at a slightly muted level. But a better way to look at it would actually be the -- for the year piece rather than for the quarter piece.

Moderator: Our next question comes from the line of Jinesh Gandhi from Oaklane Capital.

Jinesh Gandhi: A couple of questions. First is, we have taken approval for raising debt of INR 8,500 crores. So can you talk about that? What are the applications which you're looking for that?

Kunal Malani: Look, this is once a year, we take it. It's on an estimated basis. It's not that there is something getting planned imminently. It's an in-principle approval that has been sought from the Board. And obviously, when we do raise it, you will hear about all the details, including the use of proceeds and so on.

Jinesh Gandhi: Got it. And secondly, the consumer electronics business including the Phase 1, which is operational, are we thinking about the applying for PLI for electronic components? Are we eligible for that?

Kunal Malani: Yes. We are eligible for that, including some of the SPAC-related, which are special -- especially created by the local government, the state government for the electronic manufacturing piece. So yes, we are part of that.

Jinesh Gandhi: Okay. So we'll be. Thirdly, with respect to the PCB assembly greenfield capex which you're putting up, you have mentioned it for autos, but are we also thinking from non-auto perspective? Is that also an opportunity, given that there's, again, reasonable input content there?

Kunal Malani: Look, like with everything else, it's a capability set that we are building. So obviously, while it is currently for backward integration on the automotive piece, but once we are there, there's nothing stops us from going for any other industry as well.

Laksh Vaaman Sehgal: That's right, Kunal. I think the most important piece is that we bring that capability to us in-house. And as you know, the customers are also requiring the more and more of the electronics on the automotive side is done in-house. This is a push from the government as well, which, of course is the good opportunity for all of us.

But we are not stopping there. Our idea is much larger. We're looking at the right partnerships to enhance capabilities over there. And of course, we're fully capable to do right now what we need for our business, but we are thinking quite larger. And of course, as things develop further over there, we will come back to you and tell you about those also.

Jinesh Gandhi: Okay. Vaaman, any sense on how the imports on PCBs are currently? And what is the opportunity set that we are looking at?

Laksh Vaaman Sehgal: Look, this is something that we've been working on for a while. Of course, the wire harness business itself is also doing some of that. And we are -- now what we're doing is we're putting the entire groups requirement as one. So SMR has a requirement. Rajat is telling me that a total of 15 lines globally is the requirement of -- we already have. And we're building now, of course, for the Indian requirement and in the future also be able to export.

On top of that, like we are talking about our expansion in the consumer electronics. More and more components are coming with PCBA requirements. So we're just preparing for that. We have a large requirement of our own. We're catering to that. And like I said, we will build further on from here once we have secured our own requirement.

Jinesh Gandhi: Got it. And just missed that 59 number. What was that, which Rajat mentioned?

Rajat Jain: So what I was trying to tell is that we only have 15 lines globally across the group. So we already have. And it was to your question that what is the potential and what's the size. So it's not that we don't have the capability, we already have, but it's about preparing more for what we see coming in the future.

Vivek Chaand Sehgal: Everything is getting electronics. We'll need more and more of that.

Jinesh Gandhi: This is a step in right direction. I was just trying to understand how big this opportunity can be.

Moderator: The next question is from the line of Gunjan Prithyani of Bank of America.

Gunjan Prithyani: Just a couple of follow-up questions. On the consumer electronics business, is it possible to share all the INR 2,600 crores number that you had given on CAPEX commitment, how much of it has been done in fiscal '25? And also this INR 6,000 crores, which we again have given that non-automotive would be 50%, so is it possible to break that further and give some sense on how much goes towards consumer electronics?

Kunal Malani: Look, in the period March '25, I think we have done around about INR 900 crores to INR 1,000 crores out of the INR 2,600 crores. So part of that obviously flows into the '26 capex guidance.

And then you are seeing some of the other pieces, which are semiconductor linked some of the PCBA pieces, some of the medical pieces, which are all in the works right now, new aerospace facility coming in, which are all part of the non-automotive part of the group.

Gunjan Prithyani: And so fiscal '26, I mean how big this INR 1,000 crore could get to, like we end up spending the entire INR 2,600 crores within F '26 itself?

Kunal Malani: Look, it is difficult to really say it for certain. But having said so, right now with our plan, the larger facility is supposed to kickstart by mid of FY '27. Going by that, a majority of it should get spent in this year if we are going to be ready for that facility in mid of next year. So I would imagine most would get spent.

Gunjan Prithyani: Okay. So that -- the new greenfield plant is part of this INR 2,600 crores capital commitment?

Kunal Malani: That's right. You're talking about the large greenfield...

Gunjan Prithyani: The large new greenfield plant, yes.

Kunal Malani: It's not new. It's part of the 20 -- it's always part of the INR 2,600 crores. So -- but you're right.

Gunjan Prithyani: Okay. And the 15 million to 16 million units is only the Phase 1, which is sort of already underway, the Plant 2 and Plant 3 will add on top of that. Is that understanding correct?

Kunal Malani: That is right. So one plant is already underway. Plant 2 will kick start in the next few months. And that is where we are seeing that the ramp-up of this to be somewhere around the 15 million to 17 million units by the end of this year.

And obviously, then our largest facility will kick in, which will further enhance this capacity plus build in all the other backward integration pieces as well. And hence, that becomes a much more comprehensive portfolio going ahead.

Gunjan Prithyani: Okay. Got it. And just last clarification on this piece. This consumer electronics business, I noticed when you move to the capex slide, you put it in lighting and electronics, whereas when we talk about the order book, we call it in the non-automotive piece. So you -- I'm just slightly confused in terms of where is it coming in revenues. Is it coming in the lighting and electronics revenue stream? Or is it coming in non-automotive somewhere?

Kunal Malani: No, it is in the lighting and electronics piece. It is more driven out of the fact that it is electronic division. And hence, it is residing in that division. As that business becomes larger, we will start putting it out as a separate item, much like we have done for integrated assembly as an example.

Gunjan Prithyani: Okay. That's clear. The other question that I had was on the on the wiring harness business. Now when I look at the margins of the business, they have actually -- if I look at quarter or even if I look at annually, they've done quite well.

But when I look at the,India there has been some pressure on the India piece. So it seemed like a lot of that margin expansion or improvement is coming from PKC. Generally, that industry has been under pressure, right, commercial vehicle. Just trying to understand, what's happening on the margin piece on wiring harness? And it's a little bit different from what we are seeing on the Indian entity?

Pankaj Mital: So this is Pankaj here. When you're talking about the India piece, there are two components to it. There is a stand-alone business, which has done very well; there is also domestic Indian industry, which is part of the subsidiaries or the associate companies.

And there, there has been a lot of expansion. So you would see that there has been a lot of growth in the new plant setups. If you see the commentary from MSWIL, you would note that there have been expansion expenses relating to new plants and some delayed launches by the customers, which have impacted, to some extent, the margins, but they have still been able to manage very good return on capital employed. So the focus has been on growth there.

And the global business is not on PKC because it's one Motherson, so as a whole division. There are multiple units around the world. Coming out of COVID, we had a lot of challenges in the supply chain. We in-sourced many things. The team around the world worked very hard and worked together with the customers to find unique solutions, continue to work on VAVE and optimizations and improving the efficiencies. So that is -- all resulted in a good set of numbers.

Gunjan Prithyani: Okay. Got it. And last question. On Slide 20, I think you talked about -- or 20 or 21, I think you talked about Yachiyo being able to cross-sell beyond Honda. Can you talk a little bit more about this? I mean, what is the potential? How should we think about the growth in Yachiyo?

And the overall Japan piece, which sort of stands at about 2%, I think, which you mentioned in your country-wise, how should -- how is that composition changing with all the acquisitions that we've made in -- with the Japanese OEMs now?

Vivek Chaand Sehgal: Look, Yachiyo is a new entrant into Motherson field. What we have been able to show to under management is that immediately with them coming, we have got them the orders from other carmakers as well. Till now, they were only working for Honda. All Honda cars all over the world, carry their sunroofs. Now they have already broken ground with new ones.

Next step is to bring in the German carmakers and American carmakers as well into the fold. So Yachiyo has a terrific history. It's probably very competent and probably the only living company at the moment doing this business. So we're grateful for Honda-san have trusted to give us this. But I think there's a tremendous amount of future for them. What do you think, Vaaman?

Laksh Vaaman Sehgal: Yes. Absolutely, Papa. I think not just that, I think fuel tanks are also there, and we're seeing the resurgence of hybrid vehicles. And people thought that a fuel tanks won't be used anymore, well hybrid is still using them. So that's growing quite fast for us, and they have incredible technology in that and probably the world's best capability in doing so.

So a lot of potentials or a lot of new business opportunities entrance into new customers. We are very happy with how Yachiyo has integrated together with Motherson to create another product line for us, multiple product lines for us and getting a lot of good feedback from our customers as well that this is something that was needed to bring in.

So far, I think you will only see that Yachiyo continues to grow. We're in it need to invest further to diversify the customer base and even perhaps bring in more product groups and also possible acquisition opportunities as they become even stronger.

Moderator: The next question comes from the line of Preet from InCred AMC.

Preet: Sir, if you could just break up the organic and inorganic revenue for quarter 4 financial year '25 and for the full year?

Kunal Malani: For the full year, on the inorganic side, we have done around about INR 8,500 crores. This is there on Slide 10 of the presentation. I think if you look at it from a year-on-year basis for the 12 months, we would have grown organically around 7% or 8%. And if I look at it on a quarter-on-quarter basis, then it will probably be flattish on the organic side.

Moderator: The next question comes from the line of Pankaj from Afflut.

Pankaj: Based on gross revenues, which currently...

Moderator: Pankaj, sir, Sorry to interrupt. Your line was not audible until now. Could you please repeat your question once again?

Pankaj: This question is for Sehgal Senior. You talked about 5-year Vision 2030 destination, I mean. Is the $108 billion of revenues, which you talked about, is it based on gross revenues, which currently as on FY '25 was around $26 billion? Or is it based on reported net revenue, which is around US$13-odd billion?

Vivek Chaand Sehgal: Very good question. I had already requested that we are not wanting to give more details. But normally, we go on gross revenue. That's because many different countries, many different taxi and all that. So we follow a number which is gross, and that's how you should look at it. And let's wait till another 3, 4 months, and we'll give you all the details as much as you want.

Pankaj: Sure, sir. So it means 4x -- around 4x to 5x in the next 5 years? Well, thank you and good luck for the same.

Vivek Chaand Sehgal: Sir, we are on the seventh 5-year plan, and we have started from what 12 crores to 100 crores, 100 crores to 200 crores, 200 crores to 10,000 crores, 10,000 crores to 1 billion, 1 billion to 5 billion, 5 billion to 18 billion, which we didn't do because of COVID. And then that time, we did about 9 billion, and now we're at about 26 billion.

But this 5-year plan, just keep in the mind that we have lost almost 3 years because of COVID and related problems. And so we only had 2 years to go from 9 to 27. So that's about 3x. And now we want to go, as you said, 4x, 5x, I don't know. Xs are not important. But the main thing is the whole group is standing behind this target and with bottom line, please.

Moderator: As there are no further questions from the line of the participants, I now hand the conference over to Mr. V.C. Sehgal for closing comments.

Vivek Chaand Sehgal: We actually had no intention to take the storm out of the people's this thing, but I think there was genuinely a request to give some kind of indication as to what our target could be. I just want to reiterate that this particular target is the aspirations of Motherson. They have done this particular thing every 5 years. They have come up, and they have never adjusted the number.

And so I look forward to seeing all of you in the investor conference. And that time, we are thinking -- this time, we should do it in Mumbai, so that more and more people come and have a look and also understand from the teams themselves as to what they visualize the future to be in the next 5 years. So wish you all the best, and thank you for attending this call. Thank you very much. Bye-bye. Back to you.

Moderator: On behalf of Samvardhana Motherson International Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.